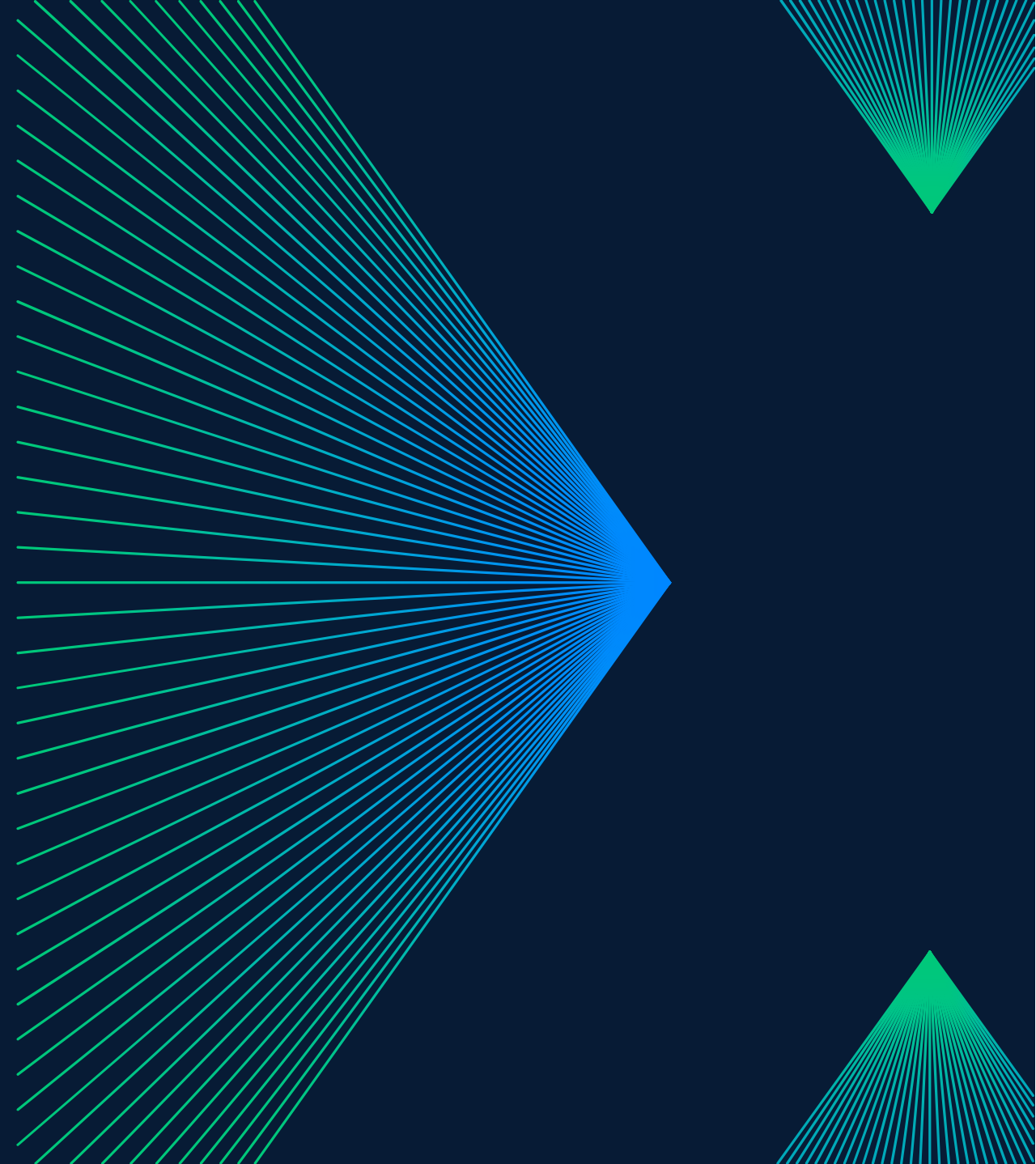




Road Show Presentation

September 2023



Disclaimer

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,” “project,” “estimate,” “expect,” “future,” “likely,” “may,” “should,” “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 EBITDA for the full year 2023, statements related to our ability to achieve our medium and long-term Rule of 40 and Rule of 40-plus targets, our progress on controlling unit costs, our response to the cyber security incident detected in April 2023 and its impact on our future results, 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, Quarterly Report on Form 10-Q to be filed for the period ended June 30, 2023, 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 press release 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.

To supplement the financial measures presented, 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 and Non-GAAP Net Loss.

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, and Non-GAAP Net Loss in this press release. 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 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.

In the quarter ended March 31, 2023, we revised our definition for Non-GAAP Net Loss to include tax expense adjusted for acquisition-related effects on income tax. This change did not materially change Non-GAAP Net Loss reported in previous periods. The Non-GAAP Net Loss reported for the three- and six-month periods ended June 30, 2022 have been revised to reflect the new definition.



Presenting AvidXchange

Today's Hosts



Michael Praeger

Chief Executive Officer and Co-Founder



Joel Wilhite

Chief Financial Officer

Our Mission

Transform the way middle market companies pay and receive bills.



Avidxchange's Investment Thesis

Purpose-Built Middle-Market (MM) AP and Payments Automation
AVDX Targets \$40 Billion Market Opp.

1

B2B Payments Dominated by Paper Checks with E-Payment Shift Powered by
Macro, Commercial & Demographic Trends

2

AvidPay is a Differentiated, Two-Sided Network Leading the MM Industry in
Driving E-Payment Adoption

3

AVDX's Decades-in-the-Making Vertical & Horizontal G-T-M Strategy Aligns with
MM Businesses & Creates Competitive Moat

4

Avid's Business Flywheel Fosters Innovation Across Each Gear Propelling
Revenue Growth & Margin Expansion

5

Solid Balance Sheet with Large Addressable Market, Secular Shift to Automation & E-Pay, a Compelling
Financial Model with highly predictable revenues and Strong Operational Execution Equals Significant
Value Creation Opportunity for Investors

6

AvidXchange Automates the Entire AP and Payment Workflow



Traditional Workflows are Manual, Slow, and Expensive

BEFORE AUTOMATION

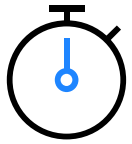
AFTER AUTOMATION



1. Goldman Sachs Equity Research
 2. AFP Payments Study
 3. Paymentcloudinc

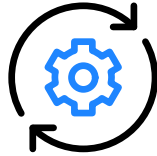
\$12 Estimated Savings Per Transaction

Middle market customers' unique challenges



Inefficient Legacy Solutions

42% of U.S. B2B payment volume still paid using **paper checks** requiring manual intervention



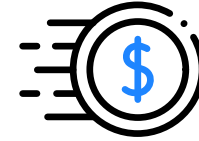
Complex Integration Requirements

Hundreds of accounting systems and integrations resulting in **complex and highly specific business, accounting and compliance requirements**



Underserved Target Market

Highly fragmented market of vertical focused ERP and software solutions



High Costs

Costs related to these complex AP workflows are a significant component of middle market companies' **administrative expenses**



Status Quo Mindset

Traditional long tenured finance leaders maintain **status quo financial processes**

We Believe Middle Market Customers Have Unique Needs

	SMB	MIDDLE MARKET	ENTERPRISE
ILLUSTRATIVE AR/AP SOLUTIONS			
ANNUAL REVENUE	< \$5mm	\$5mm-\$1bn	> \$1bn
EMPLOYEE SIZE	~1-50 employees	~50-1000 employees	1000+ employees
AVAILABLE US MARKET (COUNT OF BUSINESSES)	~23mm	~435k	~6k
ADOPTION OF AUTOMATION	Emerging	Early Adopter	Maturing
BACK OFFICE COMPLEXITY			
SUPPLY CHAIN COMPLEXITY			
ILLUSTRATIVE ACCOUNTING SYSTEMS			

We Are Purpose Built for Solving the Problems of the Middle Market



Buyer

- > Improve and Control Spend
- > Eliminate Paper Processes
- > Reduce Manual Data Entry & Fraud
- > Increase Visibility
- > Manage Suppliers
- > Audit / Regulatory Trails



Supplier

- > Invoice Reconciliation
- > Remove Costly Frictions
- > Send Invoices Electronically
- > Decrease Data Entry
- > Improve Cash Forecasting
- > Provide Working Capital

Our AvidPay Network

Proprietary, Market Leading B2B Payments Network for Middle Market Buyers and Their Suppliers

Growing supplier density leads to increased e-payment adoption which drives higher monetization rates

✓ Two-sided network

✓ Variety of faster payment methods

✓ Data-driven



OUR SECRET SAUCE

GROWTH OF OUR AVIDPAY NETWORK

SUPPLIERS PAID VIA THE AVIDPAY NETWORK OVER THE PAST 7 YEARS*



Enterprise

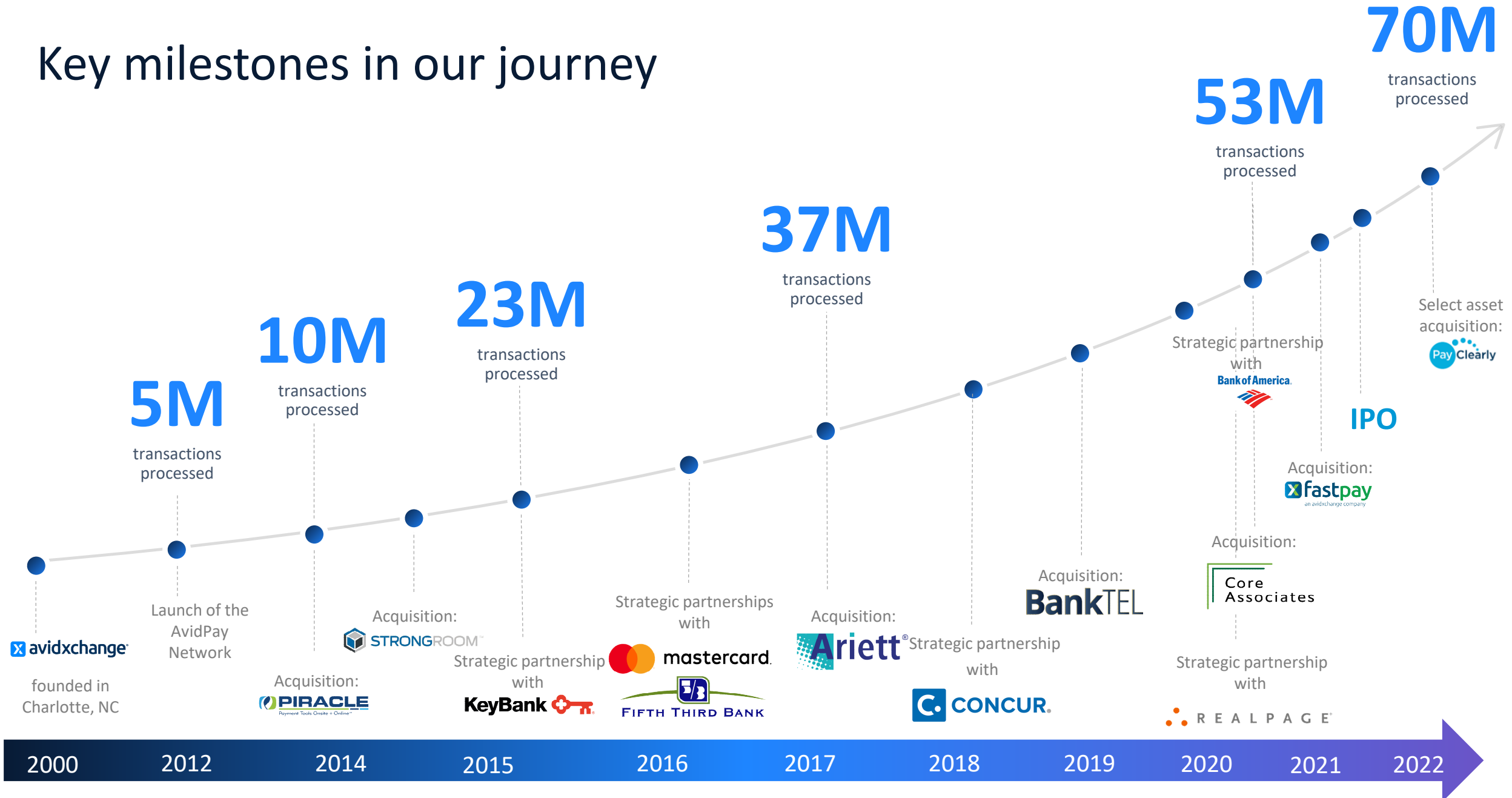


Middle Market



SMB

Key milestones in our journey



Our Large Market Opportunity and Go-to-Market Strategies

The Middle Market B2B Payments Industry is Massive...

\$25T+

B2B Payments
in North America
annually

Est. U.S. Annual
B2B Opportunity

\$40B

Est. AP Automation Solutions
and B2B Payment Revenue
Opportunity

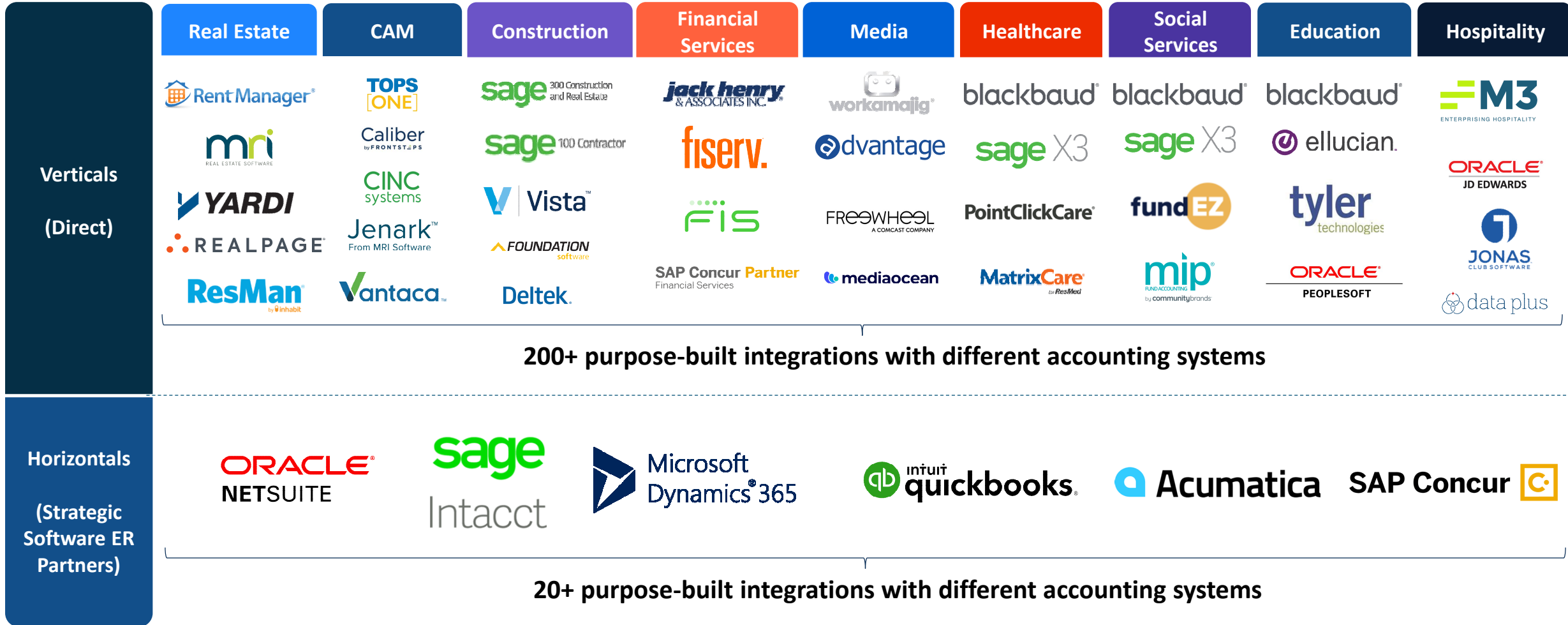
\$20B

 **avidxchange**

\$316M

2022 Revenue

Our Vertical and Horizontal Strategy



Strong Partner Relationships Provide a Competitive Advantage



Bank Channel

Banks provide a wider suite of products to customers by offering AvidXchange's AP automation and payment software

Banks leverage their long-term business customer relationships to sell AvidXchange products

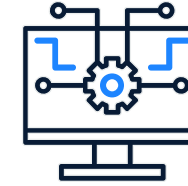
Reseller Partners



Referral Partners



10+
Bank Referral
Partners



Middle Market Software and Solution Partners

Numerous reseller and referral partners with flexible revenue sharing / commission agreements

Training, implementation, account management, and customer support are provided by AvidXchange

Reseller Partners



Referral Partners



190+
Referral
Partners

Our Growth Strategies

Tailwinds Accelerating Middle Market Adoption



Movement to the “Cloud” and Business Continuity

COVID-19 highlighted the importance of having all key financial applications in the Cloud along with automation for business continuity and support “work from home”



Fraud Risk

Growing concerns over fraud risk and data privacy with paper invoices and paper checks with the majority of B2B payment fraud occurring with paper checks



Generational Shift

Growing trend towards tech-savvy younger next generation CFOs and finance leaders are taking on increased automation leadership roles in customers



Compelling ROI & Value Proposition

Users have experienced the value proposition benefits of SaaS / cloud solutions driving lower cost of ownership along with rapid (less than 12 months) return on investment for AvidXchange offerings

AvidXchange is Purpose Built for the Middle Market



Industry Leading AP Automation & Payment Services

Built for both the **vertical** and **horizontal** industry needs of middle market companies



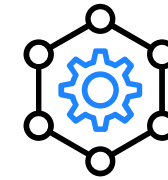
The Largest Network of Unique Suppliers

965,000 supplier customers of all sizes nationwide paid within the last 5 years



Deep Vertical Domain Expertise & Strategic Partnerships

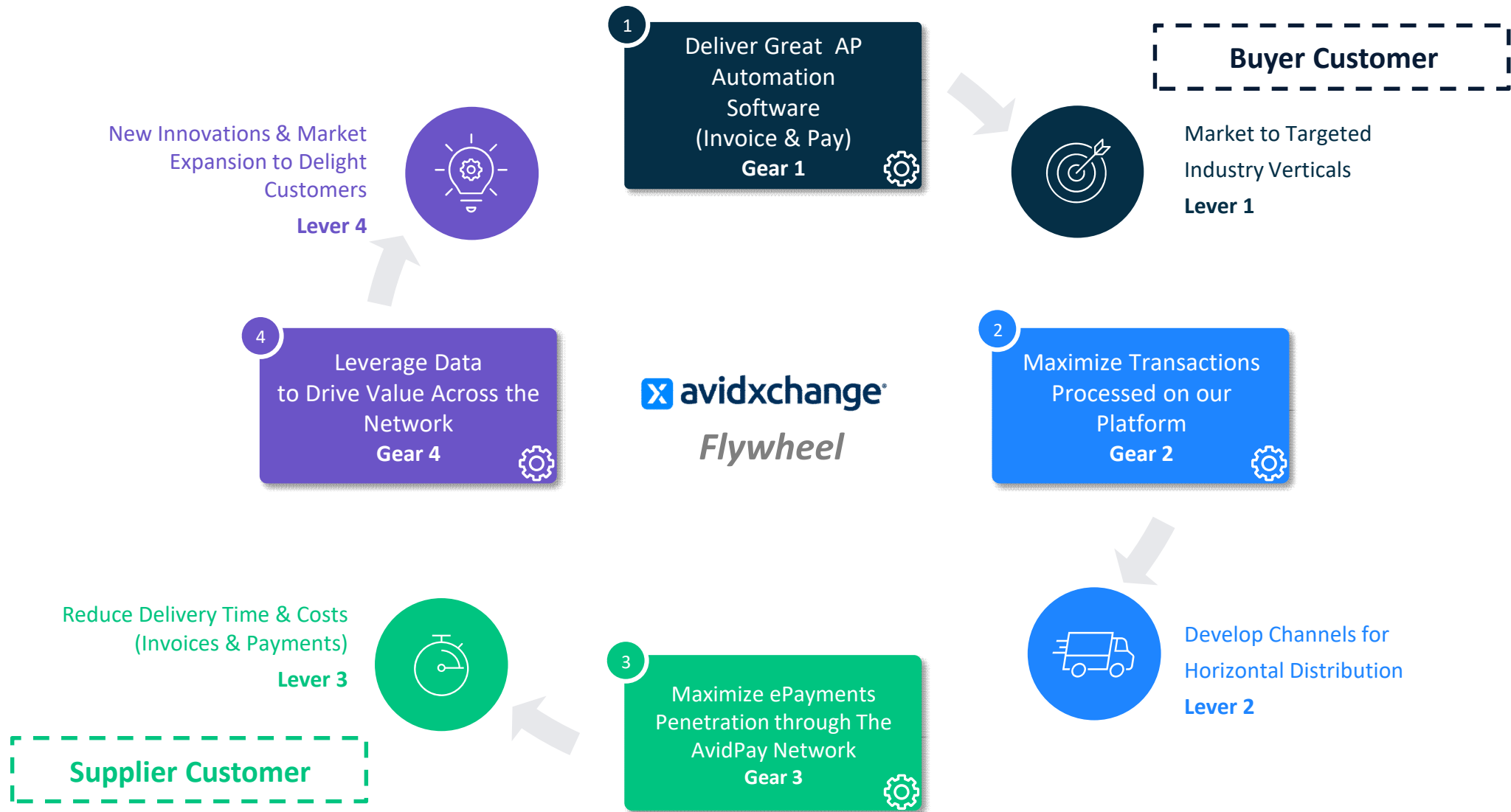
Strategic partnerships with industry leaders like **Mastercard, Wise, etc.**



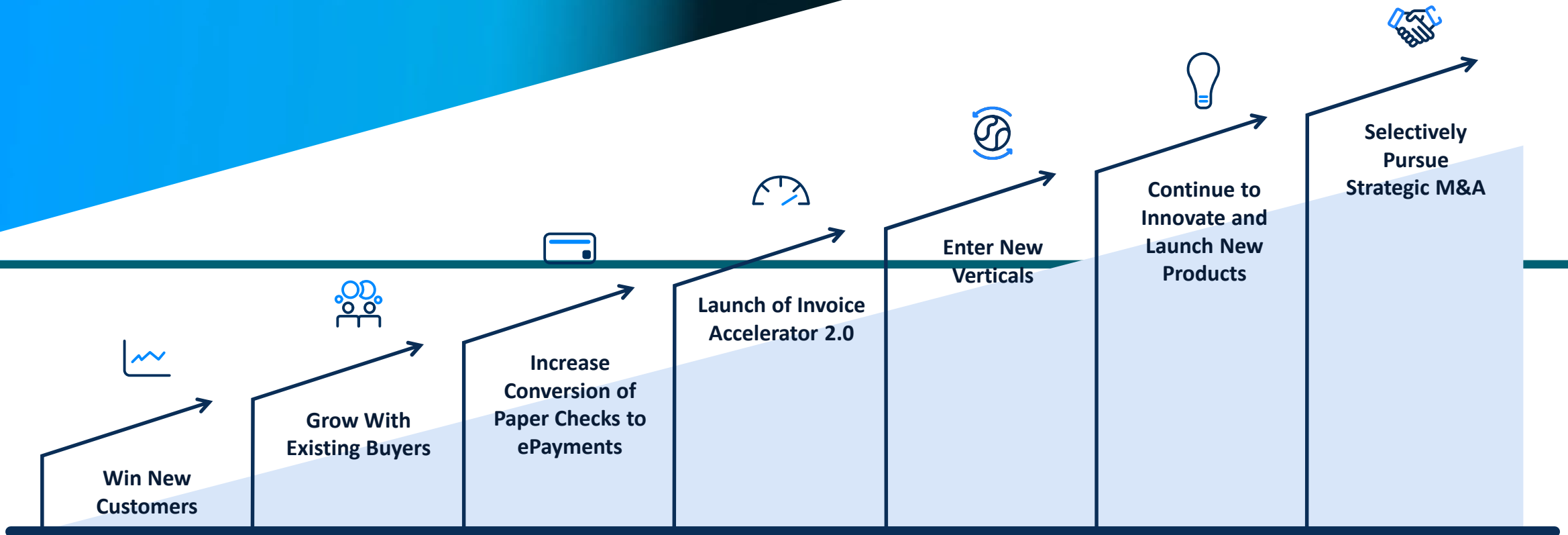
220+ Integrations Supporting Both Vertical Industry & Horizontal Customers

Our solutions are **highly integrated** to our customers core accounting / ERP systems supporting the business requirements of our **vertical and horizontal** customers

Powerful Flywheel Business Model for Long-term Growth

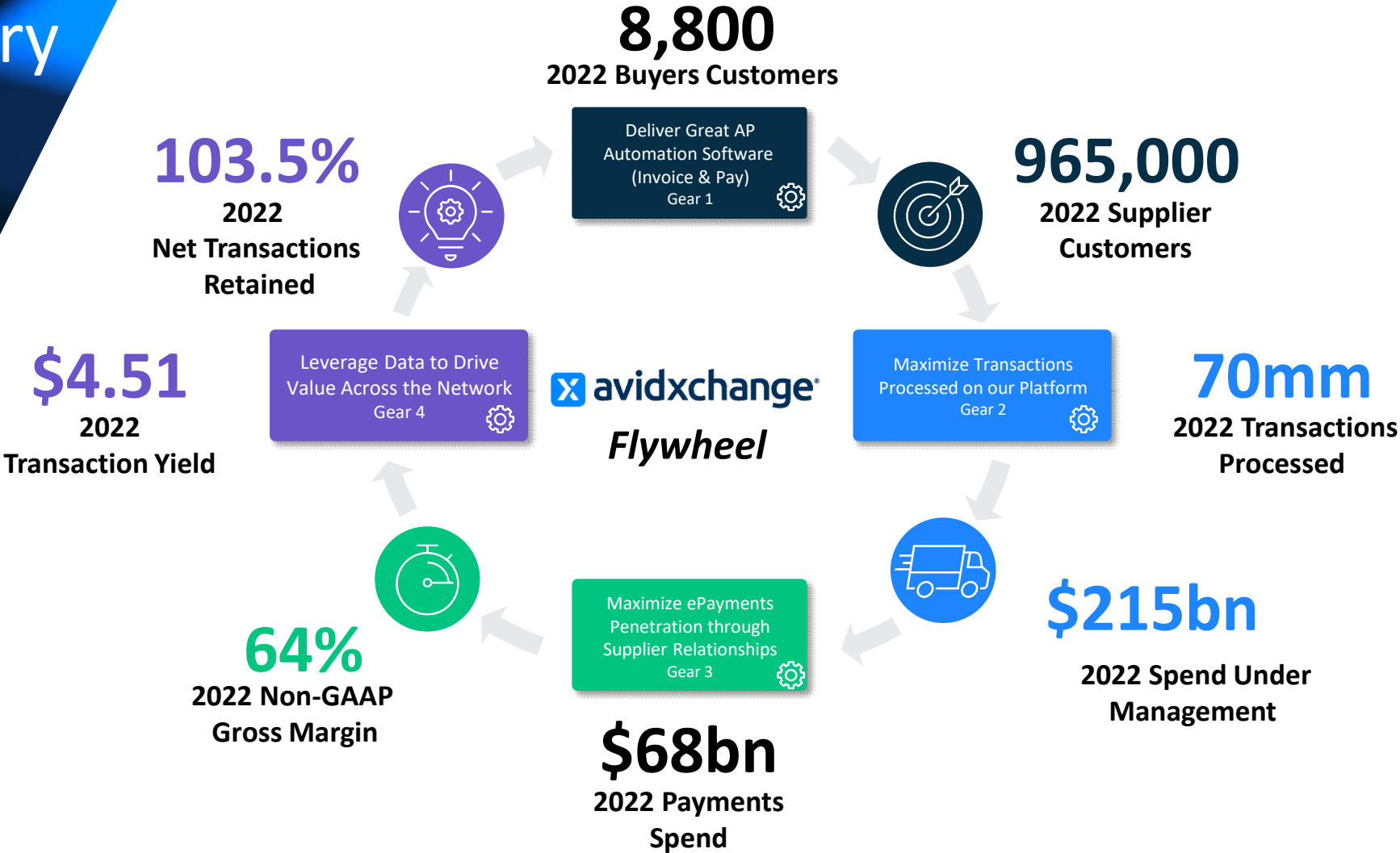


Multiple Strategic Growth Drivers



Financial Overview

Our Financial Monetization Story via Our AvidXchange Flywheel




¹ Transaction yield for the 12 months ended 31-Dec.

Q2 2023 Highlights

TOTAL REVENUE

\$91.2M
Q2 23


\$76.6M
Q2 22


19.1%

TOTAL TRANSACTIONS PROCESSED

18.8M
Q2 23


17.3M
Q2 22


8.7%

NON-GAAP GROSS PROFIT MARGIN

68.3%
Q2 23


63.7%
Q2 22


460bps

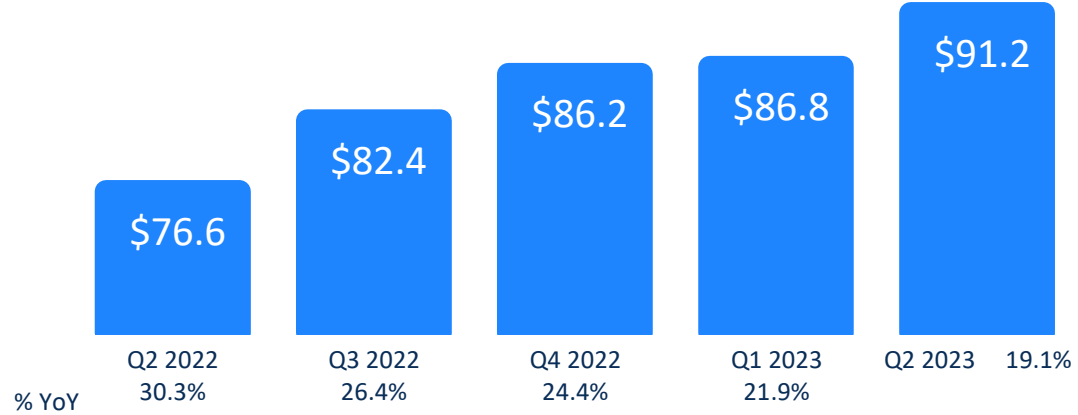
TOTAL PAYMENT VOLUME

\$18.7B
Q2 23

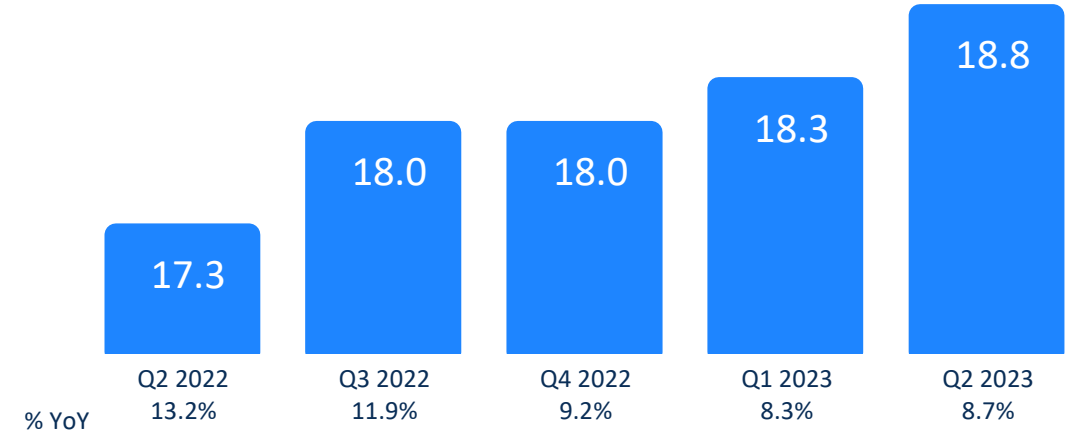
\$16.6B
Q2 22


12.6%

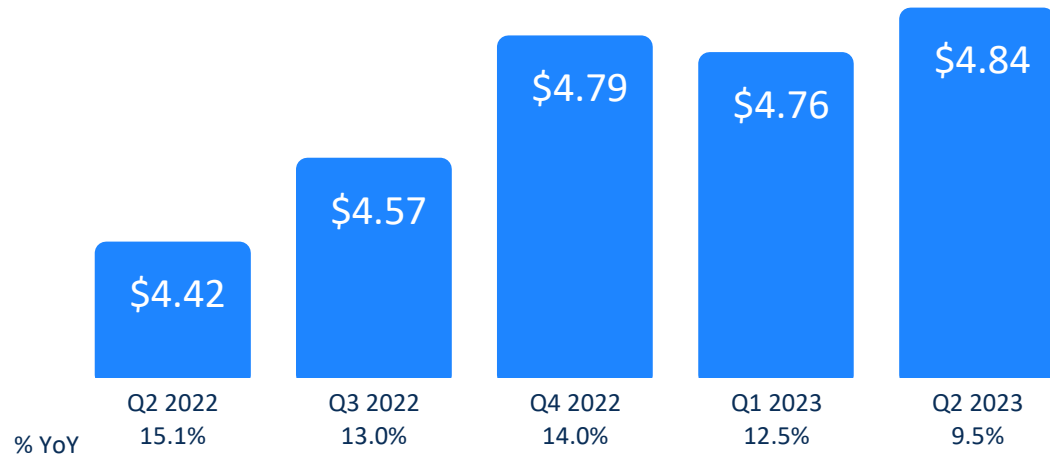
Total Revenue (*\$million*)



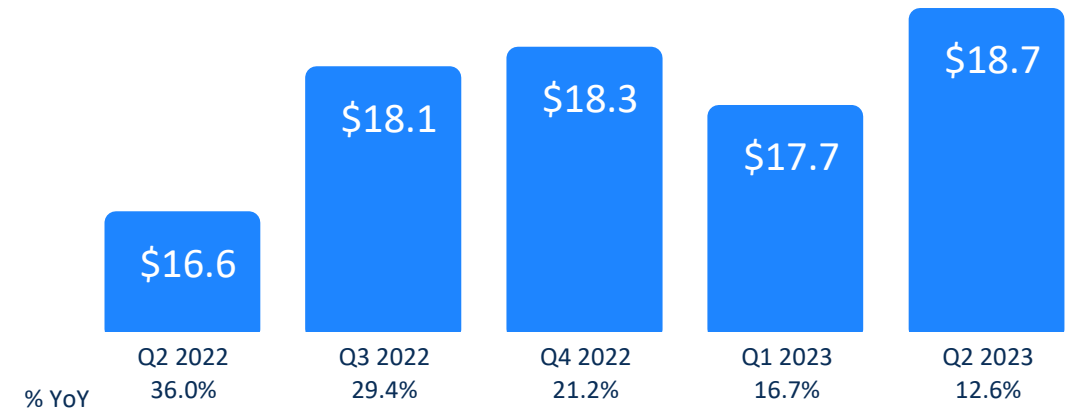
Total Transactions Processed (*million*)



Total Transaction Yield



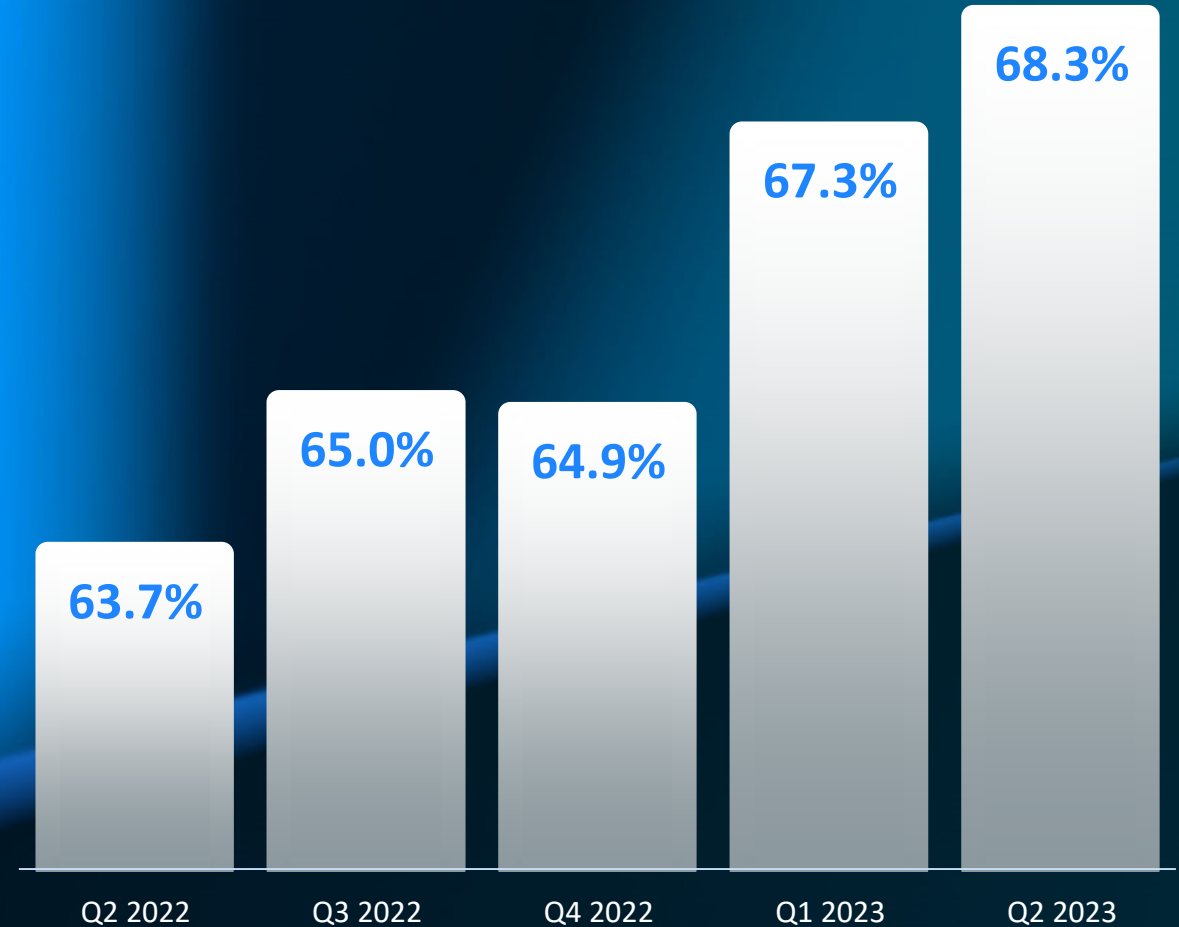
Total Payment Volume (*\$Billion*)



Non-GAAP Gross Margin

Q2 2023 Highlights

- Non-GAAP gross profit of \$62.3 million, or 68.3% of total revenue
- Gross margin expansion of 460 basis points year-over-year



Full Year 2023 Financial Outlook

\$(millions)

FY 2023	LOW	HIGH
Revenue	\$368.0	\$370.0
% YoY Growth	16.3%	17.0%
Adj. EBITDA ^(1&2)	\$7.0	\$8.0

(1) A reconciliation of adjusted EBITDA to GAAP net loss 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 this non-GAAP measure

(2) The non-GAAP adjusted EBITDA guidance does not include non-recurring costs that AvidXchange has incurred or expects to incur relating to its response to a cyber security incident that AvidXchange detected in early April 2023 as part of its security monitoring protocols. In response to the incident, AvidXchange launched an investigation with the support of leading cybersecurity experts, reached out to law enforcement and has taken and will continue to take actions to implement additional safeguards. The incident has not had a material impact on the ability of AvidXchange's customers to use its products and services. The investigation, which is ongoing, has so far revealed that the incident affected certain of AvidXchange's systems and that some data from these systems was exfiltrated. AvidXchange posted notice of the event on its website and is committed to notifying any impacted customers. AvidXchange maintains cyber insurance and will likely seek reimbursement for certain expenses incurred in connection with this event although the extent to which its insurance will cover such expenses remains uncertain.

Medium Term Goals (2025E)

72%-75%

Non-GAAP Gross
Profit Margin

20%+

Adjusted EBITDA
Margin

40+

Rule of 40

20%+ Estimated CAGR Revenues

E = Estimates.

Long Term Goals (5 Years)

75%+

Non-GAAP Gross
Profit Margin

30%+

Adjusted EBITDA
Margin

50+

Rule of 40

\$1 Billion Estimated Revenues

E = Estimates.

Summary

Our Experienced, Founder-Led Management Team

Strong leadership with deep bench of talent



Michael Praeger
Chief Executive Officer, Co-Founder



Dan Drees
President



Todd Cunningham
Chief People Officer



Joel Wilhite
Chief Financial Officer



Angelic Gibson
Chief Information Officer

Executive Team



Serdar Dincaslan
SVP, Product



John Feldman
COO



Mo Trezies
SVP, Software
Engineering
and Architecture



Christina Quaine
Chief Information
Security Officer



Ryan Stahl
SVP, General
Counsel



Martin Smith
SVP,
Strategic Initiatives
& Integration



Manu Sood
SVP, Platform
Delivery & Ops



Secil Baysal
SVP, Product



Cameron White
SVP,
Finance



Subhaash Kumar
SVP,
Investor Relations



James Sutton
Chief Revenue
Officer



Doug Anderson
Chief Product
Officer

We Are Transforming the Middle Market for B2B Payments

We Are Purpose Built for the Middle Market

1

AvidPay Network is a Scaled, Two-Sided Network Leading the Industry in Payment Adoption

2

Comprehensive, AP Automation Platform Supporting Unique Middle Market Requirements

3

Deep Integration Layer Supporting Unique Business Process Across the Middle Market

4

Emerging Supplier Financing and Data Offerings Leveraging Invoice & Payment Data

5

Deep Leadership Team Driving “Win as a Team” Culture

6

Questions?



Appendix

Revenue Disaggregation

\$(Thousands)

Disaggregation of Revenue:	Three Months Ended June 30,	
	2023	2022
Software revenue	\$ 27,248	\$ 24,202
Payment revenue	63,228	51,581
Services revenue	678	778
Total revenues	\$ 91,154	\$ 76,561

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 June 30,	
	2023	2022
Total revenues	\$ 91,154	\$ 76,561
Expenses:		
Cost of revenues (exclusive of depreciation and amortization expense)	(30,221)	(28,979)
Depreciation and amortization expense	(5,364)	(4,700)
GAAP Gross profit	\$ 55,569	\$ 42,882
Adjustments:		
Stock-based compensation expense	1,344	1,161
Depreciation and amortization expense	5,364	4,700
Non-GAAP gross profit	\$ 62,277	\$ 48,743
GAAP Gross margin	61.0%	56.0%
Non-GAAP gross margin	68.3%	63.7%

Non-GAAP Net Loss & EBITDA Reconciliation

\$(Thousands)

	Three Months Ended June 30,	
	2023	2022
Reconciliation from Net Loss to Non-GAAP Net Loss:		
Net loss	\$ (18,771)	\$ (25,737)
Exclude: Provision for income taxes	135	69
Loss before taxes	(18,636)	(25,668)
Amortization of acquired intangible assets	3,624	3,736
Stock-based compensation expense	11,021	8,258
Transaction and acquisition-related costs	-	73
Non-recurring items not indicative of ongoing operations ⁽¹⁾	3,626	(65)
Total net adjustments	18,271	12,002
Non-GAAP loss before taxes	(365)	(13,666)
Non-GAAP tax expense ⁽²⁾	135	69
Non-GAAP net loss	\$ (500)	\$ (13,735)
Reconciliation from Net Loss to Adjusted EBITDA:		
Net loss	\$ (18,771)	\$ (25,737)
Depreciation and amortization	8,878	8,301
Interest income	(5,204)	(655)
Interest expense	3,363	5,075
Provision for income taxes	135	69
Stock-based compensation expense	11,021	8,258
Transaction and acquisition-related costs	-	73
Non-recurring items not indicative of ongoing operations ⁽¹⁾	3,626	(65)
Adjusted EBITDA	\$ 3,048	\$ (4,681)

(1) For the three months ended June 30, 2023, this amount is comprised of response costs, including professional services and legal fees incurred in connection with the cybersecurity incident that was detected in April 2023.

(2) Non-GAAP tax expense is based on GAAP tax expense as the Company is in a loss position under both GAAP and non-GAAP.

Non-GAAP Reconciliation

\$(Thousands)

Reconciliation of Cost of Revenue and Operating Expenses to Non-GAAP Cost of Revenue and Operating Expenses <i>(in thousands)</i>	Three Months Ended June 30,	
	2023	2022
Cost of revenues (exclusive of depreciation and amortization expense)	\$ 30,221	\$ 28,979
Adjustment: Stock-based compensation expense	(1,344)	(1,161)
Non-GAAP Cost of revenues (exclusive of depreciation and amortization expense)	\$ 28,877	\$ 27,818
Operating expenses		
Sales and marketing	\$ 20,076	\$ 20,448
Adjustment: Stock-based compensation expense	(1,421)	(1,382)
Non-GAAP Sales and marketing	\$ 18,655	\$ 19,066
Research and development	\$ 24,740	\$ 20,107
Adjustment: Stock-based compensation expense	(3,060)	(2,188)
Non-GAAP Research and development	\$ 21,680	\$ 17,919
General and administrative	\$ 27,716	\$ 19,974
Adjustment: Stock-based compensation expense	(5,196)	(3,527)
Adjustment: Transaction and acquisition-related costs	-	(73)
Adjustment: Non-recurring items not indicative of ongoing operations ⁽¹⁾	(3,626)	65
Non-GAAP General and administrative	\$ 18,894	\$ 16,439
Depreciation and amortization	\$ 8,878	\$ 8,301
Adjustment: Amortization of acquired intangibles	(3,624)	(3,736)
Non-GAAP Depreciation and amortization	\$ 5,254	\$ 4,565
Total operating expenses	\$ 81,410	\$ 68,830
Total Non-GAAP operating expenses	\$ 64,483	\$ 57,989

(1) For the three months ended June 30, 2023, this amount is comprised of response costs, including professional services and legal fees incurred in connection with the cybersecurity incident that was detected in April 2023.

Glossary of Terms

Total Transactions Processed 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

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

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