

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): November 8, 2022

FLYWIRE CORPORATION

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-40430
(Commission
File No.)

27-0690799
(IRS Employer
Identification No.)

141 Tremont St #10
Boston, MA 02111
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: (617) 329-4524

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|------------------------------------------------------|----------------------|--------------------------------------------------------------|
| Voting Common Stock, \$0.0001 par value per share | FLYW | The Nasdaq Stock Market LLC (Nasdaq Global Select Market) |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On November 8, 2022, Flywire Corporation (“Flywire” or the “Company”) issued a press release (the “Press Release”) and is holding a conference call regarding its financial results for the quarter ended September 30, 2022. The Press Release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference herein.

Various statements to be made during the conference call are “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, Adjusted EBITDA and foreign currency rates. Risks that may cause actual results to differ materially from these forward looking statements include, but are not limited to: political, economic, legal, social and health risks, including the COVID-19 pandemic and subsequent public health measures that may affect Flywire’s business or the global economy; beliefs and objectives for future operations; Flywire’s ability to execute its business plan and effectively manage its growth; Flywire’s cross-border expansion plans and ability to expand internationally; 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 strategic partners; the effects of increased competition in Flywire’s markets and its ability to compete effectively; future acquisitions or investments in complementary companies, products, services, or technologies; Flywire’s ability to enter new client verticals, including its relatively new B2B 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 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 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, 2021, and Quarterly Report on Form 10-Q for the quarter ended June 30, 2022, 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 September 30, 2022, expected to be filed with the SEC in the fourth quarter of 2022. The information conveyed on the conference call is provided only as of the date of the conference call, and Flywire undertakes no obligation to update any forward-looking statements presented on the conference call on account of new information, future events, or otherwise, except as required by law.

Item 7.01. Regulation FD Disclosure.

On November 8, 2022, the Company provided an investor presentation that will be made available on the investor relations section of the Company's website at <https://ir.flywire.com/>. The investor presentation is furnished as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated by reference herein.

This information in this Item 7.01 of this Current Report on Form 8-K shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section, or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in any such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

| Exhibit No. | Description |
|--------------------|-----------------------------------------------------------------------------------|
| 99.1 | Flywire Corporation Press Release dated November 8, 2022. |
| 99.2 | Flywire Corporation Investor Presentation dated November 8, 2022. |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document) |

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FLYWIRE CORPORATION

By: /s/ Michael Ellis
Name: Michael Ellis
Title: Chief Financial Officer

Dated November 8, 2022

Flywire Reports Third Quarter 2022 Financial Results*Third Quarter Revenue Increased 40% Year-over-Year**Third Quarter Revenue Less Ancillary Services Increased 43% Year-over-Year**Third Quarter Total Payment Volume Increased 33% Year-over-Year*

Boston, MA – November 8, 2022: Flywire Corporation (Nasdaq: FLYW) (“Flywire” or the “Company”) a global payments enablement and software company, today reported financial results for its third quarter ended September 30, 2022.

“I’m pleased to report another strong quarter for Flywire, where we delivered strong year-over-year adjusted gross profit and EBITDA, with revenue at an all-time high,” said Mike Massaro, CEO of Flywire. “We continue to see the benefits of the ongoing execution of our growth strategies with notable success in our key investment areas, as we efficiently win new clients and cross-sell existing ones. Once again, our global team of FlyMates go above and beyond to help our clients achieve meaningful ROI, and deliver value to their payers. Despite the macroeconomic backdrop, the sustainability of our business model, combined with the resilience of the industries we serve, continue to position us well for ongoing success.”

Third Quarter 2022 Financial Highlights:

GAAP Results

- Revenue increased 40% to \$95.2 million in the third quarter of 2022, compared to \$67.8 million in the third quarter of 2021.
- Gross Profit increased to \$61.3 million, resulting in Gross Margin of 64.4%, for the third quarter of 2022, compared to Gross Profit of \$44.6 million and Gross Margin of 65.8% in the third quarter of 2021.
- Net loss was \$4.3 million in the third quarter of 2022, compared to net income of \$10.0 million in the third quarter of 2021.

Key Operating Metrics and Non-GAAP Results

- Total Payment Volume increased 33% to \$7.0 billion in the third quarter of 2022, compared to \$5.3 billion in the third quarter of 2021.
- Revenue Less Ancillary Services increased 43% to \$88.9 million in the third quarter of 2022, compared to \$62.0 million in the third quarter of 2021.

- Adjusted Gross Profit of \$61.3 million, resulting in Adjusted Gross Margin of 69.0% in the third quarter of 2022, compared to Adjusted Gross Profit of \$44.6 million and Adjusted Gross Margin of 71.9% in the third quarter of 2021.
- Adjusted EBITDA was \$18.2 million in the third quarter of 2022, compared to \$17.6 million in the third quarter of 2021.

Business Highlights:

- Announced acquisition of Cohort Go, and successfully integrated their full pay-any-school capability to pay out to over 5,000 schools around the world.
- Announced an integration with Universitas XXI a university management system focused on servicing higher education customers throughout Spain and Latin America. The integrated offering provides students a streamlined payment experience, from initial application through to tuition.
- Announced eight new scholarships as part of The Flywire Charitable Foundation's third annual scholarship program. The program doubled in applicants year-over-year.
- Recognized as being one of the Top 50 Best Small and Medium Workplaces in Financial Services and Insurance, by Fortune and Great Place to Work US.

Fourth Quarter and Fiscal-Year 2022 Outlook:

Based on information available as of November 8, 2022, Flywire anticipates the following for the fourth quarter and fiscal-year 2022:

| | <u>Fourth Quarter 2022</u> |
|---------------------------------|---------------------------------|
| Revenue | <u>\$69.3 to \$72.6 million</u> |
| Revenue Less Ancillary Services | \$64.0 to \$67.0 million |

| | Fiscal Year 2022 |
|---------------------------------|--------------------------------|
| Revenue | \$ 285.4 to \$288.7 million |
| Revenue Less Ancillary Services | \$ 263.5 to \$266.5 million |
| Adjusted EBITDA* | \$14 to \$16 million |

- * 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.

Conference Call

The Company will host a conference call to discuss third quarter 2022 financial results today at 5:00 pm ET. Hosting the call will be Mike Massaro, CEO, Rob Orgel, President and COO, and Mike Ellis, 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.

Key Operating Metrics and Non-GAAP Financial Measures table

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 Margin. Adjusted Gross Margin represents adjusted gross profit divided by Revenue Less Ancillary Services. Adjusted gross profit represents Revenue Less Ancillary Services less cost of revenue adjusted to (i) exclude pass-through cost for printing services and (ii) offset marketing fees against costs incurred. 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) the impact from the change in fair value measurement of the Company's preferred stock warrants, (iv) other income (expense), net, (v) indirect taxes related to intercompany activity, (vi) acquisition related transaction costs, and (vii) 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.

These non-GAAP financial measures are not meant to be considered as indicators of performance in isolation from or as a substitute the Company's revenue, gross margin or net income (loss) 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, Adjusted Gross Margin and Adjusted EBITDA 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 3,000 clients with diverse payment methods in 140 currencies across over 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 [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. Risks that may cause actual results to differ materially from these forward looking statements include, but are not limited to: political, economic, foreign exchange rate, inflation, legal, social and health risks, including the COVID-19 pandemic and subsequent public health measures that may affect Flywire’s business or the global economy; 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 strategic partners; the effects of increased competition in Flywire’s markets and its ability to compete effectively; future acquisitions or investments in complementary companies, products, services, or technologies; Flywire’s ability to enter new client verticals, including its relatively new B2B 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 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 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, 2021 and Quarterly Report on Form 10-Q for the quarter ended June 30, 2022, 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 September 30, 2022, expected to be filed with the SEC in the fourth quarter of 2022. 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.

Contacts

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

| | Three Months Ended | | Nine Months Ended | |
|---------------------------------------------------------------------------|--------------------|-------------|-------------------|-------------|
| | September 30, | | September 30, | |
| | 2022 | 2021 | 2022 | 2021 |
| Revenue | \$ 95,232 | \$ 67,788 | \$ 216,322 | \$ 149,755 |
| Costs and operating expenses: | | | | |
| Payment processing and services costs | 32,275 | 21,724 | 78,348 | 50,937 |
| Technology and development | 13,385 | 7,752 | 37,565 | 22,203 |
| Selling and marketing | 21,674 | 12,540 | 58,169 | 35,400 |
| General and administrative | 24,246 | 14,676 | 63,089 | 44,145 |
| Total costs and operating expenses | \$ 91,580 | \$ 56,692 | \$ 237,171 | \$ 152,685 |
| Income (loss) from operations | \$ 3,652 | \$ 11,096 | \$ (20,849) | \$ (2,930) |
| Other income (expense): | | | | |
| Interest expense | (400) | (542) | (884) | (1,804) |
| Change in fair value of preferred stock warrant liability | — | — | — | (10,758) |
| Other Income (expense), net | (6,247) | (214) | (13,630) | (494) |
| Total other expenses, net | (6,647) | (756) | (14,514) | (13,056) |
| (Loss) income before provision for income taxes | \$ (2,995) | \$ 10,340 | \$ (35,363) | \$ (15,986) |
| Provision for income taxes | 1,277 | 346 | 2,855 | 818 |
| Net (loss) income | \$ (4,272) | \$ 9,994 | \$ (38,218) | \$ (16,804) |
| Foreign currency translation adjustment | (273) | (343) | (408) | (80) |
| Comprehensive (loss) income | \$ (4,545) | \$ 9,651 | \$ (38,626) | \$ (16,884) |
| Net (loss) income attributable to common stockholders - basic and diluted | \$ (4,272) | \$ 9,994 | \$ (38,218) | \$ (16,817) |
| Net (loss) income per share attributable to common stockholders - basic | \$ (0.04) | \$ 0.10 | \$ (0.36) | \$ (0.28) |
| Net (loss) income per share attributable to common stockholders - diluted | \$ (0.04) | \$ 0.08 | \$ (0.36) | \$ (0.28) |
| Weighted average common shares outstanding - basic | 107,925,637 | 104,486,136 | 107,562,799 | 59,667,434 |
| Weighted average common shares outstanding - diluted | 107,925,637 | 118,445,907 | 107,562,799 | 59,667,434 |

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

| | September 30, 2022 | December 31, 2021 (Audited) |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 349,230 | \$ 385,360 |
| Restricted cash | 2,000 | 4,000 |
| Accounts receivable, net of allowance for doubtful accounts of \$143 and \$106, respectively | 17,755 | 12,968 |
| Unbilled receivables | 5,645 | 3,340 |
| Funds receivable from payment partners | 34,143 | 28,286 |
| Prepaid expenses and other current assets | 14,317 | 9,834 |
| Total current assets | 423,090 | 443,788 |
| Property and equipment, net | 12,098 | 9,442 |
| Intangible assets, net | 97,150 | 93,598 |
| Goodwill | 95,239 | 85,841 |
| Other assets | 13,646 | 7,176 |
| Total assets | <u>\$ 641,223</u> | <u>\$ 639,845</u> |
| Liabilities and Stockholders' Equity | | |
| Current liabilities: | | |
| Accounts payable | \$ 13,819 | \$ 10,242 |
| Funds payable to clients | 71,574 | 71,302 |
| Accrued expenses and other current liabilities | 29,992 | 22,726 |
| Deferred revenue | 4,759 | 5,488 |
| Contingent consideration | 2,787 | 7,719 |
| Total current liabilities | 122,931 | 117,477 |
| Deferred tax liabilities | 12,640 | 8,401 |
| Contingent consideration, net of current portion | 1,636 | 3,590 |
| Long-term debt | 25,939 | 25,939 |
| Other liabilities | 3,479 | 2,237 |
| Total liabilities | <u>\$ 166,625</u> | <u>\$ 157,644</u> |
| Stockholders' equity: | | |
| Preferred stock, \$0.0001 par value; 10,000,000 and 10,000,000 shares authorized as of September 30, 2022 and December 31, 2021, respectively; and none issued and outstanding as of September 30, 2022 and December 31, 2021, respectively | — | — |
| Voting common stock, \$0.0001 par value; 2,000,000,000 shares authorized as of September 30, 2022 and December 31, 2021, respectively; 106,593,518 shares issued and 104,275,796 shares outstanding as of September 30, 2022; 102,771,899 shares issued and 100,454,177 shares outstanding as of December 31, 2021 | 10 | 10 |
| Non-voting common stock, \$0.0001 par value; 10,000,000 shares authorized as of September 30, 2022 and December 31, 2021; 4,608,841 and 5,988,378 issued and outstanding as of September 30, 2022 and December 31, 2021, respectively | 1 | 1 |
| Treasury Stock, 2,317,722 shares as of September 30, 2022 and December 31, 2021, held at cost | (748) | (748) |
| Additional paid-in capital | 640,217 | 609,194 |
| Accumulated other comprehensive loss | (807) | (399) |
| Accumulated deficit | (164,075) | (125,857) |
| Total stockholders' equity | 474,598 | 482,201 |
| Total liabilities and stockholders' equity | <u>\$ 641,223</u> | <u>\$ 639,845</u> |

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

| | <u>Nine Months Ended September 30,</u> | |
|-----------------------------------------------------------------------------------------|----------------------------------------|-------------------|
| | <u>2022</u> | <u>2021</u> |
| Cash flows from operating activities: | | |
| Net loss | \$ (38,218) | \$ (16,804) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Depreciation and amortization | 9,186 | 6,571 |
| Stock-based compensation expense | 22,461 | 15,538 |
| Amortization of deferred contract costs | 243 | 179 |
| Change in fair value of preferred stock warrant liability | — | 10,758 |
| Change in fair value of contingent consideration | 297 | 2,072 |
| Deferred tax provision | (527) | 127 |
| Bad debt expense | 86 | 90 |
| Non-cash interest expense | 268 | 171 |
| Other | — | 158 |
| Changes in operating assets and liabilities, net of acquisition: | | |
| Accounts receivable | (4,316) | (1,466) |
| Unbilled receivables | (2,305) | (62) |
| Funds receivable from payment partners | (2,090) | 585 |
| Prepaid expenses, other current assets and other assets | (7,674) | (7,410) |
| Funds payable to clients | (3,798) | 6,869 |
| Accounts payable, accrued expenses and other current liabilities | 4,359 | 10,903 |
| Contingent consideration | (4,524) | (3,212) |
| Other liabilities | (446) | (364) |
| Deferred revenue | (730) | 102 |
| Net cash (used in) provided by operating activities | <u>(27,728)</u> | <u>24,805</u> |
| Cash flows from investing activities: | | |
| Purchases of property and equipment | (5,188) | (5,229) |
| Acquisition of businesses, net of cash acquired | (16,923) | — |
| Asset acquisition, net of cash acquired | — | (119) |
| Contingent consideration paid for acquisitions | (453) | — |
| Net cash used in investing activities | <u>(22,564)</u> | <u>(5,348)</u> |
| Cash flows from financing activities: | | |
| Proceeds from initial public offering, net of underwriting discounts and commissions | — | 268,694 |
| Payment of deferred offering costs related to initial public offering | — | (4,860) |
| Proceeds from issuance of long-term debt | — | 25,933 |
| Payment of long-term debt issuance costs | — | (418) |
| Repayment of long-term debt | — | (25,000) |
| Proceeds from issuance of redeemable convertible preferred stock, net of issuance costs | — | 59,735 |
| Proceeds from exercise of warrants | — | 294 |
| Contingent consideration paid for acquisitions | (3,320) | (3,800) |
| Payments of tax withholdings for net settled option exercises | (2,564) | — |
| Proceeds from issuance of stock under employee stock purchase plan | 1,271 | — |
| Proceeds from exercise of stock options | 5,222 | 4,098 |
| Net cash provided by financing activities | <u>609</u> | <u>324,676</u> |
| Effect of exchange rate changes on cash and cash equivalents | 11,553 | (55) |
| Net (decrease) increase in cash, cash equivalents and restricted cash | <u>(38,130)</u> | <u>344,078</u> |
| Cash, cash equivalents and restricted cash, beginning of period | <u>\$ 389,360</u> | <u>\$ 109,052</u> |
| Cash, cash equivalents and restricted cash, end of period | <u>\$ 351,230</u> | <u>\$ 453,130</u> |

Reconciliation of Non-GAAP Financial Measures
(Amounts in millions)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---------------------------------------------------------------------------|-------------------------------------|---------|------------------------------------|---------|
| | 2022 | 2021 | 2022 | 2021 |
| Revenue | \$ 95.2 | \$ 67.8 | \$216.3 | \$149.8 |
| Adjusted to exclude gross up for: | | | | |
| Pass-through cost for printing and mailing | (5.4) | (5.0) | (15.1) | (13.4) |
| Marketing fees | (0.9) | (0.8) | (1.5) | (1.2) |
| Revenue Less Ancillary Services | \$ 88.9 | \$ 62.0 | \$199.7 | \$135.2 |
| Payment processing services costs | \$ 32.3 | \$ 21.7 | \$ 78.3 | \$ 50.9 |
| Hosting and amortization costs within technology and development expenses | 1.6 | 1.5 | 4.6 | 4.2 |
| Adjusted to: | | | | |
| Exclude printing and mailing costs | (5.4) | (5.0) | (15.1) | (13.4) |
| Offset marketing fees against related costs | (0.9) | (0.8) | (1.5) | (1.2) |
| Costs of revenue less ancillary services | \$ 27.6 | \$ 17.4 | \$ 66.3 | \$ 40.5 |
| Gross Profit | \$ 61.3 | \$ 44.6 | \$133.4 | \$ 94.7 |
| Gross Margin | 64.4% | 65.8% | 61.7% | 63.2% |
| Adjusted Gross Profit | \$ 61.3 | \$ 44.6 | \$133.4 | \$ 94.7 |
| Adjusted Gross Margin | 69.0% | 71.9% | 66.8% | 70.0% |

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|-----------------------------------------------------------|-------------------------------------|----------------|------------------------------------|----------------|
| | 2022 | 2021 | 2022 | 2021 |
| Net (loss) income | \$ (4.3) | \$ 10.0 | \$ (38.2) | \$ (16.8) |
| Interest expense | 0.4 | 0.5 | 0.9 | 1.8 |
| Provision for income taxes | 1.3 | 0.3 | 2.9 | 0.8 |
| Depreciation and amortization | 3.4 | 2.3 | 9.2 | 6.6 |
| EBITDA | 0.8 | 13.1 | (25.2) | (7.6) |
| Stock-based compensation expense and related taxes | 9.3 | 2.8 | 23.3 | 15.6 |
| Change in fair value of contingent consideration | 1.3 | 0.5 | 0.3 | 2.1 |
| Change in fair value of preferred stock warrant liability | — | — | — | 10.8 |
| Other (income) expense, net | 6.2 | 0.2 | 13.6 | 0.6 |
| Indirect taxes related to intercompany activity | 0.1 | — | 0.3 | — |
| Acquisition related transaction costs | 0.2 | — | 0.4 | — |
| Acquisition related employee retention costs | 0.3 | 1.0 | 1.2 | 3.1 |
| Adjusted EBITDA | <u>\$ 18.2</u> | <u>\$ 17.6</u> | <u>\$ 13.9</u> | <u>\$ 24.6</u> |

| | Three Months Ended September 30, 2022 | | | Three Months Ended September 30, 2021 | | |
|-----------------------------------------------|--------------------------------------------|---------|---------|--------------------------------------------|---------|---------|
| | Platform and Usage- Based Fees | | | Platform and Usage- Based Fees | | |
| | Transaction | Revenue | | Transaction | Revenue | |
| Revenue | \$ 77.1 | \$ 18.1 | \$ 95.2 | \$ 53.0 | \$ 14.8 | \$ 67.8 |
| Adjusted to exclude gross up for: | | | | | | |
| Pass through cost for printing and mailing | — | (5.4) | (5.4) | — | (5.0) | (5.0) |
| Marketing fees | (0.9) | — | (0.9) | (0.8) | — | (0.8) |
| Revenue Less Ancillary Services | \$ 76.2 | \$ 12.7 | \$ 88.9 | \$ 52.2 | \$ 9.8 | \$ 62.0 |
| Percentage of Revenue | 81.0% | 19.0% | 100% | 78.2% | 21.8% | 100% |
| Percentage of Revenue less Ancillary Services | 85.7% | 14.3% | 100% | 84.2% | 15.8% | 100% |

| | Nine Months Ended September 30, 2022 | | | Nine Months Ended September 30, 2021 | | |
|-----------------------------------------------|--------------------------------------------|---------|----------|--------------------------------------------|---------|----------|
| | Platform and Usage- Based Fees | | | Platform and Usage- Based Fees | | |
| | Transaction | Revenue | | Transaction | Revenue | |
| Revenue | \$ 167.5 | \$ 48.8 | \$ 216.3 | \$ 109.7 | \$ 40.1 | \$ 149.8 |
| Adjusted to exclude gross up for: | | | | | | |
| Pass through cost for printing and mailing | — | (15.1) | (15.1) | — | (13.4) | (13.4) |
| Marketing fees | (1.5) | — | (1.5) | (1.2) | — | (1.2) |
| Revenue Less Ancillary Services | \$ 166.0 | \$ 33.7 | \$ 199.7 | \$ 108.5 | \$ 26.7 | \$ 135.2 |
| Percentage of Revenue | 77.4% | 22.6% | 100% | 73.2% | 26.8% | 100% |
| Percentage of Revenue less Ancillary Services | 83.1% | 16.9% | 100% | 80.3% | 19.7% | 100% |

| | Guidance | | | |
|--------------------------------------------|--------------------------------------|---------|------------------------------|----------|
| | Three Months Ended December 31, 2022 | | Year Ended December 31, 2022 | |
| | Low | High | Low | High |
| Revenue | \$ 69.3 | \$ 72.6 | \$ 285.4 | \$ 288.7 |
| Adjusted to exclude gross up for: | | | | |
| Pass through cost for printing and mailing | (5.0) | (5.3) | (20.1) | (20.4) |
| Marketing fees | (0.3) | (0.3) | (1.8) | (1.8) |
| Revenue Less Ancillary Services | \$ 64.0 | \$ 67.0 | \$ 263.5 | \$ 266.5 |



Q3 2022 Earnings Supplement
November 8, 2022



Disclosures

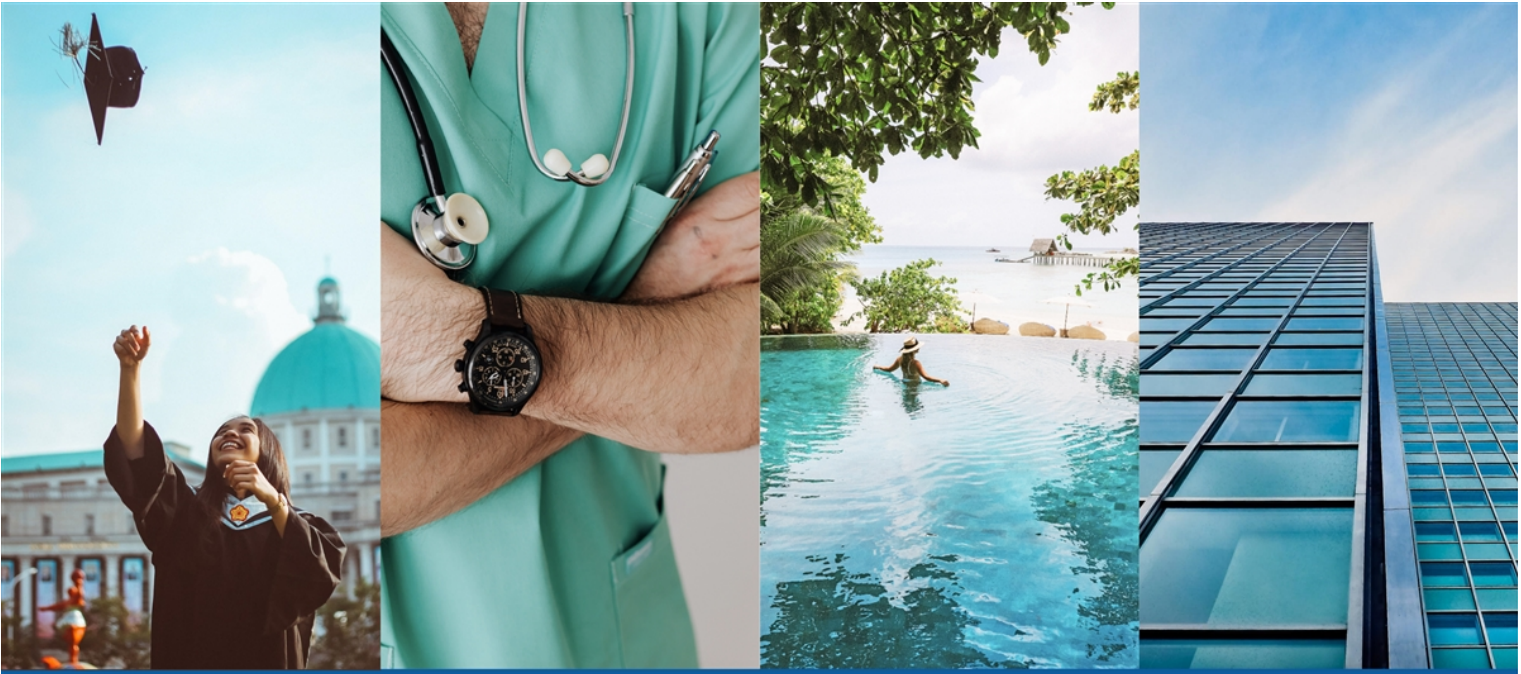
This presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical facts contained in this presentation, including statements regarding Flywire's ability to successfully implement Flywire's business plan, future results of operations and financial position, business strategy and plans and Flywire's objectives for future operations, are forward-looking statements. The words "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," "plans," "potential," "seeks," "projects," "should," "could" and "would" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Flywire has based these forward-looking statements largely on Flywire's current expectations and projections about future events and financial trends that Flywire believes may affect Flywire's financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions 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, 2021 and Quarterly Report on Form 10-Q for the quarter ended June 30, 2022, which are on file with the Securities and Exchange Commission (SEC) and available on the SEC's website at www.sec.gov. Additional factors may be described in those sections of Flywire's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022, expected to be filed with the SEC in the fourth quarter of 2022. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this presentation may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. You should not rely upon forward-looking statements as predictions of future events or performance.

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The information in this presentation is provided only as of November 8, 2022, and Flywire undertakes no obligation to update any forward-looking statements contained in this presentation on account of new information, future events, or otherwise, except as required by law.

This presentation contains certain non-GAAP financial measures as defined by SEC rules. Flywire has provided a reconciliation of those measures to the most directly comparable GAAP measures, which is available in the Appendix. Flywire is unable to provide a reconciliation from forecasted adjusted EBITDA to forecasted GAAP net income (loss) or to forecasted GAAP income (loss) before income taxes, 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.



Our mission is to deliver the most important and complex payments

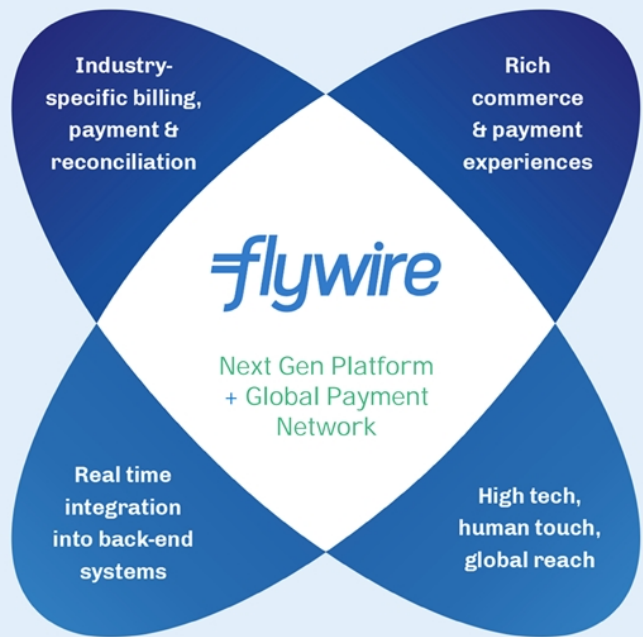
We help our clients
get paid...

...and their customers
pay with ease from
anywhere in the world



Software drives value in payments

5



3,000+

Clients Worldwide

950+

Global FlyMates

\$13.2B

Total Payment Volume
(2021)



240+

Countries & Territories

140

Currencies Supported

10+

Years to Build
Payment Network



High-stakes, high-value payments in large markets



Education
\$660B TAM¹

>2,000 global institutions

>2M students globally



Healthcare
\$500B TAM²

>80 healthcare systems

4 top 10 US health systems ranked by hospital size



Travel
~\$530B TAM³

Large travel operators/ accommodations



B2B Payments
\$10T TAM⁴

Unique network of assets to support B2B



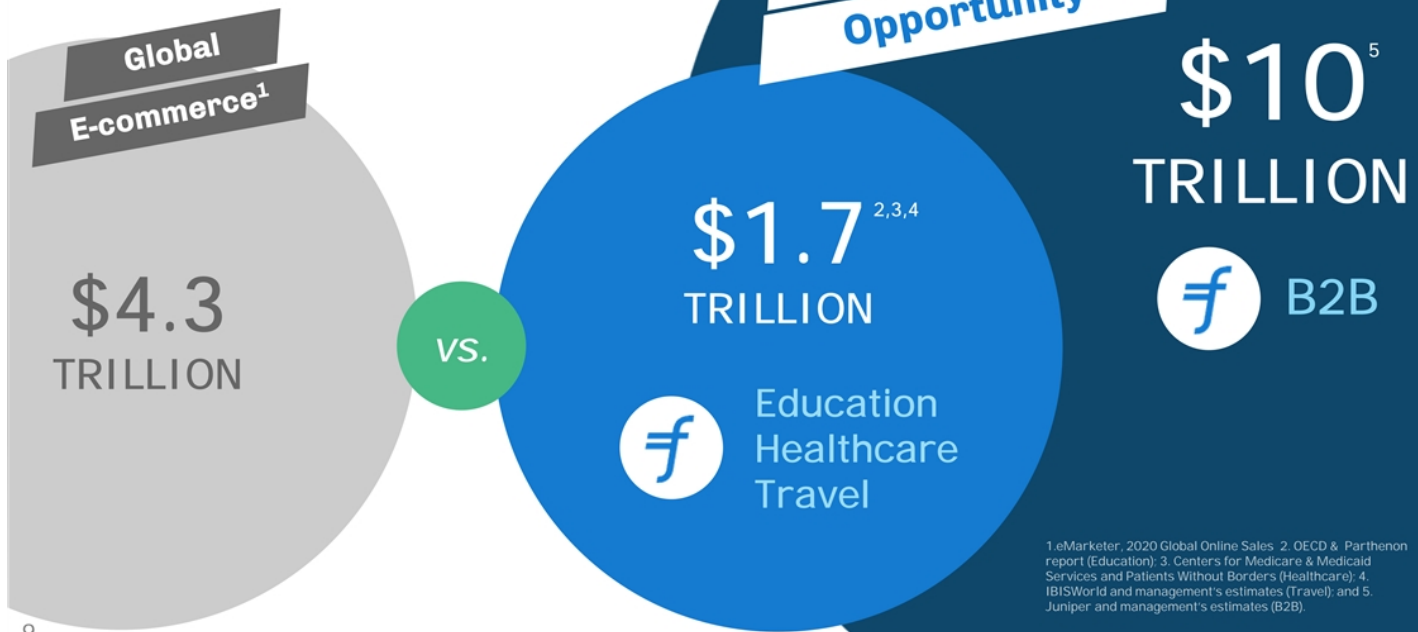
7 1.OECD & EY Parthenon report (Education); 2. Centers for Medicare & Medicaid Services and Patients Without Borders (Healthcare); 3. IBISWorld and management's estimates (Travel); and 4. Juniper and management's estimates (B2B).





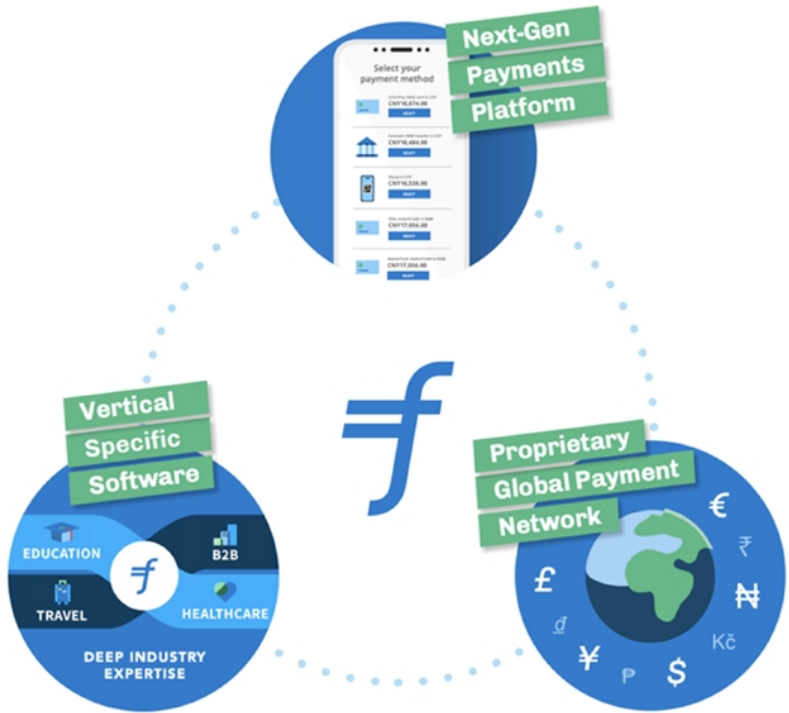
Our Flywire Advantage
& Opportunity

We believe our runway for growth is substantial

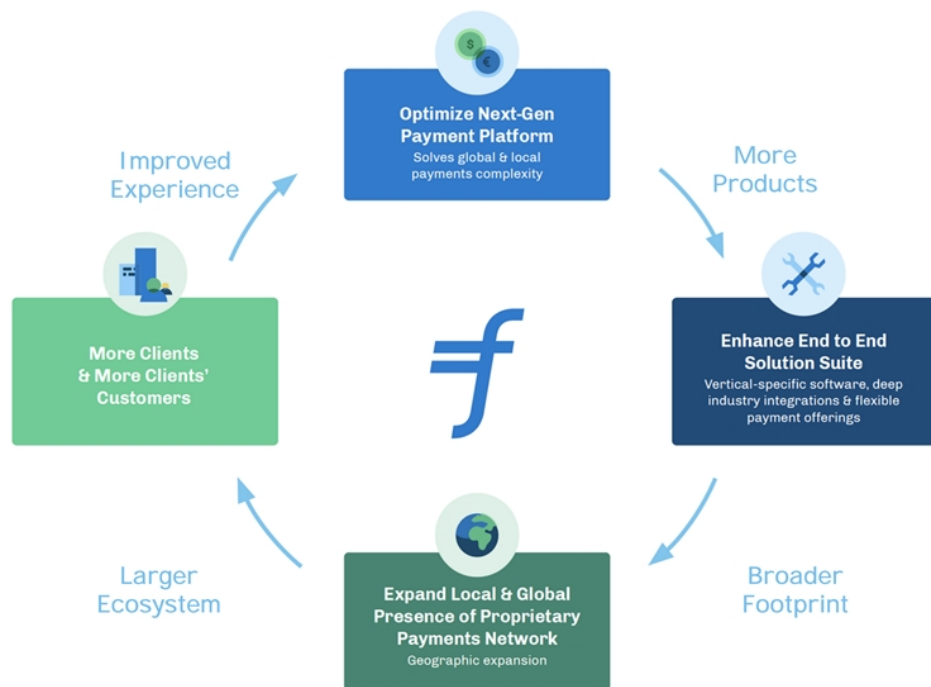


1.eMarketer, 2020 Global Online Sales. 2. OECD & Parthenon report (Education); 3. Centers for Medicare & Medicaid Services and Patients Without Borders (Healthcare); 4. IBISWorld and management's estimates (Travel); and 5. Juniper and management's estimates (B2B).

Our proven Flywire Advantage



Fueling a powerful & accelerating flywheel



Strong tailwinds across our verticals

The digitization of payments is inevitable



In **education**, demand for global education remains strong with U.S. higher education reporting 68%¹ increase in international student enrollment



The need for consumer-friendly and digital first payment options continues to be a priority in **healthcare**



Strong demand to **travel** especially among luxury travelers with 72%² planning to spend more traveling this year than they did pre-pandemic



The COVID-19 pandemic has accelerated the need for finance automation and digitization in **B2B**

Growth strategies



Grow with existing clients

123%¹

Three year average annual dollar-based net retention rate

13 ¹ 2019-2021

Grow with new clients

145+

New clients in Q3 2022

Expand our ecosystem through channel partnerships



Expand to new industries, geographies & products

500+

Travel & B2B Clients

Pursue strategic & value-enhancing acquisitions

COHORT *Go*





Q3 2022 Performance

GAAP Financial Highlights

Q3 2022

\$95.2M

Revenue

64.4%

Gross Margin

\$(4.3)M

Net Income (Loss)

Key Operating Metrics (Non-GAAP)

Q3 2022

\$7.0B

(+33%)¹

Total
Payment
Volume

\$88.9M

(+43%)¹

Revenue Less
Ancillary
Services

69.0%

(-2.9%)²

Adjusted
Gross
Margin

\$18.2M

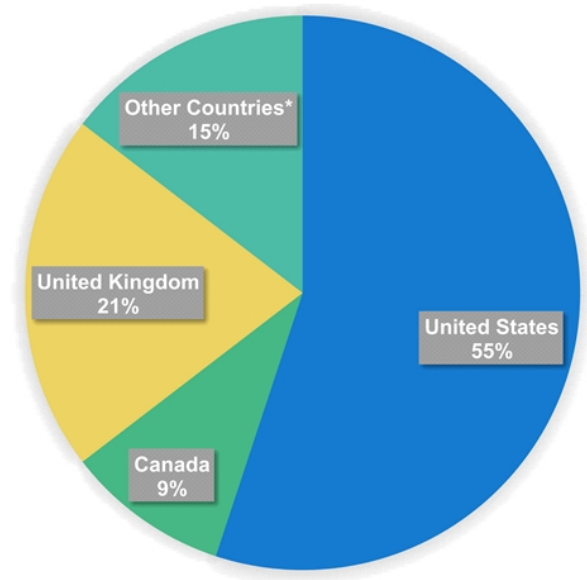
Adjusted
EBITDA

1. Represents Y-o-Y growth as compared to Q3 2021, 2. Represents Y-o-Y decrease compared to Q3 2021

See appendix for reconciliation to GAAP amounts

Revenue by Geography

Three Months Ended
September 30, 2022



*No single country included in the "Other Countries" category generated 10% or more of revenue





Financial Outlook

Q4 2022 Outlook

\$64 – 67M

Revenue Less
Ancillary Services

FY 2022 Outlook

\$263.5 – 266.5M

Revenue Less
Ancillary Services

\$14 - 16M

Adjusted EBITDA

Flywire is unable to provide a reconciliation from forecasted adjusted EBITDA to forecasted GAAP net income (loss) or to forecasted GAAP income (loss) before income taxes, 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.

flywire

Appendix

Revenue Less Ancillary Services & Adjusted Gross Margin Reconciliations

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---------------------------------------------------------------------------|-------------------------------------|----------------|------------------------------------|-----------------|
| | 2022 | 2021 | 2022 | 2021 |
| Revenue | \$ 95.2 | \$ 67.8 | \$ 216.3 | \$ 149.8 |
| Adjusted to exclude gross up for: | | | | |
| Pass-through cost for printing and mailing | (5.4) | (5.0) | (15.1) | (13.4) |
| Marketing fees | (0.9) | (0.8) | (1.5) | (1.2) |
| Revenue Less Ancillary Services | <u>\$ 88.9</u> | <u>\$ 62.0</u> | <u>\$ 199.7</u> | <u>\$ 135.2</u> |
| Payment processing services costs | \$ 32.3 | \$ 21.7 | \$ 78.3 | \$ 50.9 |
| Hosting and amortization costs within technology and development expenses | 1.6 | 1.5 | 4.6 | 4.2 |
| Adjusted to: | | | | |
| Exclude printing and mailing costs | (5.4) | (5.0) | (15.1) | (13.4) |
| Offset marketing fees against related costs | (0.9) | (0.8) | (1.5) | (1.2) |
| Costs of revenue less ancillary services | <u>\$ 27.6</u> | <u>\$ 17.4</u> | <u>\$ 66.3</u> | <u>\$ 40.5</u> |
| Gross Profit | \$ 61.3 | \$ 44.6 | \$ 133.4 | \$ 94.7 |
| Gross Margin | 64.4% | 65.8% | 61.7% | 63.2% |
| Adjusted Gross Profit | <u>\$ 61.3</u> | <u>\$ 44.6</u> | <u>\$ 133.4</u> | <u>\$ 94.7</u> |
| Adjusted Gross Margin | <u>69.0%</u> | <u>71.9%</u> | <u>66.8%</u> | <u>70.0%</u> |

\$USD in Millions

Revenue Disaggregation by Revenue Type

| | Three Months Ended September 30, 2022 | | | Three Months Ended September 30, 2021 | | |
|-----------------------------------------------|------------------------------------------|------------------------------------|----------------|------------------------------------------|------------------------------------|----------------|
| | Transaction | Platform and Usage- Based | | Transaction | Platform and Usage- Based | |
| | | Fees | Revenue | | Fees | Revenue |
| Revenue | \$ 77.1 | \$ 18.1 | \$ 95.2 | \$ 53.0 | \$ 14.8 | \$ 67.8 |
| Adjusted to exclude gross up for: | | | | | | |
| Pass through cost for printing and mailing | --- | (5.4) | (5.4) | --- | (5.0) | (5.0) |
| Marketing fees | (0.9) | --- | (0.9) | (0.8) | --- | (0.8) |
| Revenue Less Ancillary Services | <u>\$ 76.2</u> | <u>\$ 12.7</u> | <u>\$ 88.9</u> | <u>\$ 52.2</u> | <u>\$ 9.8</u> | <u>\$ 62.0</u> |
| Percentage of Revenue | 81.0% | 19.0% | 100% | 78.2% | 21.8% | 100% |
| Percentage of Revenue less Ancillary Services | 85.7% | 14.3% | 100% | 84.2% | 15.8% | 100% |

| | Nine Months Ended September 30, 2022 | | | Nine Months Ended September 30, 2021 | | |
|-----------------------------------------------|-----------------------------------------|------------------------------------|-----------------|-----------------------------------------|------------------------------------|-----------------|
| | Transaction | Platform and Usage- Based | | Transaction | Platform and Usage- Based | |
| | | Fees | Revenue | | Fees | Revenue |
| Revenue | \$ 167.5 | \$ 48.8 | \$ 216.3 | \$ 109.7 | \$ 40.1 | \$ 149.8 |
| Adjusted to exclude gross up for: | | | | | | |
| Pass through cost for printing and mailing | --- | (15.1) | (15.1) | --- | (13.4) | (13.4) |
| Marketing fees | (1.5) | --- | (1.5) | (1.2) | --- | (1.2) |
| Revenue Less Ancillary Services | <u>\$ 166.0</u> | <u>\$ 33.7</u> | <u>\$ 199.7</u> | <u>\$ 108.5</u> | <u>\$ 26.7</u> | <u>\$ 135.2</u> |
| Percentage of Revenue | 77.4% | 22.6% | 100% | 73.2% | 26.8% | 100% |
| Percentage of Revenue less Ancillary Services | 83.1% | 16.9% | 100% | 80.3% | 19.7% | 100% |

\$USD in Millions

Net Loss to Adjusted EBITDA Reconciliation

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|-----------------------------------------------------------|-------------------------------------|---------|------------------------------------|-----------|
| | 2022 | 2021 | 2022 | 2021 |
| Net (loss) income | \$ (4.3) | \$ 10.0 | \$ (38.2) | \$ (16.8) |
| Interest expense | 0.4 | 0.5 | 0.9 | 1.8 |
| Provision for income taxes | 1.3 | 0.3 | 2.9 | 0.8 |
| Depreciation and amortization | 3.4 | 2.3 | 9.2 | 6.6 |
| EBITDA | 0.8 | 13.1 | (25.2) | (7.6) |
| Stock-based compensation expense and related taxes | 9.3 | 2.8 | 23.3 | 15.6 |
| Change in fair value of contingent consideration | 1.3 | 0.5 | 0.3 | 2.1 |
| Change in fair value of preferred stock warrant liability | - | - | - | 10.8 |
| Other (income) expense, net | 6.2 | 0.2 | 13.6 | 0.6 |
| Indirect taxes related to intercompany activity | 0.1 | - | 0.3 | - |
| Acquisition related transaction costs | 0.2 | - | 0.4 | - |
| Acquisition related employee retention costs | 0.3 | 1.0 | 1.2 | 3.1 |
| Adjusted EBITDA | \$ 18.2 | \$ 17.6 | \$ 13.9 | \$ 24.6 |

\$USD in Millions

Reconciliation of Revenue to Revenue Less Ancillary Services Guidance

| | Three Months Ended December 31, 2022 | | Year Ended December 31, 2022 | |
|--------------------------------------------|--------------------------------------|----------------|------------------------------|-----------------|
| | Low | High | Low | High |
| Revenue | \$ 69.3 | \$ 72.6 | \$ 285.4 | \$ 288.7 |
| Adjusted to exclude gross up for: | | | | |
| Pass through cost for printing and mailing | (5.0) | (5.3) | (20.1) | (20.4) |
| Marketing fees | (0.3) | (0.3) | (1.8) | (1.8) |
| Revenue Less Ancillary Services | <u>\$ 64.0</u> | <u>\$ 67.0</u> | <u>\$ 263.5</u> | <u>\$ 266.5</u> |

\$USD in Millions

