



Integrated Payments Made *Simple*

Nasdaq: USIO

August 2024

Forward Looking Statements

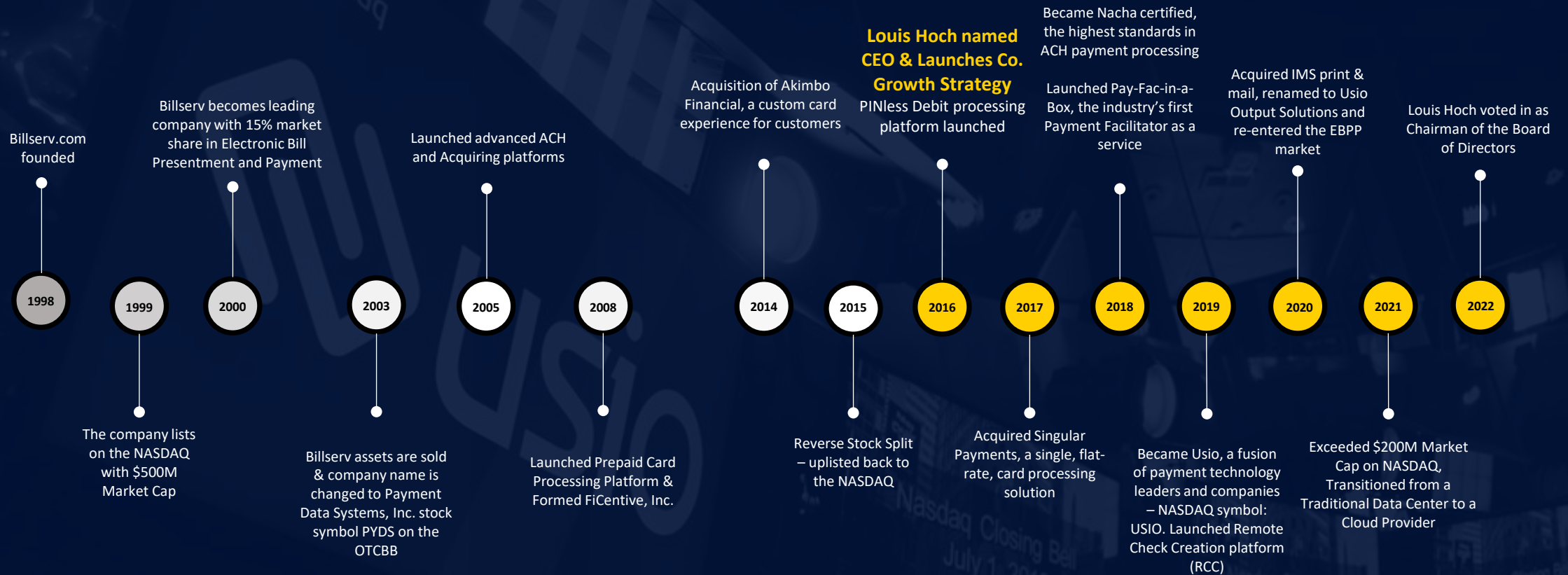
Except for the historical information contained herein, the matters discussed in this presentation include forward-looking statements which are covered by safe harbors. Those statements include, but may not be limited to, all statements regarding management's intent, belief and expectations, such as 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

DIVERSIFIED & INNOVATIVE

In the Fast-Growing FinTech space, Usio offers 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

3-7% 

2024 EXPECTED REVENUE
GROWTH

27.3 

MILLION SHARES
OUTSTANDING
AS OF JUNE 30, 2024

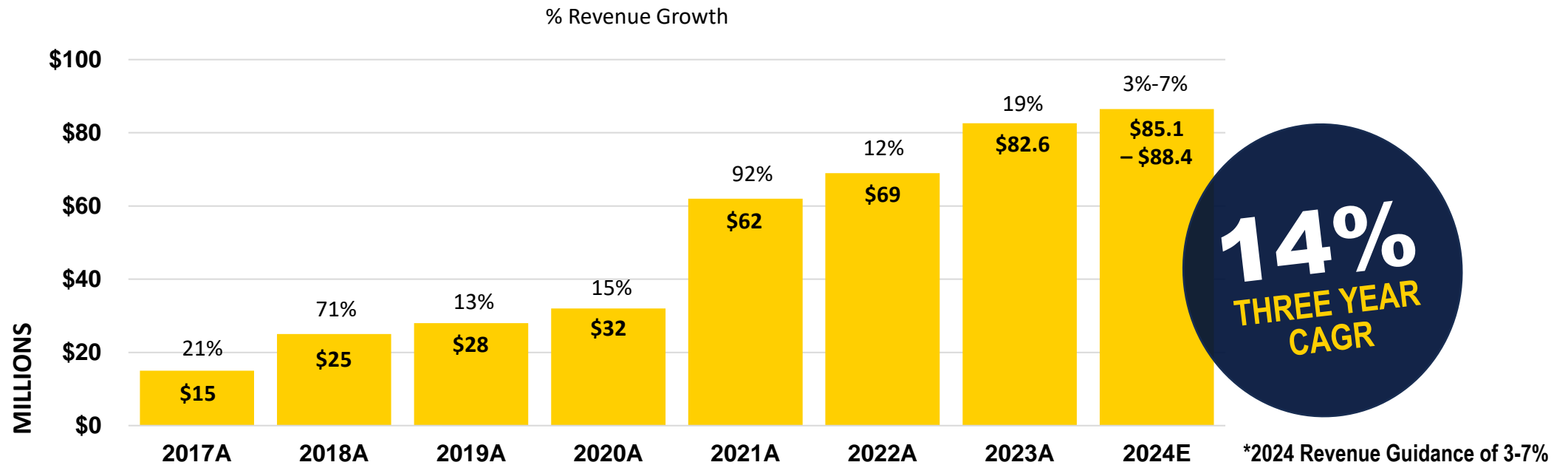
16.8 

MILLION SHARES OF
PUBLIC FLOAT
AS OF JUNE 30, 2024

10.5 

MILLION SHARES OF
INSIDER OWNERSHIP
AS OF JUNE 30, 2024

Revenue Grew 7x Since 2016

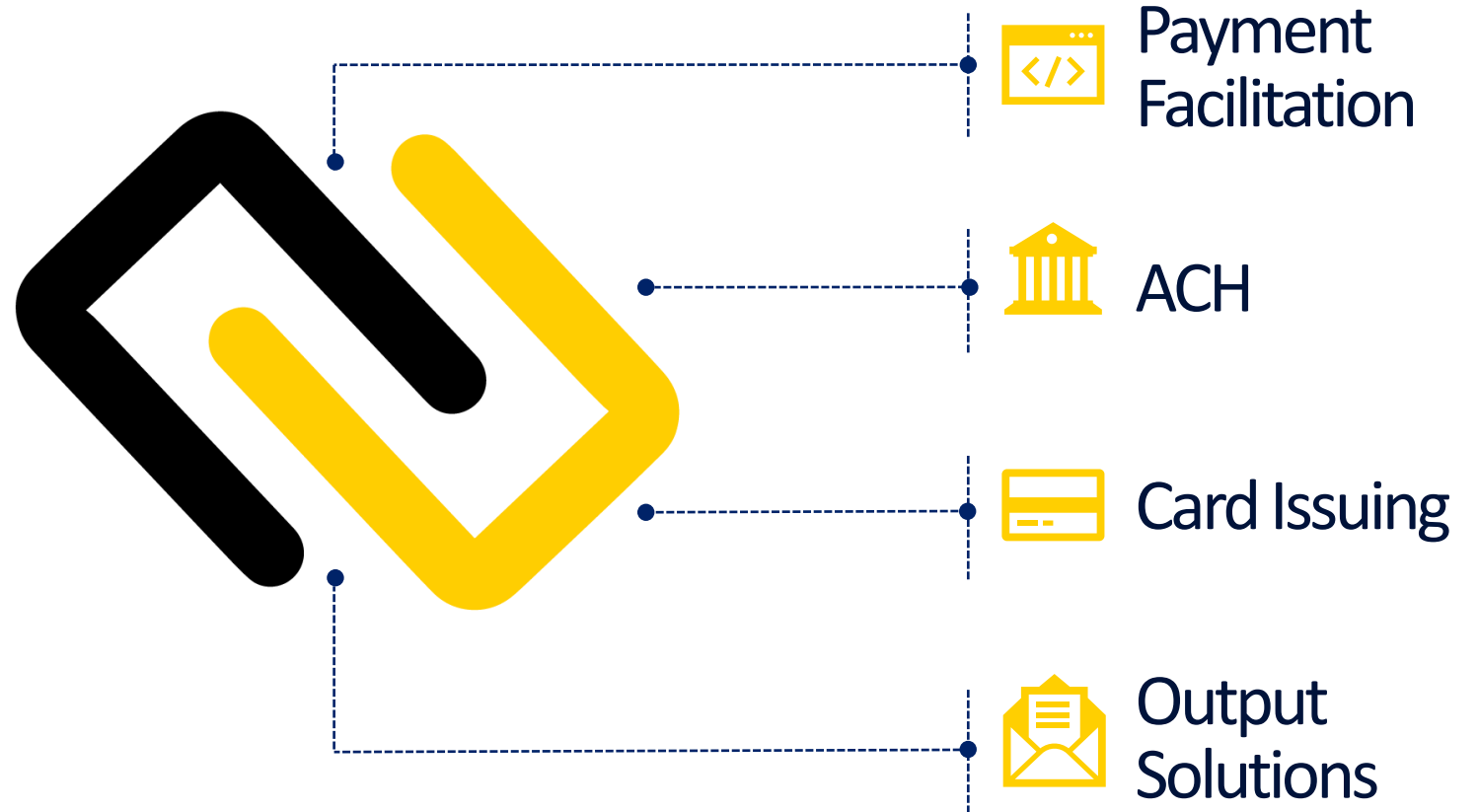


- Prepaid business grew from \$323K in 2016 to \$19M in 2023

- Payment Facilitation grew from launching in 2018 to a \$12M business in 2023

- Consolidated Gross Profits increased from \$4M in 2017 to \$19M in 2023

Fintech Ecosystem



Unique Offerings

1

PAYMENT CHANNELS

- Usio offers an extensive array of payment technology & solutions, a level of expertise matched only by the largest players in the payments space.
- Usio attracts new customers by providing an integrated platform solution, rather than a collection of individual point solutions.
- Our diversification creates stable top-line growth, even in macro cycles

2

HIGHLY RESPONSIVE

- The seamless Usio sales & onboarding process quickly gets customers up and running on multiple Usio platform
- Larger organizations can't onboard customers to multiple solutions as easily with minimal touchpoints.

3

SCALABLE

- Highly scalable Azure-based technology helps manage peak transaction loads.
- A hub-and-spoke infrastructure enables modular resource management & seamless communication across Usio solutions.

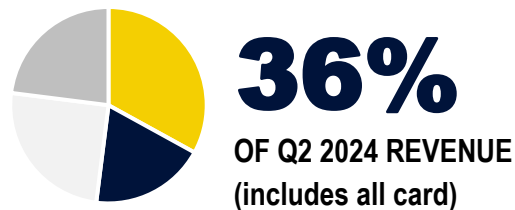
4

PARTNERSHIP GTM MODEL

- Payment Facilitation & ACH use a partner-focused GTM model, primarily targeting ISVs.
- This GTM model enables Usio to serve numerous merchants through relationships with a few hundred ISVs and enterprises.
- Partnerships with Mastercard, Microsoft 365, and Oracle establish new customer relationships across various solutions.

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.



HOW WE MAKE MONEY

2.5%

AVERAGE GROSS REVENUE
ON DOLLARS PROCESSED

16%

OF GROSS MARGIN

50%

AVERAGE REVENUE SHARE
TO PARTNERS

8%

NET MARGIN TO USIO

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.



HOW WE MAKE MONEY

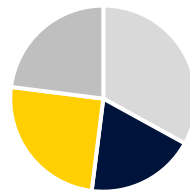
ON AVERAGE WE EARN
\$.70

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. Fintechs, 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 analytics and insight into the use of funds / spend via our reporting platform.



18%
OF Q2 2024 REVENUE

HOW WE MAKE MONEY

CLIENT FEES PER CARD CREATED

\$.35-\$4

INTERCHANGE PURCHASE BY MERCHANTS

1-2%

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.



23%
OF Q2 2024 REVENUE

HOW WE MAKE MONEY

\$.15-\$.18
PER PRINT

\$.02
AVERAGE POSTAGE PER PIECE

\$.036-\$.078
PER ELECTRONIC PRESENTMENT

18-22%
MARGINS

Non-GAAP Reconciliation	Twelve Months Ended		Three Months Ended		Six Months Ended	
	31-Dec-23	31-Dec-22	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
(Values in Millions)						
Revenues	\$ 82.6	\$ 69.4	\$ 20.1	\$ 21.4	\$ 41.1	\$ 43.0
Reconciliation from Operating Income (Loss) to Adjusted EBITDA:						
Operating Income (Loss)	\$ (1.9)	\$ (5.2)	\$ (0.2)	\$ 0.2	\$ (0.5)	\$ 0.3
Depreciation and Amortization	\$ 2.1	\$ 2.7	\$ 0.5	\$ 0.5	\$ 1.1	\$ 1.0
EBITDA	\$ 0.2	\$ (2.5)	\$ 0.3	\$ 0.8	\$ 0.6	\$ 1.3
Non-Cash stock-based compensation expense, net	\$ 2.2	\$ 2.1	\$ 0.5	\$ 0.6	\$ 1.0	\$ 1.1
Adjusted EBITDA	\$ 2.4	\$ (0.4)	\$ 0.8	\$ 1.3	\$ 1.6	\$ 2.4
Calculation of Adjusted EBITDA Margins						
Revenues	\$ 82.6	\$ 69.4	\$ 20.1	\$ 21.4	\$ 41.1	\$ 43.0
Adjusted EBITDA	\$ 2.4	\$ (0.4)	\$ 0.8	\$ 1.3	\$ 1.6	\$ 2.4
Adjusted EBITDA Margins	2.9%	(0.6)%	4.0%	6.2%	3.9%	5.7%

Non-GAAP Reconciliation

Balance Sheet

Account	6/30/2024	12/31/2023
Cash	\$ 7.5	\$ 7.2
Restricted Cash & Settlement Funds	\$ 84.0	\$ 81.8
Total Assets	\$ 108.8	\$ 106.9
Short-term/Long-term Debt	\$ 0.8	\$ 0.8
Total Liabilities	\$ 93.1	\$ 91.9
Total Equity	\$ 15.7	\$ 15.1
Total Liability & Stockholder Equity	\$ 108.8	\$ 106.9

Senior Management



Louis Hoch

Chairman, President
& CEO



Greg Carter

EVP, Payment
Acceptance



Houston Frost

Chief Product Officer



Jerry Uffner

SVP, Card Issuing




Sy Green

SVP, Output Solutions

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