



Third Quarter Presentation

November 9th, 2020

Disclaimer

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. Forward-looking statements may be identified by the use of words such as “forecast,” “intend,” “seek,” “target,” “anticipate,” “believe,” “expect,” “estimate,” “plan,” “outlook,” and “project” and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters.

Such forward looking statements include estimated financial information. Such forward looking statements with respect to revenues, earnings, performance, strategies, prospects and other aspects of the businesses of Paya Holdings Inc. or its subsidiaries (collectively, “Paya”) are based on current expectations that are subject to risks and uncertainties. A number of factors could cause actual results or outcomes to differ materially from those indicated by such forward looking statements. These factors include, but are not limited to: (1) the ability to recognize the anticipated benefits of our business combination with FinTech Acquisition Corp. III (“FinTech”), which may be affected by, among other things, competition, the ability of the combined company to grow and manage growth profitably, maintain relationships with customers and suppliers and retain its management and key employees; (2) costs related to the business combination or operating Paya as a public company; (3) changes in applicable laws or regulations; (4) the possibility that Paya may be adversely affected by other economic, business, and/or competitive factors; and (5) other risks and uncertainties indicated from time to time in the period reports and other documents to be filed with the Securities and Exchange Commission (“SEC”) by Paya. You are cautioned not to place undue reliance upon any forward-looking statements, which speak only as of the date made. Paya undertakes no commitment to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law.

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Paya at a Glance

Paya is a leading independent integrated payments platform

Growing, innovative provider serving **software partners** and merchants across attractive **middle market verticals**



HQ in Atlanta, GA



~270 Employees

Key Business Highlights

~100K

Customers
(Merchants)

85%+

Card Not Present
(CNP) Volume¹

~75%

Integrated Solutions
Revenue²

\$200+

Average
Transaction Size³

Enterprise

Middle Market

SMB



B2B Goods and Services



Healthcare



Non-Profit



Government & Municipalities



Education

Attractive End Markets: High-Growth, Underpenetrated, Non-Cyclical

1. Nilson Report (2019)

2. 2021E, excludes ACH 3. 2020A, includes ACH

Paya Provides Mission Critical Payment Functionality

Paya enables businesses in key verticals to integrate payment acceptance into their core business management or accounting software

Enables B2B and B2B2C Commerce With Robust Suite of Solutions Tailored to Core Growth Verticals

B2B Goods and Services

Wholesalers, distributors, durable goods manufacturers



Healthcare

Acute & ambulatory care providers, dermatologists, chiropractors



Non-Profit

Charitable organizations, church denominations



Government & Municipalities

City and county water, tax, permitting and licensing departments



Education

K-12 schools, childcare



Payment Suite Deeply Integrated Into Core Business Software

Streamline workflow through connectivity between invoicing, payments, and general ledger post-back



Decrease time consuming manual reconciliation processes from legacy paper payment methods



Automate and reduce friction for omni-channel commerce to optimize receivables



Enable multiple methods of payment acceptance



Enhance business management and reporting with detailed transaction-level data



Robust accounts receivable solutions replacing physical invoices and checks, driving automation and efficiency for our end customers

Paya's Differentiated Value Proposition

Long history of offering integrated payment solutions within software

15 years experience tuning tech support, change management, incident management and sales coordination between Paya, software partners and end customers

Consultative approach to sophisticated middle market software partners

Provide enterprise-grade engagement for technical integration, sales coordination and full client experience

Modern technology stack with scale & reliability

Fully modern tech stack which provides faster development, scalability and security for software partners and customers

Vertically tailored products, functionality, & support

Paya Connect designed to deliver a holistic and tailored experience for each of our target verticals while leveraging functionality that applies to all verticals

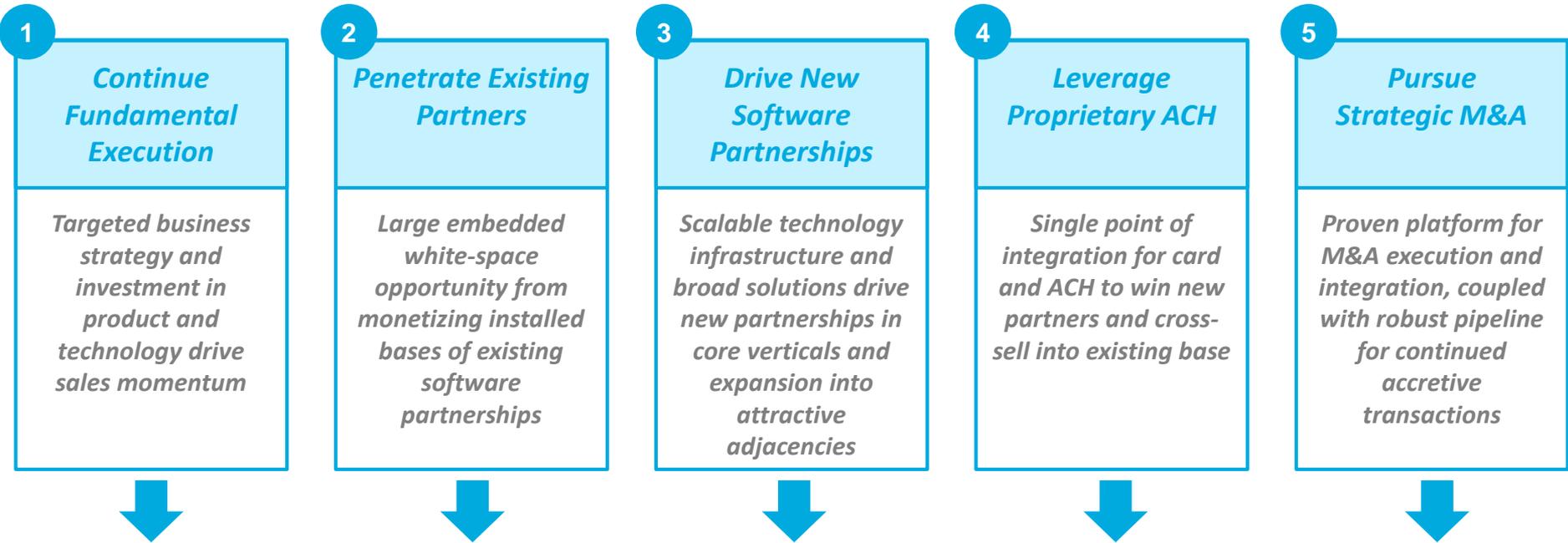
Track record of driving penetration in software partner customer base

Critical to maximizing revenue for software partners and Paya; includes intensive sales training, marketing support, and targeted incentives to drive penetration

Credit, Debit, ACH, & Check all on one platform

Extremely valuable to capture maximum TAM opportunity in Paya's existing and target verticals

Executing Against Multi-Layered Growth Strategy



3Q-20 Highlights

<ul style="list-style-type: none"> ✓ Expanded integration library and invoicing functionality on Paya Connect for Acumatica users ✓ Solid volume rebound from relatively modest Q2 declines 	<ul style="list-style-type: none"> ✓ Record new boarding's with our largest ISVs in B2B and Non-Profit verticals ✓ Began boarding accounts with large new municipal software partner 	<p>Recent ISV Wins</p>  	<ul style="list-style-type: none"> ✓ Completed technology integrations for large partner leveraging Paya's ACH and Check technology solutions ✓ Record attachment rate of ACH to new software partnerships 	<p>Acquired The Payments Group (October 2020)</p>  <ul style="list-style-type: none"> ✓ Ongoing management of acquisition pipeline
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Acquisition of The Payment Group (TPG)

The Payment Group Acquisition Rationale

- ✓ TPG will benefit from Paya's scale, technology infrastructure and vertical expertise
- ✓ Smaller municipal courts & utilities highly complementary to existing government & utilities focus
- ✓ Numerous additive integrations into municipality and court software providers
- ✓ Opportunity to accelerate organic growth through leveraging Paya capabilities down market, cross-selling ACH, and entering into new geographies with referenceable customers

The Payment Group Overview

- The Payment Group provides integrated payment solutions to municipal courts and utilities providers
 - TPG serves 600+ customers with a focus in Texas and other southern states
- Closed October 1st, 2020



Government & Municipalities

Local Government Integrated Payment Solutions

Q3 2020 Results

Q3 2020 financial results in-line with expectations

(\$ in millions, unless noted)

	Q3 2020	Q3 2019	Change	% Change
Payment Volume	\$8.7B	\$8.0B	\$0.7B	7.6%
Revenue	\$51.8	\$50.6	\$1.2	2.4%
Gross Profit¹ & Gross Profit Margin	\$25.9 50.0%	\$25.8 51.0%	\$0.1 (1.0%)	0.4%
Adj. EBITDA² & Adj. EBITDA Margin	\$13.5 26.1%	\$12.2 24.1%	\$1.3 2.0%	10.7%

- Payment volume growth of 7.6% to \$8.7 billion driven by growth in ACH as well as Government and B2B verticals
- Revenue of \$51.8 million up 2.4% as Card volume continues to recover from COVID lows; Integrated Solutions revenue up 2.7%
- Gross margin % in Q3 down y/y related to timing of overall revenue share in Q3 2019 and mix of revenue share in Payment Services; 2020 YTD gross profit margin of 50.5% is 50 bps better than 50.0% YTD 2019
- Adjusted EBITDA up 10.7% y/y; Adjusted EBITDA margin of 26.1% or 200 bps year over year expansion

1. Gross profit does not include any allocation for depreciation or amortization

2. See "Adjusted EBITDA Reconciliation"

Q3 Segment Results

Integrated Solutions

Gross Profit Margin:

53.3%

54.1%



Key Business Highlights

- Continued improvement in Card volume from Covid-19 low, Integrated Solutions revenue up 3% y/y
- Continued strong revenue growth in Government, B2B, and Non-Profit verticals; Healthcare improving however still down y/y driven by COVID-19
- YTD gross profit of 53.4%, up 110 bps compared to 52.3% in the prior YTD period

Payment Services

Gross Profit Margin:

45.3%

46.7%

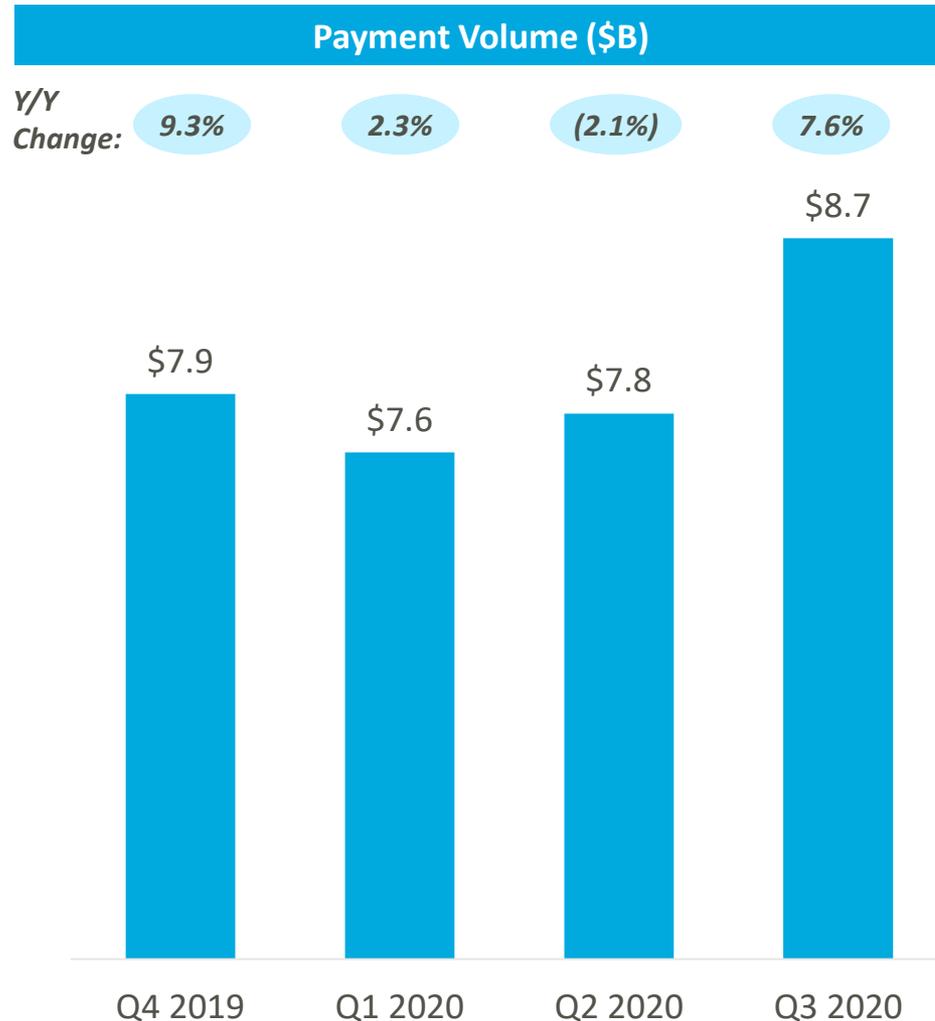


Key Business Highlights

- Continued strong ACH volume and revenue growth. ACH revenue up 7% year over year while Traditional Card Reseller revenue was flat year over year.
- Commenced large ACH win conversion; minimal financial impact in Q3 with revenue ramping up throughout Q4
- YTD gross profit 46.2%, down 44 bps compared to 46.7% in the prior YTD

Payment Volume

Volume has rebounded from COVID-19 lows due to Paya's position in attractive, integrated, less-cyclical end markets



- Overall y/y volume growth of 7.6% in Q3
- Strong ACH growth, up 19% y/y
- Continued strong growth in Government and solid growth in B2B
- Healthcare volumes continue to be slightly down driven by COVID-19, a contributing factor in muting overall Card growth

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Appendix Financials

Income Statement

unaudited (in millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Revenue	\$ 51.8	\$ 50.6	\$ 152.0	\$ 152.2
Cost of services exclusive of depreciation and amortization	(25.9)	(24.8)	(75.3)	(76.0)
Selling, general & administrative expenses	(14.0)	(16.3)	(43.5)	(50.4)
Depreciation and amortization	(6.0)	(5.8)	(18.0)	(16.6)
Income from operations	5.9	3.7	15.2	9.2
Other income (expense)				
Interest expense	(4.1)	(5.1)	(13.5)	(15.3)
Other income (expense)	-	0.7	-	0.5
Total other expense	(4.1)	(4.4)	(13.5)	(14.8)
Income (loss) before income taxes	1.8	(0.7)	1.7	(5.6)
Income tax benefit (expense)	(0.2)	0.1	(0.1)	1.7
Net income (loss)	\$ 1.6	\$ (0.6)	\$ 1.6	\$ (3.9)

Adjusted EBITDA Reconciliation

unaudited (in millions)	Three Months Ended				Nine Months Ended			
	September 30,				September 30,			
	2020		2019		2020		2019	
Net income (loss)	\$	1.6	\$	(0.6)	\$	1.6	\$	(3.9)
Depreciation & amortization		6.0		5.8		18.0		16.6
Tax benefit		0.2		(0.1)		0.1		(1.8)
Interest and other expense		4.1		4.4		13.4		14.8
EBITDA	\$	11.9	\$	9.5	\$	33.1	\$	25.7
Transaction-related expenses		0.5		-		0.9		4.1 (a)
Stock based compensation		0.4		0.5		1.1		1.1 (b)
Restructuring costs		0.1		1.2		1.3		3.0 (c)
Discontinued service costs		-		0.6		-		2.0 (d)
Management fees and expenses		0.3		0.3		0.9		0.8 (e)
Sage carve-out expenses		-		-		-		0.9 (f)
Other costs		0.3		0.1		1.0		0.2 (g)
Total adjustments		1.6		2.7		5.2		12.1
Adjusted EBITDA	\$	13.5	\$	12.2	\$	38.3	\$	37.8

(a) Represents professional service fees related to business combinations such as legal fees, consulting fees, accounting advisory fees, and other costs.

(b) Represents non-cash charges associated with stock-based compensation expense, which has been, and will continue to be for the foreseeable future, a significant recurring expense in our business and an important part of our compensation strategy.

(c) Represents costs associated with restructuring plans designed to streamline operations and reduce costs including costs associated with the relocation of headquarters from Reston, VA to Atlanta, GA and certain staff restructuring charges, including severance.

(d) Represents costs incurred to retire certain tools, applications and services that are no longer in use.

(e) Represents advisory fees associated with the former owner that we will not be required to pay post public transaction.

(f) Expenses related to carving out the entity from former Corporate owner Sage PLC including rebranding, technology implementation, consulting and transitional service agreement expenses.

(g) Represents non-operational gains or losses, non-standard project expense, non-operational legal expense and other.

Adjusted Net Income

unaudited (in millions)	Three Months Ended				Nine Months Ended			
	September 30,				September 30,			
	2020		2019		2020		2019	
Net income (loss)	\$	1.6	\$	(0.6)	\$	1.6	\$	(3.9)
Amortization add back	\$	5.0	\$	4.9	\$	15.1	\$	14.7 (a)
Transaction-related expenses		0.5		-		0.9		4.1 (b)
Stock based compensation		0.4		0.5		1.1		1.1 (c)
Restructuring costs		0.1		1.2		1.3		3.0 (d)
Discontinued IT service costs		-		0.6		-		2.0 (e)
Management fees and expenses		0.3		0.3		0.9		0.8 (f)
Sage carve-out expenses		-		-		-		0.9 (g)
Other costs		0.3		0.1		1.0		0.2 (h)
Total adjustments		6.6		7.6		20.3		26.8
Adjusted Net Income	\$	8.2	\$	7.0	\$	21.9	\$	22.9

(a) Represents acquisition related amortization expense.

(b) Represents professional service fees related to business combinations such as legal fees, consulting fees, accounting advisory fees, and other costs.

(c) Represents non-cash charges associated with stock-based compensation expense, which has been, and will continue to be for the foreseeable future, a significant recurring expense in our business and an important part of our compensation strategy.

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Balance Sheet

(in millions)	September 30, 2020 (unaudited)	December 31, 2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 32.3	\$ 26.0
Trade receivables, net	18.7	15.2
Receivable from parent	2.9	24.3
Other current assets	7.7	3.1
Funds held for clients	63.2	74.5
Total current assets	<u>\$ 124.8</u>	<u>\$ 143.1</u>
Noncurrent assets:		
Property and equipment, net and Other long-term assets	12.4	11.0
Goodwill and Intangibles, net	315.8	330.3
Total Assets	<u>\$ 453.0</u>	<u>\$ 484.4</u>
Liabilities and member's equity		
Current liabilities:		
Trade payables	7.5	2.7
Accrued and Other current liabilities	13.9	15.4
Accrued revenue share	8.2	7.6
Client funds obligations	62.5	74.3
Total current liabilities	<u>\$ 92.1</u>	<u>\$ 100.0</u>
Noncurrent liabilities:		
Deferred tax liability, net and Other long-term liabilities	25.5	25.8
Long-term debt	220.5	224.2
Total liabilities	<u>\$ 338.1</u>	<u>\$ 350.0</u>
Stockholders' Equity:		
Additional Paid-in-Capital	126.3	147.3
Accumulated deficit	(11.4)	(12.9)
Total stockholders' equity	<u>114.9</u>	<u>134.4</u>
Total liabilities and stockholders' equity	<u>\$ 453.0</u>	<u>\$ 484.4</u>

Statement of Cash Flows

unaudited (in millions)	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
Cash and cash equivalents, beginning of period	\$ 26.0	\$ 14.2
CASH FLOW FROM OPERATING ACTIVITIES		
Net income (loss)	1.6	(3.9)
<i>Adjustments</i>		
Depreciation & amortization expense	18.0	16.6
Deferred tax benefit	(0.4)	(9.1)
Other non-cash items	3.1	1.5
Changes in operating assets and liabilities	(6.0)	11.7
NET CASH PROVIDED BY OPERATING ACTIVITIES	16.3	16.8
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment, net of impact of business acquisitions and Purchases of customer lists	(5.0)	(4.4)
NET CASH USED IN INVESTING ACTIVITIES	(5.0)	(4.4)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
Other financing activities	(5.0)	(2.3)
NET CASH USED IN FINANCING ACTIVITIES	(5.0)	(2.3)
Net change in cash and cash equivalents	6.3	10.1
Cash and cash equivalents, end of period	\$ 32.3	\$ 24.3