



# Embedded Finance Made *Simple*

Nasdaq: USIO

# Forward Looking Statements

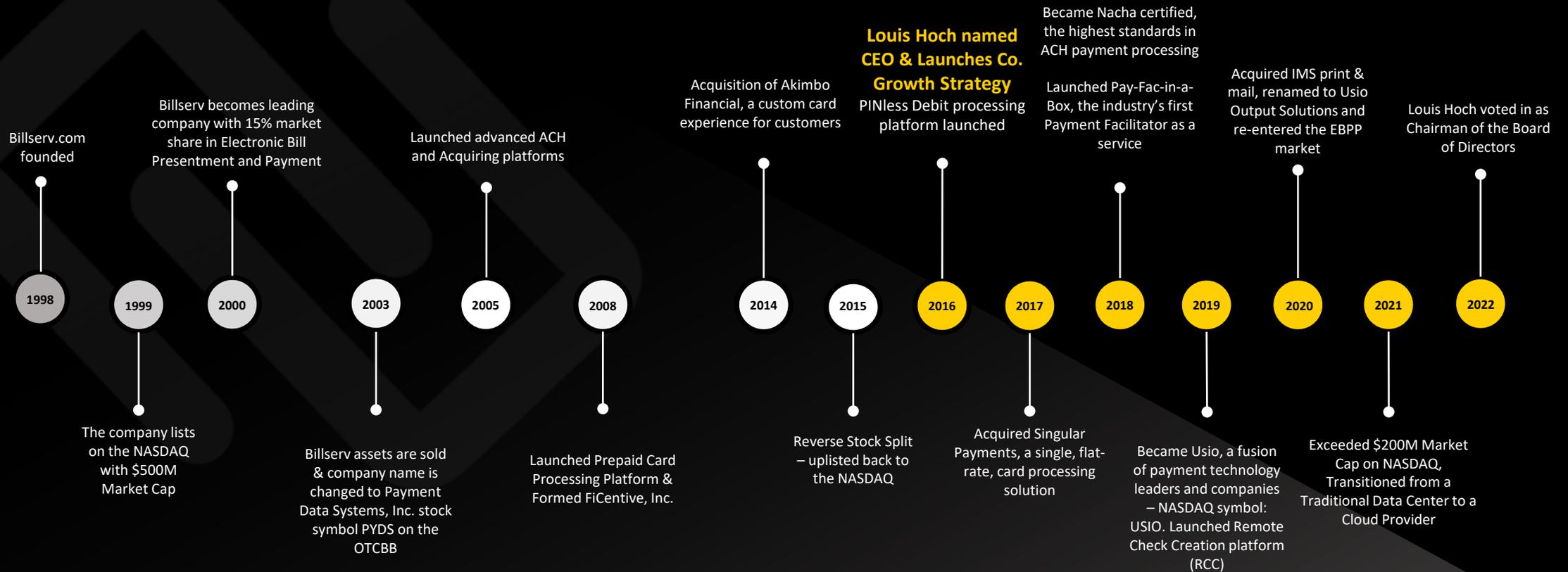
Except for the historical information contained herein, the matters discussed in this presentation include forward-looking statements which are covered by safe harbors. Those statements include, but may not be limited to, all statements regarding management's intent, belief and expectations, such as statements concerning our future and our operating and growth strategy. These forward-looking statements are identified by the use of words such as "believe," "could," "intend," "look forward," "anticipate," "schedule," and "expect" among others. Forward-looking statements in this presentation are subject to certain risks and uncertainties inherent in the Company's business that could cause actual results to vary, including risks related to the COVID-19 pandemic and its effect on the economy, risks related to the realization of the anticipated opportunities from the IMS acquisition, the management of the Company's growth, the loss of key resellers, the relationships with the Automated Clearinghouse network, bank sponsors, third-party card processing providers and merchants, the security of our software, hardware and information, the volatility of the stock price, the need to obtain additional financing, risks associated with new tax legislation, and compliance with complex federal, state and local laws and regulations, and other risks detailed from time to time in the Company's filings with the Securities and Exchange Commission including its annual report on Form 10-K for the fiscal year ended December 31, 2022. One or more of these factors have affected, and in the future, could affect the Company's businesses and financial results in the future and could cause actual results to differ materially from plans and projections. The Company believes that the assumptions underlying the forward-looking statements included in this presentation will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by us or any other person that the objectives and plans will be achieved. All forward-looking statements made in this presentation are based on information presently available to management. The Company assumes no obligation to update any forward-looking statements, except as required by law. The information presented in this presentation is as of May 3, 2023, unless indicated otherwise.

# About Us

Usio is a leading FinTech that operates a full stack of proprietary and integrated, cloud-based electronic payment and embedded financial solutions to a wide range of merchants, billers, banks, service bureaus, and card issuers. Usio operates card and ACH payment processing, card issuing and bill presentment and payment to deliver convenient, world-class solutions and services to their clients.

# 25 Year History

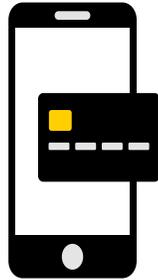
Developing Leading Payment Solutions & Offerings



# Investment Summary



**INNOVATIVE LEADER**  
In the Fast-Growing  
FinTech space



**DIVERSIFIED**  
Multi-Channel Product Portfolio in  
Diversified Industries

- 
- Payment Facilitation
  - ACH
  - Card Issuing
  - Output Solutions

**19%**   
**YoY REVENUE  
GROWTH**  
2023 OVER 2022

**\$82.6**   
MILLION 2023  
**RECORD REVENUES**

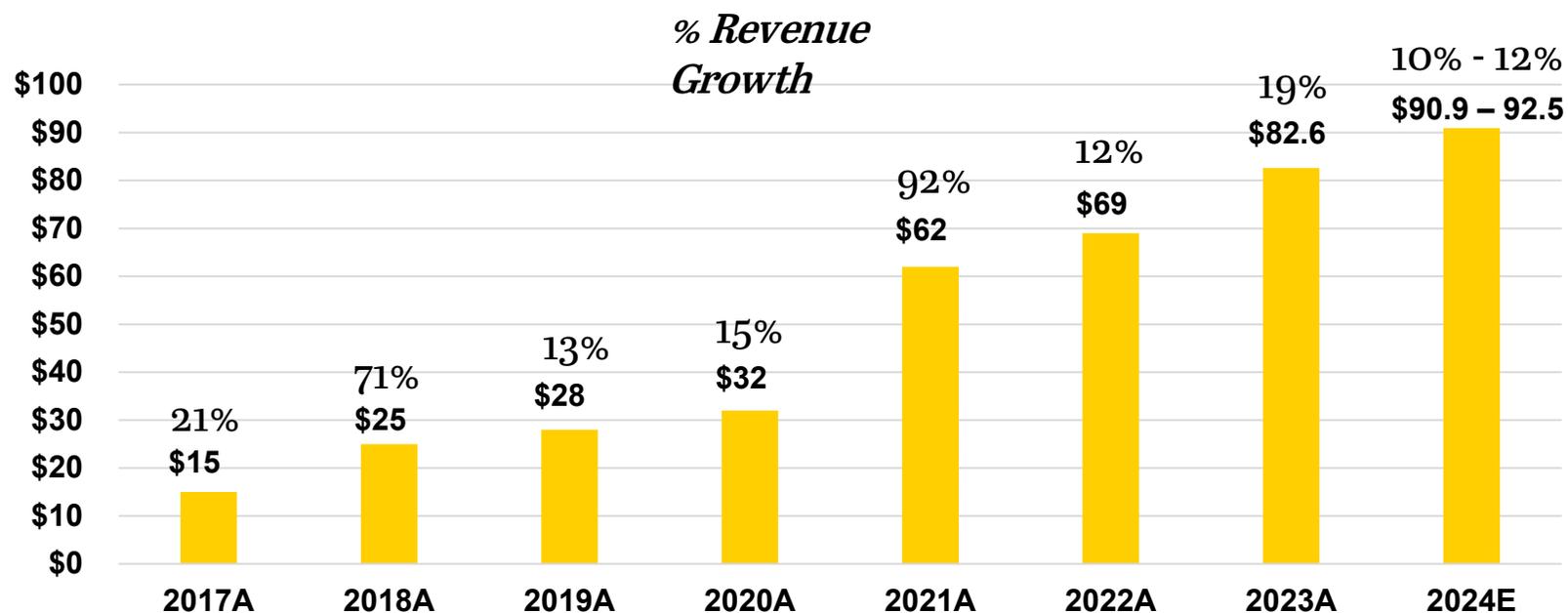
**10-12%**   
**2024 EXPECTED  
REVENUE GROWTH**

**26.3**   
**MILLION SHARES  
OUTSTANDING**  
AS OF DEC 31, 2023

**16.7**   
**MILLION SHARES OF  
PUBLIC FLOAT**  
AS OF DEC 31, 2023

**9.6**   
**MILLION SHARES OF  
INSIDER OWNERSHIP**  
AS OF DEC 31, 2023

# Revenue Grew 7x since 2016 (\$ in mm)



**14%**  
THREE YEAR  
CAGR

- Prepaid business grew from \$323K in 2016 to \$19M today

- Payment Facilitation grew from launch to a \$12M business today

- Consolidated Gross Profits increased from \$4M to \$19M



**Product  
Ecosystem**

The diagram features a central yellow circle with a dashed white border containing the text 'Product Ecosystem'. Four dashed lines extend from the right side of this circle to four distinct icons, each representing a different financial service.



**Payment  
Facilitation**



**ACH**

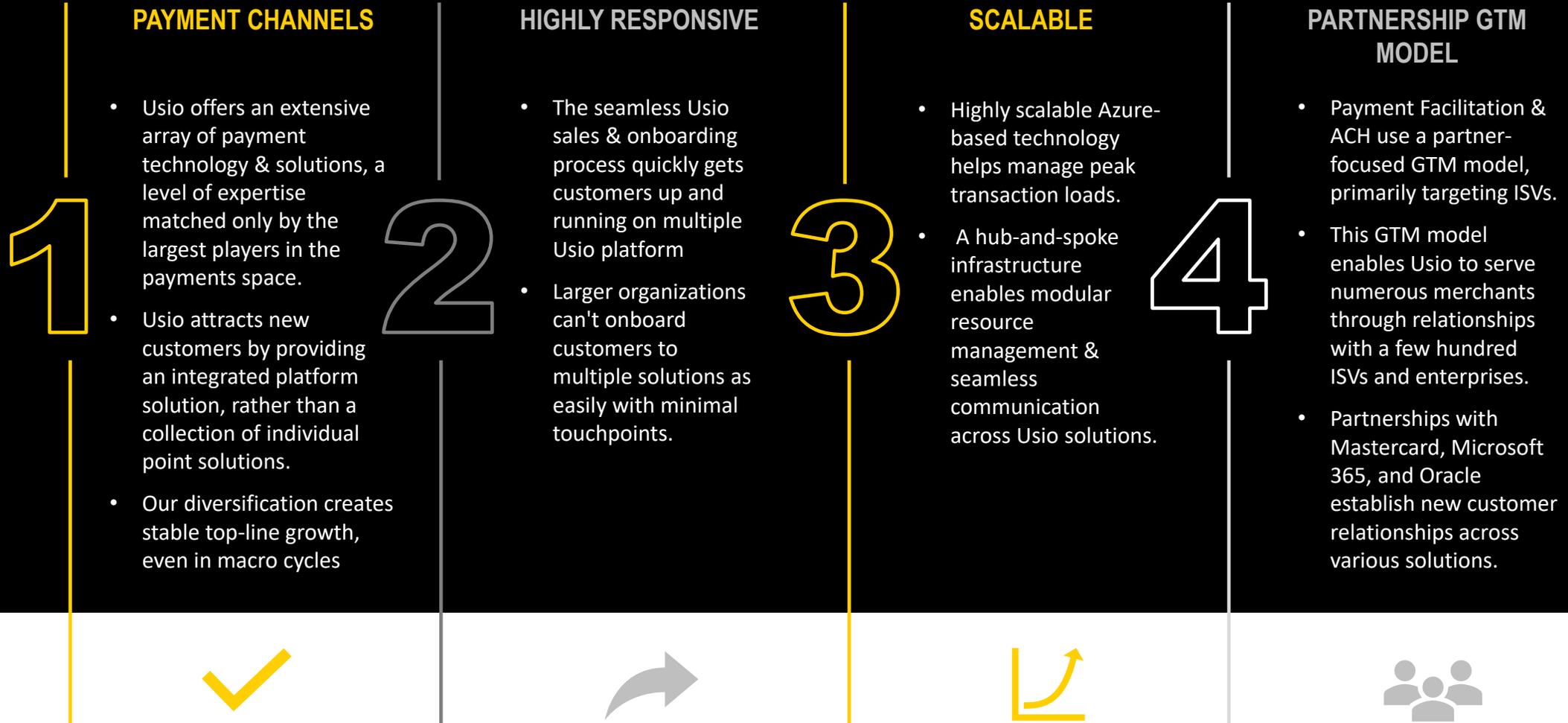


**Card Issuing**



**Output  
Solutions**

# Unique Offerings



# PAYMENT FACILITATION

Payment Facilitation (PayFac) is the latest innovation in merchant acquiring, providing **frictionless merchant onboarding, enrollment and automated risk/underwriting procedures** - which have traditionally been very manual processes - to provide for mass adoption and scale in short order by way of a leveraged distribution model (one-to-many). Our **differentiated go-to-market strategy** creates loyalty and enhances customer value of the Integrated Software Vendors (ISVs) we serve. ISVs are now able to **monetize payments** flowing through their software applications, turning payments from a cost center to a revenue generating business unit.



**34%**  
OF 2023 REVENUE  
(includes all card)

**25%**  
PAYFAC  
REVENUE GROWTH  
2023 VS 2022

## HOW WE MAKE MONEY

**30%\***  
REVENUE  
SHARED WITH ISV  
GROSS MARGIN

**50%**  
OF GROSS NET  
MARGIN

**15%**  
TO USIO

\*Retail pricing isn't fixed. Pricing varies based on ISV/vertical. Not indicative of all ISVs.

# ACH

Usio is the Fintech leader in payments and a Nacha Certified provider that streamlines payment acceptance and minimizes processing costs. Usio provides ACH processing at a fraction of the cost than credit or debit cards. Usio is unique in that we are the **longest-tenured Nacha certified third-party sender** in our industry, has its own bank routing number, and **direct access to the Fed**. Our highest margin business, ACH provides cash we use to continue to fund and invest in our growth engines – PayFac and Prepaid.



**18%**  
OF 2023 REVENUE

**1%**  
REVENUE GROWTH  
2023 VS. 2022

## HOW WE MAKE MONEY

ON AVERAGE  
WE EARN  
**\$.70**

NET REVENUE PER  
TRANSACTION  
**\$.41**

MARGINS  
**70%+**  
ON A RETURN OR  
ORIGINATION

# CARD ISSUING

Usio operates as both the **program manager and issuer processor**, providing web and mobile apps, transaction processing, customer service and compliance. Governments, non-profits and SMBs needing platform for expense management, general disbursement, incentives, per diems, loyalty programs and more. Additionally, entities looking to migrate away from physical checks or to **virtual payment methods** leverage our card issuing platform. We also offer insight into the use of funds / spend via our reporting platform.



**23%**  
OF 2023 REVENUE

**105%**  
REVENUE GROWTH  
2023 VS. 2022

## HOW WE MAKE MONEY

### CLIENT FEES

**\$.35-\$4**

PER CARD CREATED

### INTERCHANGE

**1-2%**

PURCHASE BY MERCHANTS

### CARDHOLDER FEES & SPOILAGE

**2-4%**

AMOUNT LOADED TO CARDS

### MARGINS

**30-40%**

# OUTPUT SOLUTIONS

Usio offers document design, print and electronic delivery or via US Post Office. Perfect for entities looking to reduce postage cost, **automate the billing processes and increase operational efficiencies**. Output's customer base is primarily financial institutions, utilities, and taxing entities.



**25%**  
OF 2023 REVENUE

**11%**  
REVENUE GROWTH  
2023 VS. 2022

## HOW WE MAKE MONEY

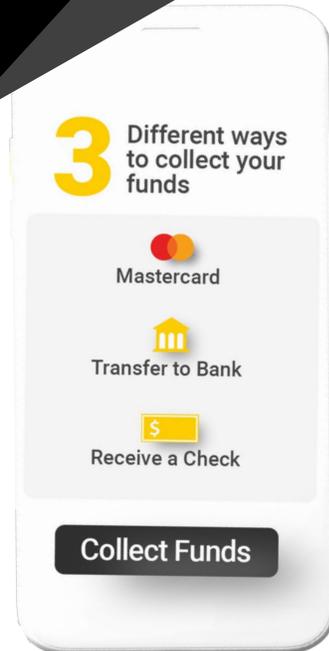
PRINT  
**\$.15-\$.18**  
PER PRINT

POSTAGE  
**\$.02**  
AVERAGE PER PIECE

ELECTRONIC  
**\$.036-\$.038**  
PER PRESENTMENT

MARGINS  
**18-22%**

# Product Highlight



## CONSUMER CHOICE

Usio offers Digital Disbursements. Our cutting-edge, in-house financial technology empowers you to unleash automatic fund dispersal, all while granting customers the freedom to select their preferred collection method via ACH, Card Issuing (virtual or physical card), or Check Printing.

## ACH

## Card Issuing

## Output Solutions

### MARGINS

**18 - 70%+**

# Non-GAAP Reconciliation



Non-GAAP Reconciliation	Twelve Months Ended		Three Months Ended	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
<b>(Values in Millions)</b>				
Revenues	\$ 82.6	\$ 69.4	\$ 19.4	\$ 18.7
Reconciliation from Operating Income (Loss) to Adjusted EBITDA:				
Operating Income (Loss)	\$ (1.9)	\$ (5.2)	\$ (0.8)	\$ (0.1)
Depreciation and Amortization	\$ 2.1	\$ 2.7	\$ 0.5	\$ 0.6
EBITDA	\$ 0.2	\$ (2.5)	\$ (0.2)	\$ 0.5
Non-Cash stock-based compensation expense, net	\$ 2.2	\$ 2.1	\$ 0.5	\$ 0.5
Adjusted EBITDA	\$ 2.4	\$ (0.4)	\$ 0.3	\$ 1.0
Calculation of Adjusted EBITDA Margins				
Revenues	\$ 82.6	\$ 69.4	\$ 19.4	\$ 18.7
Adjusted EBITDA	\$ 2.4	\$ (0.4)	\$ 0.3	\$ 1.0
Adjusted EBITDA Margins	2.9%	(0.6)%	1.5%	5.4%

# Balance Sheet

	<b>Account</b>	<b>12/31/2023</b>	<b>12/31/2022</b>
	Cash	\$ 7.2	\$ 5.7
	Restricted Cash & Settlement Funds	\$ 81.8	\$ 74.8
	<b>Total Assets</b>	<b>\$ 106.9</b>	<b>\$ 97.9</b>
	Short-term/Long-term Debt	\$ 0.8	\$ 0.1
	<b>Total Liabilities</b>	<b>\$ 91.9</b>	<b>\$ 84.0</b>
	<b>Total Equity</b>	<b>\$ 15.1</b>	<b>\$ 13.9</b>
	<b>Total Liability &amp; Stockholder Equity</b>	<b>\$ 106.9</b>	<b>\$ 97.9</b>

In Millions

# Senior Management



**Louis Hoch**

Chairman, President  
& CEO



**Greg Carter**

EVP, Payment  
Acceptance



**Houston Frost**

SVP, Prepaid  
Products



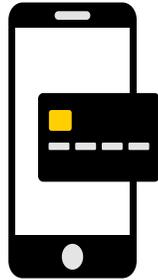
**Sy Green**

SVP, Output  
Solutions

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