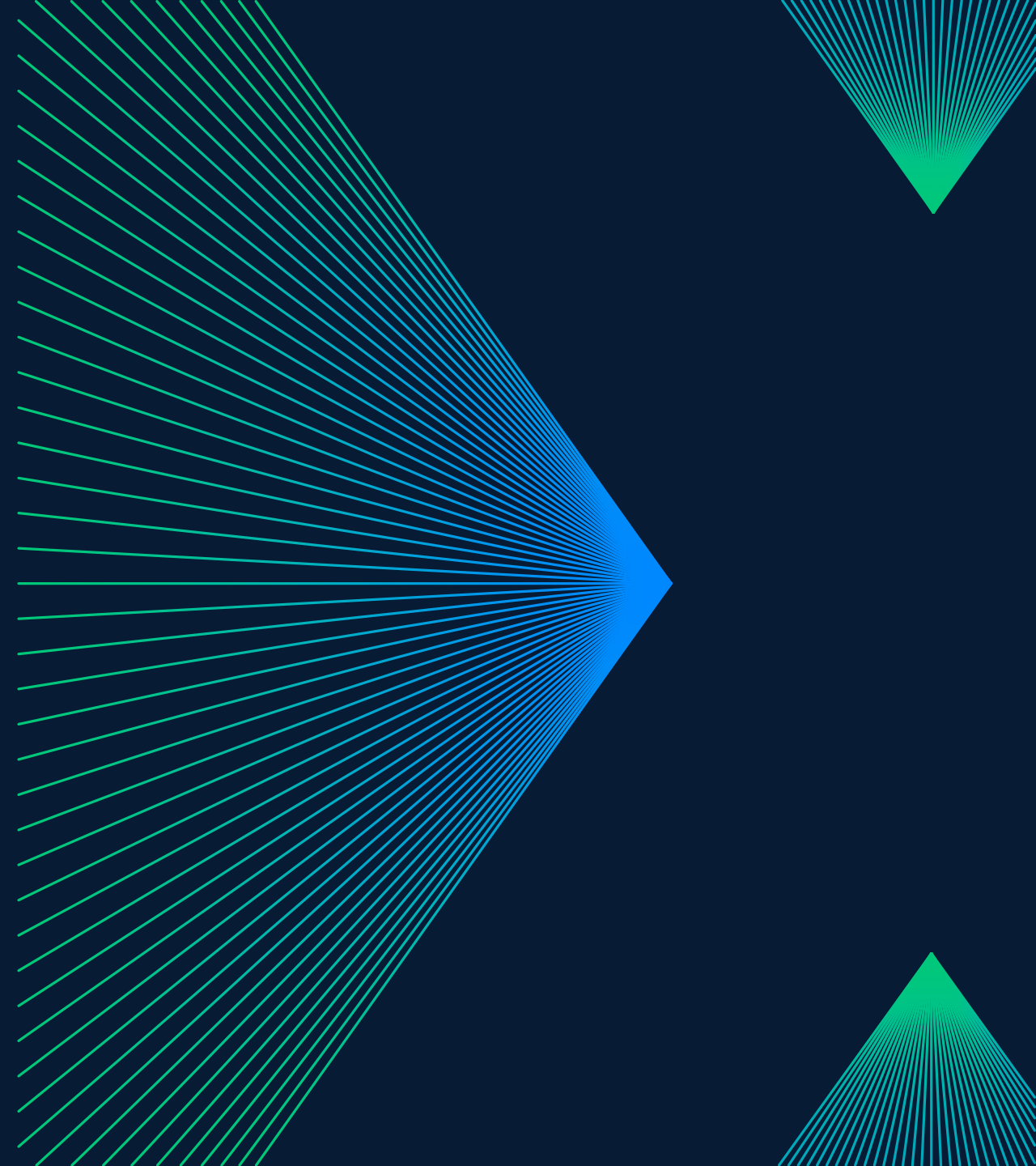




# Earnings Presentation

Third Quarter 2024

November 6, 2024



## Forward-Looking Statements

This presentation may contain “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. In this context, forward-looking statements generally relate to future events or our future financial or operating performance and often contain words such as: “anticipate,” “intend,” “plan,” “goal,” “seek,” “believe,” “outlook,” “project,” “estimate,” “expect,” “future,” “likely,” “may,” “should,” “continue,” “will” and similar words and phrases indicating future results. The information presented in this presentation related to our expectations of future performance, including guidance for our revenue and Adjusted EBITDA for the full year 2024, the continued strength of our financial position and execution on behalf of buyers and suppliers, the macroeconomic backdrop within verticals in which we have domain expertise, future trends reflecting transaction retention, our ability to accelerate revenue growth, the advancement of our growth, profit and value creation objectives through integration partnerships and the launch and scaling of new products, and other statements that are not purely statements of historical fact, are forward-looking in nature. These forward-looking statements are made on the basis of management’s current expectations, assumptions, estimates and projections and are subject to significant risks and uncertainties that could cause actual results to differ materially from those anticipated in such forward-looking statements. We therefore cannot guarantee future results, performance or achievements.

Factors which could cause actual results or effects to differ materially from those reflected in forward-looking statements include, but are not limited to, the risk factors and other cautionary statements described, from time to time, in AvidXchange’s filings with the Securities and Exchange Commission (“SEC”), including, without limitation, AvidXchange’s Annual Report on Form 10-K and other documents filed with the SEC, which may be obtained on the investor relations section of our website (<https://ir.avidxchange.com/>) and on the SEC website at [www.sec.gov](http://www.sec.gov). Any forward-looking statements made by us in this presentation are based only on information currently available to us and speak only as of the date they are made, and we assume no obligation to update any of these statements in light of new information, future events or otherwise unless required under the federal securities laws.

## Non-GAAP Measures & Other Performance Metrics

To supplement the financial measures presented in our presentation and related conference call in accordance with generally accepted accounting principles in the United States (“GAAP”), we also present the following non-GAAP measures of financial performance: Non-GAAP Gross Profit, Adjusted EBITDA, Non-GAAP Net Income (Loss) and Non-GAAP Earnings Per Share.

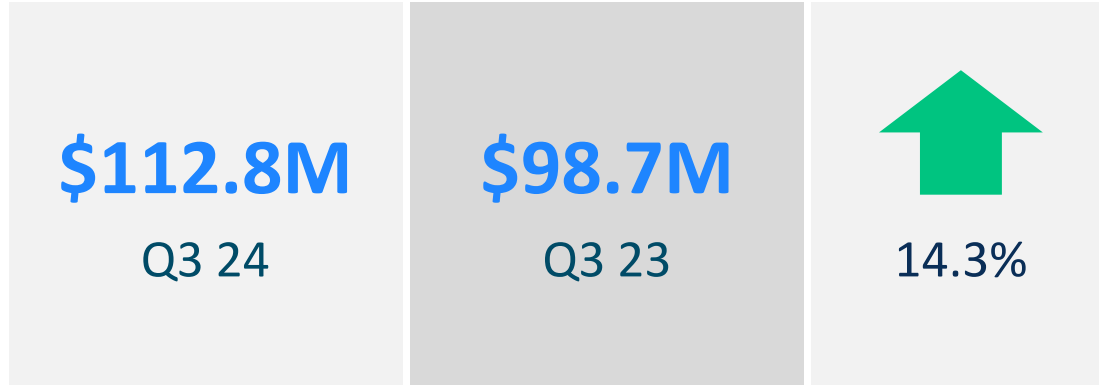
A “non-GAAP financial measure” refers to a numerical measure of our historical or future financial performance or financial position that is included in (or excluded from) the most directly comparable measure calculated and presented in accordance with GAAP in our financial statements. We provide certain non-GAAP measures as additional information relating to our operating results as a complement to results provided in accordance with GAAP. The non-GAAP financial information presented herein should be considered in conjunction with, and not as a substitute for or superior to, the financial information presented in accordance with GAAP and should not be considered a measure of liquidity. There are significant limitations associated with the use of non-GAAP financial measures. Further, these measures may differ from the non-GAAP information, even where similarly titled, used by other companies and therefore should not be used to compare our performance to that of other companies.

We have presented Non-GAAP Gross Profit, Adjusted EBITDA, Non-GAAP Net Income (Loss) and Non-GAAP Earnings Per Share in this presentation. We define Non-GAAP Gross Profit as revenue less cost of revenue excluding the portion of depreciation and amortization and stock-based compensation expense allocated to cost of revenues. We define Adjusted EBITDA as our net loss before depreciation and amortization, impairment and write-off of intangible assets, interest income and expense, income tax expense (benefit), stock-based compensation expense, transaction and acquisition-related costs expensed, change in fair value of derivative instrument, non-recurring items not indicative of ongoing operations, and charitable contributions of common stock. We define Non-GAAP Net Income (Loss) as net loss before amortization of acquired intangible assets, impairment and write-off of intangible assets, stock-based compensation expense, transaction and acquisition-related costs expensed, change in fair value of derivative instrument, non-recurring items not indicative of ongoing operations, acquisition-related effects on income tax, and charitable contributions of common stock. Non-GAAP income tax expense is calculated using our blended statutory rate except in periods of non-GAAP net loss when it is based on our GAAP income tax expense. In each case, non-GAAP income tax expense excludes the effects of acquisitions in the period on tax expense. We define Non-GAAP Earnings per Share as Non-GAAP Net Income (Loss) per diluted share.

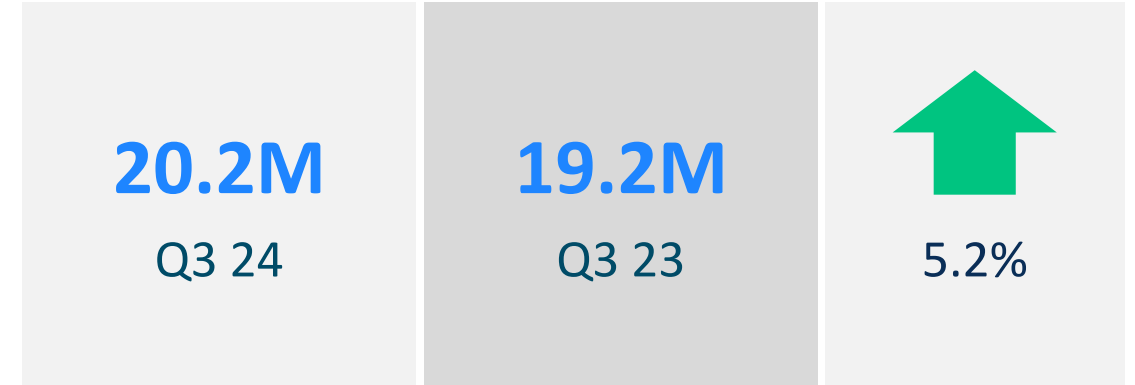
We believe the use of non-GAAP financial measures, as a supplement to GAAP measures, is useful to investors in that they eliminate items that are either not part of our core operations or do not require a cash outlay, such as stock-based compensation expense. Management uses these non-GAAP financial measures when evaluating operating performance and for internal planning and forecasting purposes. We believe that these non-GAAP financial measures help indicate underlying trends in the business, are important in comparing current results with prior period results and are useful to investors and financial analysts in assessing operating performance.

## Q3 2024 Highlights\*

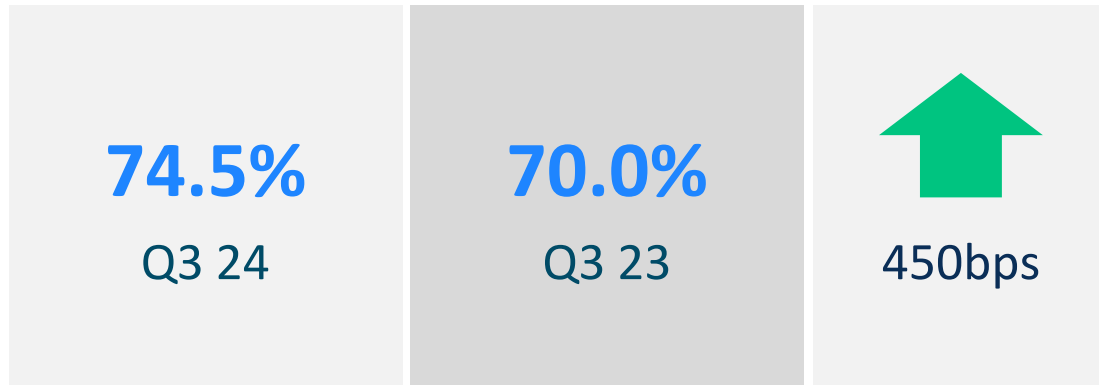
### Total Revenue



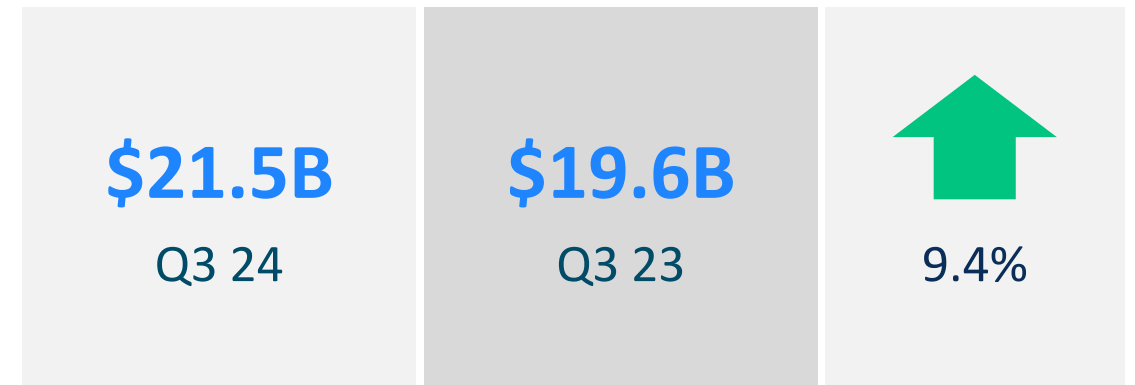
### Total Transactions Processed



### Non-GAAP Gross Profit Margin



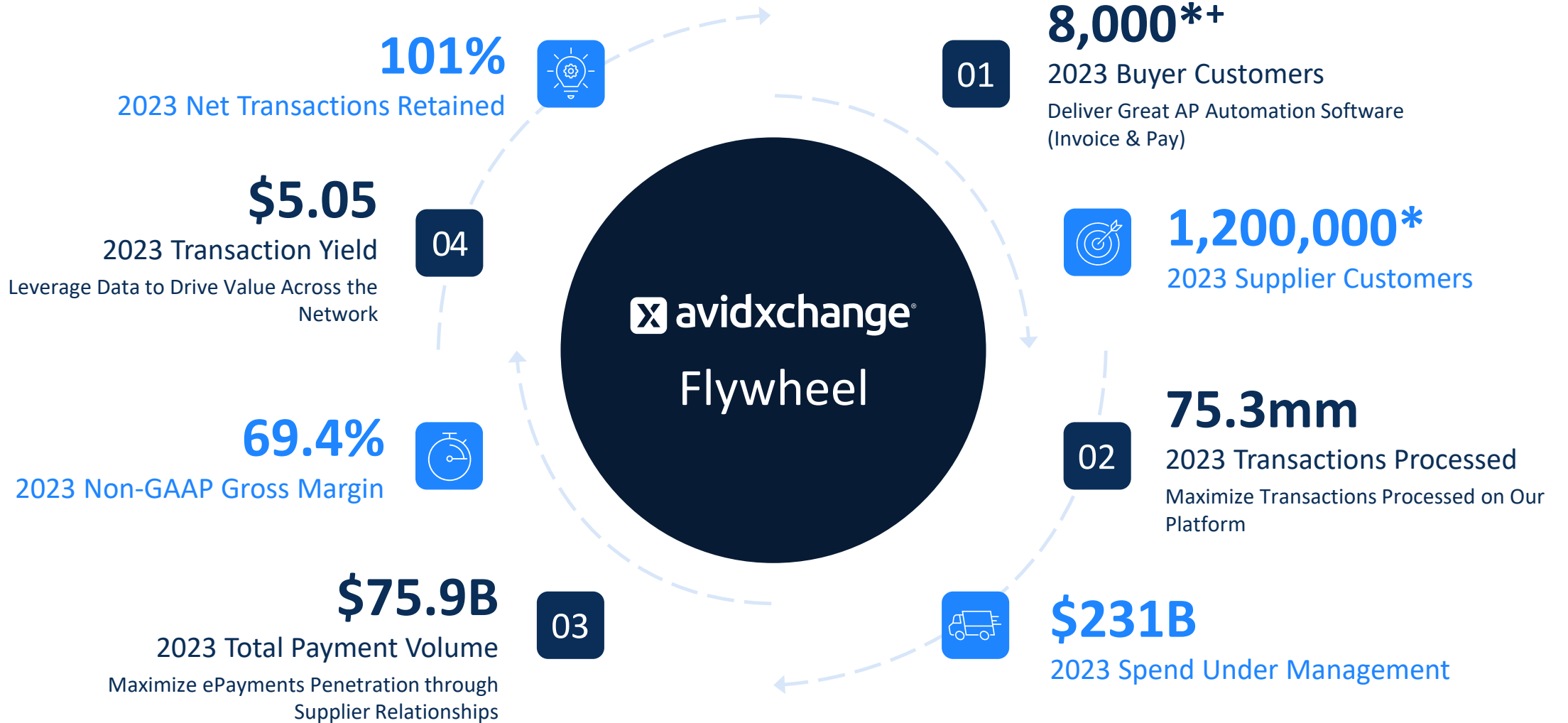
### Total Payment Volume



\*Third quarter 2023 revenue, Non-GAAP gross profit, included a favorable out of period adjustment, the net contribution of which was \$ 1.5 million.

# Our Financial Monetization Story

via Our AvidXchange Flywheel



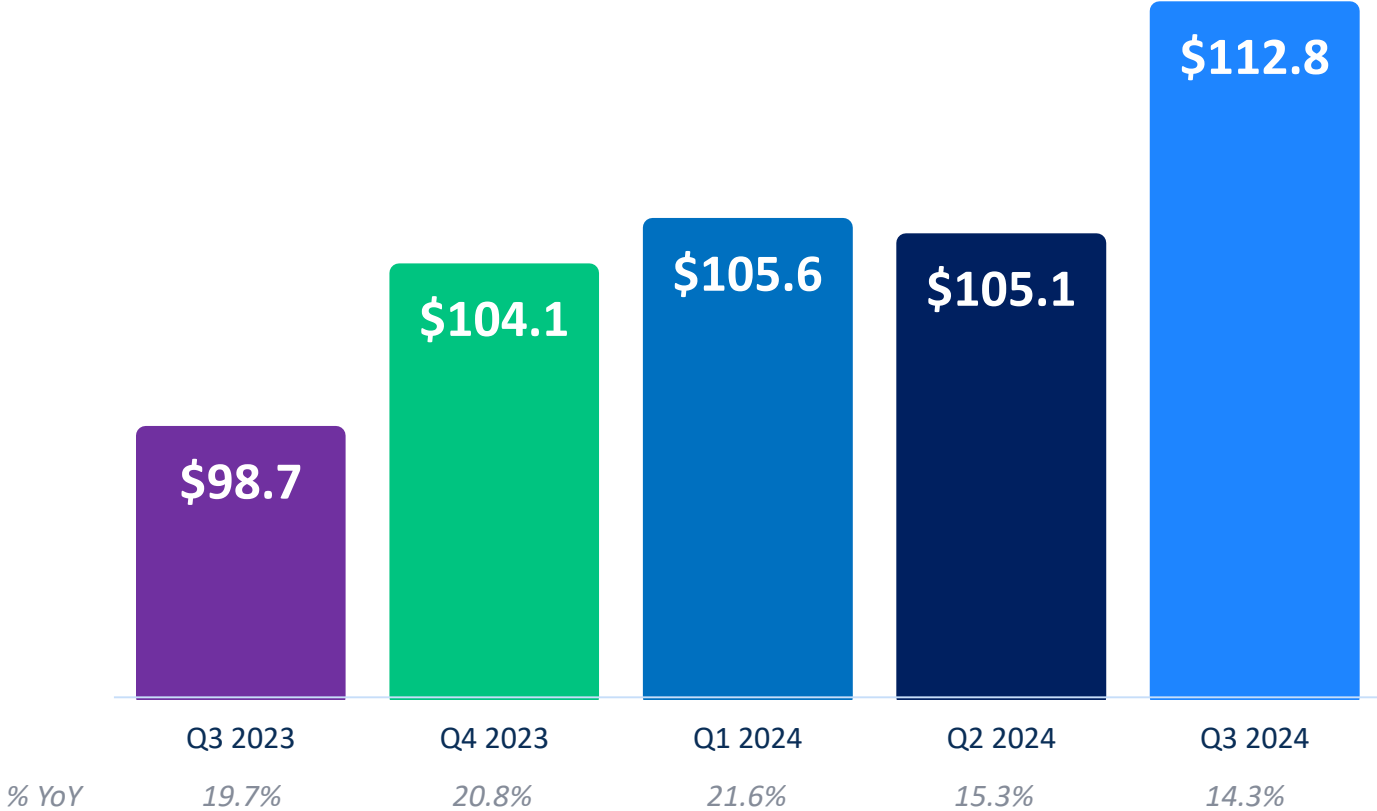
\*Reflects Contributions from 240 Accounting Systems Integrations and 270 Referral Partnerships.  
+Reflects the decommissioning and exit of roughly 1,400 on-premise check printing software Create-a-Check buyer customers. See "Appendix" section for further Details.



# Total Revenue\*

\$(Millions)

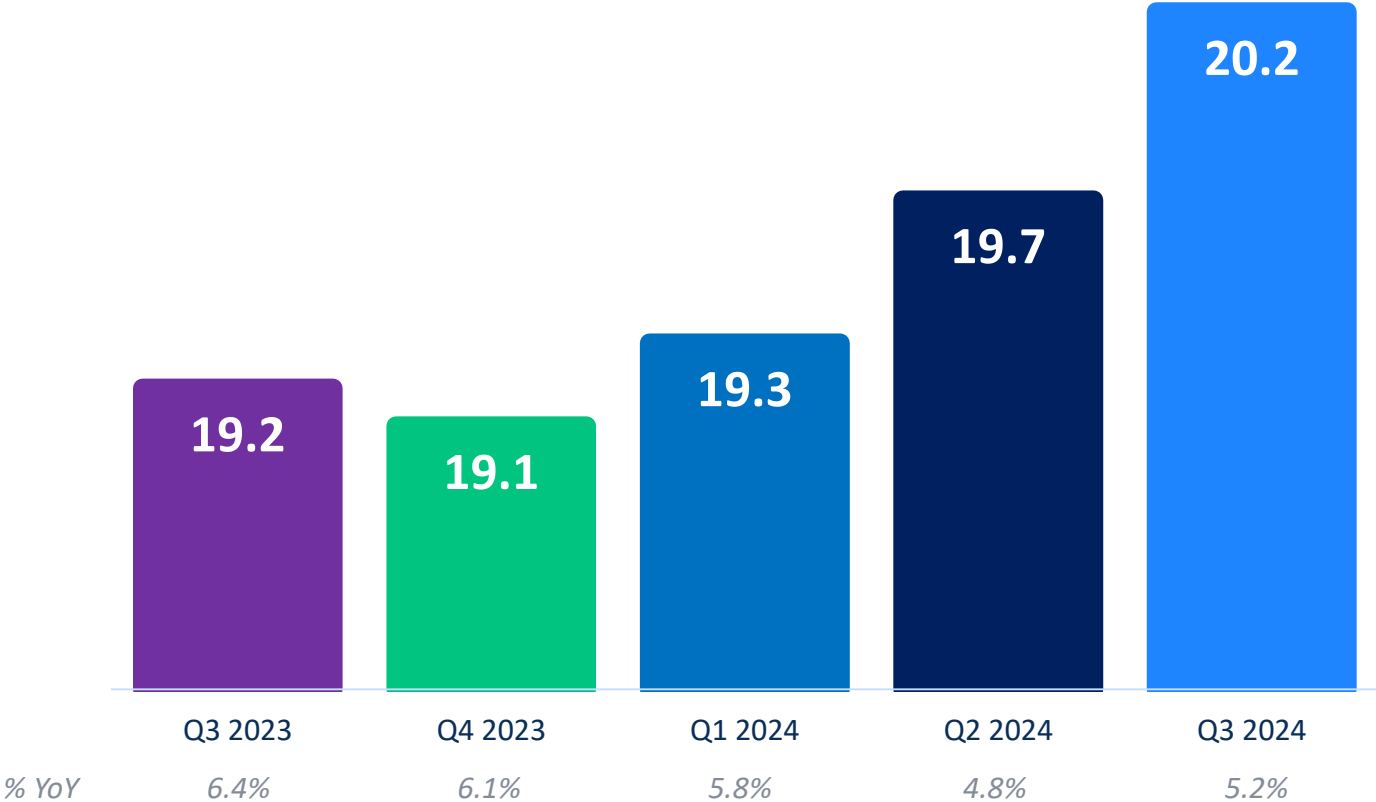
Total Revenue of  
**\$112.8M,**  
an increase of  
**14.3%**  
year-over-year



\*Third quarter 2023 revenue included a favorable out of period adjustment, the net contribution of which was \$ 1.5 million .

# Total Transactions Processed\*

Total transactions processed of  
**20.2M,**  
an increase of  
**5.2%**  
from 19.2M in Q3 2023



\*We define transactions processed as the number of invoice transactions and payment transactions, such as invoices, purchase orders, checks, ACH payments and VCCs, processed through our platform during a particular period. We believe that transactions processed is an important measure of our business because it is a key indicator of the use by both buyers and suppliers of our solutions and our ability to generate revenue, since a majority of our revenue is generated based on transactions processed.

# Total Transaction Yield\*\*

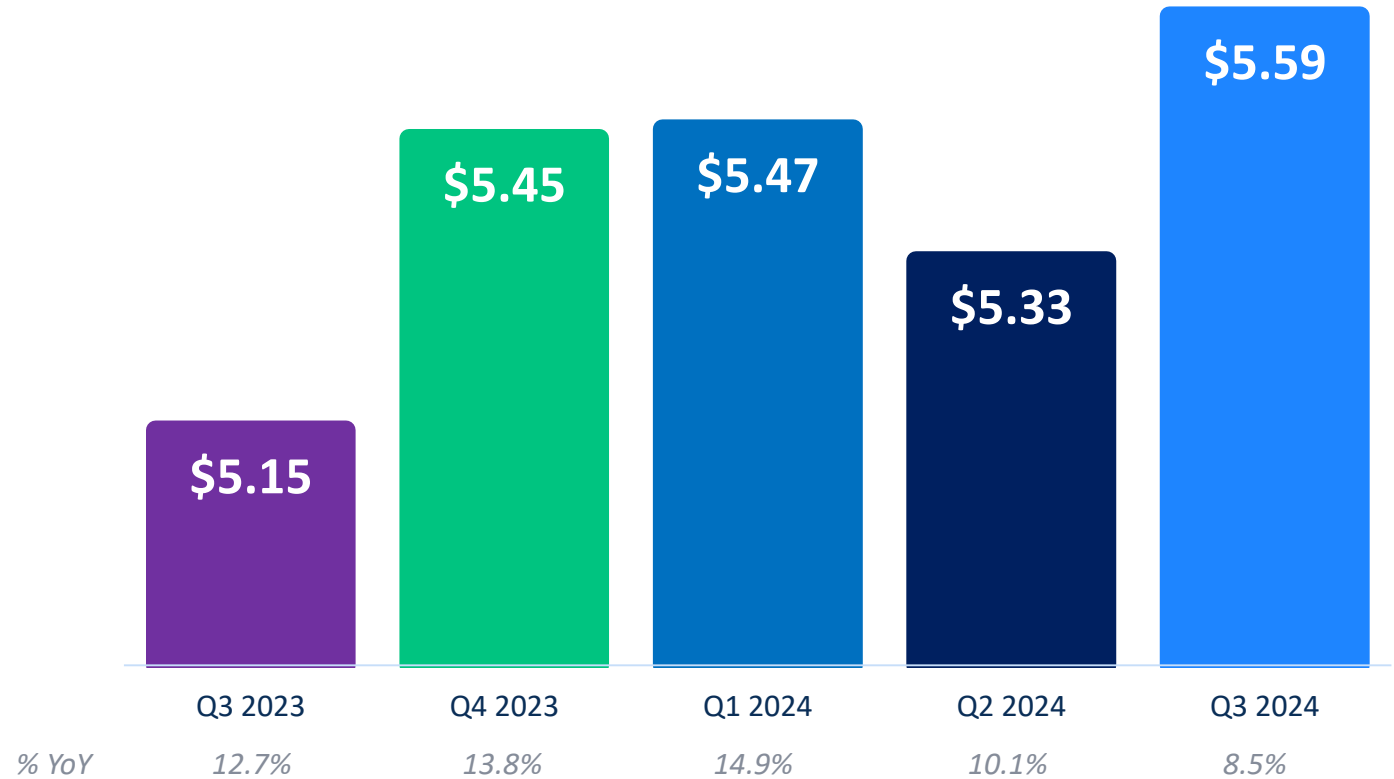
Total transactions yield was

**\$5.59,**

an increase of

**8.5%**

from \$5.15 in Q3 2023



\*We define transaction yield as the total revenue during a particular period divided by the total transactions processed during such period. We believe that transaction yield is an important measure of the value of solutions to buyers and suppliers as we scale.

\*\*Third quarter 2023 transaction yield included a favorable out of period adjustment, the net contribution of which was \$ 1.5 million, or \$0.08.

# Total Payment Volume\*

\$(Billion)

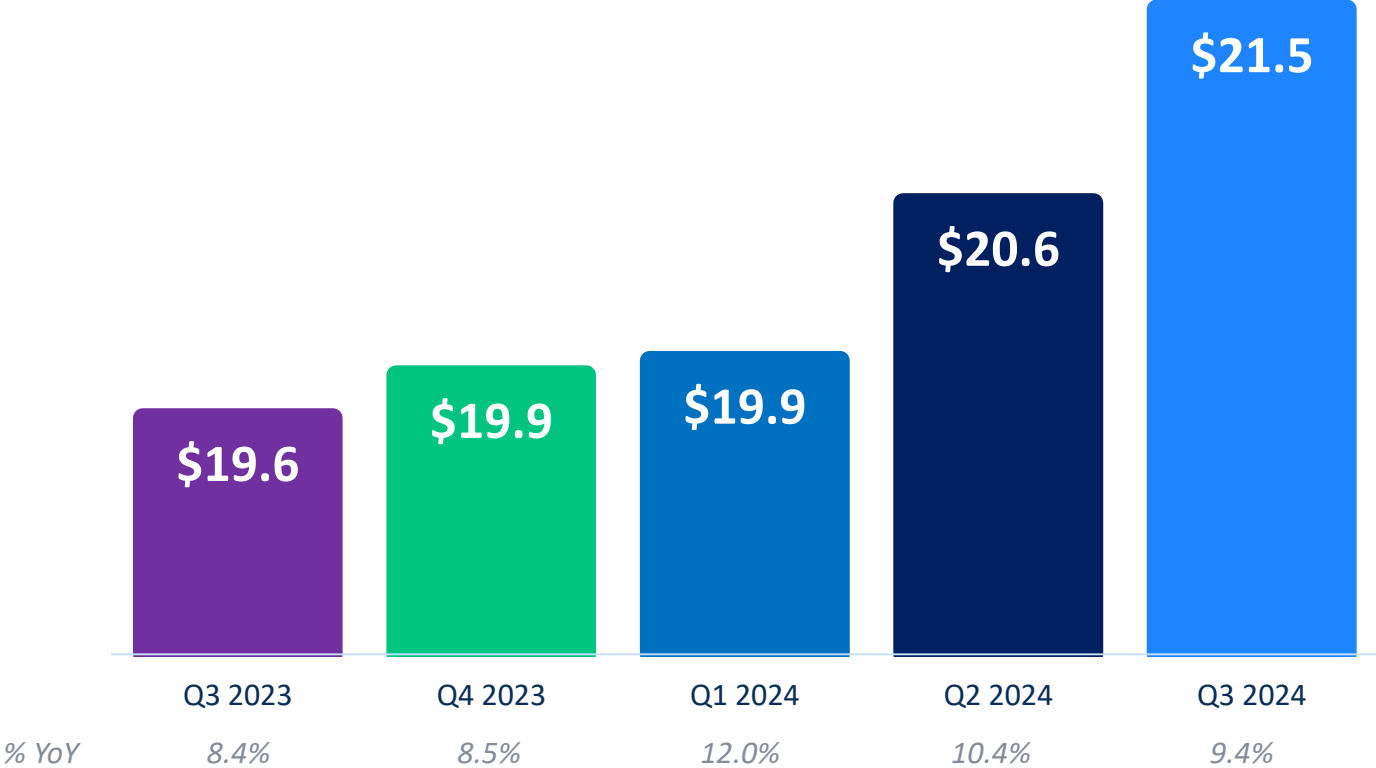
Total payment volume was

**\$21.5B,**

an increase of

**9.4%**

from \$19.6B in Q3 2023



\*We define total payment volume as the dollar sum of buyers' AP payments paid to their suppliers through the AvidPay Network during a particular period. We believe total payment volume is an important measure of our AvidPay Network business as it quantifies the demand for our payment services.



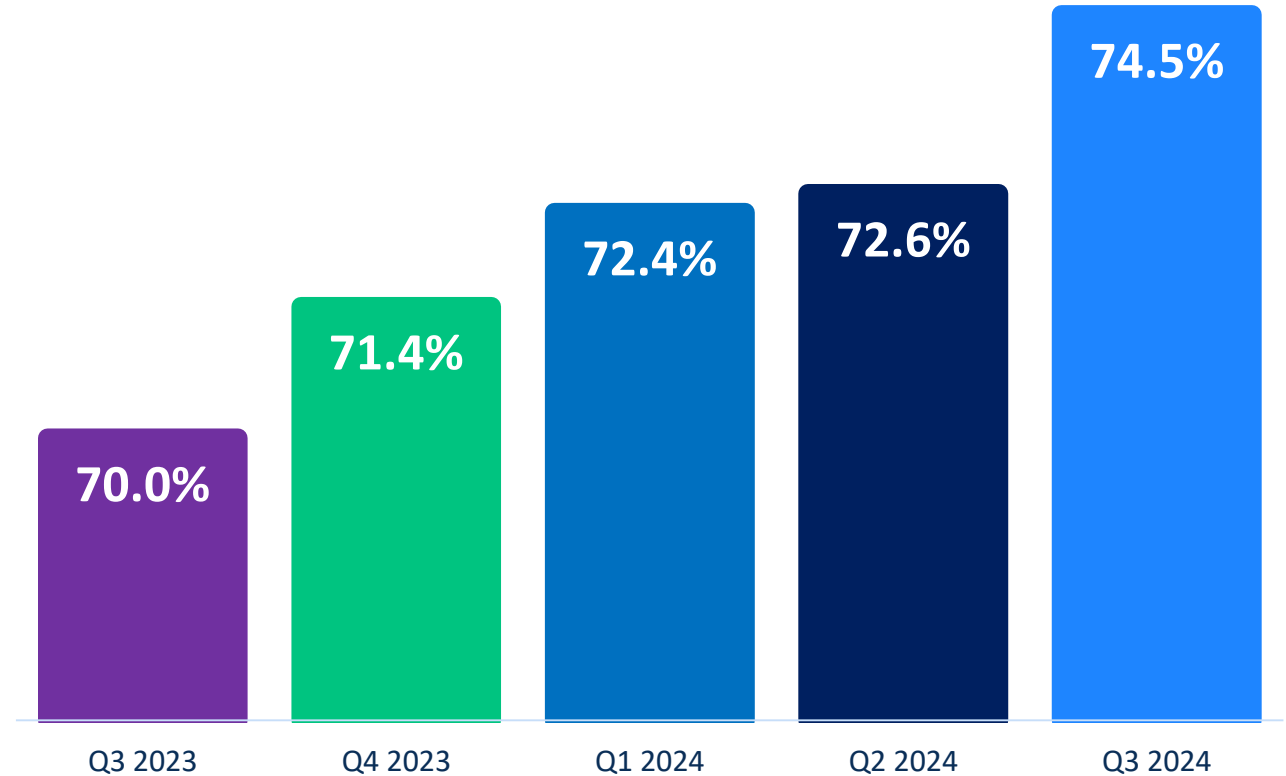
# Non-GAAP Gross Margin\*

Non-GAAP gross profit of

**\$84.0** or **74.5%**

of total revenue

Gross margin expansion of 450 basis points year-over-year.

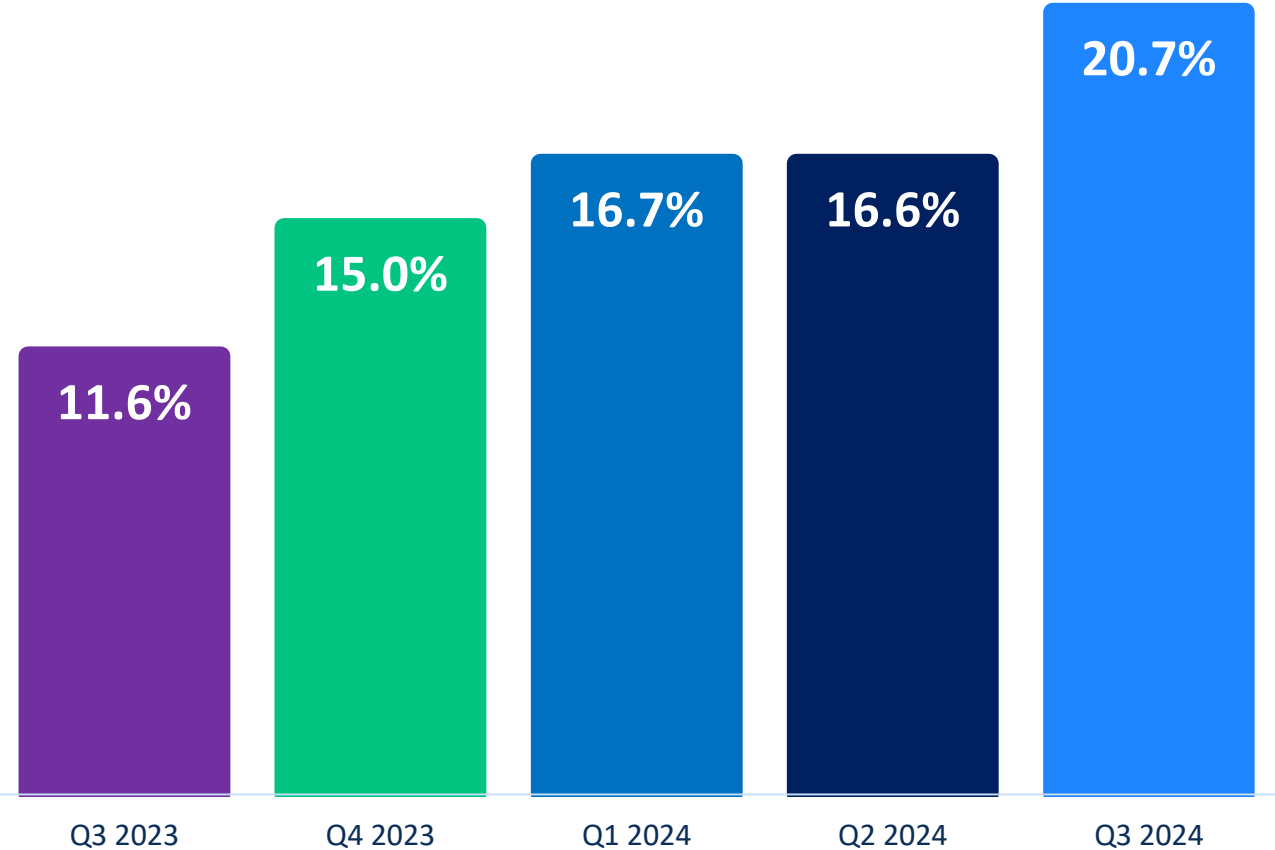


\*Third quarter 2023 Non-GAAP profit included a favorable out of period adjustment, the net contribution of which was \$ 1.5 million, or 50 basis points.

# Adjusted EBITDA Margin\*

## Q3 2024 Highlights

Adjusted EBITDA margin expansion reflects sustained revenue growth, unit cost reduction and operating leverage



\*Third quarter 2023 adjusted EBITDA included a favorable out of period adjustment, the net contribution of which was \$ 1.5 million, or 140 basis points.

# Full Year 2024 Financial Outlook

\$(Millions)

FY 2024	Low	High
Revenue <sup>(1&amp;2)</sup>	\$437.0	\$439.0
% YoY Growth	14.8%	15.3%
Adjusted EBITDA <sup>(1,2&amp;3)</sup>	\$78.0	\$79.0
Non-GAAP Diluted Earnings Per Share <sup>(3)</sup>	\$0.24	\$0.25

(1) The full year 2024 financial outlook anticipates interest revenue contribution of approximately \$50.0 million compared to \$49.0 million previously.

(2) The current FY 2024 guidance anticipates political revenue contribution of approximately \$6.5 million compared to \$9.0 million previously.

(3) Reconciliation of adjusted EBITDA to GAAP net loss and Non-GAAP diluted EPS to basic and diluted EPS on a forward-looking basis is not available without unreasonable efforts due to the high variability, complexity and low visibility with respect to the items excluded from the non-GAAP measures.

# Thank You

# Appendix

# Revenue Disaggregation\*

\$(Thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Software revenue	\$ 30,664	\$ 28,919	\$ 90,266	\$ 83,135
Payment revenue	80,697	68,485	230,082	190,894
Services revenue	1,411	1,276	3,154	2,627
Total revenues	\$ 112,772	\$ 98,680	\$ 323,502	\$ 276,656

\*Third quarter 2023 revenue included a favorable out of period adjustment, the net contribution of which was \$ 1,507. Of which, \$1,140 was favorable to software revenue, \$517 was favorable to services revenue, while \$150 was unfavorable to payment revenue.

# Non-GAAP Gross Margin Reconciliation\*

\$(Thousands)

Reconciliation from Revenue to Non-GAAP Gross Profit and Non-GAAP Gross Margin	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<i>(in thousands)</i>				
Total revenues	\$ 112,772	\$ 98,680	\$ 323,502	\$ 276,656
Expenses:				
Cost of revenues (exclusive of depreciation and amortization expense)	(30,429)	(30,767)	(91,188)	(90,461)
Depreciation and amortization expense	(5,977)	(5,574)	(18,075)	(16,157)
GAAP Gross profit	\$ 76,366	\$ 62,339	\$ 214,239	\$ 170,038
Adjustments:				
Stock-based compensation expense	1,653	1,144	4,510	3,552
Depreciation and amortization expense	5,977	5,574	18,075	16,157
Non-GAAP gross profit	\$ 83,996	\$ 69,057	\$ 236,824	\$ 189,747
GAAP Gross margin	67.7%	63.2%	66.2%	61.5%
Non-GAAP gross margin	74.5%	70.0%	73.2%	68.6%

\*For the three months and nine months ended September 30, 2023, GAAP gross margin and Non-GAAP gross margin included a favorable out of period adjustment, the net contribution of which was \$ 1,507, or 50 and 20 basis points, respectively, to Non-GAAP gross margin.

# Non-GAAP Net Loss Reconciliation\*

\$(Thousands)

Reconciliation from Net Income (Loss) to Non-GAAP Net Income (Loss), including per share amounts <i>(in thousands, except share and per share data)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net income (loss)	\$ 4,047	\$ (8,091)	\$ 3,474	\$ (42,852)
Exclude: Provision for income taxes	431	134	675	339
Loss before taxes	4,478	(7,957)	4,149	(42,513)
Amortization of acquired intangible assets	3,413	3,623	10,240	10,870
Impairment and write-off of intangible assets	-	-	162	-
Stock-based compensation expense	11,850	11,229	35,128	31,181
Transaction and acquisition-related costs <sup>(1)</sup>	1,081	-	1,081	(7)
Non-recurring items not indicative of ongoing operations <sup>(2)</sup>	21	773	(609)	4,408
Total net adjustments	16,365	15,625	46,002	46,452
Non-GAAP income (loss) before taxes	20,843	7,668	50,151	3,939
Non-GAAP tax expense <sup>(3)</sup>	5,190	1,909	12,488	981
Non-GAAP net income (loss)	\$ 15,653	\$ 5,759	\$ 37,663	\$ 2,958

<sup>(1)</sup> For the three and nine months ended September 30, 2024, this amount is comprised of debt issuance costs written-off related to the repayment of the Company's term loan.

<sup>(2)</sup> For the nine months ended September 30, 2024, this amount includes \$1,157 of severance costs and a net benefit of \$1,808 of response costs incurred in connection with the cybersecurity incident. For the three and nine months ended September 30, 2023, this amount was primarily comprised of response costs, including professional services and legal fees, incurred in connection with the cybersecurity incident that was detected in April 2023, net of insurance recoveries.

<sup>(3)</sup> Non-GAAP tax expense is based on the Company's blended tax rate of 24.9% in periods the Company has Non-GAAP income before tax. In periods the Company is in a non-GAAP loss position, tax expense is based on GAAP tax expense.

\*For the three months and nine months ended September 30, 2023, GAAP net loss and Non-GAAP net loss included a favorable out of period adjustment, the net contribution of which was \$ 1,507 and \$1,131, respectively.



# Adjusted EBITDA Reconciliation\*

\$(Thousands)

Reconciliation of Net Income (Loss) to Adjusted EBITDA (in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net income (loss)	\$ 4,047	\$ (8,091)	\$ 3,474	\$ (42,852)
Depreciation and amortization	9,092	9,051	27,607	26,515
Impairment and write-off of intangible assets	-	-	162	-
Interest income	(5,837)	(5,100)	(18,378)	(14,820)
Interest expense	2,614	3,428	9,274	10,106
Provision for income taxes	431	134	675	339
Stock-based compensation expense	11,850	11,229	35,128	31,181
Transaction and acquisition-related costs <sup>(1)</sup>	1,081	-	1,081	(7)
Non-recurring items not indicative of ongoing operations <sup>(2)</sup>	21	773	(609)	4,408
Adjusted EBITDA	\$ 23,299	\$ 11,424	\$ 58,414	\$ 14,870

<sup>(1)</sup> For the three and nine months ended September 30, 2024, this amount is comprised of debt issuance costs written-off related to the repayment of the Company's term loan.

<sup>(2)</sup> For the nine months ended September 30, 2024, this amount includes \$1,157 of severance costs and a net benefit of \$1,808 of response costs incurred in connection with the cybersecurity incident. For the three and nine months ended September 30, 2023, this amount was primarily comprised of response costs, including professional services and legal fees, incurred in connection with the cybersecurity incident that was detected in April 2023, net of insurance recoveries.

<sup>(3)</sup> Non-GAAP tax expense is based on the Company's blended tax rate of 24.9% in periods the Company has Non-GAAP income before tax. In periods the Company is in a non-GAAP loss position, tax expense is based on GAAP tax expense.

\*For the three months and nine months ended September 30, 2023, Adjusted EBITDA included a favorable out of period adjustment, the net contribution of which was \$ 1,507.

# Non-GAAP Reconciliation\*

Reconciliation from Net Income (Loss) to Non-GAAP Net Income (Loss), including per share amounts <i>(in thousands, except share and per share data)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net income (loss)	\$ 4,047	\$ (8,091)	\$ 3,474	\$ (42,852)
Exclude: Provision for income taxes	431	134	675	339
Loss before taxes	4,478	(7,957)	4,149	(42,513)
Amortization of acquired intangible assets	3,413	3,623	10,240	10,870
Impairment and write-off of intangible assets	-	-	162	-
Stock-based compensation expense	11,850	11,229	35,128	31,181
Transaction and acquisition-related costs <sup>(1)</sup>	1,081	-	1,081	(7)
Non-recurring items not indicative of ongoing operations <sup>(2)</sup>	21	773	(609)	4,408
Total net adjustments	16,365	15,625	46,002	46,452
Non-GAAP income (loss) before taxes	20,843	7,668	50,151	3,939
Non-GAAP tax expense <sup>(3)</sup>	5,190	1,909	12,488	981
Non-GAAP net income (loss)	\$ 15,653	\$ 5,759	\$ 37,663	\$ 2,958
Weighted-average shares used to compute Non-GAAP net income (loss) per share attributable to common stockholders, basic	207,235,954	202,526,844	206,389,565	201,338,550
Weighted-average shares used to compute Non-GAAP net income (loss) per share attributable to common stockholders, diluted	209,015,661	202,526,844	209,721,858	201,338,550
GAAP Net income (loss) per share attributable to common stockholders, basic	\$ 0.02	\$ (0.04)	\$ 0.02	\$ (0.21)
GAAP Net income (loss) per share attributable to common stockholders, dilute	\$ 0.02	\$ (0.04)	\$ 0.02	\$ (0.21)
Non-GAAP basic net income (loss) per share attributable to common stockholders	\$ 0.08	\$ 0.03	\$ 0.18	\$ 0.01
Non-GAAP basic net income (loss) per share attributable to common stockholders	\$ 0.07	\$ 0.03	\$ 0.18	\$ 0.01
GAAP income (loss) per common share, basic and diluted	\$ 0.02	\$ (0.04)	\$ 0.02	\$ (0.21)
Amortization of acquired intangible assets	0.02	0.02	0.05	0.05
Impairment and write-off of intangible assets	-	-	-	-
Stock-based compensation expense	0.06	0.06	0.17	0.15
Transaction and acquisition-related costs	0.01	-	0.01	-
Non-recurring items not indicative of ongoing operations <sup>(1)</sup>	-	-	-	0.02
Provision for income taxes	(0.02)	(0.01)	(0.06)	-
Adjustment to fully diluted earnings per share	(0.02)	-	(0.01)	-
Non-GAAP diluted income (loss) per common share	\$ 0.07	\$ 0.03	\$ 0.18	\$ 0.01

<sup>(1)</sup> For the three and nine months ended September 30, 2024, this amount is comprised of debt issuance costs written-off related to the repayment of the Company's term loan.

<sup>(2)</sup> For the nine months ended September 30, 2024, this amount includes \$1,157 of severance costs and a net benefit of \$1,808 of response costs incurred in connection with the cybersecurity incident. For the three and nine months ended September 30, 2023, this amount was primarily comprised of response costs, including professional services and legal fees, incurred in connection with the cybersecurity incident that was detected in April 2023, net of insurance recoveries.

<sup>(3)</sup> Non-GAAP tax expense is based on the Company's blended tax rate of 24.9% in periods the Company has Non-GAAP income before tax. In periods the Company is in a non-GAAP loss position, tax expense is based on GAAP tax expense.

# Non-GAAP Reconciliation

\$(Thousands)

Reconciliation of Cost of Revenue and Operating Expenses to Non-GAAP Cost of Revenue and Operating Expenses (in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Cost of revenues (exclusive of depreciation and amortization expense)	\$ 30,429	\$ 30,767	\$ 91,188	\$ 90,461
Adjustment: Stock-based compensation expense	(1,653)	(1,144)	(4,510)	(3,552)
Non-GAAP Cost of revenues (exclusive of depreciation and amortization expense)	\$ 28,776	\$ 29,623	\$ 86,678	\$ 86,909
<b>Operating expenses</b>				
Sales and marketing	\$ 21,102	\$ 18,735	\$ 60,799	\$ 58,946
Adjustment: Stock-based compensation expense	(1,404)	(1,246)	(4,019)	(3,863)
Non-GAAP Sales and marketing	\$ 19,698	\$ 17,489	\$ 56,780	\$ 55,083
Research and development	\$ 25,125	\$ 24,754	\$ 76,037	\$ 72,616
Adjustment: Stock-based compensation expense	(3,065)	(3,068)	(9,864)	(8,470)
Non-GAAP Research and development	\$ 22,060	\$ 21,686	\$ 66,173	\$ 64,146
General and administrative	\$ 25,769	\$ 25,002	\$ 72,664	\$ 75,345
Adjustment: Stock-based compensation expense	(5,728)	(5,771)	(16,735)	(15,296)
Adjustment: Transaction and acquisition-related costs	(1,081)	-	(1,081)	7
Adjustment: Non-recurring items not indicative of ongoing operations <sup>(1)</sup>	(21)	(773)	609	(4,408)
Non-GAAP General and administrative	\$ 18,939	\$ 18,458	\$ 55,457	\$ 55,648
Depreciation and amortization	\$ 9,092	\$ 9,051	\$ 27,607	\$ 26,515
Adjustment: Amortization of acquired intangibles	(3,413)	(3,623)	(10,240)	(10,870)
Non-GAAP Depreciation and amortization	\$ 5,679	\$ 5,428	\$ 17,367	\$ 15,645
Impairment and write-off of intangible assets	\$ -	\$ -	\$ 162	\$ -
Adjustment: Impairment and write-off of intangible assets	-	-	(162)	-
Non-GAAP Impairment and write-off of intangible assets	\$ -	\$ -	\$ -	\$ -
Total operating expenses	\$ 81,088	\$ 77,542	\$ 237,269	\$ 233,422
Total Non-GAAP operating expenses	\$ 66,376	\$ 63,061	\$ 195,777	\$ 190,522