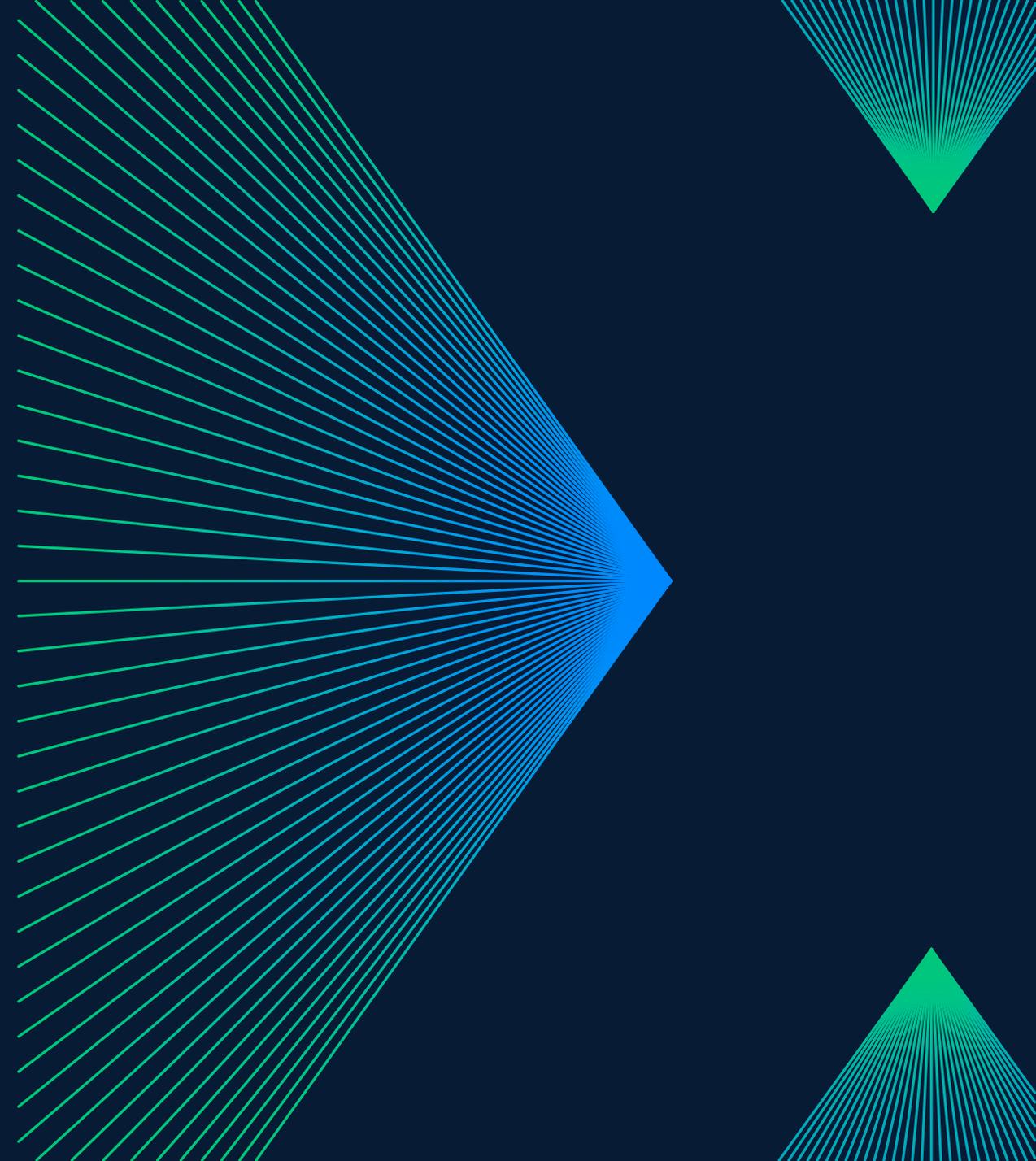




Earnings Presentation

Fourth Quarter 2024

February 26, 2025



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,” “assume,” “intend,” “aim,” “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 or statements made in this press release, or during the earnings call, related to our beliefs and expectations of future performance, including our plans, strategies and financial performance; our 2025 guidance including our expected revenue, gross margin, Adjusted EBITDA, and Non-GAAP Diluted EPS for the full year 2025; the solid footing and continued strength of our financial position, operating leverage, and execution on behalf of buyers and suppliers; the macroeconomic outlook and potential impacts within verticals in which we have domain expertise; expectations regarding margin expansion, scalability, value, opportunity size, transformational aspect of impacts, penetration, and momentum derived from our integration and strategic partnerships and our new and existing products, services, and systems; our ability to leverage AI within our operations, products, and services; our competitive position including our customers’ perceptions of the value proposition of our AP automation software and payments services; the impact of our operating priorities on our potential growth and margin expansion; our ability to improve the customer experience across our suite of products and services; the timing of revenue impacts; 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. 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.

Q4 2024 Highlights

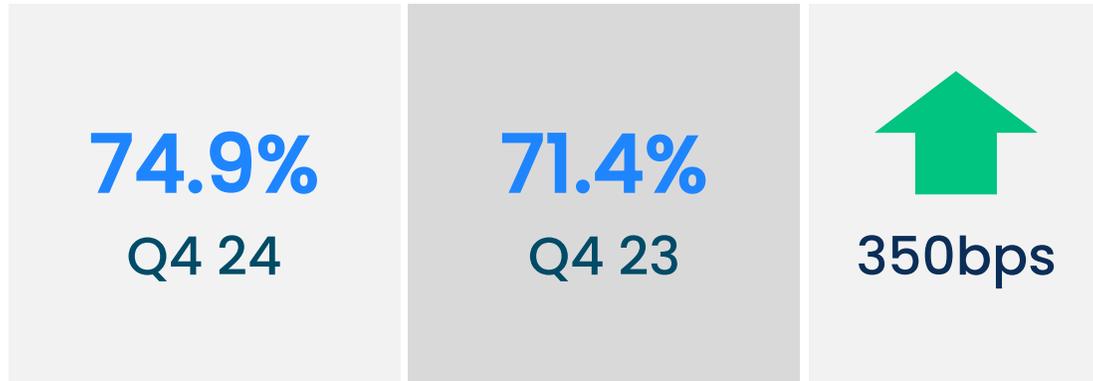
Total Revenue



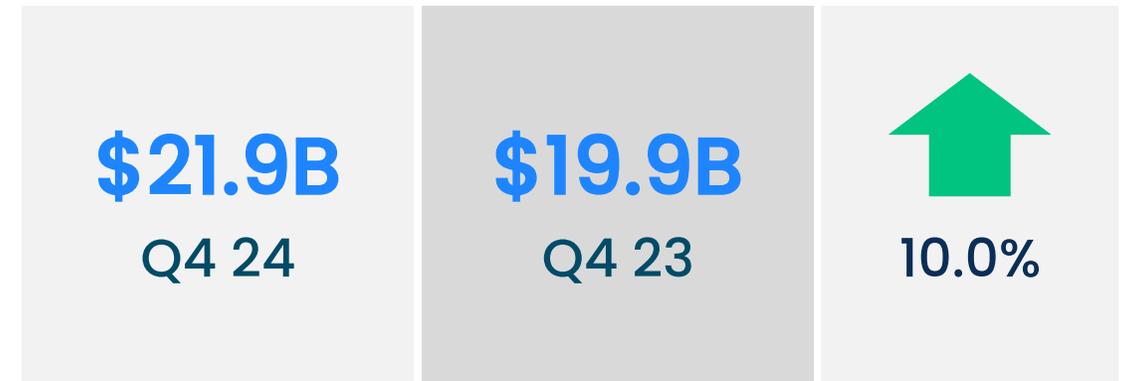
Total Transactions Processed



Non-GAAP Gross Profit Margin

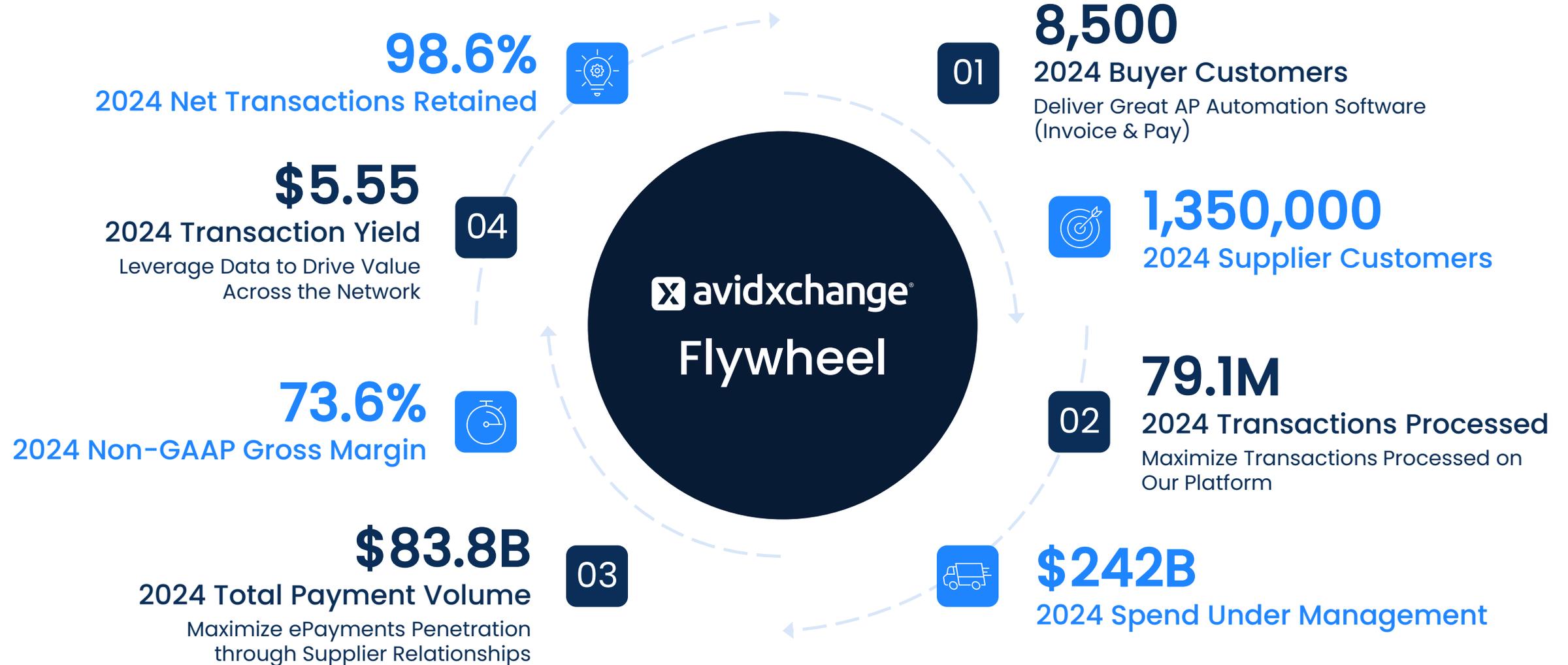


Total Payment Volume



Our Financial Monetization Story

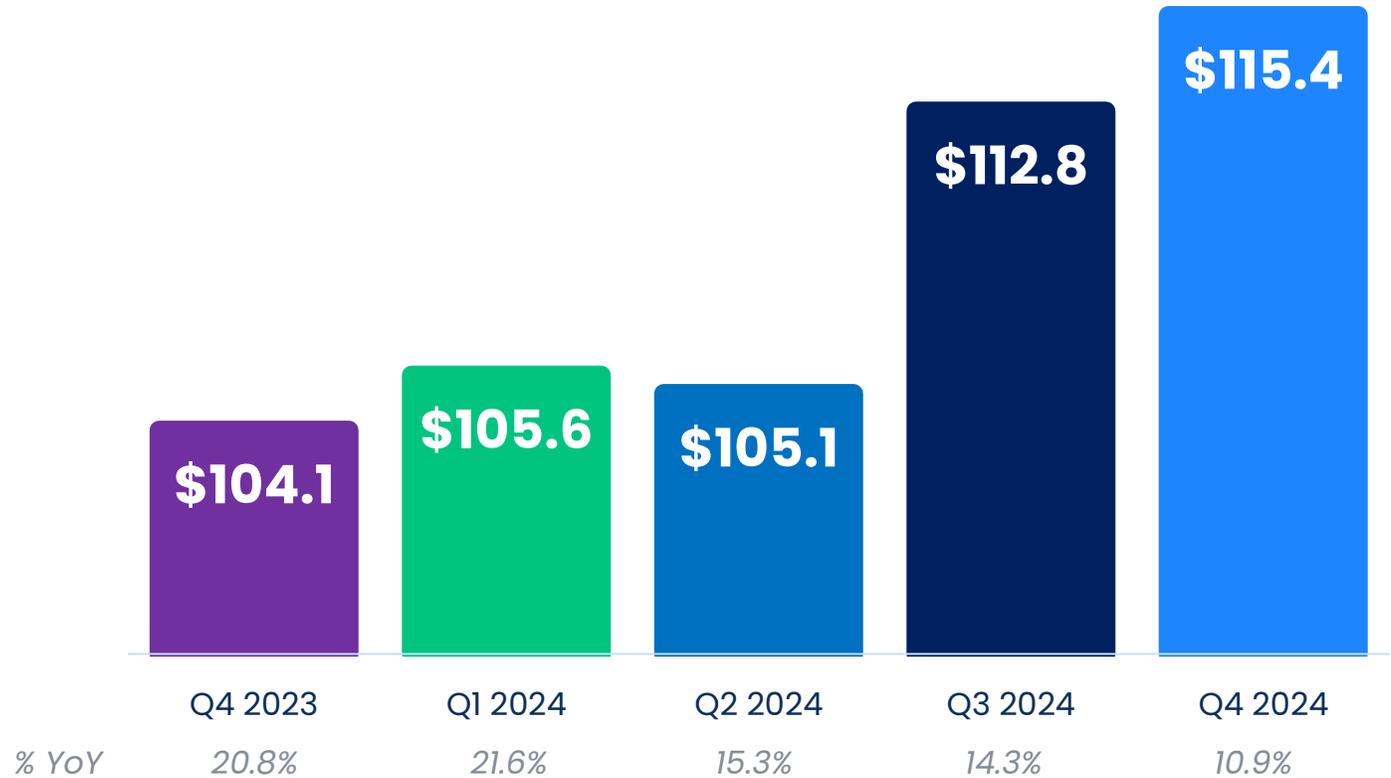
via Our AvidXchange Flywheel



Total Revenue*

\$(Millions)

Total Revenue of
\$115.4M,
an increase of
10.9%
year-over-year



Total Transactions Processed*

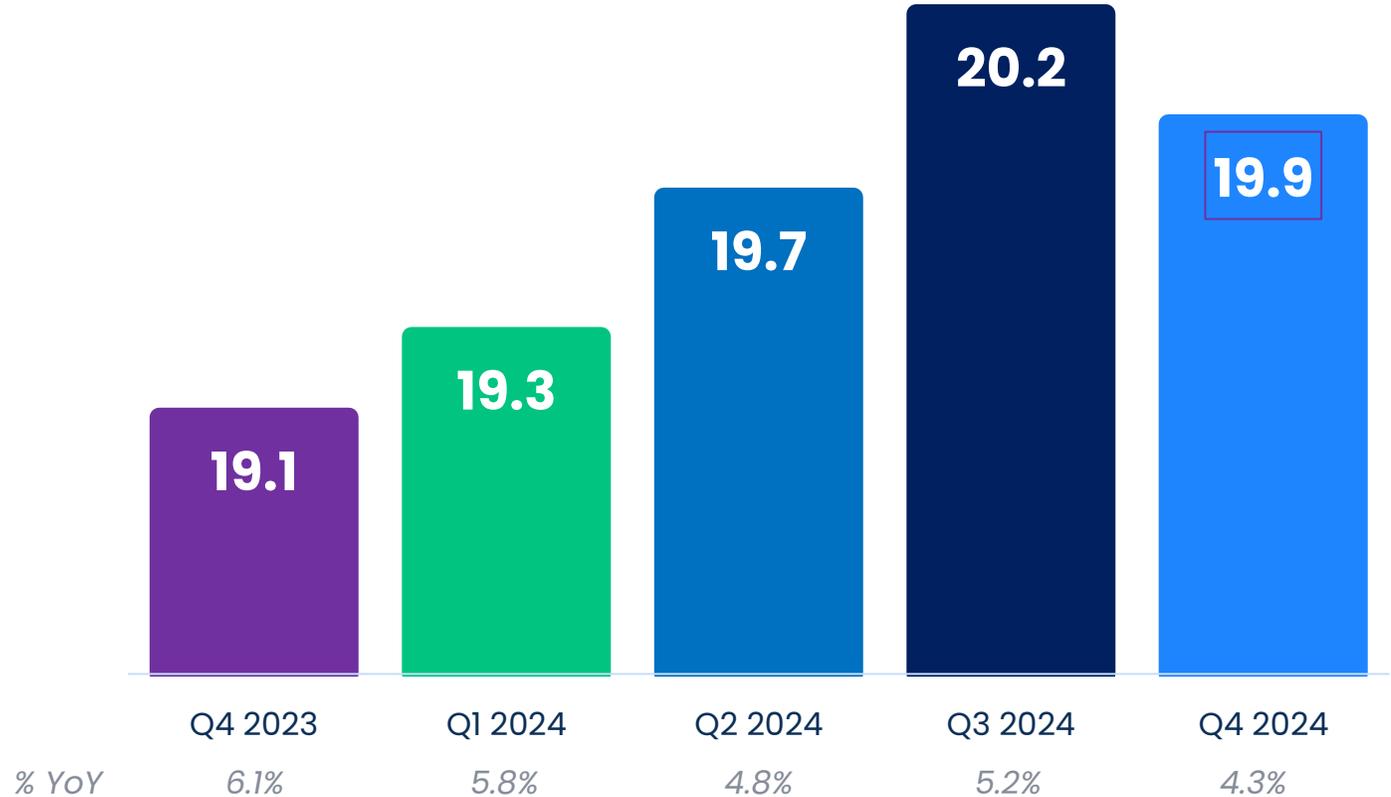
Total transactions processed of

19.9M,

an increase of

4.3%

from 19.1M in Q4 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**

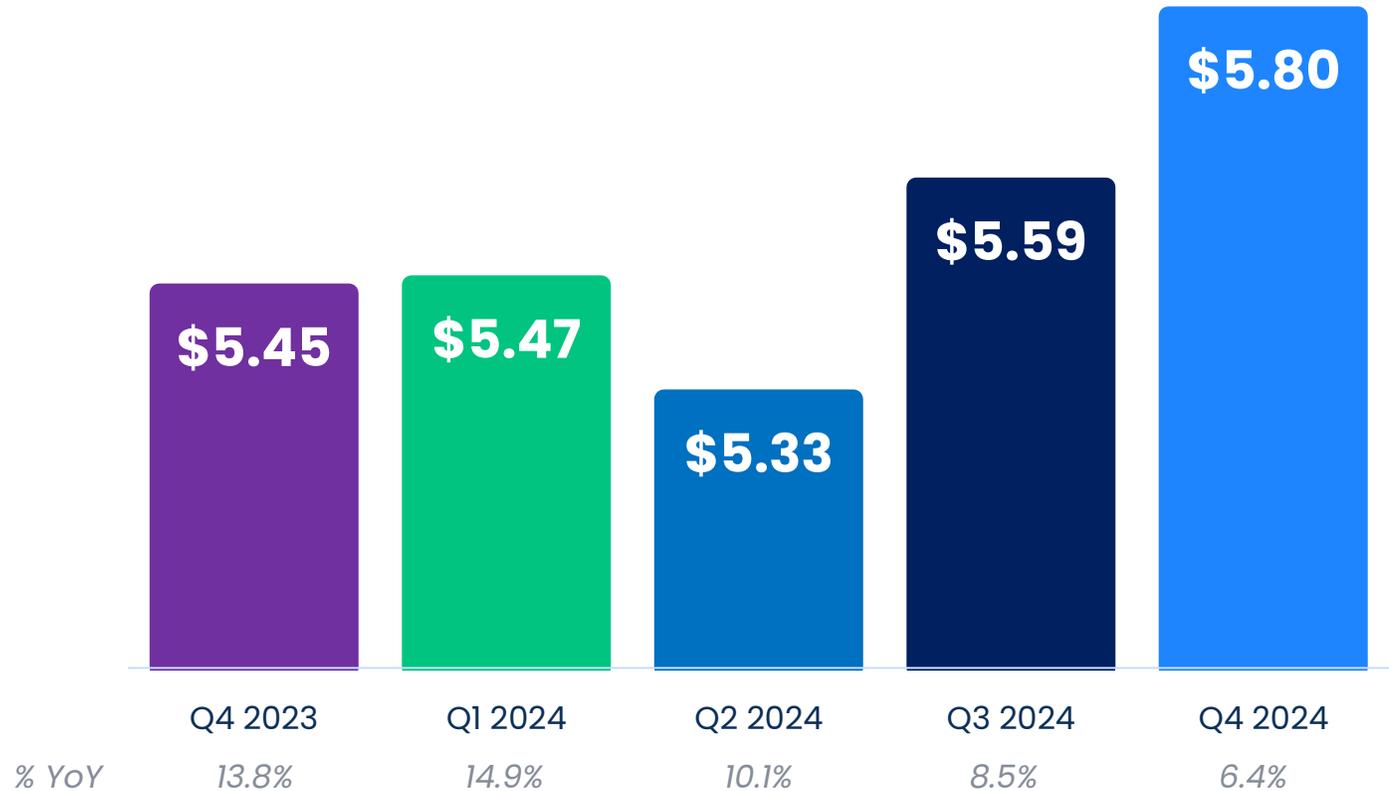
Total transactions yield was

\$5.80,

an increase of

6.4%

from \$5.45 in Q4 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.

Total Payment Volume*

\$(Billion)

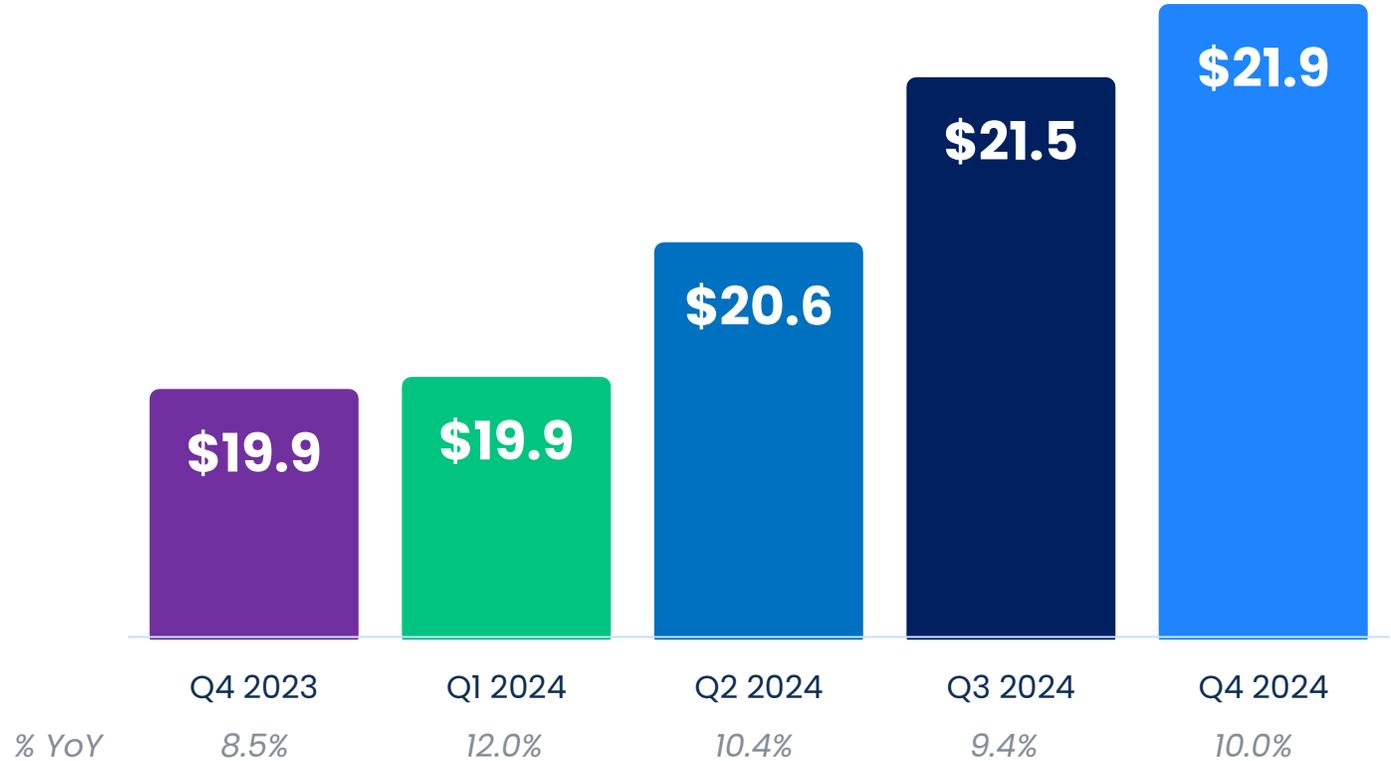
Total payment volume was

\$21.9B,

an increase of

10.0%

from \$19.9B in Q4 2023

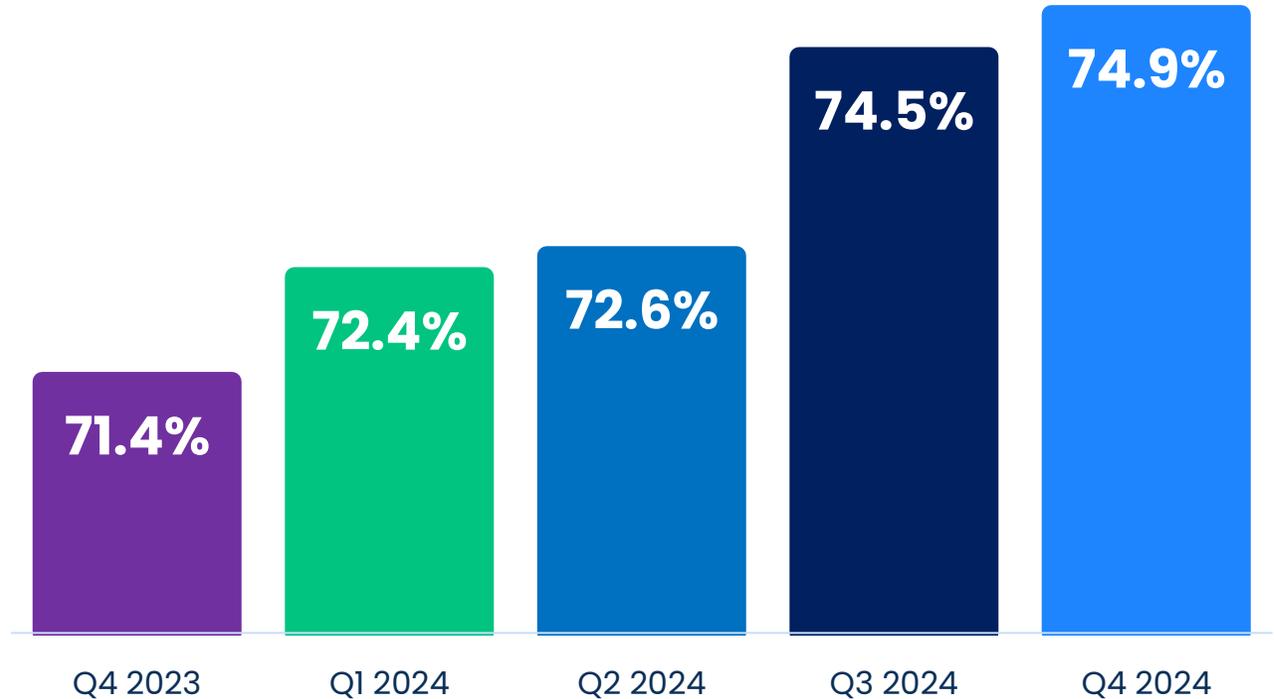


*We define total payment volume as the dollar sum of buyers' AP payments paid to their suppliers through the AvidPay Network during a particular period. We believe total payment volume is an important measure of our AvidPay Network business as it quantifies the demand for our payment services.

Non-GAAP Gross Margin*

Non-GAAP gross profit of
\$86.4 or **74.9%**
of total revenue

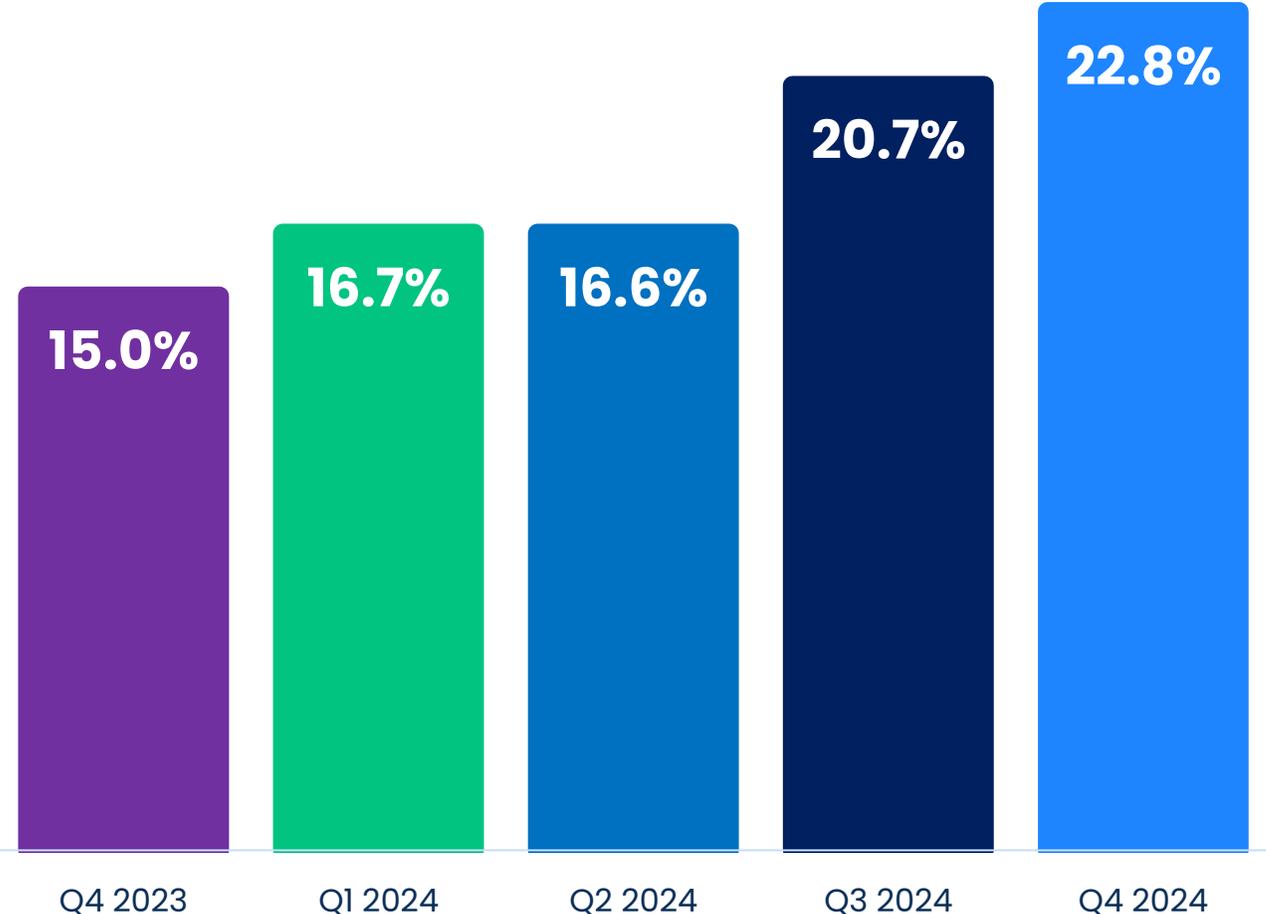
Gross margin expansion of 350 basis points year-over-year.



Adjusted EBITDA Margin*

Q4 2024 Highlights

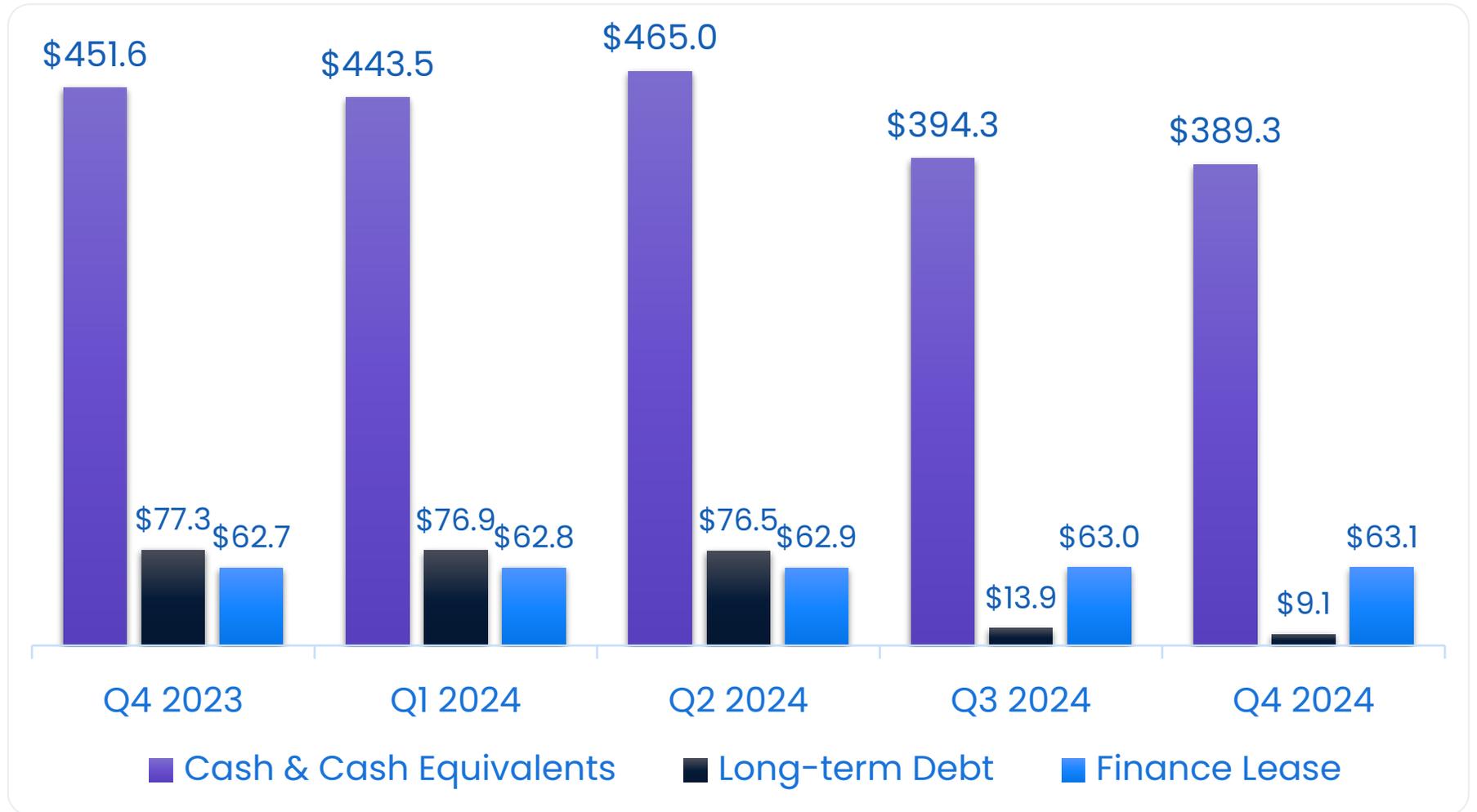
Adjusted EBITDA margin expansion reflects sustained revenue growth, unit cost reduction and operating leverage



Financial Position*

\$(Millions)

Solid balance sheet facilitates organic and inorganic re-investments in the business



*In August 2024, the Company announced a \$100 million share repurchase program. Roughly \$25 million in Q3 and Q4 of '24 were utilized to repurchase approximately 3.1 million and 2.3 million shares, respectively.

Full Year 2025 Financial Outlook

\$(Millions)

FY 2025	Low	High
Revenue ^(1&2)	\$453.0	\$460.0
% YoY Growth	3.2%	4.8%
Adjusted EBITDA ^(1,2&3)	\$86.0	\$91.0
Non-GAAP Diluted Earnings Per Share ⁽³⁾	\$0.25	\$0.27

(1) The current FY 2025 guidance anticipates interest revenue contribution of approximately \$44.0 million compared to \$49.7 million in 2024.

(2) The current FY 2025 guidance does not anticipate political revenues compared to approximately \$6.6 million in 2024.

(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)

Disaggregation of Revenue:	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
Software revenue	\$ 30,915	\$ 29,049	\$ 121,181	\$ 112,184
Payment revenue	83,374	74,218	313,456	265,112
Services revenue	1,149	797	4,303	3,424
Total revenues	\$ 115,438	\$ 104,064	\$ 438,940	\$ 380,720

Non-GAAP Gross Margin Reconciliation

\$(Thousands)

Reconciliation from Revenue to Non-GAAP Gross Profit and Non-GAAP Gross Margin <i>(in thousands, except percentages)</i>	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
Total revenues	\$ 115,438	\$ 104,064	\$ 438,940	\$ 380,720
Expenses:				
Cost of revenues (exclusive of depreciation and amortization expense)	(30,593)	(30,846)	(121,781)	(121,307)
Depreciation and amortization expense	(6,063)	(5,949)	(24,138)	(22,106)
GAAP Gross profit	\$ 78,782	\$ 67,269	\$ 293,021	\$ 237,307
Adjustments:				
Stock-based compensation expense	1,594	1,135	6,104	4,687
Depreciation and amortization expense	6,063	5,949	24,138	22,106
Non-GAAP gross profit	\$ 86,439	\$ 74,353	\$ 323,263	\$ 264,100
GAAP Gross margin	68.2%	64.6%	66.8%	62.3%
Non-GAAP gross margin	74.9%	71.4%	73.6%	69.4%

Adjusted EBITDA Reconciliation

\$(Thousands)

Reconciliation of Net Income (Loss) to Adjusted EBITDA <i>(in thousands)</i>	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
Net income (loss)	\$ 4,671	\$ (4,473)	\$ 8,145	\$ (47,325)
Depreciation and amortization	8,677	9,397	36,284	35,912
Impairment and write-off intangible assets	124	-	286	-
Interest income	(4,595)	(6,070)	(22,973)	(20,890)
Interest expense	2,057	3,413	11,331	13,519
Provision for income taxes	246	856	921	1,195
Stock-based compensation expense	12,107	9,675	47,235	40,856
Transaction and acquisition-related costs ⁽¹⁾	290	-	1,371	(7)
Non-recurring items not indicative of ongoing operations ⁽²⁾	861	1,133	252	5,541
Charitable contribution of stock	1,868	1,667	1,868	1,667
Adjusted EBITDA	\$ 26,306	\$ 15,598	\$ 84,720	\$ 30,468

Non-GAAP Net Income Reconciliation

\$(Thousands except share and per share data)

	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
Reconciliation from Net Income (Loss) to Non-GAAP Net Income				
<i>(in thousands)</i>				
Net income (loss)	\$ 4,671	\$ (4,473)	\$ 8,145	\$ (47,325)
Exclude: Provision for income taxes	246	856	921	1,195
Income (loss) before taxes	4,917	(3,617)	9,066	(46,130)
Amortization of acquired intangible assets	2,910	3,623	13,150	14,493
Impairment and write-off of intangible assets	124	-	286	-
Stock-based compensation expense	12,107	9,675	47,235	40,856
Transaction and acquisition-related costs ⁽¹⁾	290	-	1,371	(7)
Non-recurring items not indicative of ongoing operations ⁽²⁾	861	1,133	252	5,541
Charitable contribution of stock	1,868	1,667	1,868	1,667
Total net adjustments	18,160	16,098	64,162	62,550
Non-GAAP income before taxes	23,077	12,481	73,228	16,420
Non-GAAP tax expense ⁽³⁾	\$ 5,746	\$ 3,108	\$ 18,234	\$ 4,089
Non-GAAP net income	\$ 17,331	\$ 9,373	\$ 54,994	\$ 12,331
Weighted-average shares used to compute Non-GAAP net income per share attributable to common stockholders, basic	205,223,697	203,517,119	206,096,505	201,887,669
Weighted-average shares used to compute Non-GAAP net income per share attributable to common stockholders, diluted	207,252,025	207,367,561	209,158,393	205,579,485
GAAP Net income (loss) per share attributable to common stockholders, basic	\$ 0.02	\$ (0.02)	\$ 0.04	\$ (0.23)
GAAP Net income (loss) per share attributable to common stockholders, diluted	\$ 0.02	\$ (0.02)	\$ 0.04	\$ (0.23)
Non-GAAP basic net income per share attributable to common stockholders, basic	\$ 0.08	\$ 0.05	\$ 0.27	\$ 0.06
Non-GAAP basic net income per share attributable to common stockholders, diluted	\$ 0.08	\$ 0.05	\$ 0.26	\$ 0.06
GAAP income (loss) per common share, basic and diluted	\$ 0.02	\$ (0.02)	\$ 0.04	\$ (0.23)
Amortization of acquired intangible assets	0.01	0.02	0.06	0.07
Impairment and write-off of intangible assets	-	-	-	-
Stock-based compensation expense	0.06	0.05	0.23	0.20
Transaction and acquisition-related costs ⁽¹⁾	-	-	0.01	-
Non-recurring items not indicative of ongoing operations ⁽²⁾	-	0.01	-	0.03
Charitable contribution of stock	0.01	0.01	0.01	0.01
Provision for income taxes	(0.03)	(0.01)	(0.08)	(0.01)
Adjustment to fully diluted earnings per share	0.01	(0.01)	(0.01)	(0.01)
Non-GAAP diluted income per common share	\$ 0.08	\$ 0.05	\$ 0.26	\$ 0.06

Non-GAAP Expense Reconciliation

\$(Thousands)

	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
Reconciliation of Cost of Revenue and Operating Expenses to Non-GAAP Cost of Revenue and Operating Expenses				
<i>(in thousands)</i>				
Cost of revenues (exclusive of depreciation and amortization expense)	\$ 30,593	\$ 30,846	\$ 121,781	\$ 121,307
Adjustment: Stock-based compensation expense	(1,594)	(1,135)	(6,104)	(4,687)
Non-GAAP Cost of revenues (exclusive of depreciation and amortization expense)	\$ 28,999	\$ 29,711	\$ 115,677	\$ 116,620
Operating expenses				
Sales and marketing	\$ 21,730	\$ 18,577	\$ 82,529	\$ 77,523
Adjustment: Stock-based compensation expense	(1,801)	(1,090)	(5,820)	(4,953)
Non-GAAP Sales and marketing	\$ 19,929	\$ 17,487	\$ 76,709	\$ 72,570
Research and development	\$ 25,073	\$ 24,939	\$ 101,110	\$ 97,555
Adjustment: Stock-based compensation expense	(3,049)	(2,845)	(12,913)	(11,315)
Non-GAAP Research and development	\$ 22,024	\$ 22,094	\$ 88,197	\$ 86,240
General and administrative	\$ 26,862	\$ 26,579	\$ 99,526	\$ 101,924
Adjustment: Stock-based compensation expense	(5,663)	(4,605)	(22,398)	(19,901)
Adjustment: Transaction and acquisition-related costs ⁽¹⁾	(290)	-	(1,371)	7
Adjustment: Non-recurring items not indicative of ongoing operations ⁽²⁾	(861)	(1,133)	(252)	(5,541)
Charitable contribution of stock	(1,868)	(1,667)	(1,868)	(1,667)
Non-GAAP General and administrative	\$ 18,180	\$ 19,174	\$ 73,637	\$ 74,822
Impairment and write-off of intangible assets	\$ 124	\$ -	\$ 286	\$ -
Adjustment: Impairment and write-off of intangible assets	(124)	-	(286)	-
Non-GAAP Impairment and write-off of intangible assets	\$ -	\$ -	\$ -	\$ -
Depreciation and amortization	\$ 8,677	\$ 9,397	\$ 36,284	\$ 35,912
Adjustment: Amortization of acquired intangibles	(2,910)	(3,623)	(13,150)	(14,493)
Non-GAAP Depreciation and amortization	\$ 5,767	\$ 5,774	\$ 23,134	\$ 21,419
Total operating expenses	\$ 82,466	\$ 79,492	\$ 319,735	\$ 312,914
Total Non-GAAP operating expenses	\$ 65,900	\$ 64,529	\$ 261,677	\$ 255,051
GAAP without D&A	\$ 73,665	\$ 70,095	\$ 283,165	\$ 277,002
Non-GAAP without D&A	\$ 60,133	\$ 58,755	\$ 238,543	\$ 233,632

Annual Metrics

Annual Metrics	As of and for the Year Ending December 31,		
	2024	2023	2022
Total payment volume (in millions)	\$83,842	\$75,922	\$68,202
Transactions	79,123,540	75,330,634	70,168,806
Buyers ⁽⁴⁾	8,500	8,000	7,400
Suppliers paid over the past 5 years	1,350,000	1,200,000	965,000

Notes to the Non-GAAP Reconciliations and Annual Metrics

⁽¹⁾ For the three and twelve months ended December 31, 2024, this amount is comprised of debt issuance costs written-off related to the repayment of the Company's term loan.

⁽²⁾ For the year ended December 31, 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 in addition to \$707 of net costs related to lease abandonment and other real estate related amounts. For the three months ended December 31, 2023, this amount is primarily comprised of \$1,880 of restructuring costs, \$507 of insurance recoveries related to the cybersecurity incident that was detected in April 2023, and \$176 benefit from the adjustment of accruals related to costs incurred in connection with the cybersecurity incident. For the year ended December 31, 2023, this amount is primarily comprised of \$3,698 of response costs, including professional services and legal fees, incurred in connection with the cybersecurity incident, net of insurance recoveries and \$1,880 of restructuring costs.

⁽³⁾ 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.

⁽⁴⁾ Excludes Create-a-Check customers