

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): January 15, 2025

PRIORITY TECHNOLOGY HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

**Delaware
(State or other jurisdiction
of incorporation)**

**001-37872
(Commission
File Number)**

**47-4257046
(IRS Employer
Identification No.)**

**2001 Westside Parkway
Suite 155
Alpharetta, GA 30004
(Address of principal executive offices, including zip code)**

Registrant's telephone number, including area code: (800) 935-5961

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common stock, par value \$0.001 per share	PRTH	Nasdaq Capital Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

The preliminary financial information for the three months ended December 31, 2024 set forth under Item 8.01 below is incorporated into this Item 2.02 by reference.

Item 7.01 Regulation FD Disclosure.

On January 15, 2025, Priority Technology Holdings, Inc. (the “Company”) issued a press release (the “Press Release”) announcing that it has commenced an underwritten secondary offering (the “Offering”) of shares of the Company’s common stock to be sold by certain selling stockholders (the “Selling Stockholders”). In conjunction with the offering, certain Selling Stockholders intend to grant to the underwriters a 30-day option to purchase additional shares of the Company’s common stock from such Selling Stockholders at the public offering price, less underwriting discounts and commissions. A copy of the Press Release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

On January 15, 2025, the Company released an investor presentation that will be used by the Company with respect to the Offering (the “Investor Presentation”). A copy of the Investor Presentation is furnished as Exhibit 99.2 to this Current Report on Form 8-K.

In accordance with General Instruction B.2 of Form 8-K, the information furnished pursuant to this Item 7.01, Exhibit 99.1 and Exhibit 99.2 shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 8.01 Other Events.

Estimated Preliminary Results for the Three Months Ended December 31, 2024

On January 15, 2025, the Company filed a preliminary prospectus supplement with the Securities and Exchange Commission (the “SEC”) under its effective shelf registration statement on Form S-3 (Registration No. 333-283519) (the “Preliminary Prospectus Supplement”) in connection with the Offering. The Preliminary Prospectus Supplement contains ranges of the Company’s estimated and unaudited preliminary financial results and other information for the three months ended December 31, 2024. These ranges are based on the information currently available to the Company and are subject to the completion of the Company’s financial closing procedures. The Company has provided estimated ranges, rather than specific amounts, because these results are preliminary and subject to change. The Company’s financial closing procedures for the three months ended December 31, 2024 are not yet complete and, as a result, the Company’s actual results may vary from the estimated preliminary results presented here and will not be finalized until after the completion of this offering.

These estimates should not be viewed as a substitute for the Company’s full interim or annual financial statements prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). Further, the Company’s preliminary estimated results are not necessarily indicative of the results to be expected for any future period as a result of various factors, including, but not limited to, those discussed in the sections titled “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements” in the Company’s periodic reports filed with the SEC. Accordingly, you should not place undue reliance on these estimated preliminary financial results.

The preliminary financial results presented below have been prepared by, and are the responsibility of, the Company’s management. The Company’s independent registered public accounting firm, Ernst & Young LLP, has not audited, reviewed, compiled, or performed agreed-upon procedures with respect to these estimated preliminary financial results. Accordingly, Ernst & Young LLP does not express an opinion or any other form of assurance with respect thereto.

The following are the Company's estimated preliminary financial results and key operating metrics for the three months ended December 31, 2024:

(\$ in millions)

	Three Months Ended December 31, 2024	
	Range	
	Low (Estimated)	High (Estimated)
Revenue	\$ 225.2	\$ 227.2
Adjusted Gross Profit ⁽¹⁾	82.7	86.5
Adjusted EBITDA ⁽¹⁾	49.7	54.1

⁽¹⁾See "Reconciliation of GAAP to Non-GAAP Financial Measures" below and the reconciliations of Adjusted Gross Profit and Adjusted EBITDA to their most comparable GAAP measures for additional information.

Reconciliation of GAAP to Non-GAAP Financial Measures

Adjusted Gross Profit and Adjusted EBITDA are non-GAAP financial measures that are not prepared in accordance with GAAP and that may be different from non-GAAP financial measures used by other companies. The Company's management believes that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends of the Company. These non-GAAP measures should not be considered in isolation from, or as an alternative to, financial measures determined in accordance with GAAP. Adjusted Gross Profit is calculated by subtracting cost of services (excluding depreciation and amortization) from revenue. Adjusted EBITDA is calculated as net income prior to interest expense, tax expense, depreciation and amortization expense, adjusted to add back certain non-cash charges and/or non-recurring charges deemed to not be part of normal operating expenses.

The reconciliation of the Company's estimated Adjusted Gross Profit ranges for the three months ended December 31, 2024 to the most comparable GAAP measure is provided below:

(\$ in millions)

	Three Months Ended December 31, 2024	
	Range	
	Low (Estimated)	High (Estimated)
Revenue	\$ 225.2	\$ 227.2
Cost of revenue (excluding depreciation and amortization)	(142.5)	(140.7)
Adjusted Gross Profit	82.7	86.5
Depreciation and amortization of revenue generating assets	(4.2)	(4.2)
Gross profit	\$ 78.5	\$ 82.3

The reconciliation of the Company's estimated Adjusted EBITDA ranges for the three months ended December 31, 2024 to the most comparable GAAP measure is provided below:

(\$ in millions)

	Three Months Ended December 31, 2024	
	Range	
	Low (Estimated)	High (Estimated)
Net Income	\$ 6.6	\$ 9.9
Interest expense	23.1	23.1
Income tax expense	2.0	3.9
Depreciation and amortization	14.0	14.0
EBITDA	45.7	50.9
Stock based compensation	2.8	2.0
Non-recurring items	1.2	1.2
Adjusted EBITDA	\$ 49.7	\$ 54.1

Forward-Looking Statements

This Current Report on Form 8-K contains “forward looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements about future financial and operating results, the Company’s plans, objectives, expectations and intentions with respect to future operations, products and services, and other statements identified by words such as “may,” “will,” “should,” “anticipates,” “believes,” “expects,” “plans,” “future,” “intends,” “could,” “estimate,” “predict,” “projects,” “targeting,” “potential” or “contingent,” “guidance,” “anticipates,” “outlook” or words or phrases of similar meaning. These forward-looking statements include, but are not limited to, the Company’s preliminary financial results. Such forward-looking statements are based upon the current beliefs and expectations of the Company’s management and are inherently subject to significant business, economic and competitive risks, trends and uncertainties that could cause actual results to differ materially from those projected, expressed, or implied by such forward-looking statements. The Company’s actual results could differ from those discussed or implied herein. The Company cautions that it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect the Company’s actual results. All forward-looking statements are expressly qualified in their entirety by these cautionary statements. You should evaluate all forward-looking statements made in this Current Report on Form 8-K in the context of the risks and uncertainties disclosed in the Company’s SEC filings, including the Company’s Annual Report on Form 10-K filed with the SEC on March 12, 2024.

The Company cautions you that the important factors referenced above may not contain all the factors that are important to you. In addition, the Company cannot assure you that the Company will realize the results or developments the Company expects or anticipates or, even if substantially realized, that they will result in the consequences the Company anticipates or affect us or the Company’s operations in the way the Company expects. You are cautioned not to place undue reliance on forward-looking statements as a predictor of future performance. The forward-looking statements included in this Current Report on Form 8-K are made only as of the date hereof. The Company undertakes no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law. If the Company does update one or more forward-looking statements, no inference should be made that the Company will make additional updates with respect to those or other forward-looking statements. The Company qualifies all the Company’s forward-looking statements by these cautionary statements.

This Current Report on Form 8-K, including the exhibits hereto, shall not constitute an offer to sell or the solicitation of an offer to buy the securities of the Company, which is being made only by means of a written prospectus meeting the requirements of Section 10 of the Securities Act, nor shall there be any offer, solicitation, or sale of the securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or other jurisdiction.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Press Release, dated January 15, 2025
99.2	Investor Presentation, dated January 15, 2025
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Priority Technology Holdings, Inc.

Dated: January 15, 2025

By: /s/ Timothy O'Leary
Timothy O'Leary
Chief Financial Officer



Priority Announces Secondary Offering of Common Stock

Alpharetta, GA, January 15, 2025 – Priority Technology Holdings, Inc. (NASDAQ: PRTH) (“Priority” or the “Company”), the payments and banking solution that streamlines collecting, storing, lending and sending money to unlock revenue opportunities, announced today that it has commenced an underwritten secondary offering for 9,157,600 shares of Priority’s common stock to be sold by certain selling stockholders. In conjunction with the offering, certain selling stockholders intend to grant to the underwriters a 30-day option to purchase 1,373,639 additional shares of Priority’s common stock from the selling stockholders at the public offering price, less underwriting discounts and commissions. The offering is subject to market and other conditions, and there can be no assurance as to whether or when the offering may be completed, or as to the actual size or terms of the offering.

The selling stockholders will receive all of the net proceeds from the proposed offering. The Company will not sell any shares of its common stock in the proposed offering and will not receive any proceeds from the sale of shares of the Company’s common stock in the offering.

Keefe, Bruyette & Woods, *A Stifel Company* and TD Cowen are acting as joint lead book-running managers for the offering. B. Riley Securities is acting as a book-running manager for the offering and A.G.P./Alliance Global Partners and Lake Street are acting as co-managers.

The offering is being made pursuant to an effective shelf registration statement (including a prospectus) on Form S-3 (File No. 333-283519) previously filed with the Securities and Exchange Commission (“SEC”). The offering may be made only by means of a prospectus supplement and accompanying prospectus. Before investing, interested parties should read the prospectus supplement, accompanying prospectus and other documents filed by the Company with the SEC for information about the Company and this offering. You may get these documents for free by visiting EDGAR on the SEC website at www.sec.gov. Alternatively, a copy of the prospectus supplement and accompanying prospectus may be obtained from any of the following underwriters at: Keefe, Bruyette & Woods, Inc., 787 Seventh Avenue, 4th Floor, New York, NY 10019, Attention: Equity Capital Markets, by telephone at (800) 966-1559, or by email at USCapitalMarkets@kbw.com; TD Securities (USA) LLC, 1 Vanderbilt Avenue, New York, NY 10017, by telephone at (855) 495-9846 or by email at TD.ECM_Prospectus@tdsecurities.com; B. Riley Securities, Inc., 1300 17th Street North, Suite 1300, Arlington, VA 22209, by telephone at (703) 312-9580, or by email at Prospectuses@brileyfin.com; A.G.P./Alliance Global Partners, LLC, 590 Madison Avenue, 28th Floor New York, NY 10022, Attention: Investment Banking, by telephone at (212) 624-2060, or by email at prospectus@allianceg.com; or Lake Street Capital Markets, LLC, 920 Second Avenue South, Suite 700, Minneapolis, MN 55402, by telephone at (612) 326-1305, or by email at prospectus@lakestreetcm.com.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of, or any solicitation of an offer to buy, Priority’s common stock in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

About Priority

Priority is the payments and banking fintech that enables businesses to collect, store, lend, and send funds through a unified commerce engine. Priority's platform combines payables, merchant services, and banking and treasury solutions so leaders can streamline financial operations efficiently — and Priority's innovative industry experts help businesses navigate and build momentum on the path to growth. With the Priority Commerce Engine, leaders can accelerate cash flow, optimize working capital, reduce unnecessary costs, and unlock new revenue opportunities.

Contacts

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Alison Jones

alison.jones@prth.com

Forward-Looking Statements

This press release contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements about the completion, timing and terms of the offering and other statements identified by words such as “may,” “will,” “should,” “anticipates,” “believes,” “expects,” “plans,” “future,” “intends,” “could,” “estimate,” “predict,” “projects,” “targeting,” “potential” or “contingent,” “guidance,” “outlook” or words of similar meaning. Such forward-looking statements are based upon the current beliefs and expectations of Priority's management and are inherently subject to significant business, economic and competitive risks, trends and uncertainties that could cause actual results to differ materially from those projected, expressed, or implied by such forward-looking statements.

All information set forth herein speaks only as of the date hereof in the case of information about Priority or the date of such information in the case of information from persons other than Priority, and Priority disclaims any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this communication.



Priority Technology
Holdings, Inc.
(Nasdaq: PRTH)

*Investor
Presentation*

January 2025



Disclaimer

Important Notice Regarding Forward-Looking Statements and Non-GAAP Measures

This presentation of Priority Technology Holdings, Inc. ("Priority", "PRTH", "we", "our", or "us") contains "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements about future financial and operating results, our plans, objectives, expectations and intentions with respect to future operations, products and services, and other statements identified by words such as "may," "will," "should," "anticipates," "believes," "expects," "plans," "future," "intends," "could," "estimate," "predict," "projects," "targeting," "potential" or "contingent," "guidance," "anticipates," "outlook" or words or phrases of similar meaning. These forward-looking statements include, but are not limited to, Priority's 2024 outlook and statements regarding our market and growth opportunities. Such forward-looking statements are based upon the current beliefs and expectations of our management and are inherently subject to significant business, economic and competitive risks, trends and uncertainties that could cause actual results to differ materially from those projected, expressed, or implied by such forward-looking statements. Our actual results could differ materially, and potentially adversely, from those discussed or implied herein. We caution that it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect our actual results. All forward-looking statements are expressly qualified in their entirety by these cautionary statements. You should evaluate all forward-looking statements made in this presentation in the context of the risks and uncertainties disclosed in our Securities and Exchange Commission ("SEC") filings, including our Annual Report on Form 10-K filed with the SEC on March 12, 2024. These filings are available online at www.sec.gov or www.prioritycommerce.com.

We caution you that the important factors referenced above may not contain all the factors that are important to you. In addition, we cannot assure you that we will realize the results or developments we expect or anticipate or, even if substantially realized, that they will result in the consequences we anticipate or affect us or our operations in the way we expect. You are cautioned not to place undue reliance on forward-looking statements as a predictor of future performance. The forward-looking statements included in this presentation are made only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law. If we do update one or more forward-looking statements, no inference should be made that we will make additional updates with respect to those or other forward-looking statements. We qualify all our forward-looking statements by these cautionary statements.

This presentation includes certain non-GAAP financial measures that are not prepared in accordance with accounting principles generally accepted in the United States ("GAAP") and that may be different from non-GAAP financial measures used by other companies. Priority believes that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends of the Company. These non-GAAP measures should not be considered in isolation from, or as an alternative to, financial measures determined in accordance with GAAP. Please refer to the appendix slides at the end of this presentation for a reconciliation of such non-GAAP financial measures to the most comparable GAAP numbers. Adjusted Gross profit and Adjusted Gross profit margin referred throughout this presentation are non-GAAP measures. Adjusted Gross profit is calculated by subtracting Cost of services (excluding depreciation and amortization) from Revenue. Adjusted Gross profit margin is calculated by dividing Adjusted Gross profit discussed above by Revenue. Adjusted EBITDA and Adjusted EBITDA margin referred to throughout this presentation are non-GAAP measures. Adjusted EBITDA is calculated as net income prior to interest expense, tax expense, depreciation and amortization expense, adjusted to add back certain non-cash charges and / or non-recurring charges deemed to not be part of normal operating expenses. Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA discussed above by Revenue. Free cash flow ("FCF") and free cash flow conversion referred to throughout this presentation are non-GAAP measures. Free cash flow is calculated as Adjusted EBITDA less Additions to property, equipment and software ("CapEx") as reported in our statement of cash flows. Free cash flow conversion is calculated as FCF / Adjusted EBITDA. Recurring, re-occurring and other revenues referred to throughout this presentation are non-GAAP measures. Recurring revenue represents revenue which are not dependent upon transaction volume or transaction count. Re-occurring revenue represents revenue which are dependent upon transaction volume or transaction count. Other revenues are comprised of any remaining revenue streams that do not qualify as recurring or re-occurring based on the definitions above. Percentage of Recurring and re-occurring revenues is calculated by dividing total of recurring and re-occurring revenues by total revenues. Adjusted gross profit from recurring revenue is calculated by subtracting Cost of services related to recurring revenue (excluding depreciation and amortization) from Recurring revenue. Additionally, we present guidance for Adjusted EBITDA and Adjusted EBITDA as percentage of revenue, non-GAAP measures without reconciliation due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliations.

Special Notice

THIS MANAGEMENT PRESENTATION MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION CONCERNING THE COMPANY OR ITS SECURITIES. BY ACCEPTING THIS MANAGEMENT PRESENTATION, THE RECIPIENT AGREES TO USE ANY SUCH INFORMATION IN ACCORDANCE WITH ITS COMPLIANCE POLICIES, CONTRACTUAL OBLIGATIONS AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.



Transaction Overview

Issuer:	Priority Technology Holdings, Inc.
Exchange / Ticker:	NASDAQ / PRTH
Base Shares Offered:	9,157,600
Overallotment Option:	15%
Primary / Secondary:	100% Secondary
Lock-Up:	90 Days for the Company, Directors and Officers and Selling Stockholders
Joint Lead Bookrunners:	Keefe, Bruyette & Woods, Inc. <i>A Stifel Company</i> and TD Securities (USA) LLC
Joint Bookrunner:	B. Riley Securities, Inc.
Expected Pricing:	January 15th, 2025



Priority Presenters



PRTH
NASDAQ

\$739M
Market Cap¹

75.0%
Insider Ownership¹

Alpharetta, GA
HQ

2005
Founded



TOM PRIORE

Chairman, President,
Chief Executive Officer,
and Co-founder



TIM O'LEARY

Chief Financial
Officer

TITLE

BIO

YRS OF EXP

PRIOR EXP

Transformed Priority into the 6th largest
U.S. non-bank merchant acquirer²
underpinned by unified commerce engine

Seasoned finance, capital markets
and M&A professional that leads
Priority's finance organization

25+

20+

ICP
GUGGENHEIM
PaineWebber

TRUIST

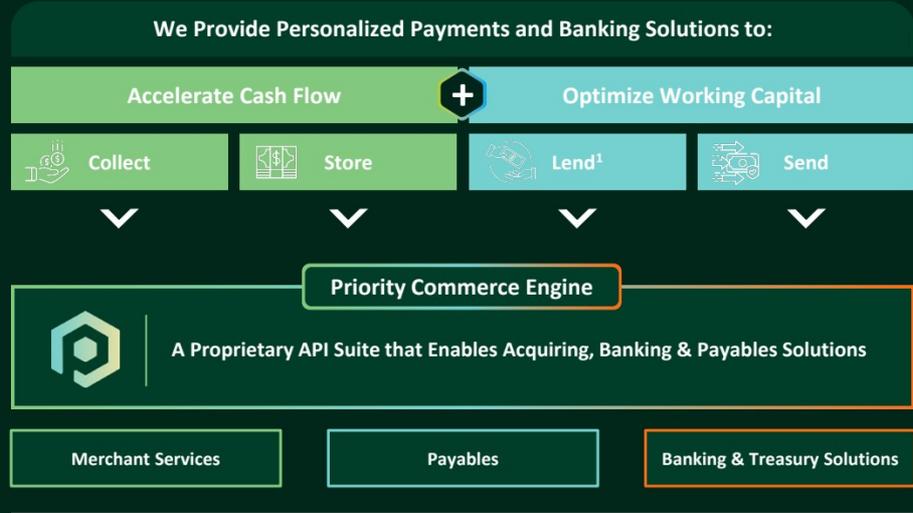
¹ As of 1/14/2025; Insider ownership defined as Board of Directors and management team
² Based on Nilson Report, March 2024



Priority Commerce:

Powering an Ecosystem of Integrated Financial Solutions

- Priority Commerce Engine (PCE) is a **unified platform** that provides our customers a personalized financial toolset to accelerate cash flow and optimize working capital on a single platform to collect, store, lend¹, and send money combining merchant services, payables and banking & treasury solutions
- **Built with vision:** PCE is a **native platform** built to manage money movement in complex multi-party environments



¹ Priority does not assume credit risk as part of its lending solutions, as these solutions are financed by third-party lenders



Priority at a Glance

Priority's Unified Commerce Engine Model Translates Into A Highly Attractive Financial Profile



Improved quality of earnings with majority of Adj. Gross Profit¹ coming from higher margin, recurring revenues that are not dependent on transaction count or bankcard volumes

- Demonstrated top and bottom-line growth
- Unified and efficient technology platform drives high cash flow conversion
- M&A expertise and unified platform has allowed Priority to efficiently integrate and expand top line growth
- Highly visible revenue model with largely recurring or re-occurring revenue

¹ Adjusted Gross Profit, Adjusted EBITDA, Recurring and Re-Occurring Revenue, and FCF Conversion referred to in this presentation are non-GAAP measures. See slide 1 for further details

Unified Technology Platform Operating at Scale

Combines SMB, B2B, and Enterprise functionality into a single platform that enables partners / merchants to collect, store, lend¹, and send money

SMB

Provides full-service acquiring and payment-enabled solutions for B2C transactions, leveraging Priority's proprietary software platform, distributed through ISO, direct sales, and vertically focused ISV channels

Q3 '24 Revenue
\$158.8M

Q3 '24 Adj. Gross Profit Margin²
22.4%

- 6th Largest Non-bank Merchant Acquirer³
- \$70.3B Total Card Dollar Volume⁴
- ~1,100 Reselling Partners in Q3 '24
- Full-stack, Full-service

B2B

Provides market-leading AP automation solutions to corporations, software partners, and industry leading FIs (including Citibank and Mastercard)

Q3 '24 Revenue
\$22.1M

Q3 '24 Adj. Gross Profit Margin²
28.5%

- \$46.4B LTM Q3 '24 Volume
- 90K Buyers on Platform in LTM Q3 '24
- 28K Suppliers added in 2024

Enterprise

Provides Embedded Banking & Treasury Solutions to customers to modernize legacy platforms and accelerate software partners' strategies to monetize payments

Q3 '24 Revenue
\$47.1M

Q3 '24 Adj. Gross Profit Margin²
93.6%

- \$1.1B Account Balances⁵
- 92 Integrated Partners
- 100% Nationwide MTL Coverage⁶

¹ Priority does not assume credit risk as part of its lending solutions, as these solutions are financed by third-party lenders

² Adjusted Gross Profit margin referred to in this presentation is a non-GAAP measure. See slide 1 for further details

³ Based on Nilson Report, March 2024

⁴ LTM as of Q3 '24, includes bankcard dollar volume, debit card volume, and other credit card volume

⁵ Includes account balances across all Priority operating segments as of Q3 '24

⁶ Includes money transmission licenses (MTLs) in 46 states, the District of Columbia and two U.S. territories, and agency relationships in 4 states



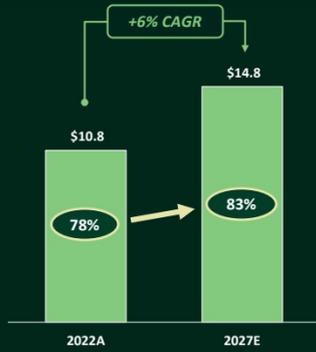
Large Addressable Markets with Strong Secular Growth Tailwinds

SMB

US Consumer Payments Volume

In 2022, card-based payment methods represented 78%¹ of all consumer payment systems purchase volume

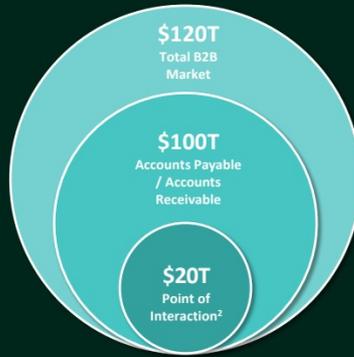
(\$ in Trillions)



B2B

Global B2B Payments Market

The spend opportunity in the global accounts payable/accounts receivable flow is ~\$100T, with about ~\$25T of that opportunity in North America

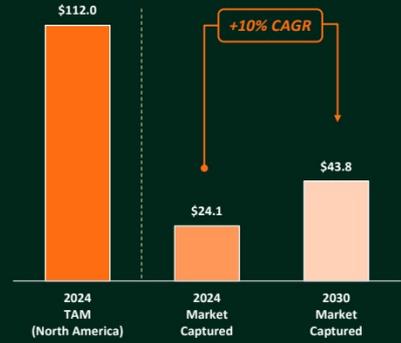


Enterprise

Embedded Finance Market

Embedded finance represents a ~\$112B addressable market across North America, of which only ~\$24B (~17%) has been captured

(\$ in Billions)



¹ Excludes volume for which no payment was made (i.e. "nonpurchases")

² Point of Interaction represents commercial card and business transactions that are payable by card
Source: Industry Research, Third-Party Research



Experienced Management Team with Proven Track Record of Execution

Founder-led management team with significant industry experience and track record of growth & profitability

NAME								
TITLE	Chairman, President, CEO and Co-founder	Chief Financial Officer	Chief Operating Officer	Chief Strategy Officer	General Counsel and Chief Risk Officer	Chief Technology Officer	Chief Marketing Officer	Senior Vice President and Chief Accounting Officer
BIO	Transformed Priority into the 6th largest U.S. non-bank merchant acquirer ¹ underpinned by unified commerce engine	Seasoned finance, capital markets and M&A professional that leads Priority's finance organization	Provides company-wide leadership over day-to-day operations and implementation of key business initiatives	Experienced professional with deep technology background that leads product strategy initiatives	Responsible for all facets of Priority's legal, risk and compliance functions	Oversees all aspects of product and technology strategy	Communications professional with experience in marketing, corporate communications, public relations, & analyst relations	Leads Priority's accounting and financial reporting functions
YRS OF EXP	25+	20+	20+	20+	25+	30+	20+	15+
PRIOR EXP	ICP GUGGENHEIM PaineWebber	TRUIST	ICP CREDIT SUISSE	CORNERSTONE HYPERCOM SYNTELLECT	United Community KILPATRICK TOWNSEND	plastic Fidelity Putnam	sage IBM MCKESSON	MCKESSON EY
EDUCATION	HARVARD UNIVERSITY Columbia Business School	KELLEY SCHOOL OF BUSINESS NAU	UNIVERSITY OF MICHIGAN	IOWA STATE UNIVERSITY	UIC JOHN MARSHALL LAW SCHOOL GEORGIA SOUTHERN UNIVERSITY		HOFSTRA UNIVERSITY	CA UNIVERSITY



Key Investment Highlights



Leading Commerce Technology Platform

Operating at Scale

- Purpose-built financial toolset to accelerate cash flow and optimize working capital for businesses on a single platform
- Proprietary API suite that enables acquiring, banking & payables solutions
- Configurable technology that can manage complex money movement in any industry vertical



Significant Addressable Markets

with Strong Secular Growth Tailwinds

- The U.S. consumer card payment volume is expected to grow by \$4 trillion USD from 2022A – 2027E
- Accounts payable / accounts receivable flows represent a ~\$25 trillion addressable market across North America
- Embedded finance represents a ~\$112B addressable market across North America



Attractive Financial Profile¹

with Strong Free Cash Flow Conversion and Continued Shift to Recurring Revenue Model

- Strong Revenue and Adjusted EBITDA growth (21%² and 32%², respectively) driving robust free cash flow conversion
- Continued shift to Recurring Revenue model with 60% of Adj. Gross Profit not dependent on transactions or volume
- Asset-lite business model with limited CapEx needs and minimal capital requirements



Disciplined Financial Policies

with Strong Balance Sheet and Proven Ability to De-lever

- Priority is committed to sustaining a balanced credit profile
- Proven ability to reduce leverage following acquisition-related financing events
- Capital allocation strategy is focused on achieving profitable growth and enhancing shareholder value



Disciplined Acquisition Strategy

with Proven Track Record of Execution

- Founder-led management team has significant ownership and is aligned with shareholder interests
- Significant acquisition experience and track record of growth & profitability
- Successfully acquired multiple businesses and portfolios, consistently achieving and outperforming guidance



Financial Performance Overview



Priority Metrics at a Glance

Priority Overview

- Priority is a tech-enabled Payments and Embedded Banking & Treasury Solutions provider that offers clear advantages for businesses to accelerate cash flow and optimize working capital
- Positioned to perform in all market conditions with diversified payment revenue sources balanced with countercyclical assets
- Provides end-to-end operational support including risk & underwriting, full compliance, and customer service
- Solutions are delivered to customers within three distinct business segments:
 - **SMB:** Provides full-service acquiring and payment-enabled solutions for B2C transactions
 - **B2B:** Offers market-leading accounts payable (“AP”) automation solutions to corporations, software partners, and financial institutions (“FIs”)
 - **Enterprise:** Delivers Embedded Payments as well as Embedded Banking & Treasury Solutions to enterprise customers to modernize legacy platforms, and accelerate software partners’ strategies to monetize payments
- Established in 2005 and headquartered in Alpharetta, Georgia

Priority by the Numbers



Revenue (\$M) & Adj. EBITDA Margin³

Adj. EBITDA Margin³ is estimated to expand 456 basis points since 2021



¹ As of Q3 2024

² Based on Nilson Report, March 2024

³ Adjusted EBITDA margin referred to in this presentation is a non-GAAP measure. See slide 1 for further details

⁴ 2024E incorporates midpoint of most recent publicly disclosed Q4 2024 guidance



Responsive and Personalized Financial API Toolkit Drives Enhanced Returns

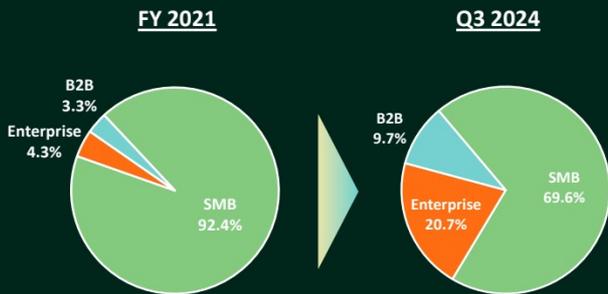


¹ Reflects segment level performance and does not include operating overhead and shared costs managed centrally in the corporate segment and eliminations
² Adjusted Gross Profit margin referred to in this presentation is a non-GAAP measure. See slide 1 for further details

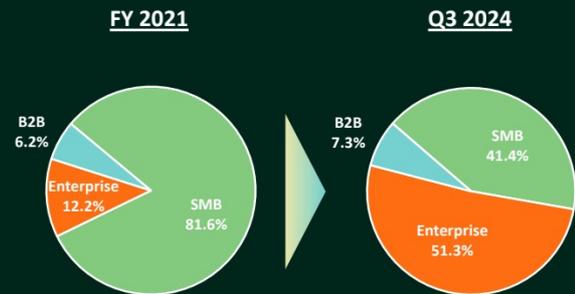


Continued Shift to Higher Margin Segments

Revenue Contribution by Segment



Adj. Gross Profit¹ Contribution by Segment



Further margin expansion opportunity exists through cross-sell of broader solution set to existing customers across all channels

¹ Adjusted Gross Profit referred to in this presentation is a non-GAAP measure. See slide 1 for further details



YTD Q3 2024 Consolidated Results



Consolidated Revenue increased 17% to **\$652.6 million**



Consolidated Adj. Gross Profit¹ increased 21% to **\$244.1 million**



Consolidated Adj. Gross Profit margin¹ increased 100 basis points to **37.4%**



Consolidated Adj. EBITDA¹ increased 23% to **\$152.5 million**

¹ Adjusted Gross Profit, Adjusted Gross Profit margin, and Adjusted EBITDA referred to in this presentation are non-GAAP measures. See slide 1 for further details



SMB Segment Highlights

SMB Segment Commentary

- Provides technology-enabled payment acceptance and business management capabilities to merchants, enterprises and distribution partners
- Our comprehensive suite of solutions enables merchants to identify key consumer trends in their businesses, quickly implement e-commerce or retail POS solutions, and handle ACH payments
- We provide our SMB payments reselling partners with automated tools that support low friction merchant on-boarding, underwriting and risk management, client service, and commission processing through a single mobile-enabled, web-based interface
- Our strong retention, coupled with consistent merchant on-boarding, have resulted in strong processing volume and organic revenue growth
- We believe that our existing merchant base serves as cross-sell opportunity to deploy higher margin product offerings

6th
Largest Non-bank Merchant Acquirer²

\$70.3B
Total Card Dollar Volume³

~1,100
Reselling Partners⁴

Q3 2024 SMB Segment Results

Revenue
\$158.8M

Adj. Gross Profit¹
\$35.6M

Adj. Gross Profit Margin¹
22.4%

Adj. EBITDA¹
\$28.6M



¹ Adjusted Gross Profit, Adjusted Gross Profit margin, and Adjusted EBITDA referred to in this presentation are non-GAAP measures. See slide 1 for further details
² Based on Nilson Report, March 2024
³ LTM as of Q3 '24, includes bankcard dollar volume, debit card volume, and other credit card volume
⁴ As of Q3 '24

B2B Segment Highlights

B2B Segment Commentary

- Provides market-leading AP automation solutions to corporations, software partners and industry leading FIs (including Citibank and Mastercard)
- We establish a seamless bridge for buyer-to-supplier (payor-to-provider) payments that is integrated directly to a buyer's payment instruction file to facilitate payments to vendors via all payment types (virtual card, purchase card, ACH +, dynamic discounting, wires, and checks)
- Completed complementary acquisition of PlastiQ in Q3 2023
- Continued emphasis on adding talent and building out leadership roles to improve financial and operational performance

\$46.4B
LTM Q3 '24
Volume

90K
Buyers on
Platform in
LTM Q3 '24

28K
Suppliers
added in 2024

Q3 2024 B2B Segment Results

Revenue
\$22.1M

Adj. Gross Profit¹
\$6.3M

Adj. Gross Profit Margin¹
28.5%

Adj. EBITDA¹
\$1.9M



¹ Adjusted Gross Profit, Adjusted Gross Profit margin, and Adjusted EBITDA referred to in this presentation are non-GAAP measures. See slide 1 for further details

Enterprise Segment Highlights

Enterprise Segment Commentary

- Provides solutions that leverage Priority's core payments engine, automated payables platform and account ledgering capabilities, all via API resources:
 - Enables software partners and business platform customers to embed payments and treasury solutions into their core operating and business systems to collect, store, lend⁴, and send money for their customers
 - Fully embedded banking solutions manages the inflows and outflows, and reconciliation, of all forms of payments for any number of clients from a single account
- Priority generates revenue primarily from payment processing transactions, monthly subscription services and other solutions provided to customers, and interest income from the permissible investments of the deposits Priority holds
- Favorable trends in new monthly enrollments and billed clients, combined with an increase in the number of Passport program managers continue to drive account balance growth, offsetting the impact of Fed rate cuts

\$1.1B
Account
Balances²

92
Integrated
Partners

100%
Nationwide
MTL Coverage³

Q3 2024 Enterprise Segment Results

Revenue
\$47.1M

Adj. Gross Profit¹
\$44.1M

Adj. Gross Profit Margin¹
93.6%

Adj. EBITDA¹
\$40.9M



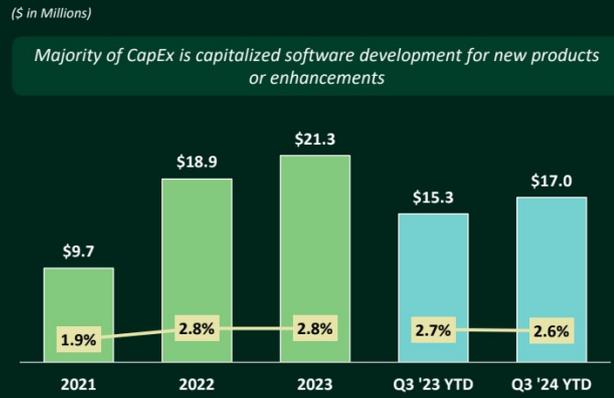
¹ Adjusted Gross Profit, Adjusted Gross Profit margin, and Adjusted EBITDA referred to in this presentation are non-GAAP measures. See slide 1 for further details
² Includes account balances across all Priority operating segments as of Q3 '24
³ Includes money transmission licenses (MTLs) in 46 states, the District of Columbia and two U.S. territories, and agency relationships in 4 states
⁴ Priority does not assume credit risk as part of its lending solutions, as these solutions are financed by third-party lenders

Strong Free Cash Flow and Minimal Capital Needs

Free Cash Flow & Free Cash Flow Conversion %¹



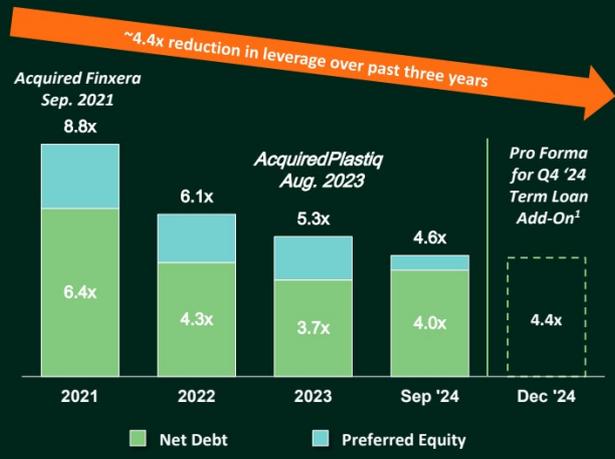
CapEx Spend (and as a % of Revenue)



¹ Free Cash Flow and Free Cash Flow Conversion referred to in this presentation are non-GAAP measures. See slide 1 for further details

Disciplined Financial Policy with Strong Balance Sheet and Proven Ability to De-Lever

Historical Net Leverage (incl Preferred Equity)



Commentary

- Priority is committed to sustaining a strong credit profile while achieving profitable growth
- Proven ability to reduce leverage while also executing M&A strategy as demonstrated following the Finxera and Plastiq acquisitions
- Priority maintains ample liquidity with \$40M+ of unrestricted cash and an undrawn \$70M revolving credit facility
- Redeemed the balance of preferred equity in Nov 2024 to simplify the capital structure and lower all-in cost of capital

¹ 2024E incorporates midpoint of most recent publicly disclosed Q4 2024 guidance, Q3 '24 unrestricted cash balance, and \$115M of incremental term debt issued in Nov 2024 to redeem the balance of preferred equity



Acquisition Strategy



Vertical Market Expansion

- Acquire leading providers in new vertical markets that represent large TAMs with deep profit pools
- Ability to integrate to Priority Commerce Engine to drive operating efficiencies along with market differentiated solutions

Examples

- *Consumer Directed Healthcare TPAs*
- *Construction and Real Estate Tech*
- Gaming
- *Asset Management*
- *Escrow Services*



Increased Distribution & Geographic Capabilities

- Acquire leading providers in existing markets to increase scale, deepen bench of distribution partners and/or enhance margins with direct sales conversion
- Acquire international platforms to efficiently enter new geographic markets

Examples

- Competitors in SMB, B2B and Enterprise
- Current Resellers in SMB
- Integrated Software Partners in Enterprise
- International Expansion (Canada, UK, India)



Technology or Product Enhancements

- Acquire platforms that have strong technology or product but limited distribution and/or operating scale but could benefit from Priority's broader reach and infrastructure

Examples

- *POS and Handheld Devices*
- *Payroll Services*
- *International Remittance*
- AI / Business Intelligence

Highlighted and italicized text notes an area where Priority already has an active investment or product offering



Successful Execution of Acquisition Strategy



Cynergy Data, LLC (2014)

- Increased Distribution Capabilities – acquired competitor with significant presence in the ISO market but required operating efficiencies and technology improvement

Outcome

- Acquired 58% interest (2014) from Comvest Partners ("Comvest")
- At time of acquisition, Comvest's retained interest was valued at \$97M
- Improvements under Priority ownership grew Revenue and Adj. EBITDA by 40% and 71% which allowed Comvest to exit (2017) for \$200M



RentPayment (2019)

- Vertical Market Expansion – entry into rent payments market
- Leveraged Priority's infrastructure and development resources to enhance product and operating efficiencies

Outcome

- Acquired RentPayment from Yapstone, Inc for \$71M (2019)
- Improved technology and operations while growing Revenue +25% and Adj. EBITDA +65%
- Sold "front-end" for \$179M (2020) for ~2.5x MOIC in 2 years



Finxera (2021)

- Vertical Market Expansion – entry into consumer wellness marketplace
- Technology or Product Enhancement – acquired ledgering technology as foundation for Banking & Treasury Solutions

Outcome

- Acquired 100% ownership for \$407M net of cash (2021)
- Leveraged technology platform as foundation for Banking & Treasury Solutions on the Priority Commerce Engine



Plastiq (2023)

- Technology or Product Enhancement – provided buyer-funded payables capabilities while leveraging Priority's distribution and infrastructure capabilities to drive operating efficiencies

Outcome

- Acquired Plastiq assets out of bankruptcy as "stalking horse bidder" for \$37.3M (2023)
- Adj. EBITDA positive within 2 quarters of acquisition due to operational and go-to-market efficiencies as part of payables solution set under Priority ownership



Recent Developments

We have not yet completed our closing procedures for the three months ended December 31, 2024. Presented below are ranges of our estimated preliminary financial results for the three months ended December 31, 2024.

These ranges are based on the information available to us currently. We have provided estimated ranges, rather than specific amounts, because these results are preliminary and subject to change. As such, our actual results may differ (including outside both ends of the range) from the estimated preliminary results presented hereunder and will not be finalized until after we close this offering and complete of our normal quarter-end accounting procedures, including the execution of our internal control over financial reporting. These ranges reflect our management's best estimate of the impact of events during the quarter.

The following are our estimated preliminary financial results and key operating metrics for the three months ended December 31, 2024:

- Revenue is expected to be between \$225.2M and \$227.2M
- Adjusted Gross Profit¹ is expected to be between \$82.7M and \$86.5M
- Adjusted EBITDA¹ is expected to be between \$49.7M and \$54.1M

Q4 '24 Adjusted Gross Profit¹ Outlook

(\$ in millions)	Three months ended December 31, 2024	
	Low	High
Revenue	\$225.2	\$227.2
Cost of revenue (excluding depreciation and amortization)	(\$142.5)	(\$140.7)
Adjusted Gross Profit ¹	\$82.7	\$86.5
Depreciation and amortization of revenue generating assets	(\$4.2)	(\$4.2)
Gross Profit	\$78.5	\$82.3

Q4 '24 Adjusted EBITDA¹ Outlook

(\$ in millions)	Three months ended December 31, 2024	
	Low	High
Net Income	\$6.6	\$9.9
Interest expense	\$23.1	\$23.1
Income tax expense	\$2.0	\$3.9
Depreciation and amortization	\$14.0	\$14.0
EBITDA	\$45.7	\$50.9
Stock based compensation	\$2.8	\$2.0
Non-recurring items	\$1.2	\$1.2
Adjusted EBITDA ¹	\$49.7	\$54.1

¹ Adjusted Gross Profit and Adjusted EBITDA referred to in this presentation are non-GAAP measures. See slide 1 for further details



2025 Preliminary Outlook

We have not yet completed our procedures to set an annual plan approved by the Board of Directors. Presented below are ranges of our estimated preliminary forecasted results for the full year 2025.

These ranges are based on the information available to us currently. We have provided estimated ranges, rather than specific amounts, because these results are preliminary and subject to change. As such, our actual results may differ (including outside both ends of the range) from the estimated preliminary forecasted results presented hereunder. These ranges reflect our management's best estimate of the impact of events during the full year 2025.

Based on our estimated preliminary financial results and key operating metrics for the three months ended December 31, 2024 along with our estimated preliminary forecasted results for the year, our preliminary outlook for the full year 2025 is as follows:

10.0% – 14.0%

Revenue Growth Range
Compared to Fiscal Year
2024 Results

37.5% - 39.0%

Adj. Gross Profit
Margin¹ Range

22.5% – 24.0%

Adj. EBITDA
Margin¹ Range

¹ Adjusted Gross Profit, Adjusted Gross Profit margin, and Adjusted EBITDA referred to in this presentation are non-GAAP measures. See slide 1 for further details



Key Investment Highlights



¹ Recurring Revenue, Adjusted Gross Profit, and Free Cash Flow referred to in this presentation are non-GAAP measures. See slide 1 for further details



Appendix



Appendix 1 – Adjusted Gross Profit¹ Reconciliation

The reconciliation of Adjusted Gross Profit to its most comparable GAAP measure is provided below:

	<i>(in Millions)</i> Three Months Ended September 30, 2024					<i>(in Millions)</i> Three Months Ended September 30, 2023				
	SMB	B2B	Enterprise	Eliminations	Total	SMB	B2B	Enterprise	Eliminations	Total
Revenues	\$ 158.8	\$ 22.1	\$ 47.1	\$ (1.0)	\$ 227.0	\$ 140.2	\$ 14.0	\$ 35.2	\$ (0.4)	\$ 189.0
Cost of revenue (excluding depreciation and amortization)	(123.2)	(15.8)	(3.0)	1.0	(141.1)	(105.8)	(8.9)	(2.4)	0.4	(116.7)
Adjusted Gross Profit	35.6	6.3	44.1	(0.0)	86.0	34.5	5.1	32.8	(0.0)	72.3
Adjusted Gross Profit Margin	22.4%	28.5%	93.6%		37.9%	24.6%	36.6%	93.2%		38.3%
Depreciation and amortization of revenue generating assets	(1.9)	(0.7)	(1.6)	--	(4.2)	(1.6)	(0.4)	(1.0)	--	(3.0)
Gross profit	\$ 33.7	\$ 5.6	\$ 42.4	\$ (0.0)	\$ 81.8	\$ 32.9	\$ 4.7	\$ 31.7	\$ (0.0)	\$ 69.3
Gross profit margin	21.2%	25.4%	90.1%		36.0%	23.5%	33.7%	90.2%		36.7%

	<i>(in Millions)</i> Nine Months Ended September 30, 2024					<i>(in Millions)</i> Nine Months Ended September 30, 2023				
	SMB	B2B	Enterprise	Eliminations	Total	SMB	B2B	Enterprise	Eliminations	Total
Revenues	\$ 457.9	\$ 65.4	\$ 131.8	\$ (2.4)	\$ 652.6	\$ 443.1	\$ 19.7	\$ 93.9	\$ (0.5)	\$ 556.3
Cost of revenue (excluding depreciation and amortization)	(354.8)	(47.3)	(8.8)	2.4	(408.5)	(337.9)	(10.3)	(6.1)	0.4	(353.9)
Adjusted Gross Profit	103.1	18.1	123.0	(0.0)	244.1	105.2	9.4	87.8	(0.0)	202.4
Adjusted Gross Profit Margin	22.5%	27.6%	93.3%		37.4%	23.7%	47.6%	93.5%		36.4%
Depreciation and amortization of revenue generating assets	(5.5)	(2.2)	(4.4)	--	(12.0)	(5.0)	(0.8)	(3.2)	--	(9.0)
Gross profit	\$ 97.6	\$ 15.9	\$ 118.5	\$ (0.0)	\$ 232.1	\$ 100.2	\$ 8.6	\$ 84.6	\$ (0.0)	\$ 193.4
Gross profit margin	21.3%	24.3%	90.0%		35.6%	22.6%	43.6%	90.1%		34.8%

Note: Certain dollar amounts may not add mathematically due to rounding

¹Adjusted Gross Profit and Adjusted Gross Profit margin referred to in this presentation are non-GAAP measures. See slide 1 for further details



Appendix 2 – Adjusted EBITDA¹ Reconciliation

The reconciliation of Adjusted EBITDA to its most comparable GAAP measure is provided below:

	(\$ in Millions)					(\$ in Millions)				
	Three Months Ended September 30, 2024					Three Months Ended September 30, 2023				
	SMB	B2B	Enterprise	Corporate	Total	SMB	B2B	Enterprise	Corporate	Total
Adjusted EBITDA	\$ 28.6	\$ 1.9	\$ 40.9	\$ (16.9)	\$ 54.6	\$ 27.6	\$ 1.4	\$ 29.8	\$ (13.8)	\$ 45.0
Adjusted EBITDA Margin	18.0%	8.7%	86.9%		24.1%	19.7%	9.7%	84.6%		23.8%
Interest Expense	--	(1.1)	--	(22.2)	(23.2)	--	(0.5)	(0.1)	(19.4)	(20.0)
Depreciation and Amortization	(6.9)	(1.3)	(4.3)	(1.2)	(13.7)	(9.1)	(0.7)	(5.9)	(1.5)	(17.3)
Debt Modification and Extinguishment Expenses	--	--	--	(0.0)	(0.0)	--	--	--	--	--
Selling, General and Administrative (Non-Recurring)	--	--	--	(0.7)	(0.7)	--	--	--	(2.1)	(2.1)
Non-Cash Stock Based Compensation	(0.0)	(0.1)	(0.0)	(1.3)	(1.4)	(0.1)	(0.0)	(0.1)	(1.3)	(1.5)
Non-Cash Other Losses	--	--	--	--	--	--	--	--	0.2	0.2
Income (Loss) Before Taxes	\$ 21.7	\$ (0.5)	\$ 36.6	\$ (42.3)	\$ 15.5	\$ 18.4	\$ 0.1	\$ 23.7	\$ (37.9)	\$ 4.2
Income (Loss) Before Taxes % of Revenue	13.7%	(2.1%)	77.7%		6.8%	13.1%	0.8%	67.3%		2.2%

	(\$ in Millions)					(\$ in Millions)				
	Nine Months Ended September 30, 2024					Nine Months Ended September 30, 2023				
	SMB	B2B	Enterprise	Corporate	Total	SMB	B2B	Enterprise	Corporate	Total
Adjusted EBITDA	\$ 82.3	\$ 5.2	\$ 112.9	\$ (47.9)	\$ 152.5	\$ 84.4	\$ 1.9	\$ 77.9	\$ (40.5)	\$ 123.7
Adjusted EBITDA Margin	18.0%	8.0%	85.7%		23.4%	19.1%	9.5%	82.9%		22.2%
Interest Expense	(0.0)	(3.3)	--	(62.6)	(65.8)	(0.0)	(0.5)	(0.3)	(54.7)	(55.5)
Depreciation and Amortization	(24.1)	(4.0)	(12.4)	(3.7)	(44.2)	(27.6)	(0.8)	(18.6)	(6.4)	(53.3)
Debt Modification and Extinguishment Expenses	--	--	--	(8.7)	(8.7)	--	--	--	--	--
Selling, General and Administrative (Non-Recurring)	--	--	--	(2.1)	(2.1)	--	--	--	(4.4)	(4.4)
Non-Cash Stock Based Compensation	(0.0)	(0.3)	(0.1)	(4.5)	(4.9)	(0.4)	(0.2)	(0.2)	(4.3)	(5.2)
Non-Cash Other Losses	--	--	--	--	--	--	--	--	0.0	0.0
Income (Loss) Before Taxes	\$ 58.2	\$ (2.4)	\$ 100.4	\$ (129.4)	\$ 26.8	\$ 56.5	\$ 0.4	\$ 58.8	\$ (110.3)	\$ 5.3
Income (Loss) Before Taxes % of Revenue	12.7%	(3.6%)	76.2%		4.1%	12.7%	2.0%	62.6%		1.0%

Note: Certain dollar amounts may not add mathematically due to rounding.
¹Adjusted EBITDA and Adjusted EBITDA margin referred to in this presentation are non-GAAP measures. See slide 1 for further details.



Appendix 3 – Recurring and Re-Occurring Revenue and Related Adjusted Gross Profit Reconciliation¹

The breakdown of Recurring vs. Re-Occurring Revenue and Adjusted Gross Profit is provided below:

<i>(\$ in Millions)</i>	<u>Three months ended September 30, 2024</u>	<u>% of Total</u>
Recurring revenue	\$ 66.9	29%
Re-Occurring revenue	153.7	68%
Other	6.5	3%
Total Revenue	\$ 227.0	100%
Recurring Cost of Revenue (excludes depreciation and amortization)	\$ 15.6	11%
Re-Occurring Cost of Services (excludes depreciation and amortization)	120.1	85%
Other Cost of Services (excludes depreciation and amortization)	5.4	4%
Total Cost of Revenue (excludes depreciation and amortization)	\$ 141.1	100%
Adjusted Gross Profit from Recurring revenue	\$ 51.3	60%
Adjusted Gross Profit from Re-Occurring revenue	33.6	39%
Adjusted Gross Profit from other revenues	1.1	1%
Total Adjusted Gross Profit	\$ 86.0	100%
Depreciation and amortization for revenue generating assets	(4.2)	
Gross profit	\$ 81.8	

Note: Certain dollar amounts may not add mathematically due to rounding

¹Recurring Revenue, Re-Occurring Revenue, Adjusted Gross Profit, Adjusted Gross Profit from Recurring Revenue, and Adjusted Gross Profit from Re-Occurring Revenue referred to in this presentation are non-GAAP measures

See slide 1 for further details



Appendix 4 – Free Cash Flow and Free Cash Flow Conversion Reconciliation¹

The reconciliation of Adjusted EBITDA to Free Cash Flow and Free Cash Flow Conversion is provided below:

(\$ in Millions)

	2021	2022	2023	YTD Sep. 23	YTD Sep. 24
Adjusted EBITDA	\$ 96.3	\$ 140.3	\$ 168.3	\$ 123.7	\$ 152.5
Adjusted EBITDA Margin	18.7%	21.1%	22.3%	22.2%	23.4%
Interest Expense	36.5	53.6	76.1	55.5	65.8
Depreciation and Amortization	49.7	70.7	68.4	53.3	44.2
Debt Modification and Extinguishment Expenses	-	-	-	-	8.7
Selling, General and Administrative (Non-Recurring)	10.1	5.4	9.8	4.4	2.1
Non-Cash Stock Based Compensation	3.2	6.2	6.8	5.2	4.9
Non-Cash Other Losses	0.7	1.2	0.1	-	-
Income (Loss) Before Taxes	\$ (3.9)	\$ 3.2	\$ 7.2	\$ 5.3	\$ 26.8
Income (Loss) Before Taxes % of Revenue	(0.8%)	0.5%	0.9%	1.0%	4.1%
Adjusted EBITDA	\$ 96.3	\$ 140.3	\$ 168.3	\$ 123.7	\$ 152.5
Capex	9.7	18.9	21.3	15.3	17.0
Free Cash Flow	\$ 86.6	\$ 121.4	\$ 147.1	\$ 108.4	\$ 135.5
Free Cash Flow Conversion	89.9%	86.5%	87.4%	87.7%	88.8%

Note: Certain dollar amounts may not add mathematically due to rounding

¹Free Cash Flow, Free Cash Flow Conversion, Adjusted EBITDA and Adjusted EBITDA margin referred to in this presentation are non-GAAP measures. See slide 1 for further details



Priority: Your *trusted partner*

Our mission is to deliver a personalized, easy-to-adopt financial toolset to accelerate cash flow and optimize working capital for businesses.



Merchant Services

Full featured POS & merchant acquiring solutions that accelerate your cash flow to capture revenue opportunities for businesses

▶ [Play Video](#)

Payables

Optimize your working capital and earn cash back by leveraging our payables & financing solutions while automating reconciliation

▶ [Play Video](#)

Banking & Treasury Solutions

Passport automates reconciliation, streamlines financial operations & provides full transparency to your liquidity

▶ [Play Video](#)





PRIORITY
