



Third Quarter 2024 Financial Results

November 6, 2024



Legal Disclaimer

General

Unless otherwise indicated or the context otherwise requires, all references in this presentation to “Payfare”, the “Company,” “we,” “our,” “ours,” “us” or similar terms refer to Payfare Inc., together with its subsidiaries. All references to “\$”, “C\$”, “dollars” are to Canadian dollars. All references to “US\$” are to United States dollars. Capitalized terms used herein that are not otherwise defined have the meanings ascribed to such terms in the Company’s most recent MD&A.

Any graphs, tables or other information demonstrating our historical performance or that of any other entity contained in this presentation are intended only to illustrate past performance and are not necessarily indicative of the Company’s future performance. The information contained in this presentation is accurate only as of the date of this presentation or as otherwise indicated. No securities regulatory authority has expressed an opinion about any securities described herein and it is an offence to claim otherwise.

Cautionary Note Regarding Forward-Looking Information

This presentation includes certain forward-looking statements that are made as of the date hereof and are based upon current expectations, which involve risks and uncertainties associated with our business and the economic environment in which the business operates. All such statements are made pursuant to the “safe harbour” provisions of, and are intended to be forward-looking statements under applicable Canadian securities laws. This presentation includes, but is not limited to, forward looking statements regarding the Company’s future financial conditions, results of operations, plans, objectives, performance or business developments and includes statements regarding ability to maintain lower tier processor rates and vendor cost reductions, the active user base size, the ability to fund strategic initiatives with current capital resources on the balance sheet, and the actual timing for the non-renewal and eventual termination of the Company’s services agreement with DoorDash and the anticipated material impact on future revenues, earnings, key performance indicators and Non-GAAP measures. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. When relying on forward-looking statements, whether written or oral, to make decisions with respect to Payfare, investors and others should carefully consider the risks, uncertainties and assumptions, including Payfare’s inability to launch its new programs or platforms in a timely manner, the economic viability of new programs and platforms, the inability to scale Payfare’s operations, Payfare’s ability to finance and support new programs and platforms, a general decline in the credit markets, confidence in the banking sector or gig economy in North America, the impact of inflation and rising costs of goods and services on Payfare’s business model, cybersecurity incidents or data breaches impacting the Company’s operations, reputation, or subjecting the Company to regulatory or legal action, the availability of talent and the retention of employees to support Payfare’s plans, industry competitors who may have superior technology or are quicker to take advantage of certain market opportunities, the termination or non-renewal of existing service agreements with one of its large gig platforms clients, regulatory uncertainty and constraints around the EWA sector, the non-renewal of the agreement with DoorDash being either expedited or delayed in comparison to current expectations, new client opportunities taking longer to execute and therefore delaying the mitigation impacts sought by the Company and implications from any decisions or outcome from the Company’s current strategic review process, and those risks set forth in the “Risk Factors” sections in the annual MD&A of the Company for the year ended December 31, 2023, which is available on www.sedarplus.ca. All the forward-looking statements in this presentation are expressly qualified by these cautionary statements and there can be no assurance that the actual results or developments anticipated by the Company will be realized or, even if substantially realized, that they will have the expected consequences for the Company.

Non-GAAP and Supplementary Financial Measures

The Company uses certain non-GAAP and supplementary financial measures to arrive at adjusted results to assess its business and to measure overall performance. Payfare believes that these financial measures provide readers with a better understanding of how management views the company’s overall performance. Definitions for certain of these measures used in this presentation are provided below. Additional information on these measures and other non-GAAP measures may be found under the heading “Definitions - IFRS, Additional GAAP and Non-GAAP Measures” in the quarter ended September 30, 2024 MD&A and is incorporated by reference to this presentation.

Active user

Active users represent users who have loaded earnings and direct deposits on their card in the period.

Gross dollar value load (“GDV”)

GDV is the aggregate dollar amount of an active user’s earnings and direct deposits loaded on their payment card during the period.

EBITDA

EBITDA means net income before amortization and depreciation expenses, foreign exchange gain (loss), amortization of deferred income, finance and interest income/ costs, current tax expense and change in fair value of derivative liability.

Adjusted EBITDA

Adjusted EBITDA adjusts EBITDA for share-based compensation expense, restructuring costs and non-recurring expense items. Non-recurring expense items are transactions or events which management believes will not re-occur within the foreseeable future and includes legal and professional fees related to regulatory matters, claim settlements, acquisition, divestiture, asset impairment charges and going public transaction. Please refer to page 8 of the quarter ended September 30, 2024 MD&A for a reconciliation of Net Income to Adjusted EBITDA.

Adjusted Net Income

“Adjusted net income” adjusts net income for amortization and depreciation expenses, share-based compensation expense, restructuring costs and non-recurring expense items. Non-recurring expense items are transactions or events which management believes will not re-occur within the foreseeable future and includes legal and professional fees related to regulatory matters, claim settlements, acquisition, divestiture and going public transaction. Please refer to page 9 of the quarter ended September 30, 2024 MD&A for a reconciliation of net income to Adjusted Net Income.

Adjusted Net Income per share is calculated as Adjusted Net Income divided by the basic weighted average number of shares outstanding during the period.

Free Cash Flow

Free cash flow is equal to cash from operating activities less cash used in purchase of building, property and equipment and additions to intangible assets. Free cash flow represents the amount of cash generated by the Company, after accounting for reinvestment in non-current capital assets by the Company. Please refer to page 9 of the quarter ended September 30, 2024 MD&A for a reconciliation of cash from operating activities to free cash flow.

Gross Profit

The Company defines “gross profit” as revenue less cost of services.



Q3/24 Financial Highlights

- Revenue of \$59.0MM, up 25% Y/Y.
- Gross profit¹ of \$16.0MM (27% margin), up 31% Y/Y.
- Net Income of \$4.5MM (\$0.09 per share).
- Adjusted Net Income¹ of \$8.1 MM (\$0.17 per share), up 8% Y/Y.
- Adj. EBITDA¹ of \$7.8MM, up 23% Y/Y.

¹ Non-GAAP Measure. See Legal Disclaimer for definition and further disclosure.

Q3/24 Revenue and GDV Growth

Recurring Revenue

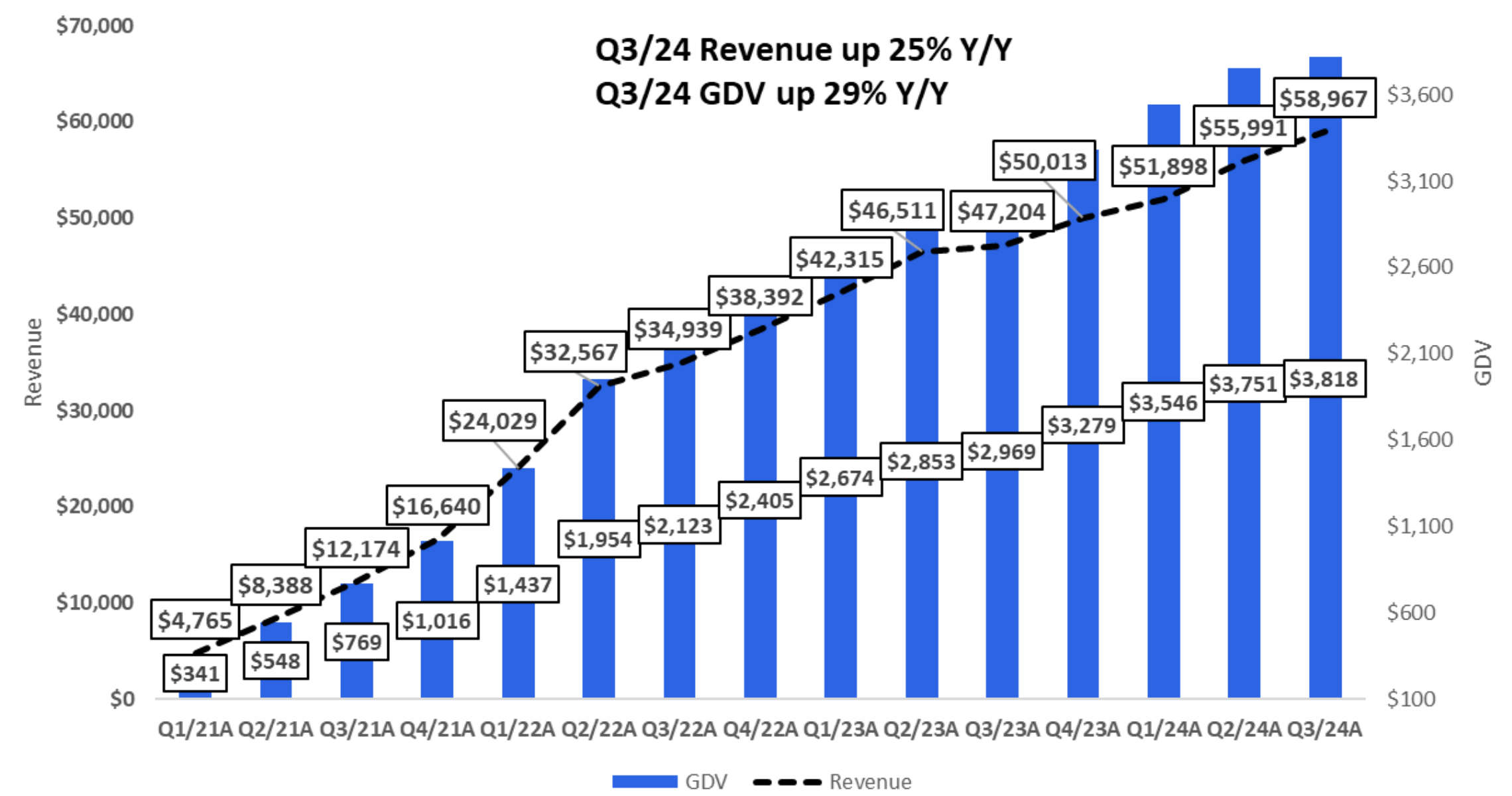
We generate approximately 70% - 80% of our revenue from network interchange fees from payment networks and approximately 20%-30% from user banking fees such as ATM withdrawals, money transfers and foreign exchange.

Low Cost of Acquisition

With the Gig Platform client conducting the initial marketing and invitation, Payfare has low marketing costs and benefits from the Gig Platform's relationship and goodwill with their Gig Workers.



Payfare GDV (\$MM) vs. Revenue (\$000s)

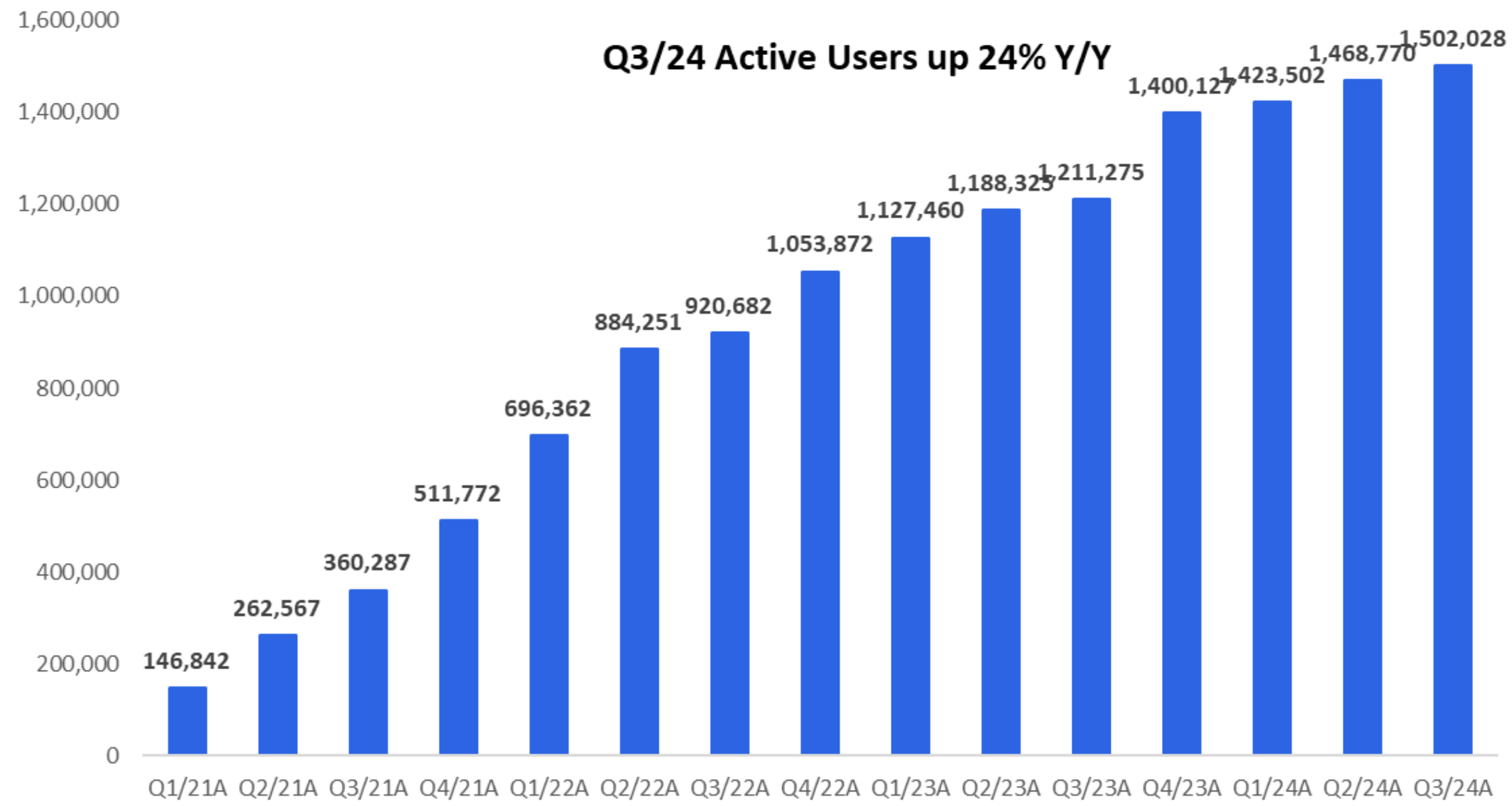


Source: Payfare Inc.

Q3/24 Active User Growth



Payfare Active Users



Source: Payfare Inc.

Q3/24 Financial Results

Income Statement and Free Cash Flow Highlights

Income Statement

- Q3/24 Adj. EBITDA, Net Income, expansion a function of higher active user base, lower tier processor rates, and vendor cost reductions.

000s	Q3/24	Q3/23	9 Months/24	9 Months/23
IS Summary				
Revenue	\$58,967	\$47,205	\$166,856	\$136,031
Cost of Services	(\$42,987)	(\$35,005)	(\$124,239)	(\$103,318)
Gross Profit	\$15,980	\$12,199	\$42,617	\$32,713
<i>Gross Profit %</i>	27.1%	25.8%	25.5%	24.0%
G&A	(\$8,204)	(\$5,902)	(\$22,240)	(\$18,625)
Adj. EBITDA	\$7,776	\$6,297	\$20,377	\$14,088
<i>Adj. EBITDA %</i>	13.2%	13.3%	12.2%	10.4%
Net Non-Operating Costs	(\$3,313)	(\$1,487)	(\$5,910)	(\$5,875)
Net Income (Loss)	\$4,463	\$4,810	\$14,468	\$8,213
<i>Net Income %</i>	7.6%	10.2%	8.7%	6.0%
<i>Add back:</i>				
Non cash, non operating expenses	\$3,625	\$2,707	\$8,564	\$7,403
Adj. Net Income (Loss)	\$8,088	\$7,517	\$23,031	\$15,616
<i>Adj. Net Income %</i>	13.7%	15.9%	13.8%	11.5%
Free Cash Flow				
Operating Cash Flow	\$7,327	\$5,300	\$26,431	\$14,604
Less Capex	(\$1,896)	(\$1,522)	(\$5,538)	(\$4,087)
Free Cash Flow	\$5,431	\$3,778	\$20,893	\$10,517

Q3/24 Financial Results

Balance Sheet

- Payfare has over \$100 million in cash, cash equivalents and guaranteed investment certificates and is well capitalized to fund its new strategic initiatives.
- No debt.

Payfare Summary Balance Sheet

000s	Q3/24	Q4/23
<i>Assets</i>		
Cash	\$72,422	\$78,153
Pre-Funded Deposits	\$244,452	\$207,585
Investments	\$28,131	-
Other Assets	\$16,265	\$10,188
PP&E	\$151	\$111
Intangible Assets	\$6,941	\$5,608
Total Assets	\$368,361	\$301,645
<i>Liabilities</i>		
Pre-Funded Liability	\$244,452	\$207,585
Other Liabilities	\$36,581	\$22,814
Total Liabilities	\$281,033	\$230,399
Shareholders' Equity	\$87,329	\$71,246

Source: Payfare Inc.