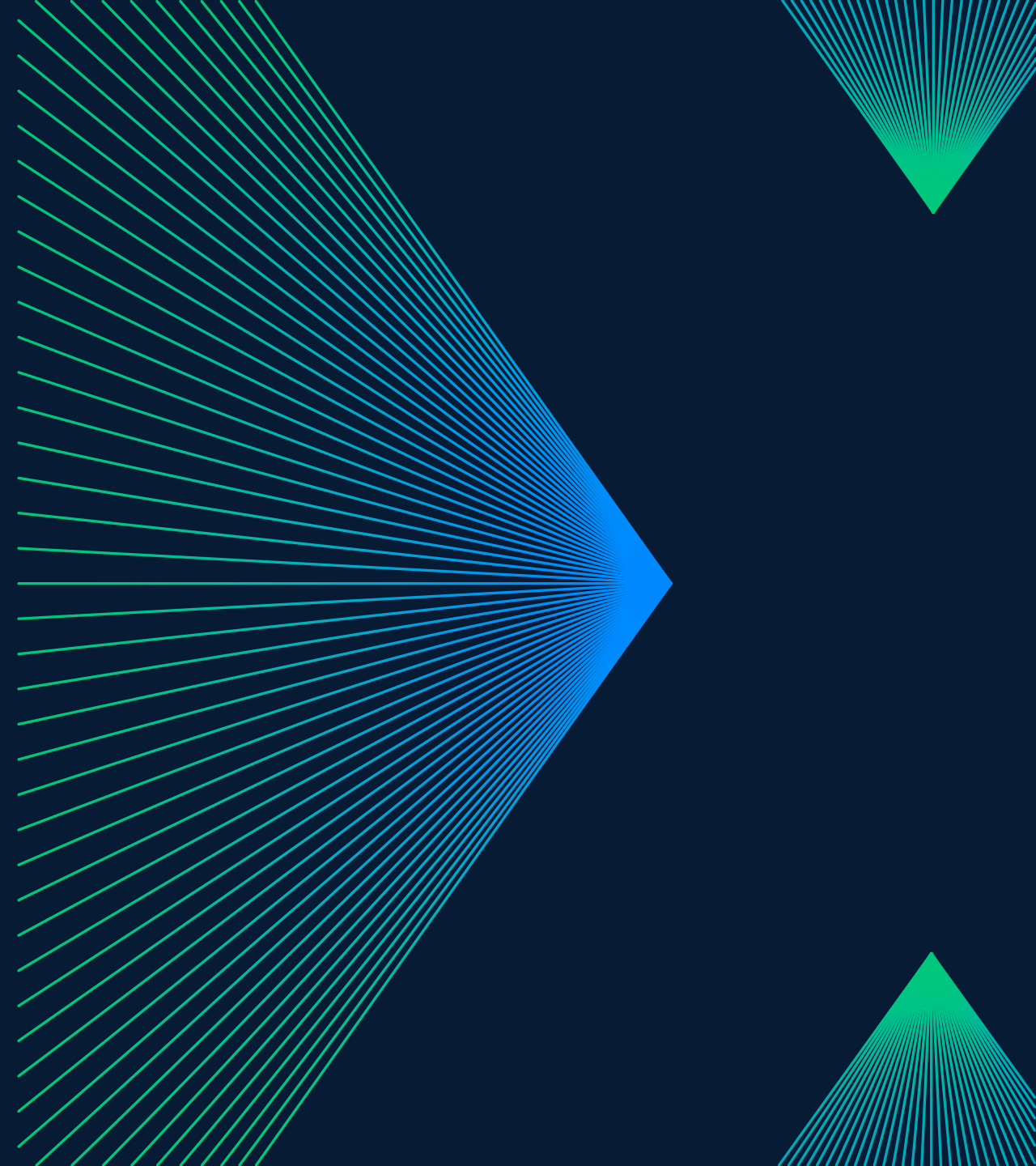




Earnings Presentation

Fourth Quarter 2023

February 28, 2024



Forward-Looking Statements

This presentation may contain “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. In this context, forward-looking statements generally relate to future events or our future financial or operating performance and often contain words such as: “anticipate,” “intend,” “plan,” “goal,” “seek,” “believe,” “outlook,” “project,” “estimate,” “expect,” “future,” “likely,” “may,” “should,” “continue,” “will” and similar words and phrases indicating future results. The information presented in this presentation related to our expectations of future performance, including guidance for our revenue and EBITDA for the full year 2024, our accelerating revenue growth and continued gross margin expansion, the strength of our operating leverage, statements related to our positioning to accelerate our success in the new year, our continued strong operational execution, our customers’ perception of the value proposition associated with our products and services, our addressable market opportunity, the role our balance sheet and cash position play in accelerating long-term growth, the impact of the macroeconomic environment on our business, and other statements that are not purely statements of historical fact, are forward-looking in nature. These forward-looking statements are made on the basis of management’s current expectations, assumptions, estimates and projections and are subject to significant risks and uncertainties that could cause actual results to differ materially from those anticipated in such forward-looking statements. We therefore cannot guarantee future results, performance or achievements.

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

Non-GAAP Measures & Other Performance Metrics

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

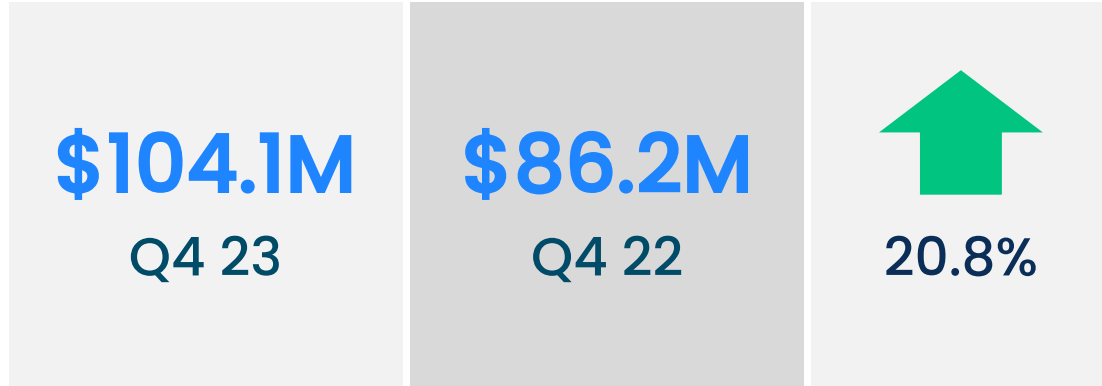
A “non-GAAP financial measure” refers to a numerical measure of our historical or future financial performance or financial position that is included in (or excluded from) the most directly comparable measure calculated and presented in accordance with GAAP in our financial statements. We provide certain 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 Income (Loss) in this presentation. We define Non-GAAP Gross Profit as revenue less cost of revenue excluding the portion of depreciation and amortization and stock-based compensation expense allocated to cost of revenues. We define Adjusted EBITDA as our net loss before depreciation and amortization, impairment and write-off of intangible assets, interest income and expense, income tax expense (benefit), stock-based compensation expense, transaction and acquisition-related costs expensed, change in fair value of derivative instrument, non-recurring items not indicative of ongoing operations, and charitable contributions of common stock. We define Non-GAAP Net Income (Loss) as net loss before amortization of acquired intangible assets, impairment and write-off of intangible assets, stock-based compensation expense, transaction and acquisition-related costs expensed, change in fair value of derivative instrument, non-recurring items not indicative of ongoing operations, acquisition-related effects on income tax, and charitable contributions of common stock. Non-GAAP income tax expense is calculated using our blended statutory rate except in periods of non-GAAP net loss when it is based on our GAAP income tax expense. In each case, non-GAAP income tax expense excludes the effects of acquisitions in the period on tax expense.

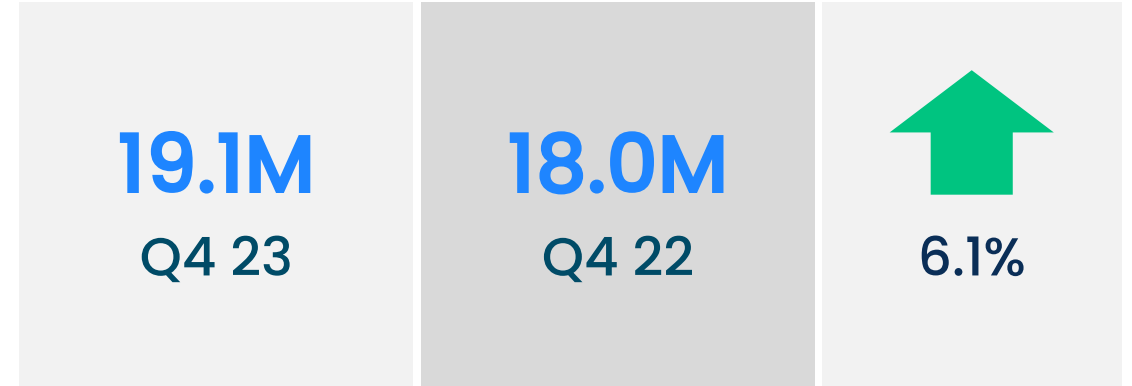
We believe the use of non-GAAP financial measures, as a supplement to GAAP measures, is useful to investors in that they eliminate items that are either not part of our core operations or do not require a cash outlay, such as stock-based compensation expense. Management uses these non-GAAP financial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

Q4 2023 Highlights

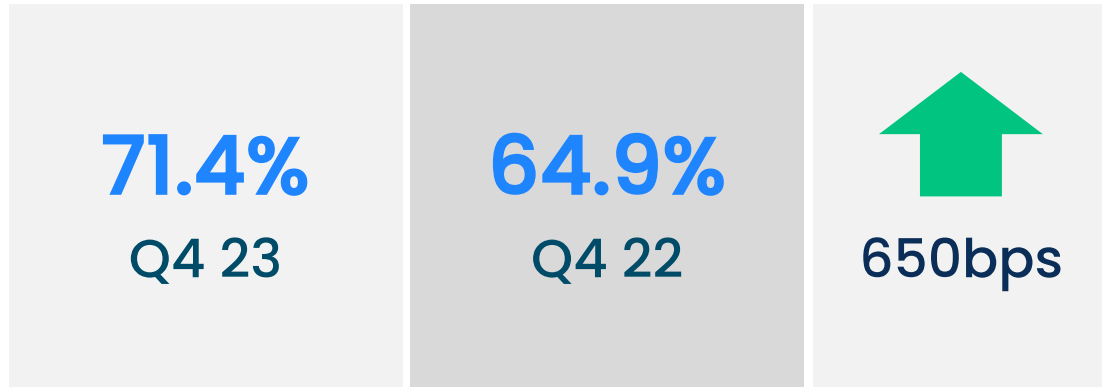
Total Revenue



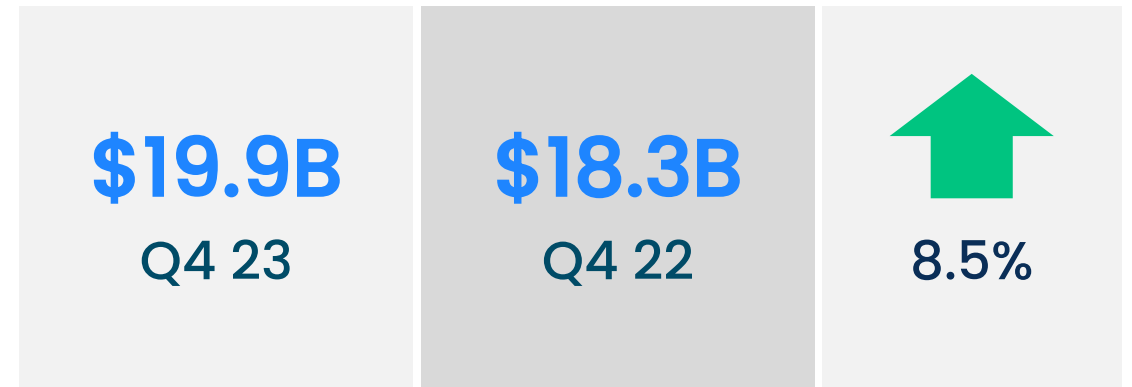
Total Transactions Processed



Non-GAAP Gross Profit Margin

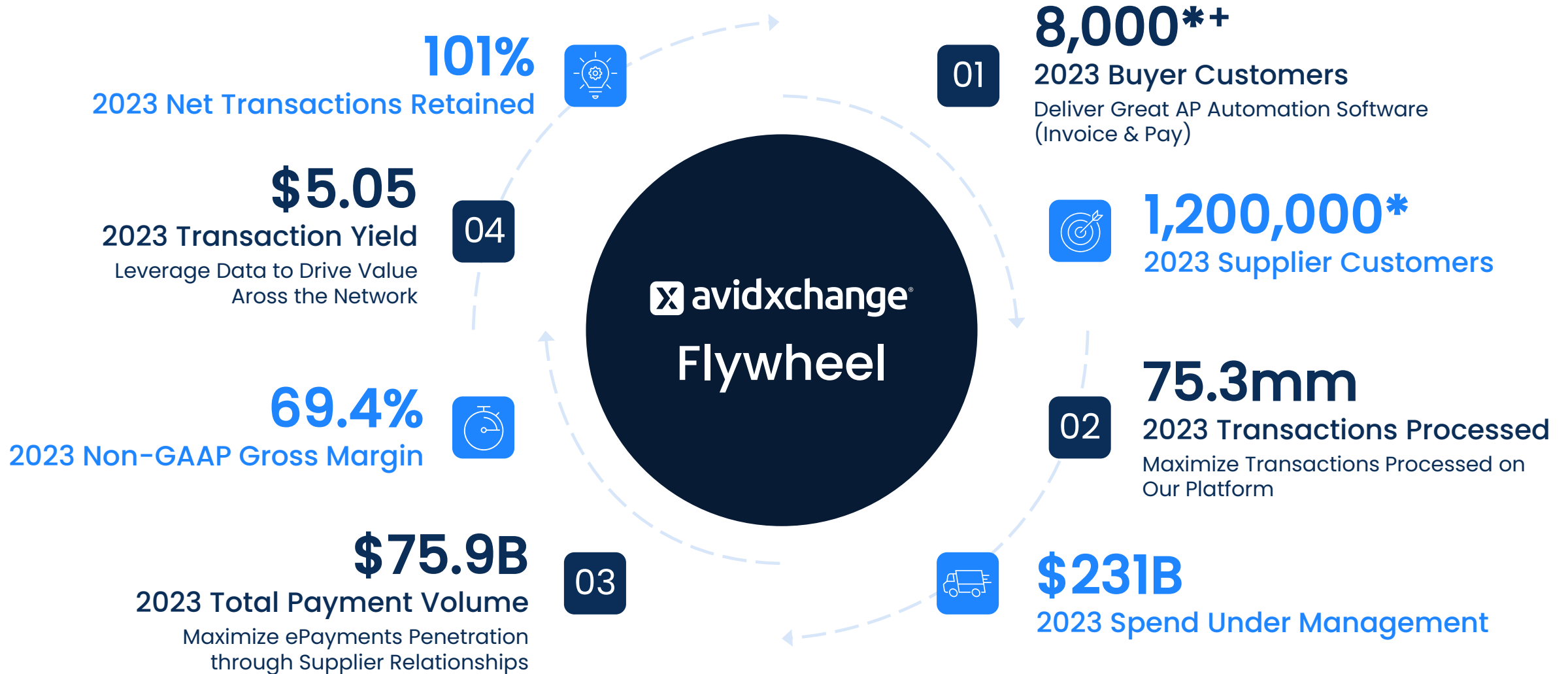


Total Payment Volume



Our Financial Monetization Story

via Our AvidXchange Flywheel



*Reflects Contributions from 240 Accounting Systems Integrations and 270 Referral Partnerships.

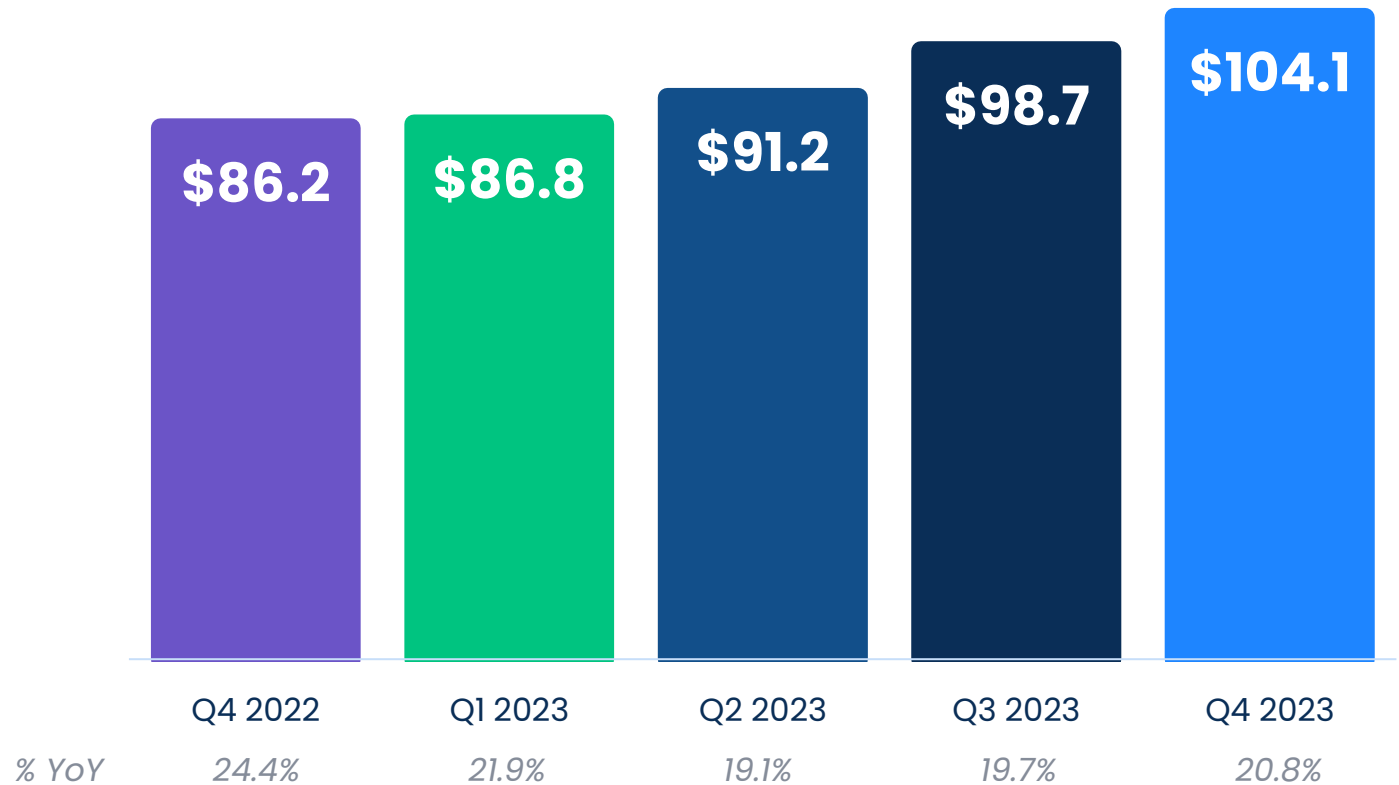
+Reflects the decommissioning and exit of roughly 1,400 on-premise check printing software Create-a-Check buyer customers. See "Appendix" section for further Details.



Total Revenue

\$(Millions)

Total Revenue of
\$104.1M,
an increase of
20.8%
year-over-year



Total Transactions Processed*

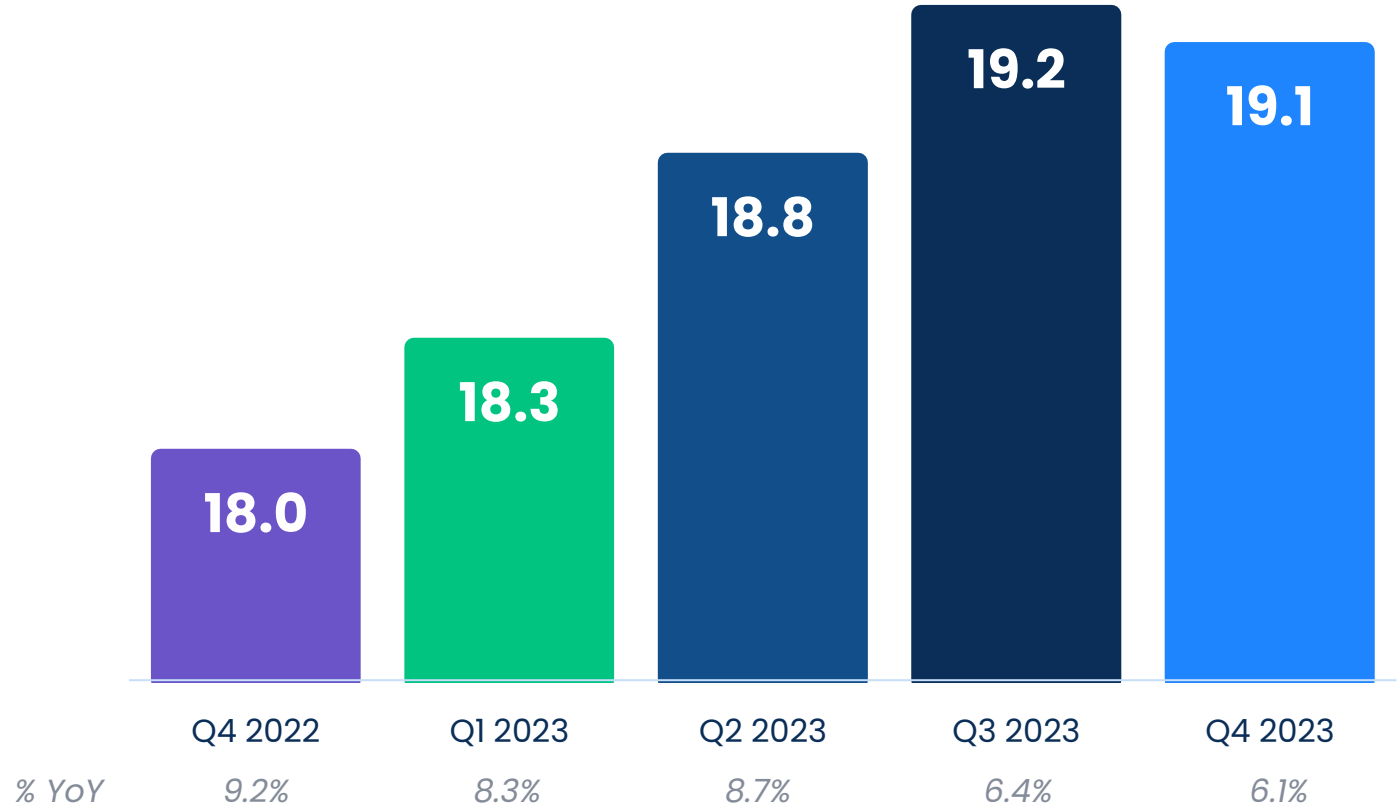
Total transactions processed of

19.1M,

an increase of

6.1%

from 18.0M in Q4 2022



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

Total Transaction Yield*

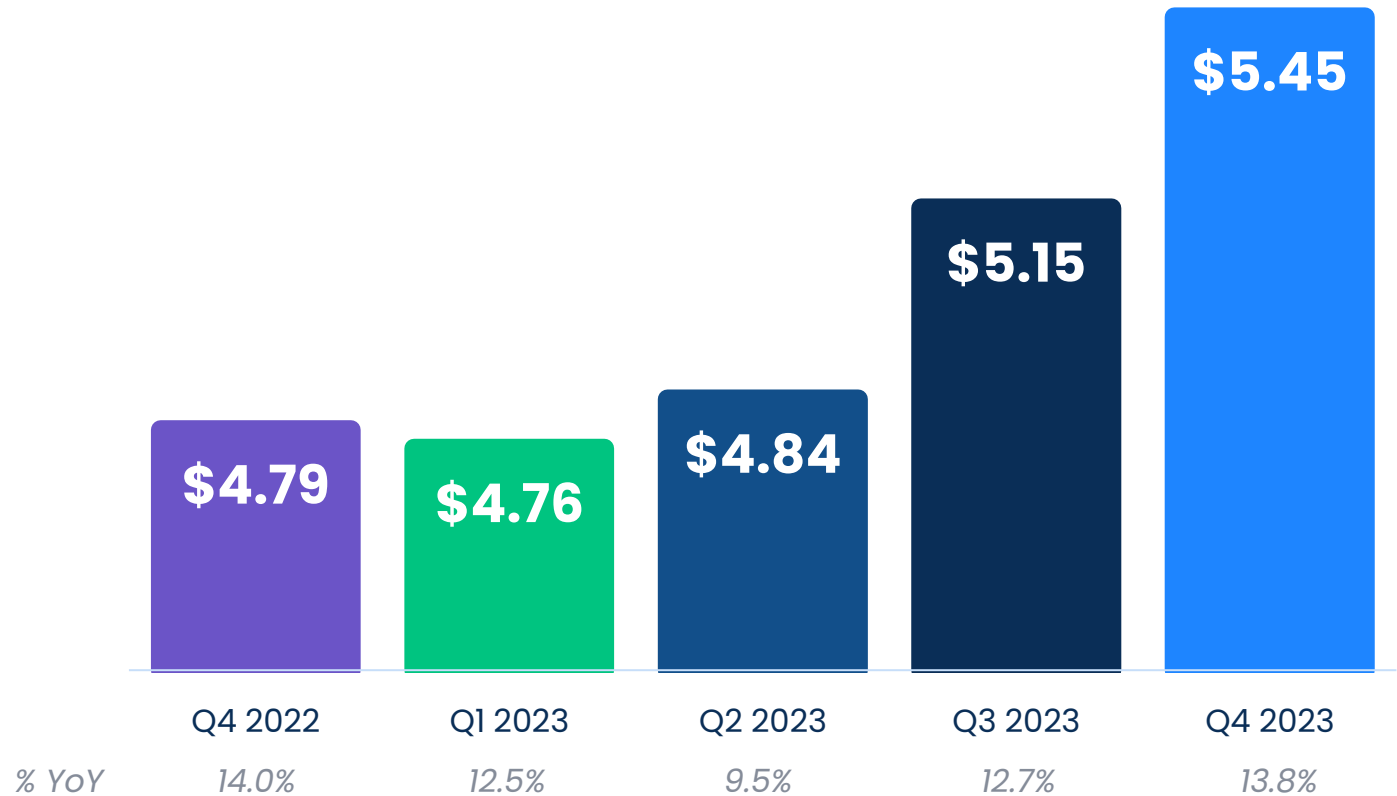
Total transactions yield was

\$5.45,

an increase of

13.8%

from \$4.79 in Q4 2022



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

Total Payment Volume*

\$(Billion)

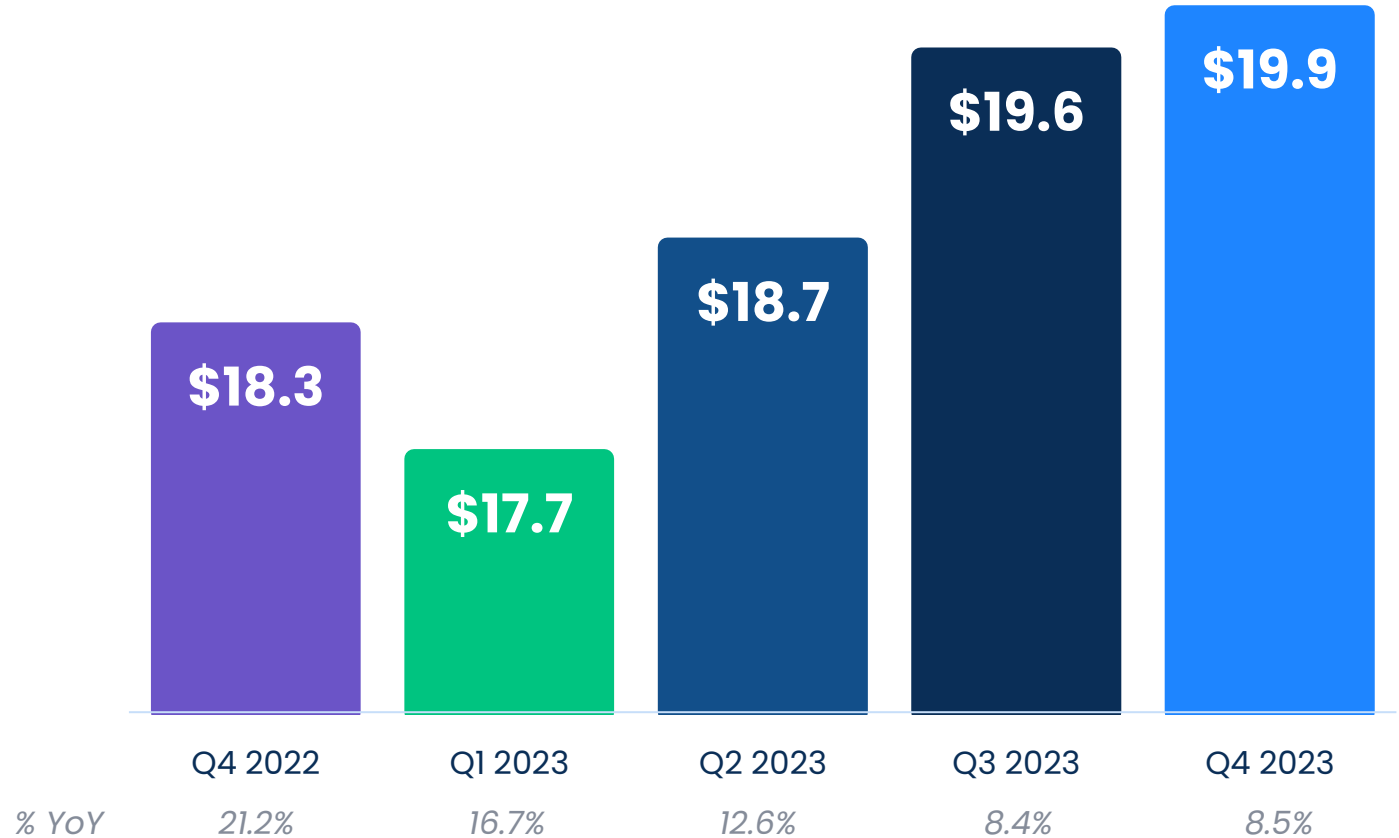
Total payment volume was

\$19.9B,

an increase of

8.5%

from \$18.3B in Q4 2022



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

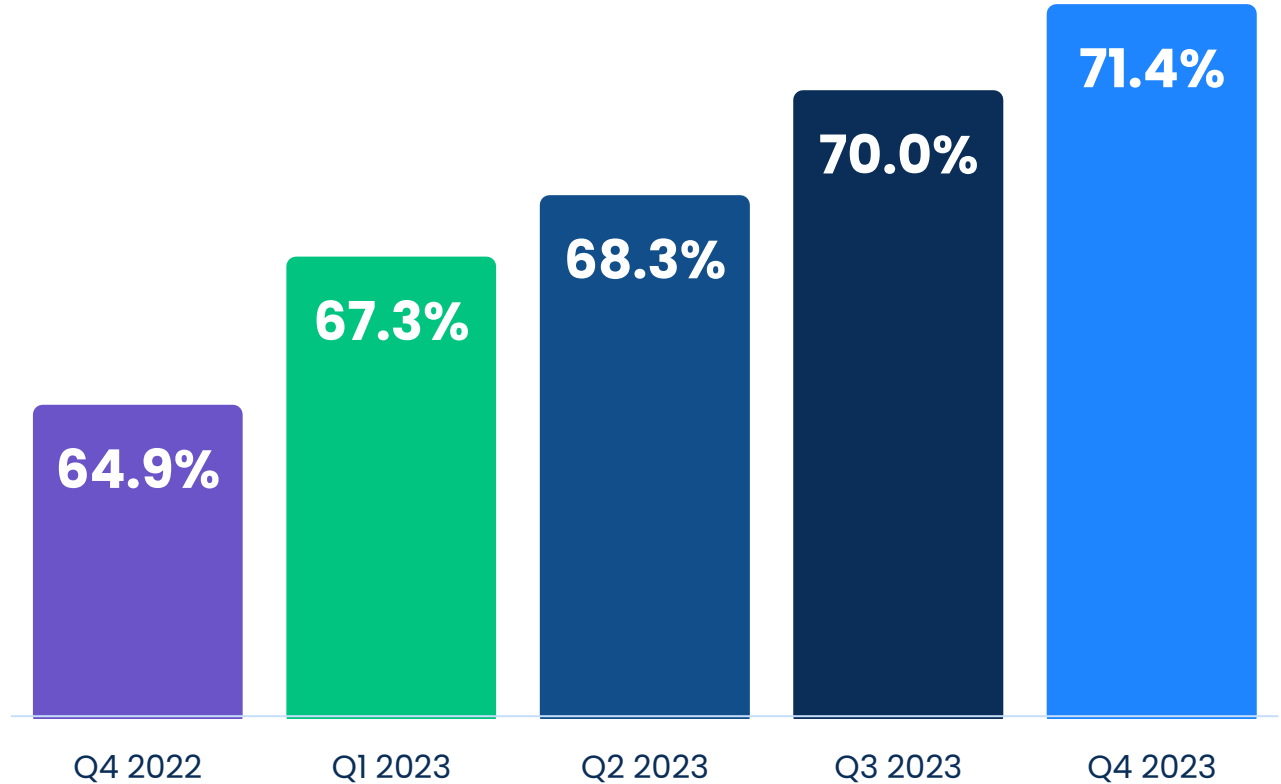
Non-GAAP Gross Margin

Non-GAAP gross profit of

\$74.4M or **71.4%**

of total revenue

Gross margin expansion of 650 basis points year-over-year.



Full Year 2024 Financial Outlook

\$(Millions)

FY 2024	Low	High
Revenue ⁽¹⁾	\$441.0	\$447.0
% YoY Growth	15.8%	17.4%
Adjusted EBITDA ⁽²⁾	\$67.0	\$71.0

(1) The revenue associated with CAC was approximately \$1.0 million in 2023 with no contribution anticipated in 2024.

(2) 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.

Thank You

Appendix

Revenue Disaggregation

\$(Thousands)

Disaggregation of Revenue:	Year Ended December 31,	
	2023	2022
Software revenue	\$ 112,184	\$ 99,541
Payment revenue	265,112	213,842
Services revenue	3,424	2,967
Total revenues	<u>\$ 380,720</u>	<u>\$ 316,350</u>

Non-GAAP Gross Margin Reconciliation

\$(Thousands)

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Reconciliation from Revenue to Non-GAAP Gross Profit and Non-GAAP Gross Margin:				
Total revenues	\$ 104,064	\$ 86,175	\$ 380,720	\$ 316,350
Expenses:				
Cost of revenues (exclusive of depreciation and amortization expense)	(30,846)	(31,188)	(121,307)	(117,864)
Depreciation and amortization expense	(5,949)	(5,074)	(22,106)	(19,004)
GAAP Gross profit	\$ 67,269	\$ 49,913	\$ 237,307	\$ 179,482
Adjustments:				
Stock-based compensation expense	1,135	983	4,687	4,113
Depreciation and amortization expense	5,949	5,074	22,106	19,004
Non-GAAP gross profit	\$ 74,353	\$ 55,970	\$ 264,100	\$ 202,599
GAAP Gross margin	64.6%	57.9%	62.3%	56.7%
Non-GAAP gross margin	71.4%	64.9%	69.4%	64.0%

Non-GAAP Net Loss & EBITDA Reconciliation

\$(Thousands)

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Reconciliation from Net Loss to Non-GAAP Net Loss:				
Net loss	\$ (4,473)	\$ (25,029)	\$ (47,325)	\$ (101,284)
Exclude: Provision for income taxes	856	114	1,195	321
Loss before taxes	(3,617)	(24,915)	(46,130)	(100,963)
Amortization of acquired intangible assets	3,623	3,623	14,493	14,575
Stock-based compensation expense	9,675	8,071	40,856	31,838
Transaction and acquisition-related costs	-	1,708	(7)	1,988
Non-recurring items not indicative of ongoing operations ⁽¹⁾	1,133	2,659	5,541	3,945
Charitable contribution of stock	1,667	1,473	1,667	1,473
Total net adjustments	16,098	17,534	62,550	53,819
Non-GAAP income (loss) before taxes	12,481	(7,381)	16,420	(47,144)
Non-GAAP tax expense ⁽²⁾	3,108	114	4,089	321
Non-GAAP net income (loss)	\$ 9,373	\$ (7,495)	\$ 12,331	\$ (47,465)
Reconciliation from Net Loss to Adjusted EBITDA:				
Net loss	\$ (4,473)	\$ (25,029)	\$ (47,325)	\$ (101,284)
Depreciation and amortization	9,397	8,458	35,912	32,842
Interest income	(6,070)	(4,258)	(20,890)	(7,164)
Interest expense	3,413	5,488	13,519	20,749
Provision for income taxes	856	114	1,195	321
Stock-based compensation expense	9,675	8,071	40,856	31,838
Transaction and acquisition-related costs	-	1,708	(7)	1,988
Non-recurring items not indicative of ongoing operations ⁽¹⁾	1,133	2,659	5,541	3,945
Charitable contribution of stock	1,667	1,473	1,667	1,473
Adjusted EBITDA	\$ 15,598	\$ (1,316)	\$ 30,468	\$ (15,292)

⁽¹⁾ For the three months ended December 31, 2023, this amount is primarily comprised of \$1,880 of restructuring costs, \$507 of insurance recoveries related to the cybersecurity incident that was detected in April 2023, and \$176 benefit from the adjustment of accruals related to costs incurred in connection with the cybersecurity incident. For the year ended December 31, 2023, this amount is primarily comprised of \$3,698 of response costs, including professional services and legal fees, incurred in connection with the cybersecurity incident, net of insurance recoveries and \$1,880 of restructuring costs. For the three months ended December 31, 2022, includes \$2,777 related to impairment of ROU asset. For the twelve months ended December 31, 2022, includes \$1,526 of restructuring costs, a benefit of \$308 for a liability release related to the FastPay acquisition that closed in July 2021, and \$2,777 of impairment of ROU asset.

⁽²⁾ Non-GAAP tax expense is based on the Company's blended tax rate of 24.9% in periods the Company has Non-GAAP income before tax. In periods the Company is in a non-GAAP loss position, tax expense is based on GAAP tax expense.

Non-GAAP Reconciliation

\$(Thousands)

Reconciliation of Cost of Revenue and Operating Expenses to Non-GAAP Cost of Revenue and Operating Expenses (in thousands)	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Cost of revenues (exclusive of depreciation and amortization expense)	\$ 30,846	\$ 31,188	\$ 121,307	\$ 117,864
Adjustment: Stock-based compensation expense	(1,135)	(983)	(4,687)	(4,113)
Non-GAAP Cost of revenues (exclusive of depreciation and amortization expense)	\$ 29,711	\$ 30,205	\$ 116,620	\$ 113,751
Operating expenses				
Sales and marketing	\$ 18,577	\$ 19,805	\$ 77,523	\$ 77,733
Adjustment: Stock-based compensation expense	(1,090)	(1,257)	(4,953)	(4,800)
Non-GAAP Sales and marketing	\$ 17,487	\$ 18,548	\$ 72,570	\$ 72,933
Research and development	\$ 24,939	\$ 21,729	\$ 97,555	\$ 83,905
Adjustment: Stock-based compensation expense	(2,845)	(2,200)	(11,315)	(8,953)
Non-GAAP Research and development	\$ 22,094	\$ 19,529	\$ 86,240	\$ 74,952
General and administrative	\$ 26,579	\$ 28,680	\$ 101,924	\$ 91,384
Adjustment: Stock-based compensation expense	(4,605)	(3,631)	(19,901)	(13,972)
Adjustment: Transaction and acquisition-related costs	-	(1,708)	7	(1,988)
Adjustment: Non-recurring items not indicative of ongoing operations ⁽¹⁾	(1,133)	(2,659)	(5,541)	(3,945)
Charitable contribution of stock	(1,667)	(1,473)	(1,667)	(1,473)
Non-GAAP General and administrative	\$ 19,174	\$ 19,209	\$ 74,822	\$ 70,006
Depreciation and amortization	\$ 9,397	\$ 8,458	\$ 35,912	\$ 32,842
Adjustment: Amortization of acquired intangibles	(3,623)	(3,623)	(14,493)	(14,575)
Non-GAAP Depreciation and amortization	\$ 5,774	\$ 4,835	\$ 21,419	\$ 18,267
Total operating expenses	\$ 79,492	\$ 78,672	\$ 312,914	\$ 285,864
Total Non-GAAP operating expenses	\$ 64,529	\$ 62,121	\$ 255,051	\$ 236,158

⁽¹⁾ For the three months ended December 31, 2023, this amount is primarily comprised of \$1,880 of restructuring costs, \$507 of insurance recoveries related to the cybersecurity incident that was detected in April 2023, and \$176 benefit from the adjustment of accruals related to costs incurred in connection with the cybersecurity incident. For the year ended December 31, 2023, this amount is primarily comprised of \$3,698 of response costs, including professional services and legal fees, incurred in connection with the cybersecurity incident, net of insurance recoveries and \$1,880 of restructuring costs. For the three months ended December 31, 2022, includes \$2,777 related to impairment of ROU asset. For the twelve months ended December 31, 2022, includes \$1,526 of restructuring costs, a benefit of \$308 for a liability release related to the FastPay acquisition that closed in July 2021, and \$2,777 of impairment of ROU asset.

Buyer Customer Count Excluding Create-a-Check (CAC)

Buyer Customer Count	As of December 31,		
	2023	2022	2021
Buyer customers, as reported	8,000	8,800	8,000
Buyer customers, excluding Create-a-Check customers	8,000	7,400	6,700