



ROADSHOW PRESENTATION

May - 2022

DISCLAIMER

This presentation may contain “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. In this context, forward-looking statements generally relate to future events or our future financial or operating performance and often contain words such as: “anticipate,” “intend,” “plan,” “goal,” “seek,” “believe,” “project,” “estimate,” “expect,” “future,” “likely,” “may,” “should,” “will” and similar words and phrases indicating future results. The information presented in this presentation related to our expectations of future performance, including guidance for our revenue and adjusted EBITDA for the full year 2022, statements related to the significance of our strong performance in the first quarter and trend related to organic revenue growth, 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.

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

A “non-GAAP financial measure” refers to a numerical measure of our historical or future financial performance or financial position that is included in (or excluded from) the most directly comparable measure calculated and presented in accordance with GAAP in our financial statements. We provide certain non-GAAP measures as additional information relating to our operating results as a complement to results provided in accordance with GAAP. The non-GAAP financial information presented herein should be considered in conjunction with, and not as a substitute for or superior to, the financial information presented in accordance with GAAP and should not be considered a measure of liquidity. There are significant limitations associated with the use of non-GAAP financial measures. Further, these measures may differ from the non-GAAP information, even where similarly titled, used by other companies and therefore should not be used to compare our performance to that of other companies.

We have presented Non-GAAP Gross Profit, Adjusted EBITDA, and Non-GAAP Net Loss in this 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 of property and equipment, amortization of software development costs, amortization of acquired intangible assets, impairment of intangible assets, interest income and expense, income tax expense, stock-based compensation expense, transaction and acquisition-related costs expensed, change in fair value of derivative instrument, non-recurring items not indicative of ongoing operations, and charitable contributions of common stock. We define Non-GAAP Net Loss as net loss before amortization of acquired intangible assets, impairment 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, provision for income taxes and charitable contributions of common stock.

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.

TODAY'S HOSTS PRESENTING AVIDXCHANGE



MICHAEL PRAEGER

Chief Executive Officer and
Co-Founder



JOEL WILHITE

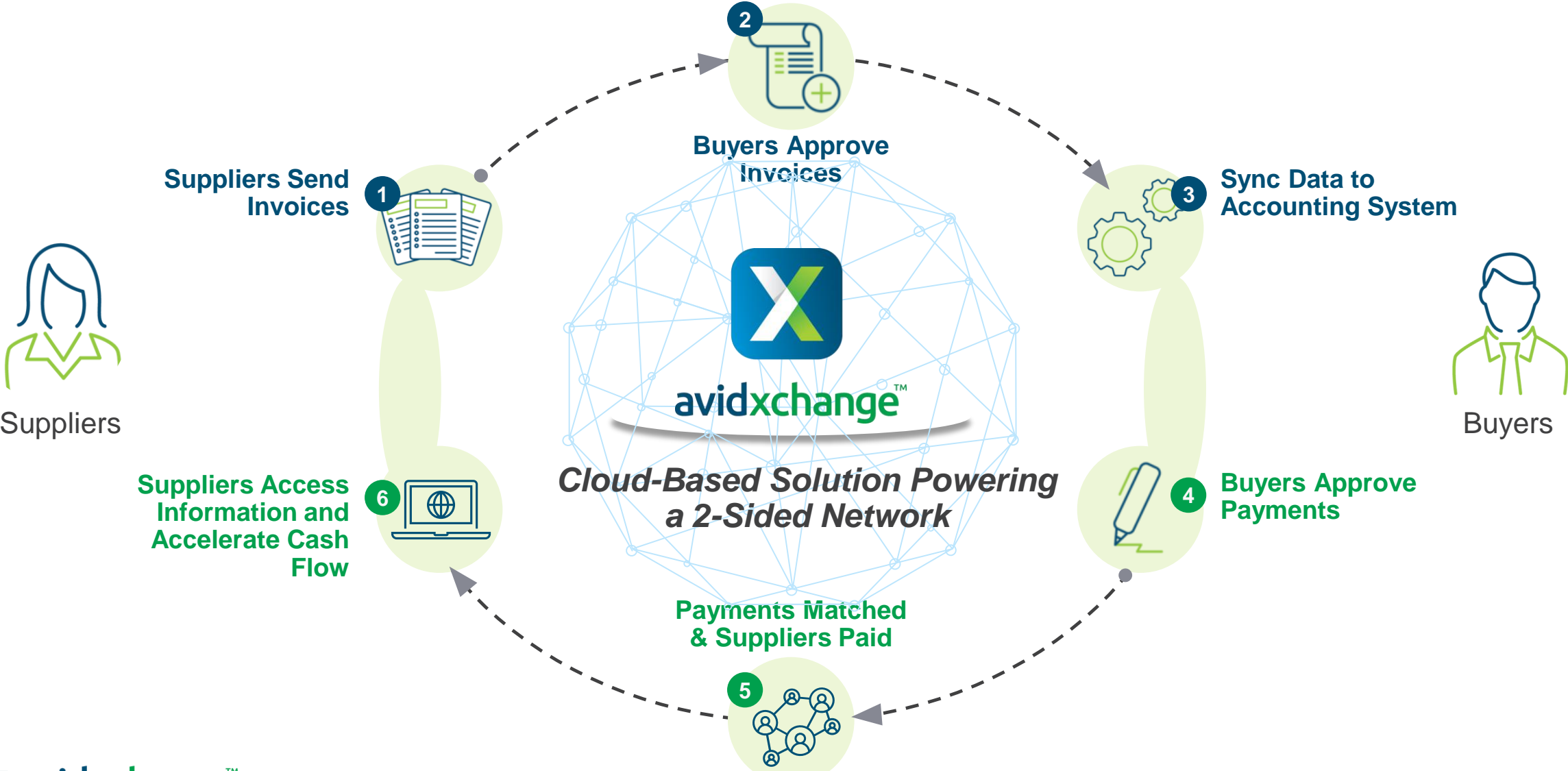
Chief Financial Officer



OUR MISSION

To transform how middle market companies receive, manage, and pay their bills

WE AUTOMATE THE ENTIRE AP WORKFLOW



THE AVIDPAY NETWORK – OUR B2B PAYMENTS SOLUTION

Proprietary, market leading B2B payments network for middle market buyers and their suppliers

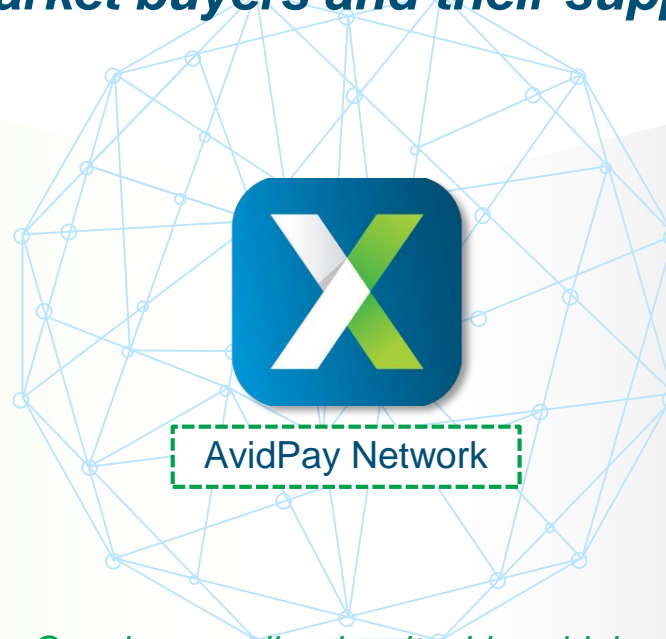


**8,000+
BUYERS**

~62mm

*Transactions
Processed in 2021*

✓ Two-sided network



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

✓ Variety of faster payment methods



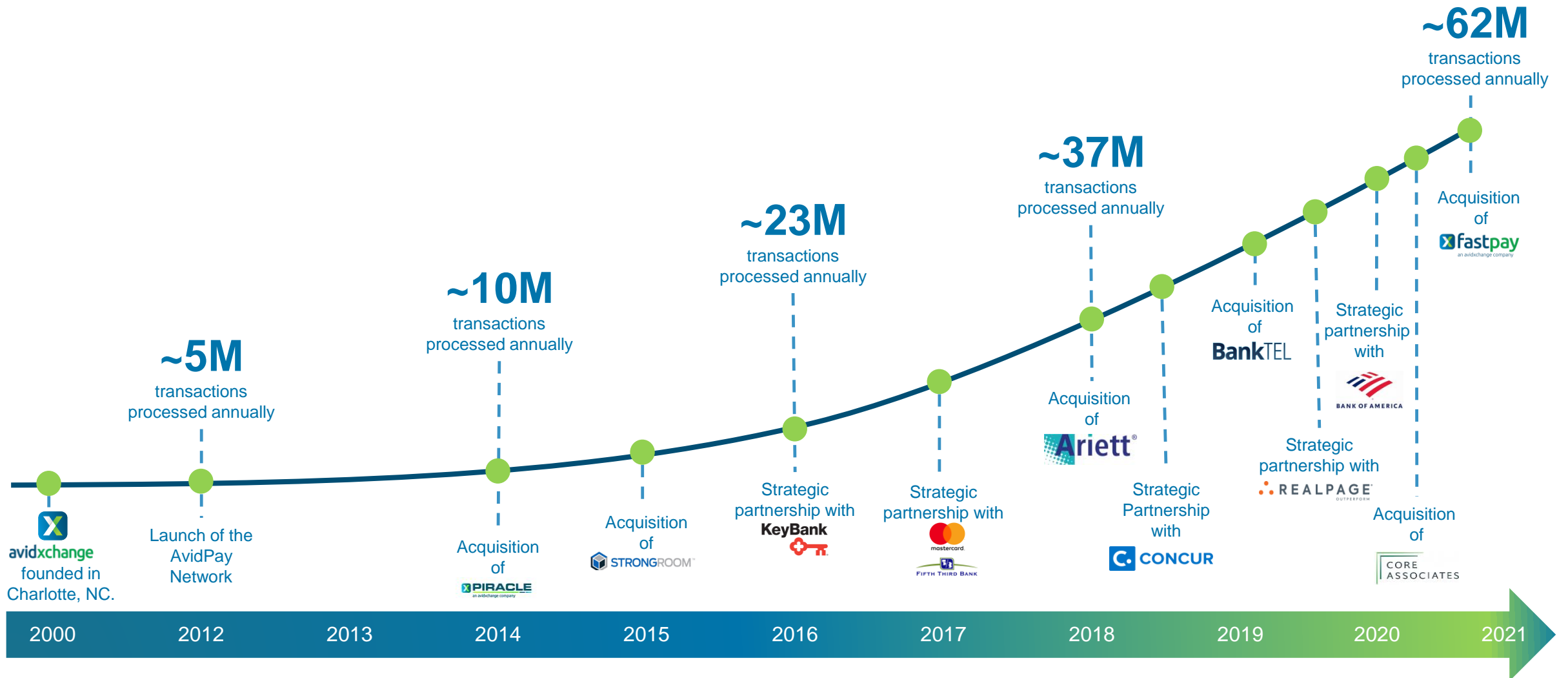
**825k+
SUPPLIERS**

~\$52bn

*Total Payment Volume
in 2021*

✓ Data-driven

KEY MILESTONES IN OUR JOURNEY TO LEAD THE MIDDLE MARKET



MIDDLE MARKET FACES UNIQUE CHALLENGES



Inefficient Legacy Solutions

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



Complex Integration Requirements

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



Underserved Target Market

Highly fragmented market of vertical focused ERP and software solutions



High Costs

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



Status Quo Mindset

Traditional long tenured finance leaders maintain **Status Quo Financial Processes**

Source: Association of Finance Professionals

WE ARE PURPOSE BUILT FOR SOLVING THE PROBLEMS OF THE MIDDLE MARKET



BUYER

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

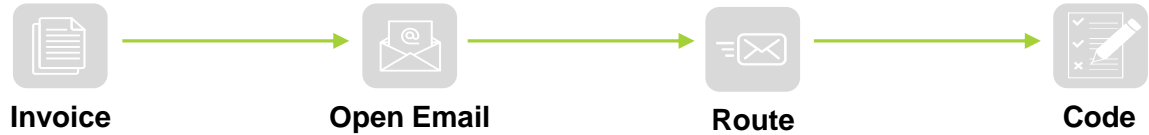


SUPPLIER

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

TRADITIONAL WORKFLOWS ARE MANUAL, SLOW, AND EXPENSIVE

Labor Intensive

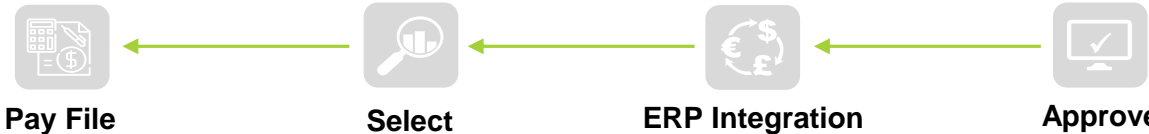


Paperless Digital Process

Enhanced Controls

Real Time

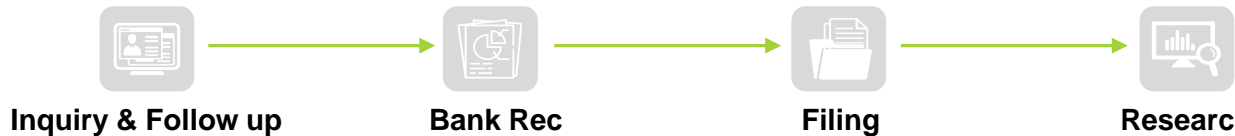
Paper Intensive



Efficient & Cost Effective

Increased Visibility

Anyplace / Anytime Access



Before Automation

After Automation

High Cost

Cost to Process Paper Invoice + Cost to Process Paper Check = Total Cost of AP Process


















\$16.00¹ + **\$3.00²** = **\$19.00**

Paper Invoice Automated Cost + Check Process Automated Cost = Total AP Automated Cost

\$5.89¹ + **\$1.50** = **\$7.39**

\$12 Estimated Savings Per Transaction

WE BELIEVE MIDDLE MARKET CUSTOMERS HAVE UNIQUE NEEDS

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



OUR SECRET SAUCE GROWTH OF OUR AVIDPAY NETWORK

SUPPLIERS PAID VIA THE AVIDPAY NETWORK OVER THE PAST 6 YEARS



ENTERPRISE



MIDDLE MARKET

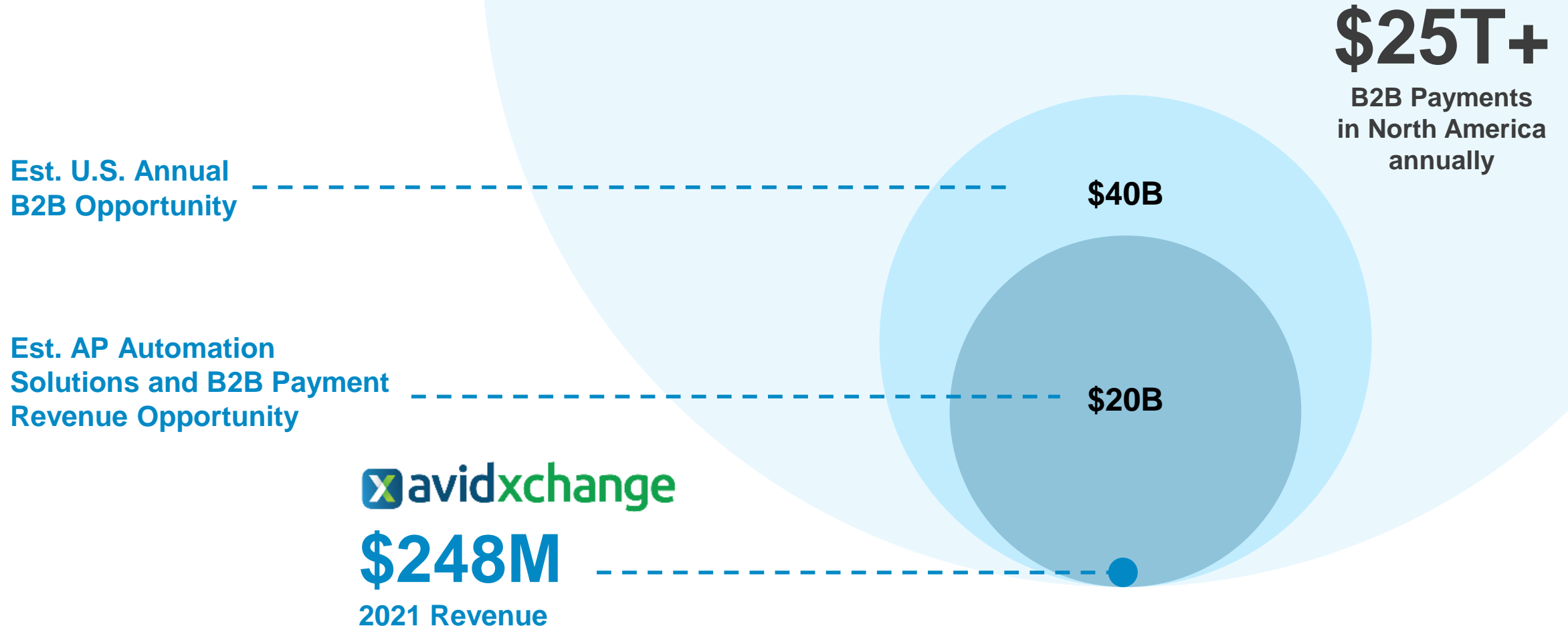


SMB



OUR LARGE MARKET OPPORTUNITY AND GO-TO-MARKET STRATEGIES

THE MIDDLE MARKET B2B PAYMENTS INDUSTRY IS MASSIVE...



OUR VERTICAL & HORIZONTAL STRATEGY

Verticals
(Direct)

Real Estate	HOA	Construction	Financial Services	Media	Healthcare	Social Services	Education
RentManager®	CALIBER SOFTWARE	sage 300 Construction and Real Estate	jack henry & ASSOCIATES INC.	mediaocean	blackbaud®	blackbaud®	blackbaud®
mri REAL ESTATE SOFTWARE	TOPS [ONE]	sage 100 Contractor	fiserv.	dvantage	sage X3	sage X3	MIP
YARDI	Condo Manager	Vista™	FIS				

220+ Purpose Built Integrations with Different Accounting Systems

Horizontals
(Bank, Strategic Software / ERP Partners)

ORACLE® NETSUITE	sage Intacct	Microsoft Dynamics® 365	intuit quickbooks®
---------------------	-----------------	----------------------------	-----------------------

OUR STRONG PARTNER RELATIONSHIPS PROVIDE A COMPETITIVE ADVANTAGE



Bank Channel

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

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

Reseller Partners



Referral Partners



PACIFIC PREMIER BANK®



10+ Bank Referral Partnerships

Software Partner / Referral Partner Channel

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

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

Reseller Partners



Referral Partners



120+ Referral Partners



OUR GROWTH STRATEGIES

Private & confidential. Do not reproduce without express written permission of AvidXchange.

WE ARE PURPOSE BUILT FOR THE MIDDLE MARKET



INDUSTRY LEADING AP AUTOMATION & PAYMENT SERVICES

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



THE LARGEST NETWORK OF UNIQUE SUPPLIERS

825,000 suppliers of all sizes nationwide.



DEEP DOMAIN EXPERTISE & STRATEGIC PARTNERSHIPS

Strategic partnerships with industry leaders like **Mastercard, Oracle NetSuite, MRI Software and RealPage**



220 INTEGRATIONS SUPPORTING BOTH VERTICAL INDUSTRY & HORIZONTAL CUSTOMERS

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

WITH TAILWINDS ACCELERATING MIDDLE MARKET ADOPTION



Business Continuity

COVID-19 highlighted the importance of automation for business continuity and support “Work from Home” and Hybrid Models



Fraud Risk

Growing concerns over fraud risk and data privacy with paper invoices and paper checks



Familiar Tech

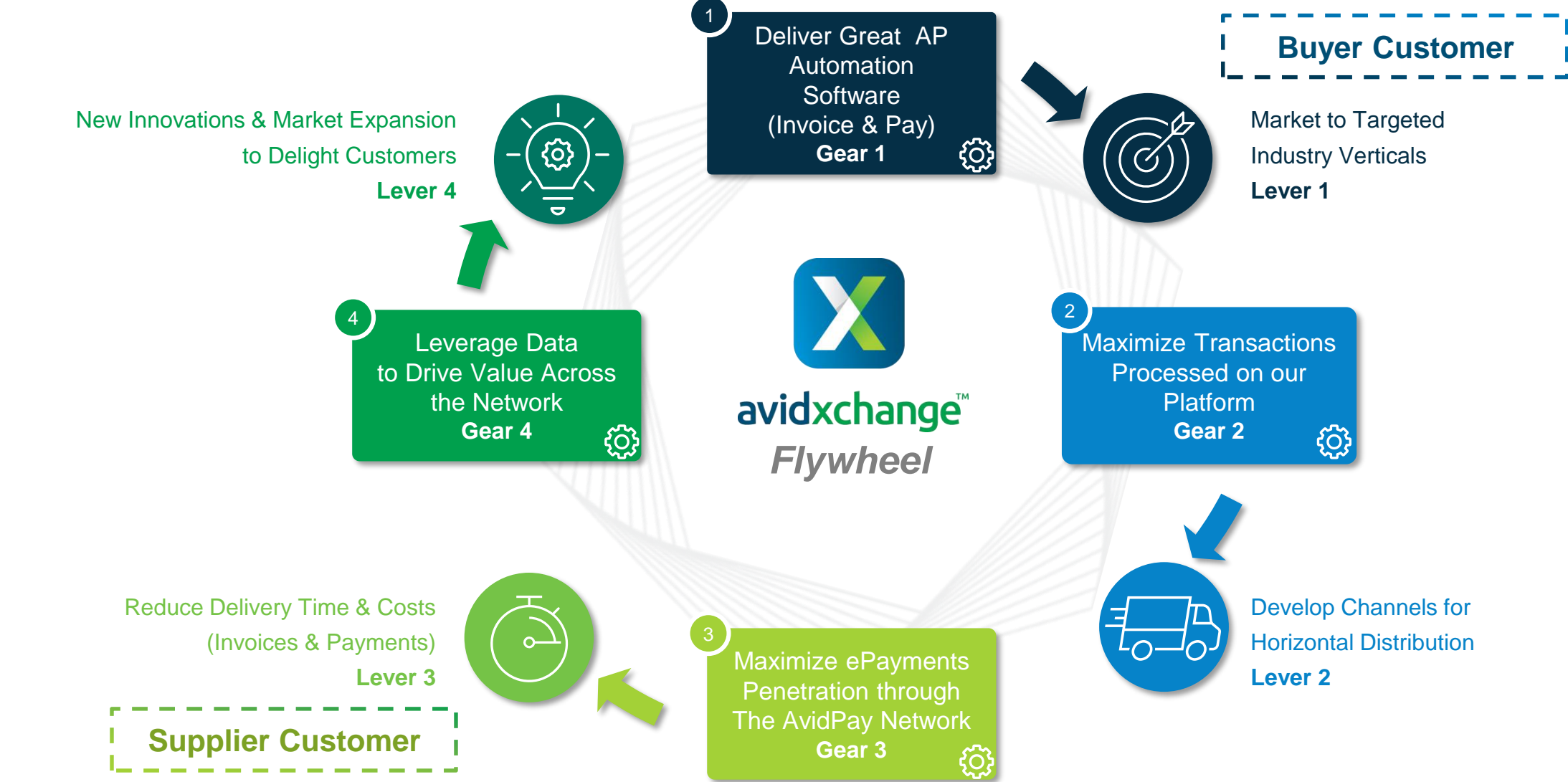
Users have experienced the benefits of SaaS / cloud solutions for automation in other areas of the business along with lower cost of ownership



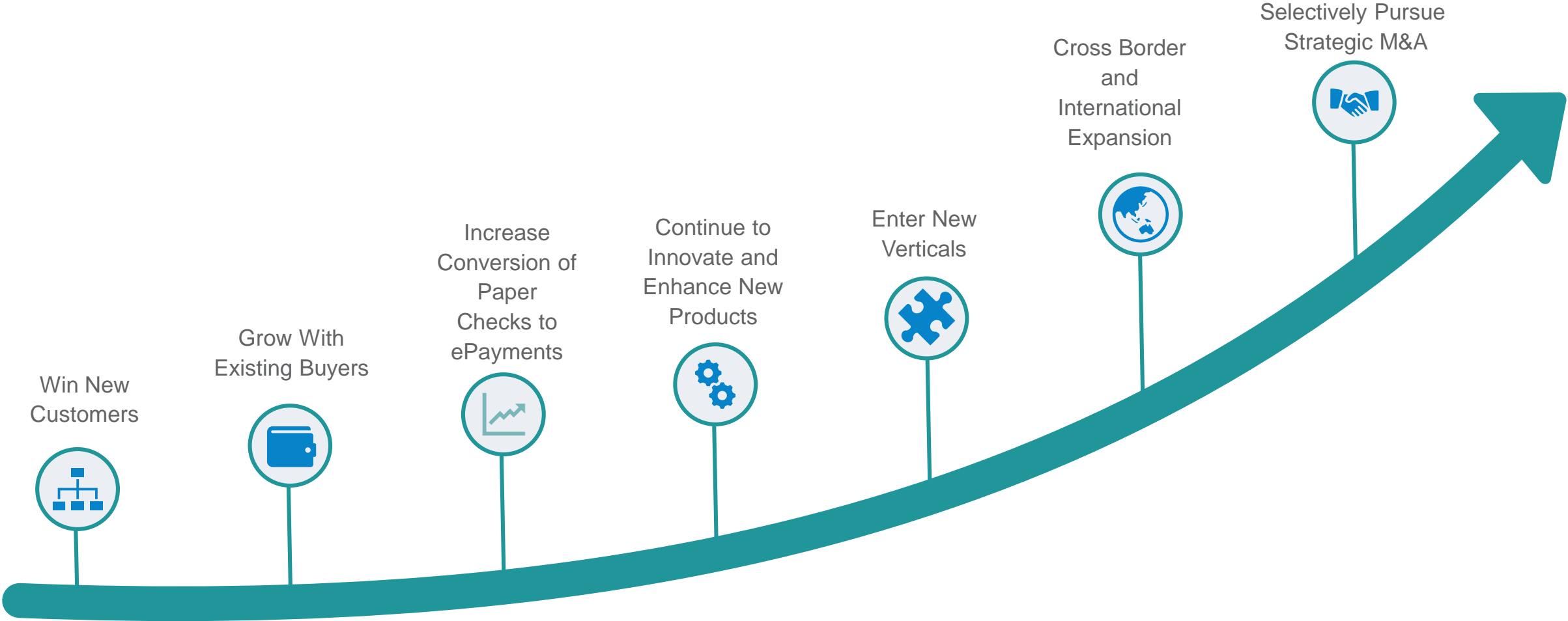
Millennial Effect

Tech-savvy younger population taking on leadership roles in organizations

POWERFUL FLYWHEEL BUSINESS MODEL FOR LONG TERM GROWTH



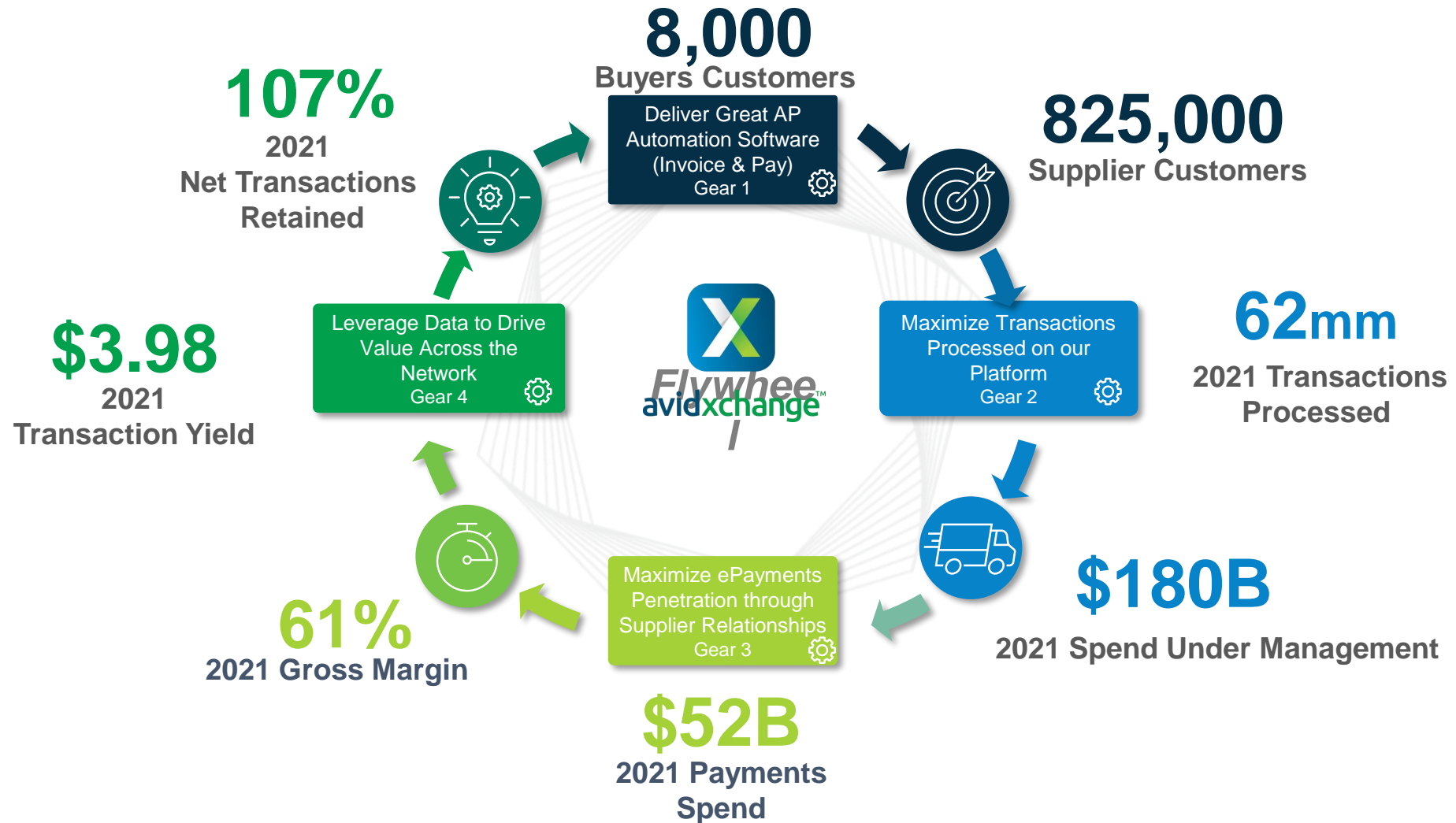
MULTIPLE STRATEGIC GROWTH DRIVERS





FINANCIAL OVERVIEW

OUR FINANCIAL MONETIZATION STORY VIA OUR AVIDXCHANGE FLYWHEEL



Q1 2022 HIGHLIGHTS

TOTAL REVENUE

\$71.2M

Q1 22

\$55.2M

Q1 21



29%

TOTAL TRANSACTIONS PROCESSED

16.9M

Q1 22

14.6M

Q1 21



16%

NON-GAAP GROSS PROFIT MARGIN

62%

Q1 22

59%

Q1 21



300bps

TOTAL PAYMENT VOLUME

\$15.2B

Q1 22

\$10.8B

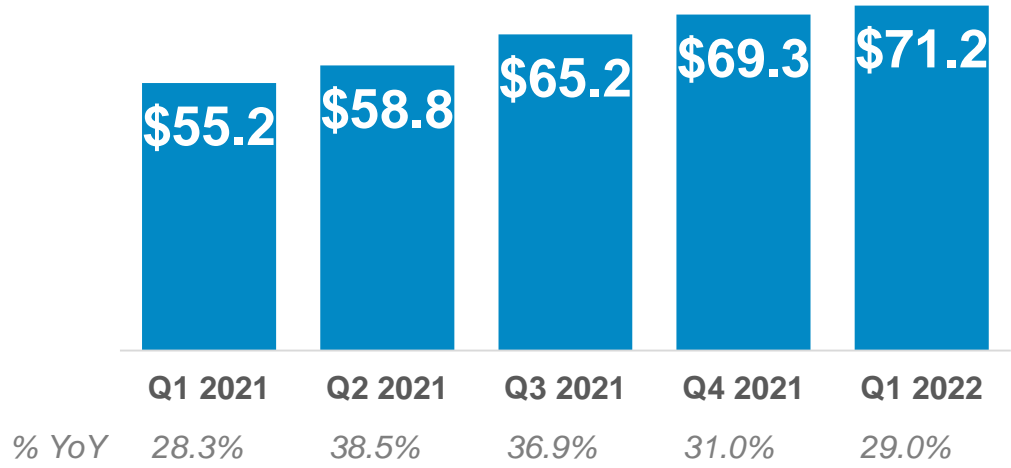
Q1 21



41%

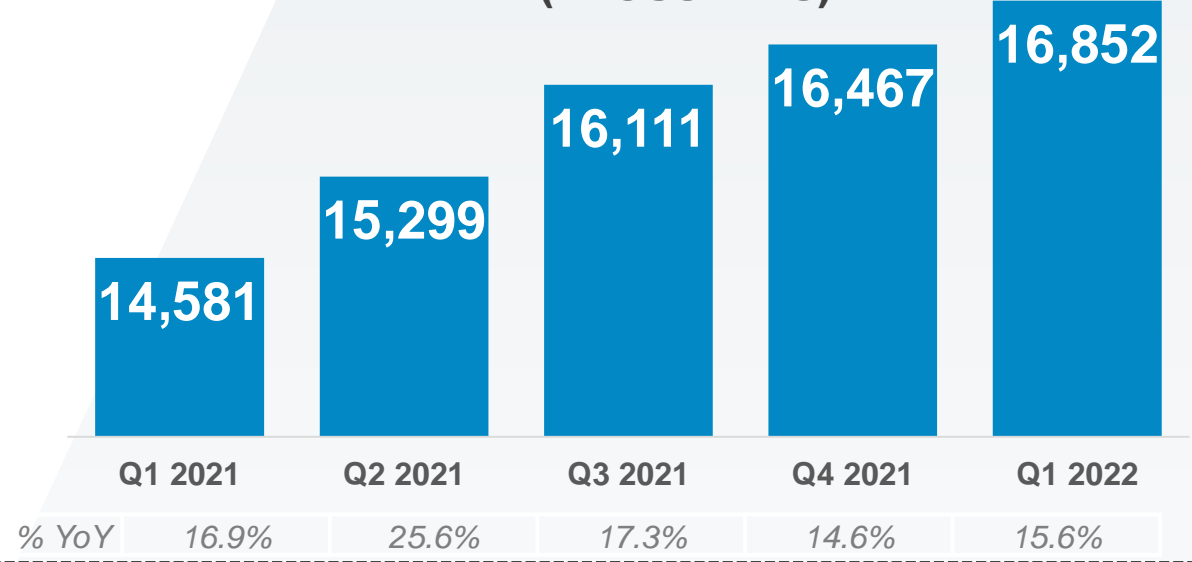
TOTAL REVENUE

\$(MILLIONS)

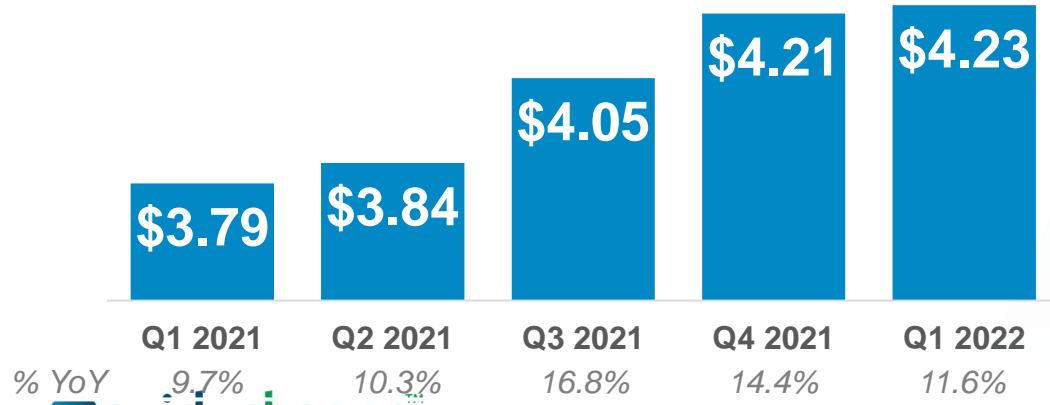


TOTAL TRANSACTIONS PROCESSED

(THOUSANDS)

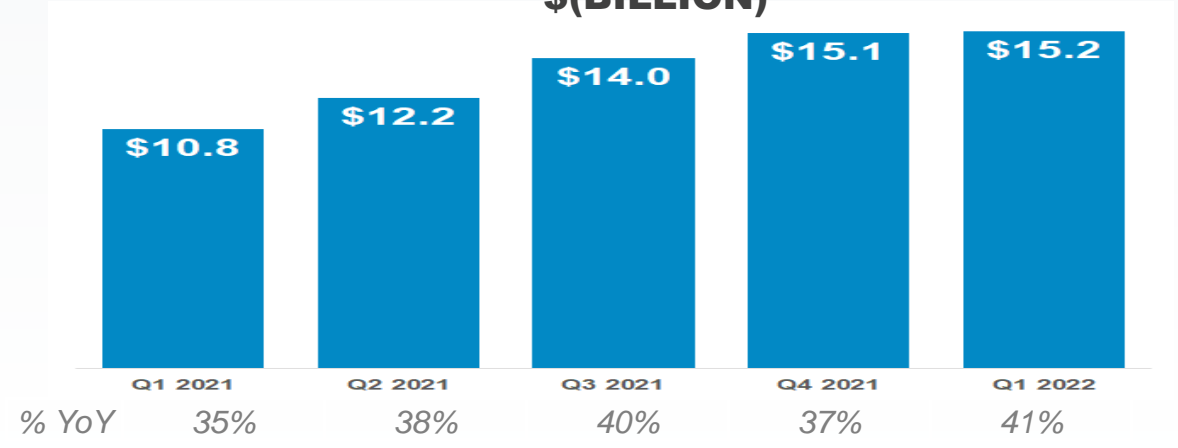


TOTAL TRANSACTION YIELD

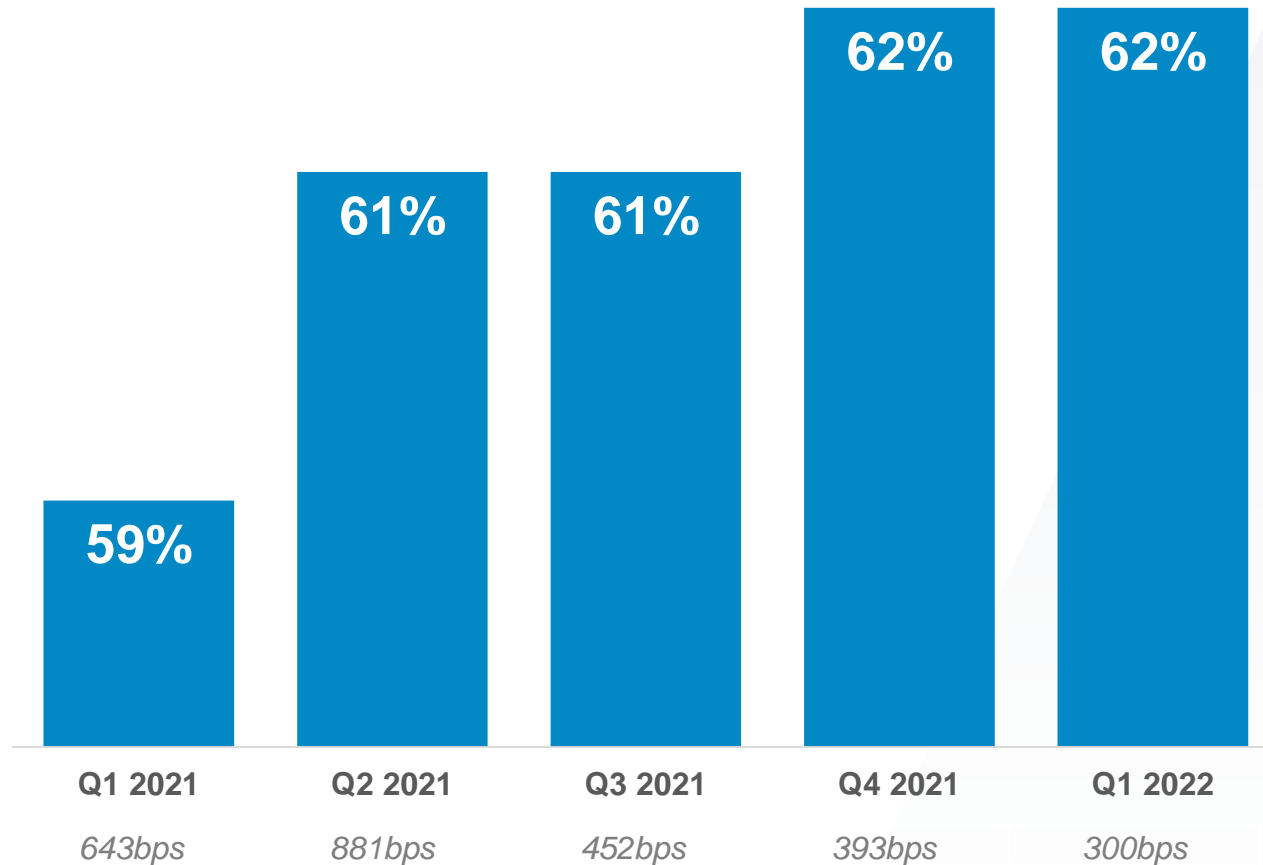


TOTAL PAYMENT VOLUME

\$(BILLION)



NON-GAAP GROSS MARGIN¹



Q1 2022 Highlights

Non-GAAP gross profit of \$44.4 million, or 62% of total revenue

Gross margin expansion of 300 basis points year-over-year

FULL YEAR 2022 FINANCIAL OUTLOOK

\$(MILLIONS)

FY 2022	LOW	HIGH
Revenue	\$303.0	\$307.0
% YoY Growth	22.0%	23.6%
Adjusted EBITDA ⁽¹⁾	\$(35.0)	\$(39.0)

(1) A reconciliation of adjusted EBITDA to GAAP net loss on a forward-looking basis is not available without unreasonable efforts due to the high variability, complexity and low visibility with respect to the items excluded from this non-GAAP measure

LONG TERM TARGETS

Revenue Growth

20%+

Non-GAAP Gross Profit Margin

75%+

Adjusted EBITDA Margin

25%+



SUMMARY

OUR EXPERIENCED, FOUNDER-LED MANAGEMENT TEAM

Strong Leadership with Deep Bench of Talent



Michael Praeger
Chief Executive Officer, Co-Founder



Joel Wilhite
Chief Financial Officer



Todd Cunningham
Chief People Officer



Dan Drees
Chief Growth Officer



Angelic Gibson
Chief Information Officer

Leadership Team



Boyce Adams
SVP, Financial Services



Heather Caudill
SVP, Relationship Management



Serdar Dincaslan
SVP, Marketing & Analytics



Joe Fox
Chief Product Officer



John Feldman
SVP, Operations



Mo Trezies
SVP, Software Engineering



Christina Quaine
Chief Information Security Officer



Ryan Stahl
SVP, General Counsel



Chris Tinsley
Chief Technology Officer



Mike Travis
SVP, Sales



Martin Smith
SVP, Strategic Initiatives & Integration



Anu Mandava
SVP, Architecture



Manu Sood
SVP, Platform Delivery & Ops



Secil Baysal
SVP & GM of Media



Cameron White
SVP of Finance

Executive Team



WE ARE TRANSFORMING THE MIDDLE MARKET FOR B2B PAYMENTS

1 We Are Purpose Built for the Middle Market

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

3 Comprehensive, AP Automation Platform Supporting Unique Middle Market Requirements



4 Deep Integration Layer Supporting Unique Business Process Across the Middle Market

5 Emerging Supplier Financing and Data Offerings Leveraging Invoice & Payment Data

6 Deep Leadership Team Driving “Win as a Team” Culture





QUESTIONS?

APPENDIX

REVENUE DISAGGREGATION

\$(THOUSANDS)

	Three Months Ended March 31,	
	2022	2021
Software revenue	\$ 23,911	\$ 20,415
Payment revenue	46,468	34,161
Services revenue	824	638
Total revenues	\$ 71,203	\$ 55,214

NON-GAAP RECONCILIATION

\$(THOUSANDS)

Reconciliation from Revenue to Non-GAAP Gross Profit and Non-GAAP Gross <i>(in thousands, except percentages)</i>	Three Months Ended March 31,	
	2022	2021
Total revenues	\$ 71,203	\$ 55,214
Expenses:		
Cost of revenues (exclusive of depreciation and amortization expense)	(27,807)	(22,540)
Depreciation and amortization expense	(4,306)	(4,524)
GAAP Gross profit	\$ 39,090	\$ 28,150
Adjustments:		
Stock-based compensation expense	959	56
Depreciation and amortization expense	4,306	4,524
Non-GAAP gross profit	\$ 44,355	\$ 32,730
GAAP Gross margin	54.9%	51.0%
Non-GAAP gross margin	62.3%	59.3%

NON-GAAP RECONCILIATION

\$(THOUSANDS)

Reconciliation of Net Loss to Adjusted <i>(in thousands)</i>	Three Months Ended March 31,	
	2022	2021
Net loss	\$ (25,147)	\$ (70,026)
Depreciation and amortization	7,718	7,077
Interest income	(220)	(132)
Interest expense	4,977	5,025
Provision for income taxes	69	68
Stock-based compensation expense	6,791	847
Transaction and acquisition-related costs	204	1,610
Change in fair value of derivative instrumen	-	(946)
Non-recurring items not indicative of ongoing	8	50,025
Adjusted EBITDA	\$ (5,600)	\$ (6,452)

NON-GAAP TO GAAP RECONCILIATIONS

Reconciliation from Revenue to Non-GAAP Gross Profit and Non- (in thousands, except percentages)	Three Months Ended December 31,	
	2021	2020
Total revenues	\$ 69,265	\$ 52,863
Expenses:		
Cost of revenues (exclusive of depreciation and amortization exper	(28,747)	(22,117)
Depreciation and amortization expense	(5,327)	(4,219)
GAAP Gross profit	\$ 35,191	\$ 26,527
Adjustments:		
Stock-based compensation expense	2,545	43
Depreciation and amortization expense	5,327	4,219
Non-GAAP gross profit	\$ 43,063	\$ 30,789
GAAP Gross margin	50.8%	50.2%
Non-GAAP gross margin	62.2%	58.2%

Reconciliation from Revenue to Non-GAAP Gross Profit and Non- (in thousands, except percentages)	Year Ended December 31,	
	2021	2020
Total revenues	\$ 248,409	\$ 185,928
Expenses:		
Cost of revenues (exclusive of depreciation and amortization exper	(100,090)	(83,755)
Depreciation and amortization expense	(19,498)	(16,783)
GAAP Gross profit	\$ 128,821	\$ 85,390
Adjustments:		
Stock-based compensation expense	2,775	169
Depreciation and amortization expense	19,498	16,783
Non-GAAP gross profit	\$ 151,094	\$ 102,342
GAAP Gross margin	51.9%	45.9%
Non-GAAP gross margin	60.8%	55.0%

GLOSSARY OF TERMS

TOTAL TRANSACTIONS PROCESSED: WE DEFINE TRANSACTIONS PROCESSED AS THE NUMBER OF INVOICE TRANSACTIONS AND PAYMENT TRANSACTIONS, SUCH AS INVOICES, PURCHASE ORDERS, CHECKS, ACH PAYMENTS AND VCCS, PROCESSED THROUGH OUR PLATFORM DURING A PARTICULAR PERIOD. WE BELIEVE THAT TRANSACTIONS PROCESSED IS AN IMPORTANT MEASURE OF OUR BUSINESS BECAUSE IT IS A KEY INDICATOR OF THE USE BY BOTH BUYERS AND SUPPLIERS OF OUR SOLUTIONS AND OUR ABILITY TO GENERATE REVENUE, SINCE A MAJORITY OF OUR REVENUE IS GENERATED BASED ON TRANSACTIONS PROCESSED.

TOTAL TRANSACTION YIELD: WE DEFINE TRANSACTION YIELD AS THE TOTAL REVENUE DURING A PARTICULAR PERIOD DIVIDED BY THE TOTAL TRANSACTIONS PROCESSED DURING SUCH PERIOD. WE BELIEVE THAT TRANSACTION YIELD IS AN IMPORTANT MEASURE OF THE VALUE OF SOLUTIONS TO BUYERS AND SUPPLIERS AS WE SCALE

TOTAL PAYMENT VOLUME: WE DEFINE TOTAL PAYMENT VOLUME AS THE DOLLAR SUM OF BUYERS' AP PAYMENTS PAID TO THEIR SUPPLIERS THROUGH THE AVIDPAY NETWORK DURING A PARTICULAR PERIOD. WE BELIEVE TOTAL PAYMENT VOLUME IS AN IMPORTANT MEASURE OF OUR AVIDPAY NETWORK BUSINESS AS IT QUANTIFIES THE DEMAND FOR OUR PAYMENT SERVICES