Flywire Reports Second Quarter 2024 Financial Results

August 6, 2024

Second Quarter Revenue Increased 22% Year-over-Year

Second Quarter Revenue Less Ancillary Services Increased 26% Year-over-Year

Company Announces Acquisition of Invoiced, an Award-Winning Accounts Receivable SaaS Platform

Board of Directors Authorizes $150 Million Share Repurchase Program

BOSTON, Aug. 06, 2024 (GLOBE NEWSWIRE) -- Flywire Corporation (Nasdaq: FLYW) ("Flywire" or the "Company") a global payments enablement and software company, today reported financial results for its second quarter ended June 30, 2024.

"Our second quarter results demonstrate resilient performance across the business where we signed more than 200 new clients and grew revenue by 22% and revenue less ancillary services by 26% year-over-year, despite revenue headwinds related to the ongoing Canadian government actions involving student study permits," said Mike Massaro, CEO of Flywire. "These results reflect our ability to both grow within our existing accounts and drive revenue diversity, demonstrating continued progress against our strategy of optimizing our Go-To-Market capabilities, expanding our Flywire Advantage and strengthening our FlyMate community. I am also thrilled to be welcoming a talented group of new FlyMates to our global team with the acquisition of Invoiced, an award-winning Accounts Receivable SaaS platform. We expect Invoiced to help accelerate our organic progress to date in the fast growing B2B vertical."

Second Quarter 2024 Financial Highlights:

GAAP Results

- Revenue increased 22% to $103.7 million in the second quarter of 2024, compared to $84.9 million in the second quarter of 2023.
- Gross Profit increased to $61.9 million, resulting in Gross Margin of 59.7%, for the second quarter of 2024, compared to Gross Profit of $48.8 million and Gross Margin of 57.5% in the second quarter of 2023.
- Net loss was $13.9 million in the second quarter of 2024, compared to net loss of $16.8 million in the second quarter of 2023.

Key Operating Metrics and Non-GAAP Results

- Total Payment Volume increased 19% to $4.9 billion in the second quarter of 2024, compared to $4.1 billion in the second quarter of 2023.
- Revenue Less Ancillary Services increased 26% to $99.9 million in the second quarter of 2024, compared to $79.5 million in the second quarter of 2023. Revenue Less Ancillary Services in the second quarter of 2024 was estimated to be unfavorably impacted by changes in foreign exchange rates between March 31, 2024 and June 30, 2024 by approximately $0.1 million.
- Adjusted Gross Profit increased to $63.4 million, resulting in Adjusted Gross Margin of 63.5% in the second quarter of 2024, compared to Adjusted Gross Profit of $50.5 million and Adjusted Gross Margin of 63.5% in the second quarter of 2023.
- Adjusted EBITDA increased to $5.8 million in the second quarter of 2024, compared to $(0.1) million in the second quarter of 2023, a 593 bps adjusted EBITDA margin expansion compared to the second quarter of 2023.

Second Quarter 2024 and Recent Business Highlights:

- Signed more than 200 new clients across all verticals.
- Expanded availability of third-party invoicing, streamlining the payment experience for third-party sponsors paying a student's tuition and fees.
- Announced Partnership with HDFC by Credila, the largest independent student loan provider in India, to enable Indian payers to seamlessly and digitally disburse their loan payments in their local currency (Indian Rupees) directly to higher education institutions all over the world.
- Acquired Invoiced to bolster Flywire's global B2B payment network with award-winning Accounts Receivable SaaS platform

Share Repurchase Program:

As part of Flywire's capital allocation strategy to maximize shareholder value, the Company's Board of Directors authorized a share repurchase program, pursuant to which the Company may, from time to time, purchase shares of its common stock, up to an aggregate repurchase price of $150 million.

Third Quarter and Fiscal-Year 2024 Outlook:

"We had a strong quarter across many of our key operating metrics and financial measures", said Cosmin Pitigoi, CFO of Flywire. "Our first half results demonstrate the resilience of our team and our business model despite softer than expected performance in our Canadian education business. For Fiscal Year 2024, we are lowering our revenue outlook due to our current expectations regarding the external headwinds in Canada and raising our Full Year Adjusted EBITDA guidance which reflects 490 basis points of margin improvement at the midpoint, 170 basis points higher than our prior guidance. Lastly, our share repurchase program is a direct reflection of our confidence in the long term potential of the business and the strength of our balance sheet. We believe this program still allows us ample capacity to continue investing organically and to pursue strategic value-enhancing acquisitions".

Based on information available as of August 6, 2024, Flywire anticipates the following results for the third quarter and Fiscal-Year 2024.

	Fiscal-Year 2024*
Revenue	$483 to $506 million
Revenue Less Ancillary Services	$469 to $485 million
Adjusted EBITDA**	$72 to $80 million

	Third Quarter 2024*
Revenue	$146 to $157 million
Revenue Less Ancillary Services	$141 to $151 million
Adjusted EBITDA**	$37 to $43 million

*The Company has assumed foreign exchange rates prevailing as of June 30, 2024.

**Flywire has not provided a quantitative reconciliation of forecasted Adjusted EBITDA to forecasted GAAP net income (loss) or to forecasted GAAP income (loss) before income taxes within this earnings release because Flywire is unable, without making unreasonable efforts, to calculate certain reconciling items with confidence. These items include, but are not limited to income taxes which are directly impacted by unpredictable fluctuations in the market price of Flywire's stock.

These statements are forward-looking and actual results may differ materially. Refer to the "Safe Harbor Statement" below for information on the factors that could cause Flywire's actual results to differ materially from these forward-looking statements.

Conference Call

The Company will host a conference call to discuss second quarter 2024 financial results today at 5:00 pm ET. Hosting the call will be Mike Massaro, CEO, Rob Orgel, President and COO, and Cosmin Pitigoi, CFO. The conference call can be accessed live via webcast from the Company's investor relations website at https://ir.flywire.com/. A replay will be available on the investor relations website following the call.

Note Regarding Share Repurchase Program

Repurchases under the Company's share repurchase program (the Repurchase Program) may be made from time to time through open market purchases, in privately negotiated transactions or by other means, including through the use of trading plans intended to qualify under Rule 10b5-1 under the Securities Exchange Act of 1934, as amended, in accordance with applicable securities laws and other restrictions, including Rule 10b-18. The timing, value and number of shares repurchased will be determined by the Company in its discretion and will be based on various factors, including an evaluation of current and future capital needs, current and forecasted cash flows, the Company's capital structure, cost of capital and prevailing stock prices, general market and economic conditions, applicable legal requirements, and compliance with covenants in the Company's credit facility that may limit share repurchases based on defined leverage ratios. The Repurchase Program does not obligate the Company to purchase a specific number of, or any, shares. The Repurchase Program does not expire and may be modified, suspended or terminated at any time without notice at the Company's discretion.

Key Operating Metrics and Non-GAAP Financial Measures

Flywire uses non-GAAP financial measures to supplement financial information presented on a GAAP basis. The Company believes that excluding certain items from its GAAP results allows management to better understand its consolidated financial performance from period to period and better project its future consolidated financial performance as forecasts are developed at a level of detail different from that used to prepare GAAP-based financial measures. Moreover, Flywire believes these non-GAAP financial measures provide its stakeholders with useful information to help them evaluate the Company's operating results by facilitating an enhanced understanding of the Company's operating performance and enabling them to make more meaningful period to period comparisons. There are limitations to the use of the non-GAAP financial measures presented here. Flywire's non-GAAP financial measures may not be comparable to similarly titled measures of other companies. Other companies, including companies in Flywire's industry, may calculate non-GAAP financial measures differently, limiting the usefulness of those measures for comparative purposes.

Flywire uses supplemental measures of its performance which are derived from its consolidated financial information, but which are not presented in its consolidated financial statements prepared in accordance with GAAP. These non-GAAP financial measures include the following:

- Revenue Less Ancillary Services. Revenue Less Ancillary Services represents the Company's consolidated revenue in accordance with GAAP after excluding (i) pass-through cost for printing and mailing services and (ii) marketing fees. The Company excludes these amounts to arrive at this supplemental non-GAAP financial measure as it views these services

as ancillary to the primary services it provides to its clients.

- Adjusted Gross Profit and Adjusted Gross Margin. Adjusted gross profit represents Revenue Less Ancillary Services less cost of revenue adjusted to (i) exclude pass-through cost for printing services, (ii) offset marketing fees against costs incurred and (iii) exclude depreciation and amortization, including accelerated amortization on the impairment of customer set-up costs tied to technology integration. Adjusted Gross Margin represents Adjusted Gross Profit divided by Revenue Less Ancillary Services. Management believes this presentation supplements the GAAP presentation of Gross Margin with a useful measure of the gross margin of the Company's payment-related services, which are the primary services it provides to its clients.

- Adjusted EBITDA. Adjusted EBITDA represents EBITDA further adjusted by excluding (i) stock-based compensation expense and related payroll taxes, (ii) the impact from the change in fair value measurement for contingent consideration associated with acquisitions,(iii) gain (loss) from the remeasurement of foreign currency, (iv) indirect taxes related to intercompany activity, (v) acquisition related transaction costs, if applicable, and (vi) employee retention costs, such as incentive compensation, associated with acquisition activities. Management believes that the exclusion of these amounts to calculate Adjusted EBITDA provides useful measures for period-to-period comparisons of the Company's business.

- Revenue Less Ancillary Services at Constant Currency. Revenue Less Ancillary Services at Constant Currency represents Revenue Less Ancillary Services adjusted to show presentation on a constant currency basis. The constant currency information presented is calculated by translating current period results using prior period weighted average foreign currency exchange rates. Flywire analyzes Revenue Less Ancillary Services on a constant currency basis to provide a comparable framework for assessing how the business performed excluding the effect of foreign currency fluctuations.

- Non-GAAP Operating Expenses - Non-GAAP Operating Expenses represents GAAP Operating Expenses adjusted by excluding (i) stock-based compensation expense and related payroll taxes, (ii) depreciation and amortization, (iii) acquisition related transaction costs, if applicable, (iv) employee retention costs, such as incentive compensation, associated with acquisition activities and (v) the impact from the change in fair value measurement for contingent consideration associated with acquisitions.

These non-GAAP financial measures are not meant to be considered as indicators of performance in isolation from or as a substitute for the Company's revenue, gross profit, gross margin or net income (loss), or operating expenses prepared in accordance with GAAP and should be read only in conjunction with financial information presented on a GAAP basis. Reconciliations of Revenue Less Ancillary Services, Revenue Less Ancillary Services at Constant Currency, Adjusted Gross Profit, Adjusted Gross Margin, Adjusted EBITDA and non-GAAP Operating Expenses to the most directly comparable GAAP financial measure are presented below. Flywire encourages you to review these reconciliations in conjunction with the presentation of the non-GAAP financial measures for each of the periods presented. In future fiscal periods, Flywire may exclude such items and may incur income and expenses similar to these excluded items. Flywire has not provided a quantitative reconciliation of forecasted Adjusted EBITDA to forecasted GAAP net income (loss) or to forecasted GAAP income (loss) before income taxes within this earnings release because it is unable, without making unreasonable efforts, to calculate certain reconciling items with confidence. These items include but are not limited to income taxes which are directly impacted by unpredictable fluctuations in the market price of Flywire's stock.

About Flywire

Flywire is a global payments enablement and software company. Flywire combines its proprietary global payments network, next-gen payments platform and vertical-specific software to deliver the most important and complex payments for its clients and their customers.

Flywire leverages its vertical-specific software and payments technology to deeply embed within the existing A/R workflows for its clients across the education, healthcare and travel vertical markets, as well as in key B2B industries. Flywire also integrates with leading ERP systems, so organizations can optimize the payment experience for their customers while eliminating operational challenges.

Flywire supports more than 4,000 clients with diverse payment methods in more than 140 currencies across 240 countries and territories around the world. Flywire is headquartered in Boston, MA, USA with additional offices around the globe. For more information, visit **www.flywire.com**. Follow Flywire on X (formerly known as Twitter), **LinkedIn** and **Facebook**.

Safe Harbor Statement

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, but not limited to, statements regarding Flywire's future operating results and financial position, Flywire's business strategy and plans, market growth, and Flywire's objectives for future operations. Flywire intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. In some cases, you can identify forward-looking statements by terms such as, but not limited to, "believe," "may," "will," "potentially," "estimate," "continue," "anticipate," "intend," "could," "would," "project," "target," "plan," "expect," or the negative of these terms, and similar expressions intended to identify forward-looking statements. Such forward-looking statements are based upon current expectations that involve risks, changes in circumstances, assumptions, and uncertainties. Important factors that could cause actual results to differ materially from those reflected in Flywire's forward-looking statements include, among others, Flywire's future financial performance, including its expectations regarding Revenue, Revenue Less Ancillary Services, and Adjusted EBITDA and foreign exchange rates. Risks that may cause actual results to differ materially from these forward looking statements include, but are not limited to: Flywire's ability to execute its business plan and effectively manage its growth; Flywire's cross-border expansion plans and ability to expand internationally; anticipated trends, growth rates, and challenges in Flywire's business and in the markets in which Flywire operates; the sufficiency of Flywire's cash and cash equivalents to meet its liquidity needs; political, economic, foreign currency exchange rate, inflation, legal, social

and health risks, that may affect Flywire's business or the global economy; Flywire's beliefs and objectives for future operations; Flywire's ability to develop and protect its brand; Flywire's ability to maintain and grow the payment volume that it processes; Flywire's ability to further attract, retain, and expand its client base; Flywire's ability to develop new solutions and services and bring them to market in a timely manner; Flywire's expectations concerning relationships with third parties, including financial institutions and strategic partners; the effects of increased competition in Flywire's markets and its ability to compete effectively; recent and future acquisitions or investments in complementary companies, products, services, or technologies; Flywire's ability to enter new client verticals, including its relatively new business-to-business sector; Flywire's expectations regarding anticipated technology needs and developments and its ability to address those needs and developments with its solutions; Flywire's expectations regarding litigation and legal and regulatory matters; Flywire's expectations regarding its ability to meet existing performance obligations and maintain the operability of its solutions; Flywire's expectations regarding the effects of existing and developing laws and regulations, including with respect to payments and financial services, taxation, privacy and data protection; economic and industry trends, projected growth, or trend analysis; Flywire's ability to adapt to changes in U.S. federal income or other tax laws or the interpretation of tax laws, including the Inflation Reduction Act of 2022; Flywire's ability to attract and retain qualified employees; Flywire's ability to maintain, protect, and enhance its intellectual property; Flywire's ability to maintain the security and availability of its solutions; the increased expenses associated with being a public company; the future market price of Flywire's common stock; and other factors that are described in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of Flywire's Annual Report on Form 10-K for the year ended December 31, 2023, and Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, which are on file with the Securities and Exchange Commission (SEC) and available on the SEC's website at https://www.sec.gov/. Additional factors may be described in those sections of Flywire's Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, expected to be filed with the SEC in the third quarter of 2024. The information in this release is provided only as of the date of this release, and Flywire undertakes no obligation to update any forward-looking statements contained in this release on account of new information, future events, or otherwise, except as required by law.

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Condensed Consolidated Statements of Operations and Comprehensive Loss
(Unaudited) (Amounts in thousands, except share and per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue	$ 103,676	$ 84,869	$ 217,779	$ 179,226
Costs and operating expenses:				
Payment processing services costs	39,899	33,804	81,549	67,659
Technology and development	15,834	16,016	32,571	30,539
Selling and marketing	31,771	27,273	61,854	51,707
General and administrative	31,959	24,584	63,555	52,697
Total costs and operating expenses	119,463	101,677	239,529	202,602
Loss from operations	$ (15,787)	$ (16,808)	$ (21,750)	$ (23,376)
Other income (expense):				
Interest expense	(133)	(78)	(275)	(181)
Interest income	5,719	1,935	11,598	3,870
Gain (loss) from remeasurement of foreign currency	998	(755)	(3,378)	715
Total other income (expense), net	6,584	1,102	7,945	4,404
Loss before provision for income taxes	(9,203)	(15,706)	(13,805)	(18,972)
Provision for income taxes	4,677	1,107	6,292	1,524
Net Loss	$ (13,880)	$ (16,813)	$ (20,097)	$ (20,496)
Foreign currency translation adjustment	193	2,449	(1,168)	2,082
Unrealized losses on available-for-sale debt securities, net	$ (53)	$ —	$ (53)	$ —
Total other comprehensive income (loss)	$ 140	$ 2,449	$ (1,221)	$ 2,082
Comprehensive loss	$ (13,740)	$ (14,364)	$ (21,318)	$ (18,414)
Net loss attributable to common stockholders - basic and diluted	$ (13,880)	$ (16,813)	$ (20,097)	$ (20,496)
Net loss per share attributable to common stockholders - basic and diluted	$ (0.11)	$ (0.15)	$ (0.16)	$ (0.19)
Weighted average common shares outstanding - basic and diluted	124,562,015	111,133,221	123,859,762	110,464,092

Condensed Consolidated Balance Sheets
(Unaudited) (Amounts in thousands, except share amounts)

	June 30, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 539,300	$ 654,608
Restricted cash	—	—
Short-term investments	31,694	—
Accounts receivable, net	20,275	18,215
Unbilled receivables, net	13,052	10,689
Funds receivable from payment partners	84,974	113,945
Prepaid expenses and other current assets	21,633	18,227
Total current assets	710,928	815,684
Long-term investments	26,721	—
Property and equipment, net	17,074	15,134
Intangible assets, net	101,303	108,178
Goodwill	120,657	121,646
Other assets	22,029	19,089
Total assets	$ 998,712	$ 1,079,731
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 13,509	$ 12,587
Funds payable to clients	116,191	210,922
Accrued expenses and other current liabilities	43,536	43,315
Deferred revenue	4,183	6,968
Total current liabilities	177,419	273,792
Deferred tax liabilities	14,744	15,391
Other liabilities	3,989	4,431
Total liabilities	196,152	293,614
Commitments and contingencies (Note 16)		
Stockholders' equity:		
Preferred stock, $0.0001 par value; 10,000,000 shares authorized as of June 30, 2024 and December 31, 2023; and no shares issued and outstanding as of June 30, 2024 and December 31, 2023	—	—
Voting common stock, $0.0001 par value; 2,000,000,000 shares authorized as of June 30, 2024 and December 31, 2023; 125,528,991 shares issued and 123,233,953 shares outstanding as of June 30, 2024; 123,010,207 shares issued and 120,695,162 shares outstanding as of December 31, 2023	11	11
Non-voting common stock, $0.0001 par value; 10,000,000 shares authorized as of June 30, 2024 and December 31, 2023; 1,873,320 shares issued and outstanding as of June 30, 2024 and December 31, 2023	1	1
Treasury voting common stock, 2,295,038 and 2,315,045 shares as of June 30, 2024 and December 31, 2023, respectively, held at cost	(741)	(747)
Additional paid-in capital	997,057	959,302
Accumulated other comprehensive income	99	1,320
Accumulated deficit	(193,867)	(173,770)
Total stockholders' equity	802,560	786,117
Total liabilities and stockholders' equity	$ 998,712	$ 1,079,731

Condensed Consolidated Statement of Cash Flows
(Unaudited) (Amounts in thousands)

	Six Months Ended June 30, 2024	2023
Cash flows from operating activities:		
Net loss	$ (20,097)	$ (20,496)

Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	8,463	7,876
Stock-based compensation expense	31,903	19,979
Amortization of deferred contract costs	517	228
Change in fair value of contingent consideration	(894)	410
Deferred tax provision (benefit)	(1,045)	(584)
Provision for uncollectible accounts	(121)	599
Non-cash interest expense	138	144
Accretion of discounts on investments, net of amortization of premiums	(143)	—
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	(1,939)	(6,186)
Unbilled receivables	(2,363)	(1,511)
Funds receivable from payment partners	28,971	19,649
Prepaid expenses, other current assets and other assets	(4,421)	(1,030)
Funds payable to clients	(94,730)	(42,347)
Accounts payable, accrued expenses and other current liabilities	1,807	1,121
Contingent consideration	—	(467)
Other liabilities	(675)	(574)
Deferred revenue	(2,785)	(2,463)
Net cash used in operating activities	(57,414)	(25,652)
Cash flows from investing activities:		
Purchase of debt securities	(58,491)	—
Sale of debt securities	165	—
Capitalization of internally developed software	(3,304)	(2,812)
Purchases of property and equipment	(604)	(671)
Net cash used in investing activities	(62,234)	(3,483)
Cash flows from financing activities:		
Payment of debt issuance costs	(783)	—
Contingent consideration paid for acquisitions	—	(1,207)
Proceeds from the issuance of stock under Employee Stock Purchase Plan	1,415	864
Proceeds from exercise of stock options	3,227	6,044
Net cash provided by (used in) financing activities	3,859	5,701
Effect of exchange rates changes on cash and cash equivalents	481	320
Net increase (decrease) in cash, cash equivalents and restricted cash	(115,308)	(23,114)
Cash, cash equivalents and restricted cash, beginning of year	$ 654,608	$ 351,177
Cash, cash equivalents and restricted cash, end of year	$ 539,300	$ 328,063

Reconciliation of Non-GAAP Financial Measures
(Unaudited) (Amounts in millions, except percentages)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	**2023**	**2024**	**2023**
Revenue	$ 103.7	$ 84.9	$ 217.8	$ 179.2
Adjusted to exclude gross up for:				
Pass-through cost for printing and mailing	(3.6)	(5.3)	(7.2)	(10.2)
Marketing fees	(0.2)	(0.1)	(0.5)	(0.5)
Revenue Less Ancillary Services	$ 99.9	$ 79.5	$ 210.1	$ 168.5
Payment processing services costs	39.9	33.8	81.5	67.7
Hosting and amortization costs within technology and development expenses	1.9	2.3	3.9	4.5
Cost of Revenue	$ 41.8	$ 36.1	$ 85.4	$ 72.2
Adjusted to:				
Exclude printing and mailing costs	(3.6)	(5.3)	(7.2)	(10.2)
Offset marketing fees against related costs	(0.2)	(0.1)	(0.5)	(0.5)
Exclude depreciation and amortization	(1.5)	(1.7)	(3.0)	(3.3)
Adjusted Cost of Revenue	$ 36.5	$ 29.0	$ 74.7	$ 58.2
Gross Profit	$ 61.9	$ 48.8	$ 132.4	$ 107.0
Gross Margin	59.7%	57.5%	60.8%	59.7%

Adjusted Gross Profit	$ 63.4	$ 50.5	$ 135.4	$ 110.3
Adjusted Gross Margin	63.5%	63.5%	64.4%	65.5%

	Three Months Ended June 30, 2024			Six Months Ended June 30, 2024		
	Transaction	Platform and Other Revenues	Revenue	Transaction	Platform and Other Revenues	Revenue
Revenue	$ 85.3	$ 18.4	$ 103.7	$ 180.5	$ 37.3	$ 217.8
Adjusted to exclude gross up for:						
Pass-through cost for printing and mailing	—	(3.6)	(3.6)	—	(7.2)	(7.2)
Marketing fees	(0.2)	—	(0.2)	(0.5)	—	(0.5)
Revenue Less Ancillary Services	$ 85.1	$ 14.8	$ 99.9	$ 180.0	$ 30.1	$ 210.1
Percentage of Revenue	82.3%	17.7%	100.0%	82.9%	17.1%	100.0%
Percentage of Revenue Less Ancillary Services	85.2%	14.8%	100.0%	85.7%	14.3%	100.0%

	Three Months Ended June 30, 2023			Six Months Ended June 30, 2023		
	Transaction	Platform and Other Revenues	Revenue	Transaction	Platform and Other Revenues	Revenue
Revenue	$ 66.8	$ 18.0	$ 84.9	$ 143.1	$ 36.1	$ 179.2
Adjusted to exclude gross up for:						
Pass-through cost for printing and mailing	—	(5.3)	(5.3)	—	(10.2)	(10.2)
Marketing fees	(0.1)	—	(0.1)	(0.5)	—	(0.5)
Revenue Less Ancillary Services	$ 66.7	$ 12.7	$ 79.5	$ 142.6	$ 25.9	$ 168.5
Percentage of Revenue	78.8%	21.2%	100.0%	79.9%	20.1%	100.0%
Percentage of Revenue Less Ancillary Services	84.0%	16.0%	100.0%	84.6%	15.4%	100.0%

Revenue Less Ancillary Services at Constant Currency:
(unaudited) (in millions)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	Growth Rate	2024	2023	Growth Rate
Revenue	$ 103.7	$ 84.9	22%	$ 217.8	$ 179.2	22%
Ancillary services	(3.8)	(5.4)		(7.7)	(10.7)	
Revenue Less Ancillary Services	99.9	79.5	26%	210.1	168.5	25%
Effects of foreign currency rate fluctuations	0.9	—		0.7	—	
Revenue Less Ancillary Services at Constant Currency	$ 100.8	$ 79.5	27%	$ 210.8	$ 168.5	25%

EBITDA and Adjusted EBITDA
(Unaudited) (in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net loss	$ (13.9)	$ (16.8)	$ (20.1)	$ (20.5)
Interest expense	0.1	0.1	0.3	0.2
Interest income	(5.7)	(1.9)	(11.6)	(3.9)
Provision for income taxes	4.7	1.1	6.3	1.5
Depreciation and amortization	4.5	4.3	9.0	8.1
EBITDA	(10.3)	(13.2)	(16.1)	(14.6)
Stock-based compensation expense and related taxes	17.5	11.7	32.6	20.7
Change in fair value of contingent consideration	(0.4)	0.0	(0.9)	0.4
(Gain) loss from remeasurement of foreign currency	(1.0)	0.8	3.4	(0.7)

Indirect taxes related to intercompany activity	—	—	0.1	0.1
Acquisition related employee retention costs	—	0.6	—	0.9
Adjusted EBITDA	$ 5.8	$ (0.1)	$ 19.1	$ 6.8

Reconciliation of Non-GAAP Operating Expenses
(Unaudited) (in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2024**	**2023**	**2024**	**2023**
GAAP Technology and development	$ 15.8	$ 16	$ 32.6	$ 30.5
(-) Stock-based compensation expense and related taxes	(2.9)	(2.7)	(5.5)	(4.3)
(-) Depreciation and amortization	(1.7)	(2.3)	(3.6)	(4.0)
(-) Acquisition related employee retention costs	—	(0.6)	—	(0.7)
Non-GAAP Technology and development	$ 11.2	$ 10.4	$ 23.5	$ 21.5
GAAP Selling and marketing	$ 31.8	$ 27.3	$ 61.9	$ 51.7
(-) Stock-based compensation expense and related taxes	(4.9)	(3.5)	(9.0)	(6.1)
(-) Depreciation and amortization	(2.0)	(1.3)	(3.9)	(2.6)
(-) Acquisition related employee retention costs	—	—	—	(0.2)
Non-GAAP Selling and marketing	$ 24.9	$ 22.5	$ 49.0	$ 42.8
GAAP General and administrative	$ 32.0	$ 24.6	$ 63.6	$ 52.7
(-) Stock-based compensation expense and related taxes	(9.7)	(5.5)	(18.1)	(10.3)
(-) Depreciation and amortization	(0.8)	(0.7)	(1.5)	(1.5)
(-) Change in fair value of contingent consideration	0.4	—	0.9	(0.4)
Non-GAAP General and administrative	$ 21.9	$ 18.4	$ 44.9	$ 40.5

Net Margin, EBITDA Margin and Adjusted EBITDA Margin
(Unaudited) (Amounts in millions, except percentages)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	**2023**	**Change**	**2024**	**2023**	**Change**
Revenue (A)	$ 103.7	$ 84.9	$ 18.8	$ 217.8	$ 179.2	$ 38.6
Revenue less ancillary services (B)	99.9	79.5	20.4	210.1	168.5	41.6
Net loss (C)	(13.9)	(16.8)	2.9	(20.1)	(20.5)	0.4
EBITDA (D)	(10.3)	(13.2)	2.9	(16.1)	(14.6)	(1.5)
Adjusted EBITDA (E)	5.8	(0.1)	5.9	19.1	6.8	12.3
Net margin (C/A)	-13.4%	-19.8%	6.4%	-9.2%	-11.4%	2.2%
Net margin using RLAS (C/B)	-13.9%	-21.1%	7.3%	-9.6%	-12.2%	2.6%
EBITDA Margin (D/A)	-9.9%	-15.6%	5.6%	-7.4%	-8.1%	0.8%
Adjusted EBITDA Margin (E/A)	5.6%	-0.1%	5.7%	8.8%	3.8%	5.0%
EBITDA Margin using RLAS (D/B)	-10.3%	-16.6%	6.3%	-7.7%	-8.7%	1.0%
Adjusted EBITDA Margin using RLAS (E/B)	5.8%	-0.1%	6.0%	9.1%	4.0%	5.1%

Guidance
(in millions)

	Three Months Ended September 30, 2024		Year Ended December 31, 2024	
	Low	**High**	**Low**	**High**
Revenue	$ 146.0	$ 157.0	$ 483.0	$ 506.0
Adjusted to exclude gross up for:				
Pass through cost for printing and mailing	(3.4)	(4.2)	(11.8)	(18.0)
Marketing fees	(1.7)	(1.9)	(2.2)	(3.0)
Revenue Less Ancillary Services	$ 141.0	$ 151.0	$ 469.0	$ 485.0

Adjusted EBITDA	$ 37.0	$ 43.0	$ 72.0	$ 80.0