



Investor Presentation

October 2020

Disclaimers

This presentation is provided for informational purposes only and has been prepared to assist interested parties in making their own evaluation with respect to a potential business combination (the “proposed business combination”) between Factor Systems, Inc. (d/b/a Billtrust) (“Billtrust”) and South Mountain Merger Corp. (“South Mountain”) and related transactions (the “Transactions”) and for no other purpose. No representations or warranties, express or implied are given in, or in respect of, this presentation. Industry and market data used in this presentation have been obtained from third-party industry publications and sources as well as from research reports prepared for other purposes. Neither Billtrust nor South Mountain has independently verified the data obtained from these sources and cannot assure you of the data’s accuracy or completeness. This data is subject to change. In addition, this presentation does not purport to be all-inclusive or to contain all of the information that may be required to make a full analysis of Billtrust or the Transactions. Viewers of this presentation should each make their own evaluation of Billtrust and of the relevance and adequacy of the information and should make such other investigations as they deem necessary.

Forward-Looking Statements

This presentation includes “forward-looking statements” within the meaning of the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as “estimate,” “plan,” “project,” “forecast,” “intend,” “will,” “expect,” “anticipate,” “believe,” “seek,” “target” or other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These forward-looking statements include, but are not limited to, statements regarding estimates and forecasts of financial and performance metrics, projections of market opportunity and market share, potential benefits and the commercial attractiveness to its customers of Billtrust’s products and services, the potential success of Billtrust’s marketing and expansion strategies, the growth of demand on Billtrust’s platform and the expansion of Billtrust’s customers’ utilization of its services, potential benefits of the Transactions (including with respect to shareholder value), and expectations related to the terms and timing of the Transactions. These statements are based on various assumptions, whether or not identified in this presentation, and on the current expectations of Billtrust’s and South Mountain’s management and are not predictions of actual performance. These forward-looking statements are provided for illustrative purposes only and are not intended to serve as, and must not be relied on by any investor as, a guarantee, an assurance, a prediction or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions. Many actual events and circumstances are beyond the control of Billtrust and South Mountain. These forward-looking statements are subject to a number of risks and uncertainties, including Billtrust’s ability to attract and retain customers and expand customers’ use of Billtrust’s services; market, financial, political and legal conditions; the impact of the COVID-19 pandemic on Billtrust’s business and the global economy; the inability of the parties to successfully or timely consummate the proposed business combination, including the risk that any required regulatory approvals are not obtained, are delayed or are subject to unanticipated conditions that could adversely affect the combined company or the expected benefits of the proposed business combination or that the approval of the stockholders of South Mountain or Billtrust is not obtained; failure to realize the anticipated benefits of the proposed business combination; risks relating to the uncertainty of the projected financial and operating information with respect to Billtrust; risks related to future market adoption of Billtrust’s offerings; risks related to Billtrust’s marketing and growth strategies; the effects of competition on Billtrust’s future business; the amount of redemption requests made by South Mountain’s public stockholders; the ability of South Mountain or the combined company to issue equity or equity-linked securities in connection with the proposed business combination or in the future, and those factors discussed in South Mountain’s final prospectus filed on June 21, 2019, Annual Report on Form 10-K for the fiscal year ended December 31, 2019 and Quarterly Reports on Form 10-Q for the quarters ended March 31, 2020 and June 30, 2020, in each case, under the heading “Risk Factors,” and other documents of South Mountain filed, or to be filed, with the Securities and Exchange Commission (“SEC”). If any of these risks materialize or any of South Mountain’s or Billtrust’s assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. There may be additional risks that neither South Mountain nor Billtrust presently know or that South Mountain and Billtrust currently believe are immaterial that could also cause actual results to differ from those contained in the forward-looking statements. In addition, forward-looking statements reflect South Mountain’s and Billtrust’s expectations, plans or forecasts of future events and views as of the date of this presentation. South Mountain and Billtrust anticipate that subsequent events and developments will cause South Mountain’s and Billtrust’s assessments to change. However, while South Mountain and Billtrust may elect to update these forward-looking statements at some point in the future, South Mountain and Billtrust specifically disclaim any obligation to do so. These forward-looking statements should not be relied upon as representing South Mountain’s and Billtrust’s assessments as of any date subsequent to the date of this presentation. Accordingly, undue reliance should not be placed upon the forward-looking statements.

Use of Projections

This presentation contains projected financial information with respect to Billtrust, namely GAAP total revenue, non-GAAP net revenue, GAAP gross profit, non-GAAP gross margin and non-GAAP net revenue split for 2020, 2021, 2022, and the financial information included in Billtrust’s long-term target operating model. Such projected financial information constitutes forward-looking information and is for illustrative purposes only and should not be relied upon as necessarily being indicative of future results. The assumptions and estimates underlying such projected financial information are inherently uncertain and are subject to a wide variety of significant business, economic, competitive and other risks and uncertainties that could cause actual results to differ materially from those contained in the prospective financial information. See “Forward-Looking Statements” above. Actual results may differ materially from the results contemplated by the projected financial information contained in this presentation, and the inclusion of such information in this presentation should not be regarded as a representation by any person that the results reflected in such projections will be achieved. Neither of the independent registered public accounting firms of Billtrust or South Mountain have audited, reviewed, compiled, or performed any procedures with respect to the projections for the purpose of their inclusion in this presentation, and accordingly, neither of them expressed an opinion or provided any other form of assurance with respect thereto for the purpose of this presentation.

Financial Information; Non-GAAP Financial Measures

The financial information and data contained in this presentation is unaudited and does not conform to Regulation S-X. Billtrust is in the process of completing its Public Company Accounting Oversight Board (“PCAOB”) audits for the fiscal years ended December 31, 2017, 2018 and 2019 and the review procedures for the six months ended June 30, 2019 and June 30, 2020, respectively, and, therefore, all of Billtrust’s historical financial information included in the presentation is preliminary and subject to change. Billtrust’s independent registered public accounting firm, BDO USA, has not audited or reviewed, and does not express an opinion with respect to, any of the financial information or data included in this presentation. The financial information included in this presentation is not a comprehensive statement of Billtrust’s financial results for the periods shown, and Billtrust’s actual results may differ materially from the financial information included in this presentation due to the completion of Billtrust’s financial closing procedures, final adjustments, completion of the audits and review of Billtrust’s financial statements referenced above and other developments that may arise between now and the time those audits and review are completed. Accordingly, the financial information and data contained in this presentation may not be included in, may be adjusted in or may be presented differently in, any proxy statement, registration statement, or prospectus to be filed by South Mountain with the SEC.

Disclaimers (cont'd)

Further, some of the financial information and data contained in this presentation, such as non-GAAP net revenue, non-GAAP gross margin, EBITDA, EBITDA margin, Adjusted EBITDA, Adjusted EBITDA margin, free cash flow, free cash flow margin, net recurring revenue percentage, and the financial information included in Billtrust's long-term target operating model, have not been prepared in accordance with generally accepted accounting principles in the United States ("GAAP"). Non-GAAP net revenue is defined as total revenue less revenue from out-of-pocket expense reimbursements. Non-GAAP gross margin is defined as GAAP gross profit divided by non-GAAP net revenue. EBITDA is defined as net profit/(loss) plus depreciation and amortization expenses, income tax expense/(benefit) and other expense/(income). EBITDA margin is defined as EBITDA divided by non-GAAP net revenue. Adjusted EBITDA is defined as net profit/(loss) plus depreciation and amortization expenses, income tax expense/(benefit), other expense/(income), stock-based compensation expense, severance costs and acquisition and integration costs and other onetime costs associated with the merger transaction. Adjusted EBITDA margin is defined as Adjusted EBITDA divided by non-GAAP net revenue. Free cash flow is defined as net cash flows from operating activities less capitalized expenditures and capitalized software development costs. Free cash flow margin is defined as free cash flow divided by non-GAAP net revenue. Net recurring revenue percentage is defined as subscription and transaction fees divided by non-GAAP net revenue.

South Mountain and Billtrust believe these non-GAAP measures of financial results provide useful information to management and investors regarding certain financial and business trends relating to Billtrust's financial condition and results of operations. South Mountain and Billtrust believe that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating actual and projected operating results and trends in and in comparing Billtrust's financial measures with other similar companies, many of which present similar non-GAAP financial measures to investors. Neither South Mountain nor Billtrust considers these non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with GAAP. The principal limitation of these non-GAAP financial measures is that they exclude significant expenses and other amounts that are required by GAAP to be recorded in Billtrust's financial statements. In addition, they are subject to inherent limitations as they reflect the exercise of judgments by management about which expense and other amounts are excluded or included in determining these non-GAAP financial measures. In order to compensate for these limitations, Billtrust presents non-GAAP financial measures in connection with GAAP results. Billtrust is not providing a reconciliation of its projected non-GAAP net revenue split for full years 2020, 2021, 2022 or the financial information included in Billtrust's long-term target operating model to the most directly comparable measure prepared in accordance with GAAP because Billtrust is unable to provide this reconciliation without unreasonable effort due to the uncertainty and inherent difficulty of predicting the anticipated expense related to such projections, which is variable. You should review Billtrust's audited financial statements, which will be included in the registration statement relating to the proposed business combination.

IMPORTANT ADDITIONAL INFORMATION AND WHERE TO FIND IT

This communication is being made in respect of the proposed business combination involving South Mountain and Billtrust. South Mountain intends to file a registration statement on Form S-4 with the SEC, which will include a proxy statement of South Mountain, a consent solicitation statement of Billtrust and a prospectus of South Mountain, and South Mountain will file other documents regarding the proposed Transactions with the SEC. A definitive proxy statement/consent solicitation statement/prospectus will also be sent to the stockholders of South Mountain and Billtrust, seeking any required stockholder approval. Before making any voting or investment decision, investors and security holders of South Mountain and Billtrust are urged to carefully read the entire registration statement and proxy statement/consent solicitation statement/prospectus, when they become available, and any other relevant documents filed with the SEC, as well as any amendments or supplements to these documents, because they will contain important information about the proposed Transactions. The documents filed by South Mountain with the SEC may be obtained free of charge at the SEC's website at www.sec.gov. In addition, the documents filed by South Mountain may be obtained free of charge from South Mountain at www.SMMergerCorp. Alternatively, these documents, when available, can be obtained free of charge from South Mountain upon written request to South Mountain Merger Corp., 767 Fifth Avenue, 9th Floor, New York, New York 10153, Attn: Secretary, or by calling (646) 446-2700.

South Mountain, Billtrust and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the stockholders of South Mountain, in favor of the approval of the Transactions. Information regarding South Mountain's directors and executive officers is contained in South Mountain's Annual Report on Form 10-K for the year ended December 31, 2019, which was filed with the SEC on March 20, 2020, and its Current Report on Form 8-K, which was filed with the SEC on June 29, 2020. Additional information regarding the interests of those participants, the directors and executive officers of Billtrust and other persons who may be deemed participants in the Transactions may be obtained by reading the registration statement and the proxy statement/consent solicitation statement/prospectus and other relevant documents filed with the SEC when they become available. Free copies of these documents may be obtained as described in the preceding paragraph.

No Offer or Solicitation

This presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities, or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

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South Mountain overview



Who we are and what we offer

<p>Proprietary sourcing channels and leading industry relationships with strategic corporates and financial sponsors</p>	<p>Strong track record of identifying and sourcing transactions with proven playbook of value creation</p>
<p>Extensive public company experience at CardConnect and First Data</p>	<p>\$250mm equity capital raised in June 2019 via a listing on the Nasdaq</p>
<p>Anchor investors and significant portion of committed capital from long-term investors</p>	<p>Execution and structuring capability within the Financial Technology sector</p>

SMMC Management Team Led CardConnect to Success Returns Since FinTech Acquisition Corp Announced the Acquisition of CardConnect



CardConnect stock price performance



¹ Stock price appreciation from 03/07/2016 merger announcement to First Data's offer price of \$15/share

² Warrant price appreciation from 03/07/2016 merger announcement to First Data's acquisition. Assumes \$3.90 acquisition warrant price

Transaction summary

Billtrust team



Flint Lane
Founder & CEO



Steve Pinado
President



Mark Shifke
CFO

South Mountain Merger Corp. team



Chuck Bernicker
CEO, President, Director



Nick Dermatas
CFO

Transactions Details

Overview

- South Mountain Merger Corp. (NASDAQ: SMMC.U) is a publicly-listed special purpose acquisition company with \$250mm in cash
- \$200mm PIPE is being raised in support of the transaction

Valuation

- Pro forma enterprise value of \$1,293mm, which equates to 10.5x 2021E revenue of \$123mm

Capital Structure

- \$200mm of pro forma cash held on the balance sheet

Ownership

- 68% existing shareholders; 19% SPAC IPO and founder shares; 13% PIPE investors

Closing Cash Conditions

- \$225mm of which \$200mm has been committed via the PIPE and an incremental \$22mm has been committed in the form of a non-redemption commitment from an institutional shareholder

Anticipated Timing

- Transaction announcement October 19th and closing after SEC review process and receipt of approval by stockholders of SMMC and Billtrust



We are a leader in the digital transformation of accounts receivable and the future of B2B Payments

1,800+
Customers

\$1 trillion+⁽¹⁾
Invoice dollars
processed

\$49 billion+
Total payment volume

\$105 million
2020E Net revenue

19%
2020-2022E
Net revenue CAGR

~93%
2019 Net recurring
revenue percentage

100%+
Net dollar retention

69%
2020E non-GAAP
gross margin

Note: Data as of LTM 06/30/2020; All financial metrics presented here, including net revenue, net recurring revenue percentage, net revenue CAGR and non-GAAP gross margin, are presented on a non-GAAP basis. See the Appendix to this presentation for a reconciliation to the GAAP equivalent measure. The historical financial information presented is preliminary and subject to adjustment as Billtrust is in the process of completing its audit procedures for prior periods.

¹ This calculation aggregates data elements across our modules that may not be unique

Founder-led, visionary management team



Flint Lane
Founder & CEO



Steve Pinado
President



Mark Shifke
CFO

Previous experience



J.P.Morgan



Billtrust's equity story



Huge TAM with **strong tailwinds in B2B commerce** and electronic billing and payments



Proprietary platform combining **cloud-based software** and **integrated payments** capabilities



Comprehensive, end-to-end B2B commerce solutions across the value chain



Loyal customer base with high retention rates across **diverse industry verticals**



Extensive distribution network with tremendous opportunity to scale and **monetize payments**



Founder-led and **visionary management team**



Strong revenue growth with **high revenue visibility** and **expanding margins**

Huge market with strong tailwinds in B2B commerce and payments



280+ billion

Global invoices⁽¹⁾



22%+

Mid-term growth in
global B2B e-invoicing market⁽²⁾

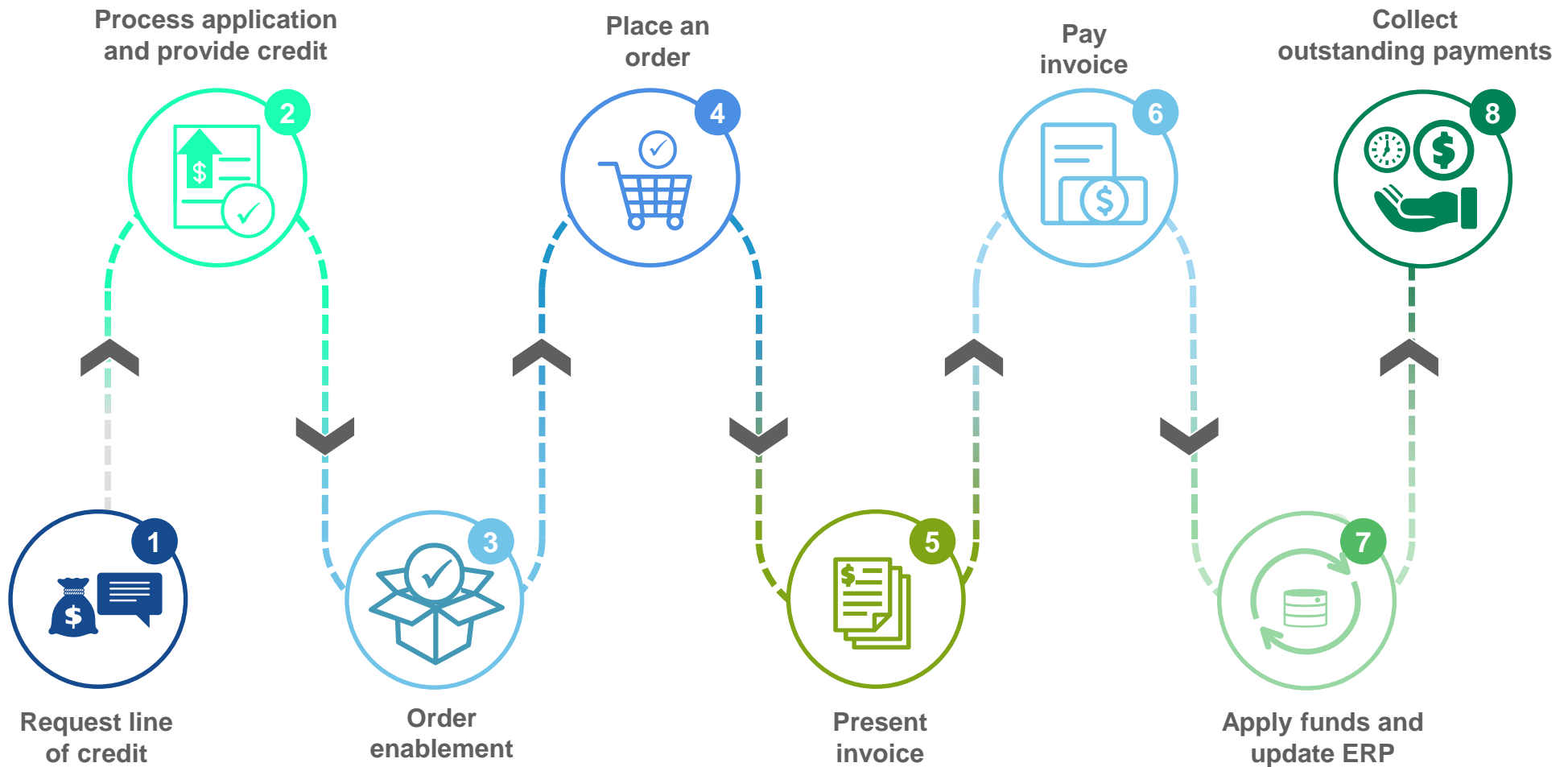


\$120+ trillion

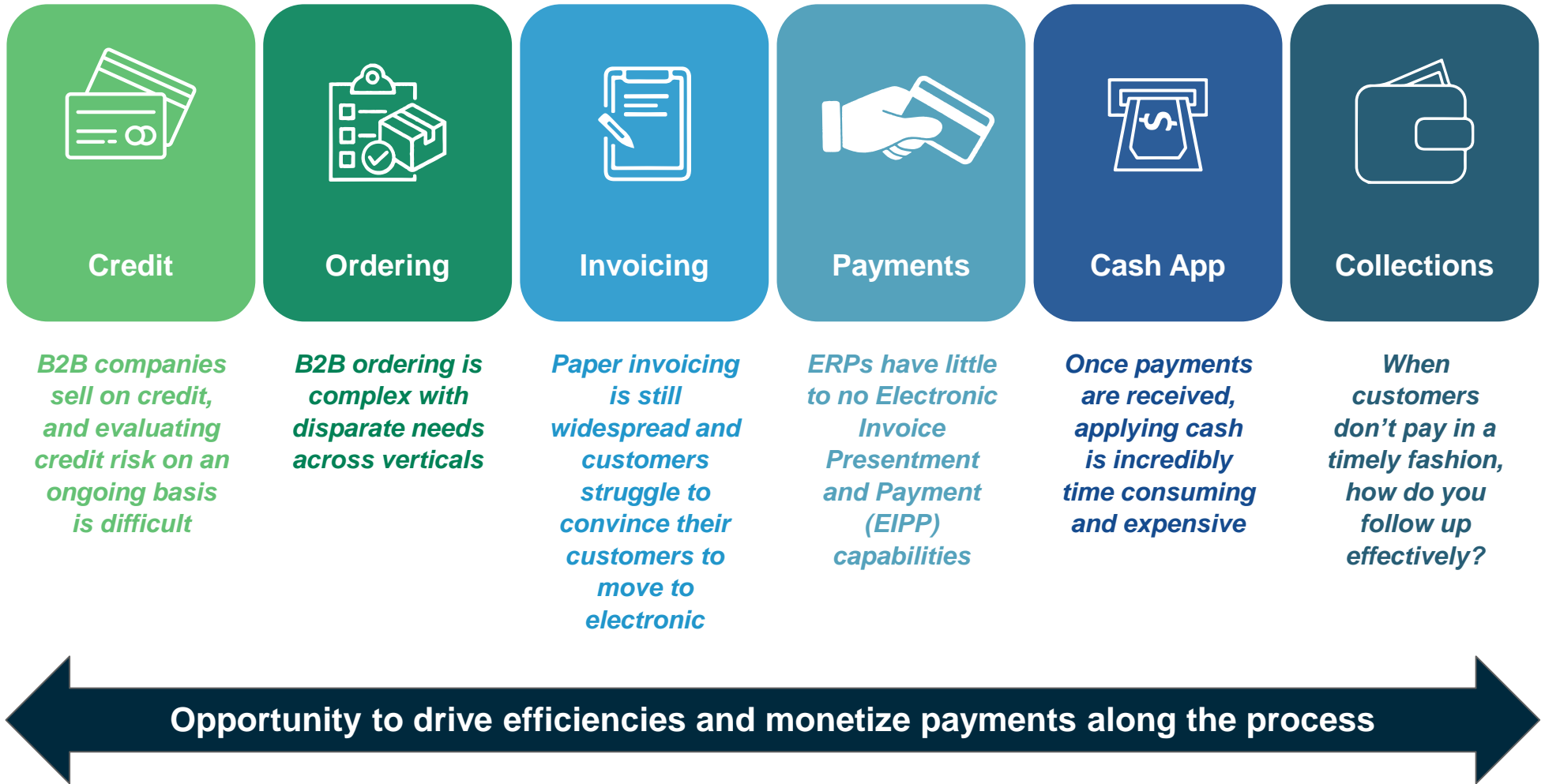
Global commercial payments⁽³⁾

***50%+ of B2B payments are still made by paper check,⁽⁴⁾
but COVID-19 has accelerated the shift to digital***

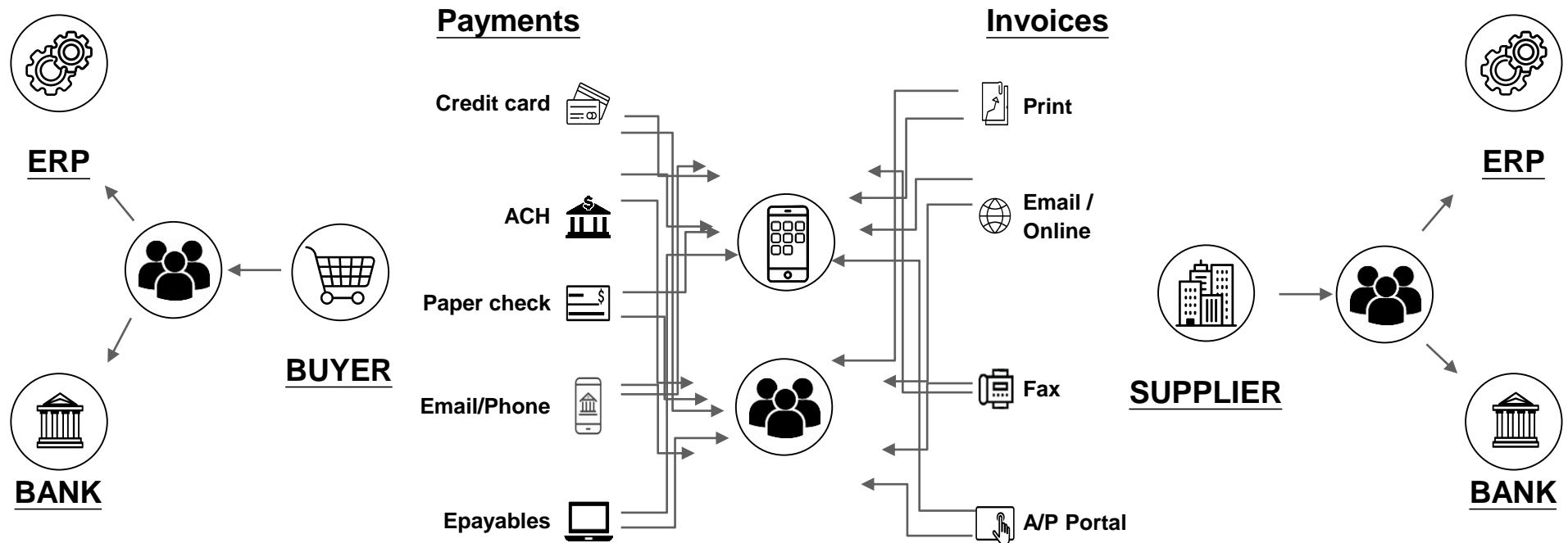
Conventional AR/AP processes are outdated, inefficient, manual, and largely paper-based



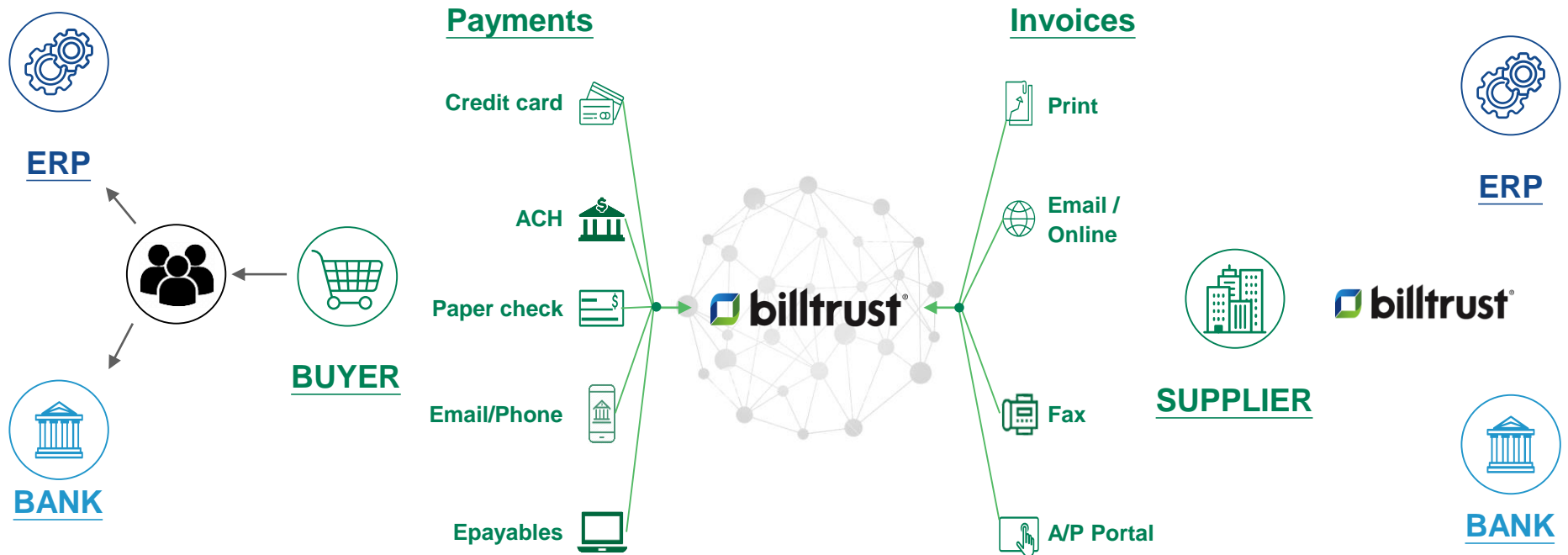
AR is ripe for digital transformation



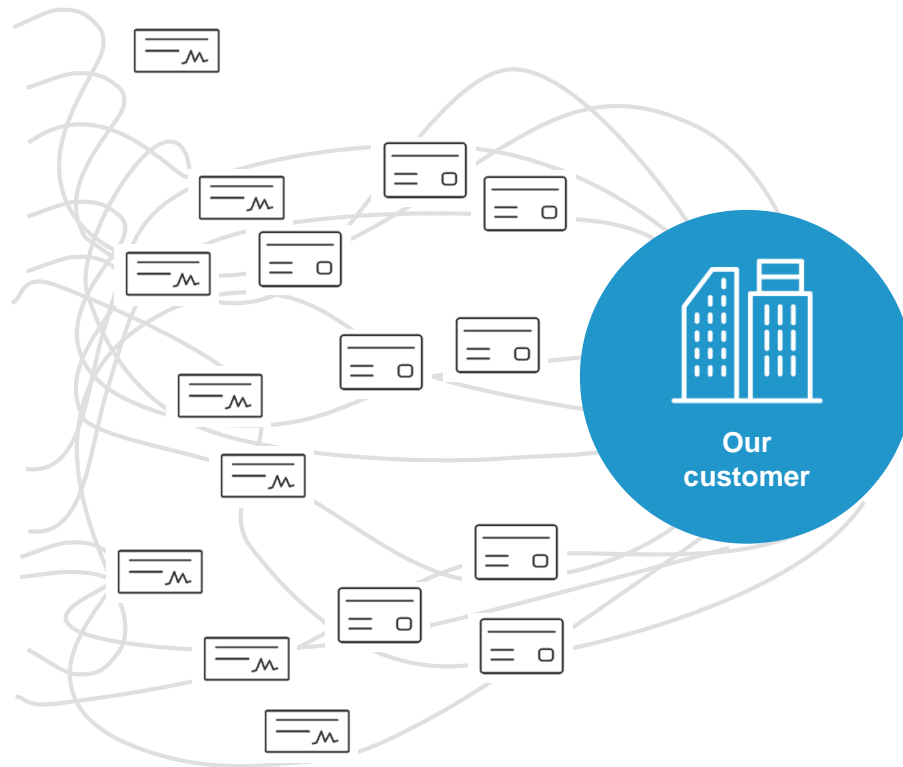
The status quo: massive manual lift and a myriad of legacy solutions to send invoices and process payments



Powerful, proprietary technology platform combining cloud-based software and integrated payments capabilities



The industry also needs a B2B payments platform to connect buyers and suppliers



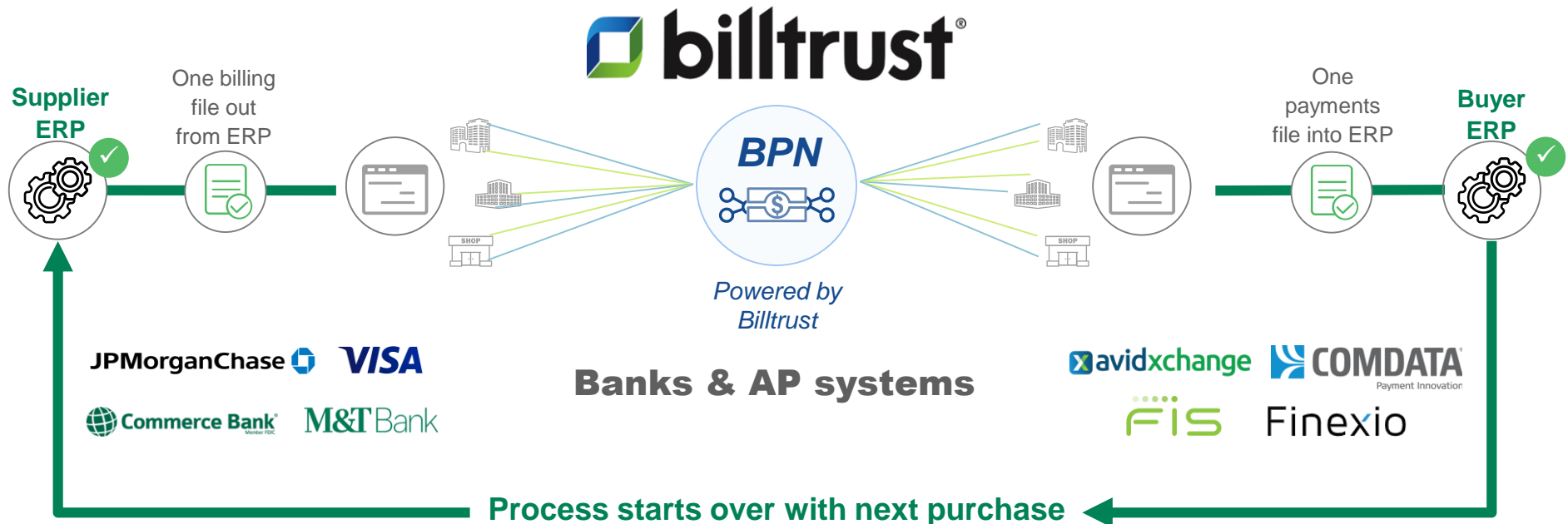
“
What are these payments truly costing us?
”

“
Why are these customers paying late?
”

“
How will we process their remittances?
”

“
Should we participate in these programs?
”

Billtrust Business Payments Network is the Venmo for B2B



Business Payments Network (“BPN”)



Connected platform for suppliers, buyers, and financial institutions



Online directory with full view of participating suppliers and payment acceptance preferences






Complex financial / payment data and streamlined reconciliation



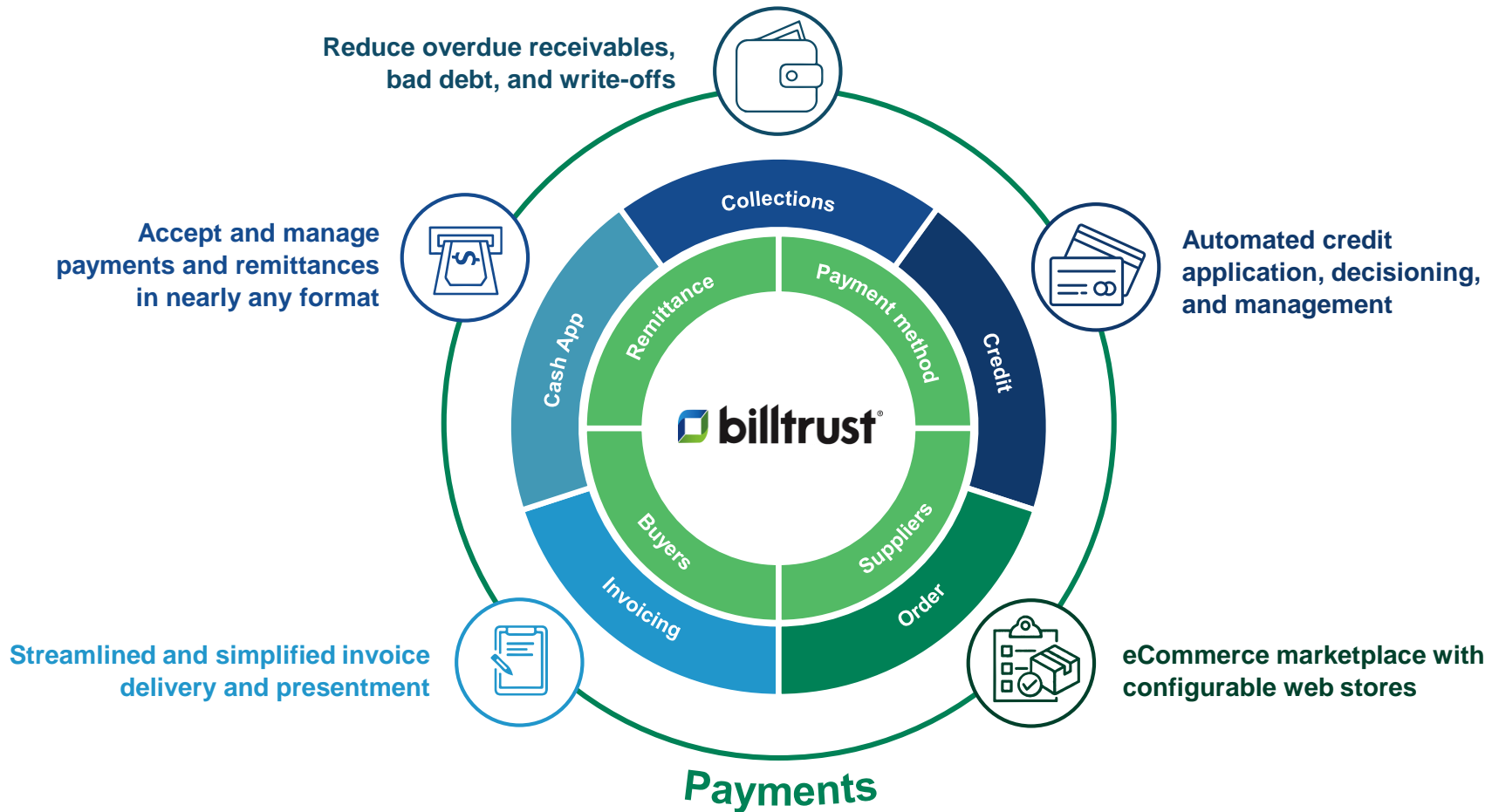
Suppliers receive homogenized remittance information to apply to their ERP system

There is a new generation of companies focused on B2B automation

			
Focus	AR automation	AR / AP automation	Procurement
End market	Enterprise / mid-market	SMBs	Enterprise
Integrated payments	Yes	Yes	Early days
Total payment volume	\$49bn+	\$96bn+	N/A
Customers	1,800+	98,000+	1,400+
Employees	558	618	1,693

Note: Billtrust data as of LTM 06/30/2020; Bill.com and Coupa data as of latest company filings and investor presentations

Comprehensive, end-to-end B2B commerce solutions across the value chain



Payment acceptance flexibility

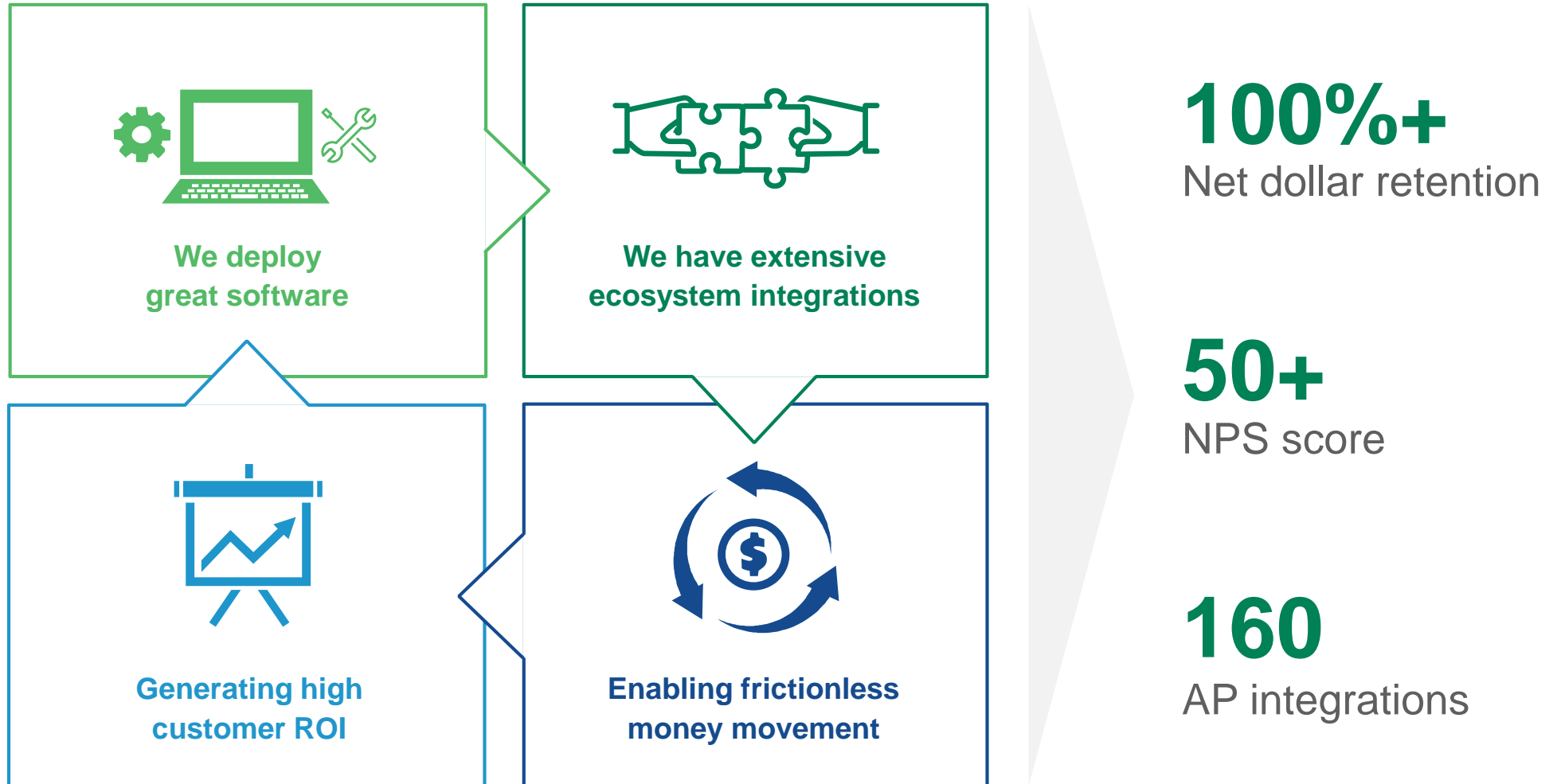
Multiple payment modalities

Embedded remittance

Process optimization

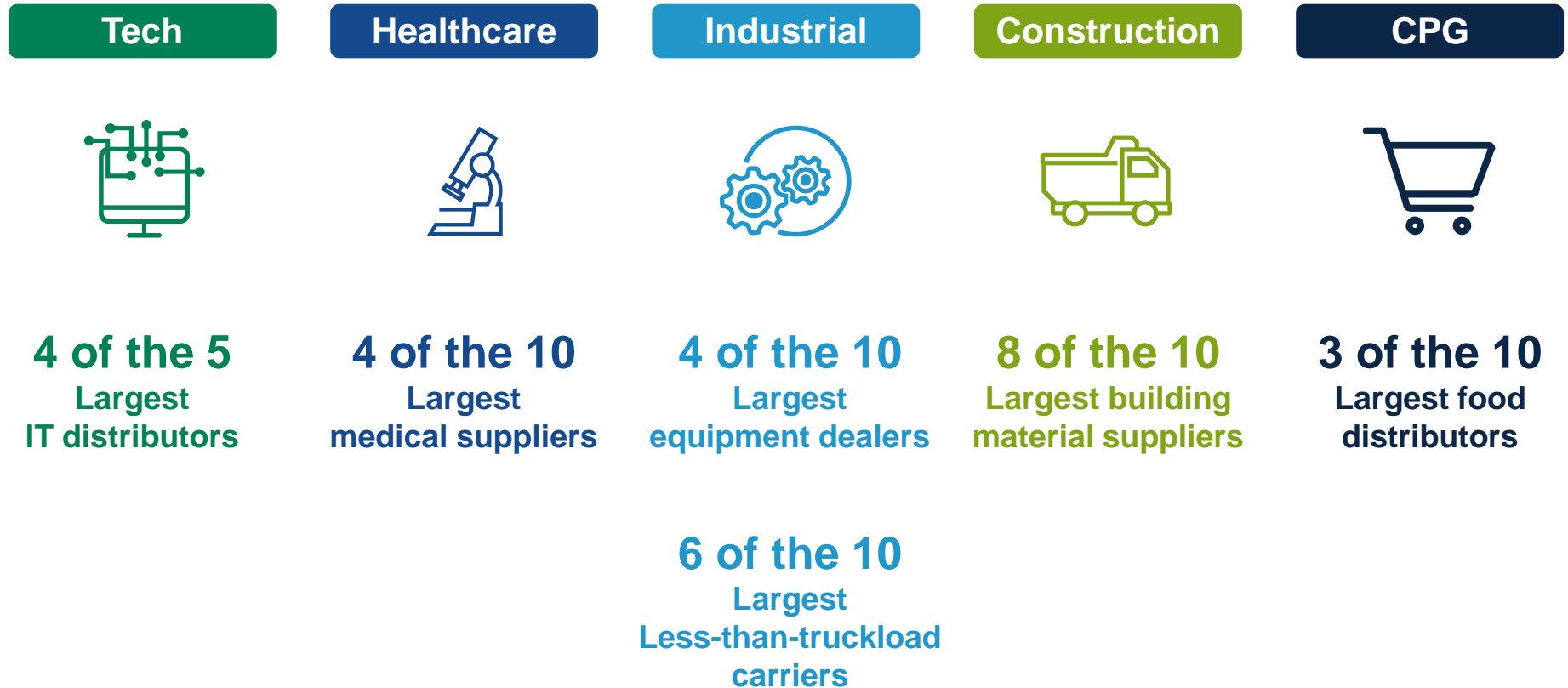
Financial ecosystem integrator / connector

Why we win in the market



Note: Data as of LTM 06/30/2020

Loyal customers across diverse industry verticals

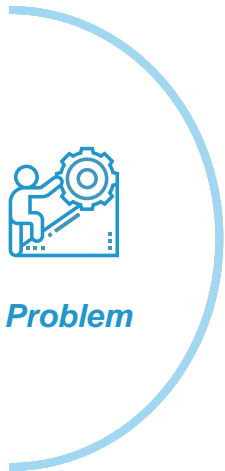


Top 10 customers contribute ~18% of total net revenue

Note: Data as of LTM 06/30/2020

Case studies

Global leader in performance-driven golf products



Outdated ACH

Issue-prone online payment portal

Time consuming process

Low customer satisfaction



20-hour

Reduction in daily cash application

99.5%

Match rate achieved for ACH

20%+

Annual growth in electronic payments

Global storage and information management solutions provider

Internal teams burdened by 760,000 mail invoices a month

Time consuming process

Manual process



71%

ePresentment achieved

33K

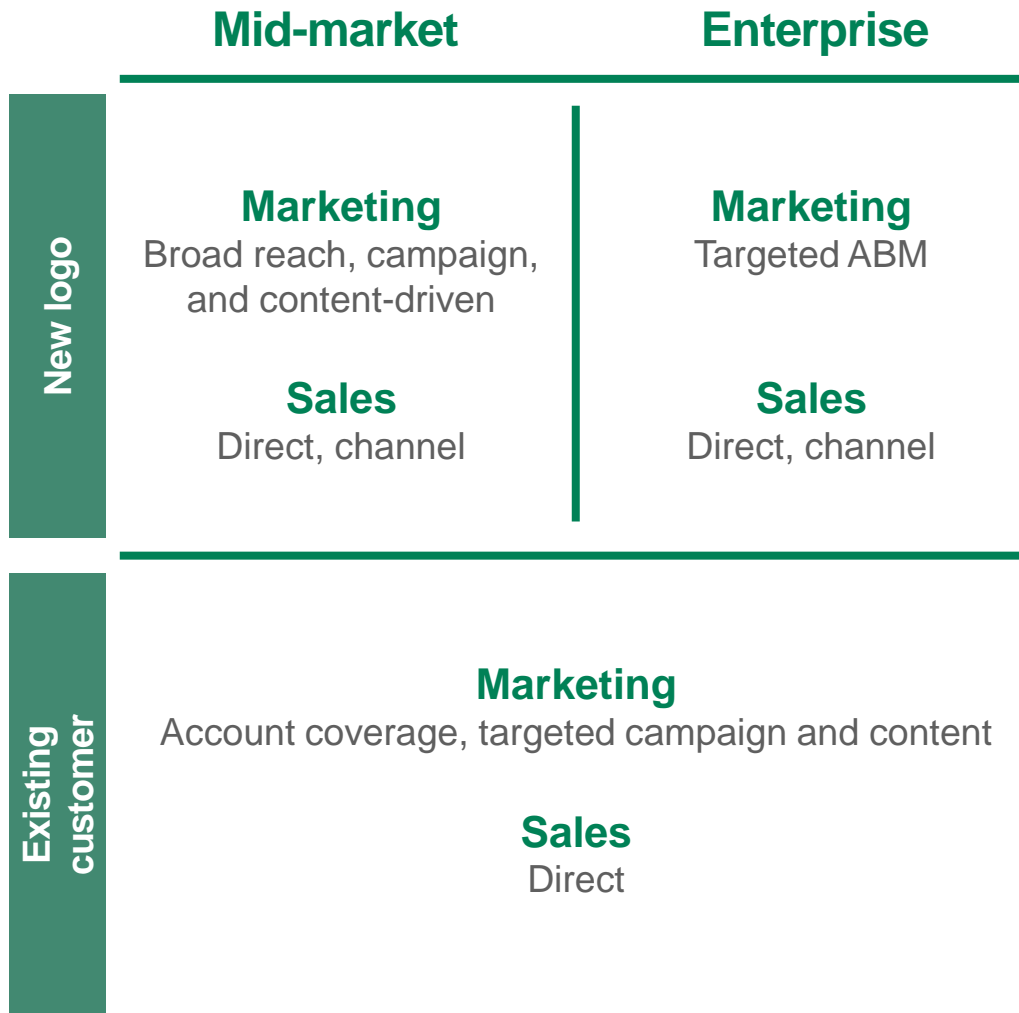
Customers converted to eInvoicing in 1 year

800K+

Invoices emailed per month

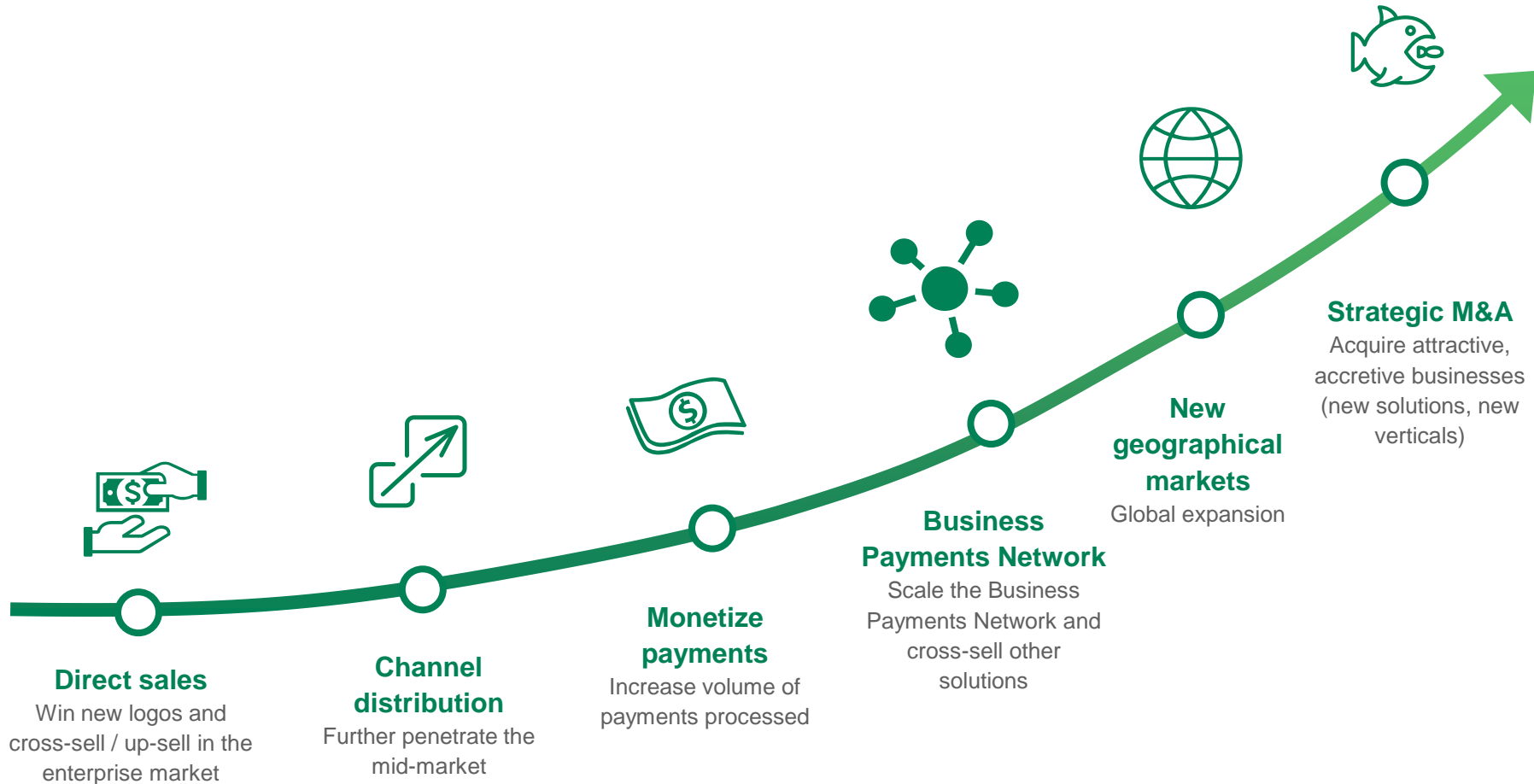


Billtrust go-to-market strategy

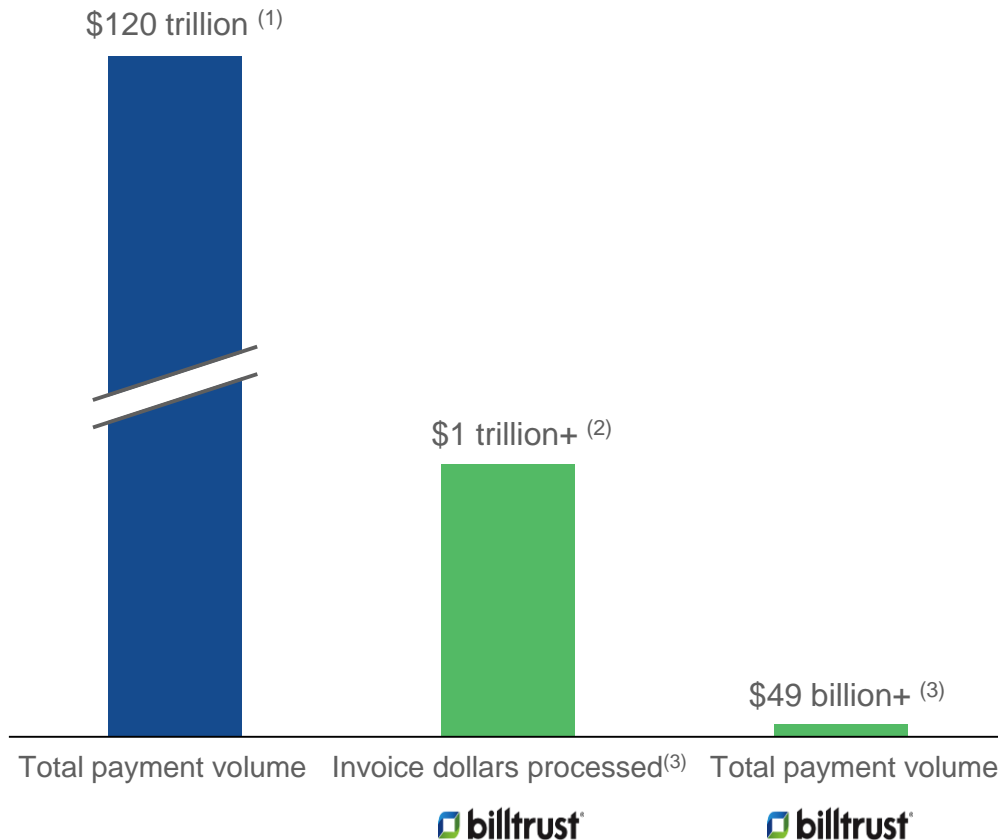


- ✓ Large and growing market with whitespace opportunity
- ✓ Disciplined sales and marketing approach
- ✓ Strong growth within existing customer base
- ✓ Cost effective customer acquisition strategy

Multiple avenues for future growth



Tremendous opportunity to monetize payments



**\$120T of B2B payments (1)
between companies annually**



**\$1T+ invoice dollars processed (2)
and currently monetizing only
\$49bn+ (3) of payments**



**Overall payment volume is
growing 36% year over year on
Billtrust's platform (3)**

Business Payments Network by the numbers



Payments
processed



Transactions
processed

Today⁽¹⁾

\$5bn+

~1,600K

15+

Network payables
partners

LTM⁽²⁾

\$2bn+

955K

234%

Revenue growth YoY⁽²⁾

2017

~\$170mm

~70K

Opportunity to expand into large, new markets with compatible trends



**280+ billion
global invoice
volume⁽¹⁾**

 **billtrust**

International capabilities



Multiple
currencies



Invoice
delivery abroad



Multiple
languages



Regulatory
compliance

¹ Billentis E-Invoicing / E-Billing Digitisation & Automation report, September 2019; Represents business (B2B/G2B) invoices

How Billtrust makes money



SUBSCRIPTION

Contracted recurring revenue for software generated from tiered subscription pricing models on evergreen contracts



TRANSACTION INVOICING

Per transaction recurring processing fees based on electronic bills delivered and bills/pages stored via our software platform, or the number of printed envelopes, on evergreen contracts



TRANSACTION PAYMENTS

Customers are charged a percentage of payment volume processed or per item processing fees at contracted rates based on number of payments, invoices paid, or files sent

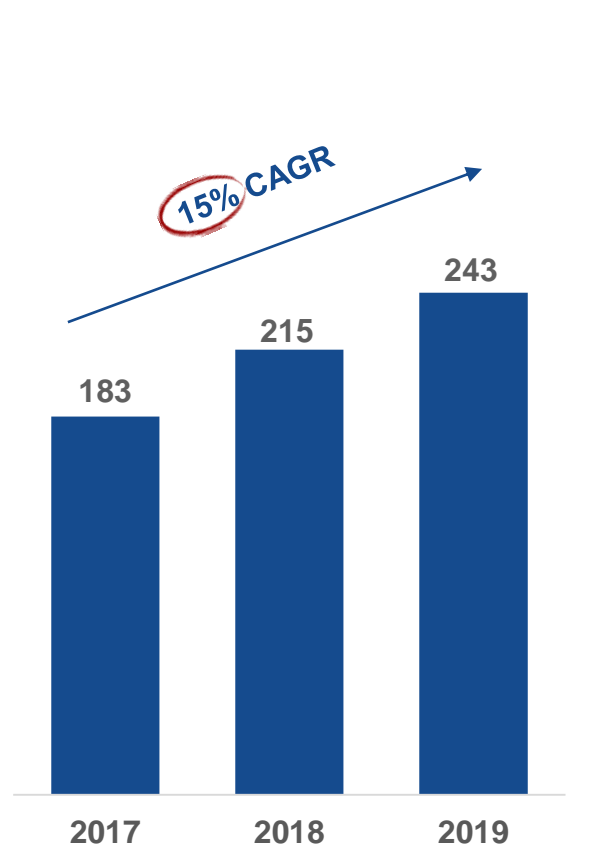


SERVICES

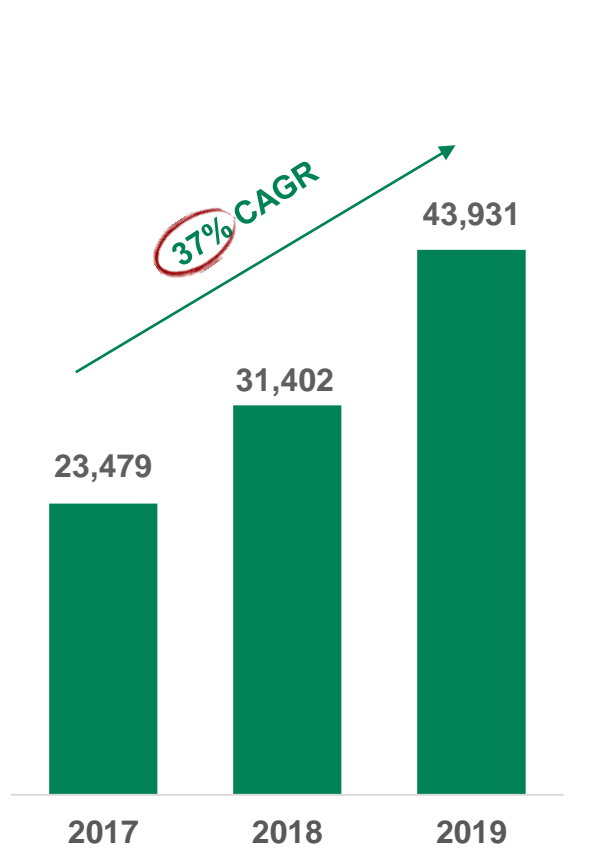
Professional fees generated from implementations and consulting

Strong underlying operating metrics driving top-line growth

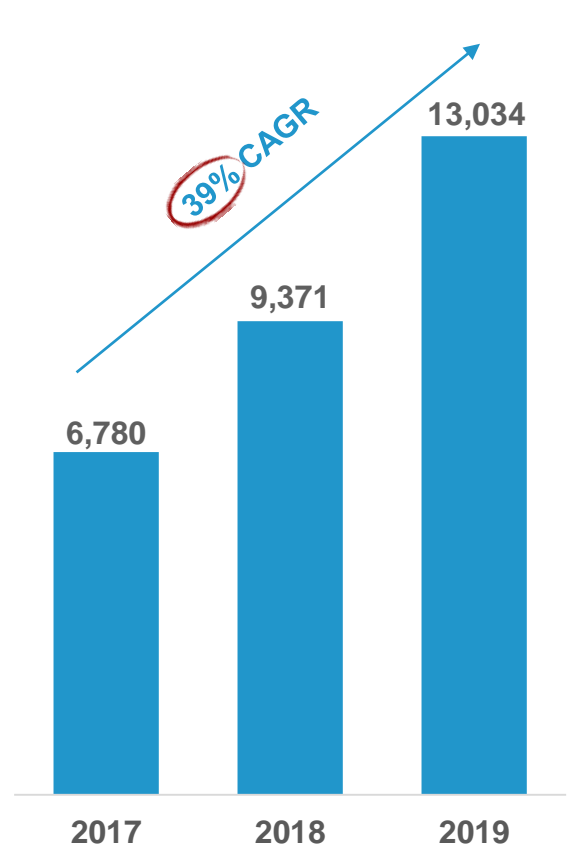
Number of eBills presented (mm)



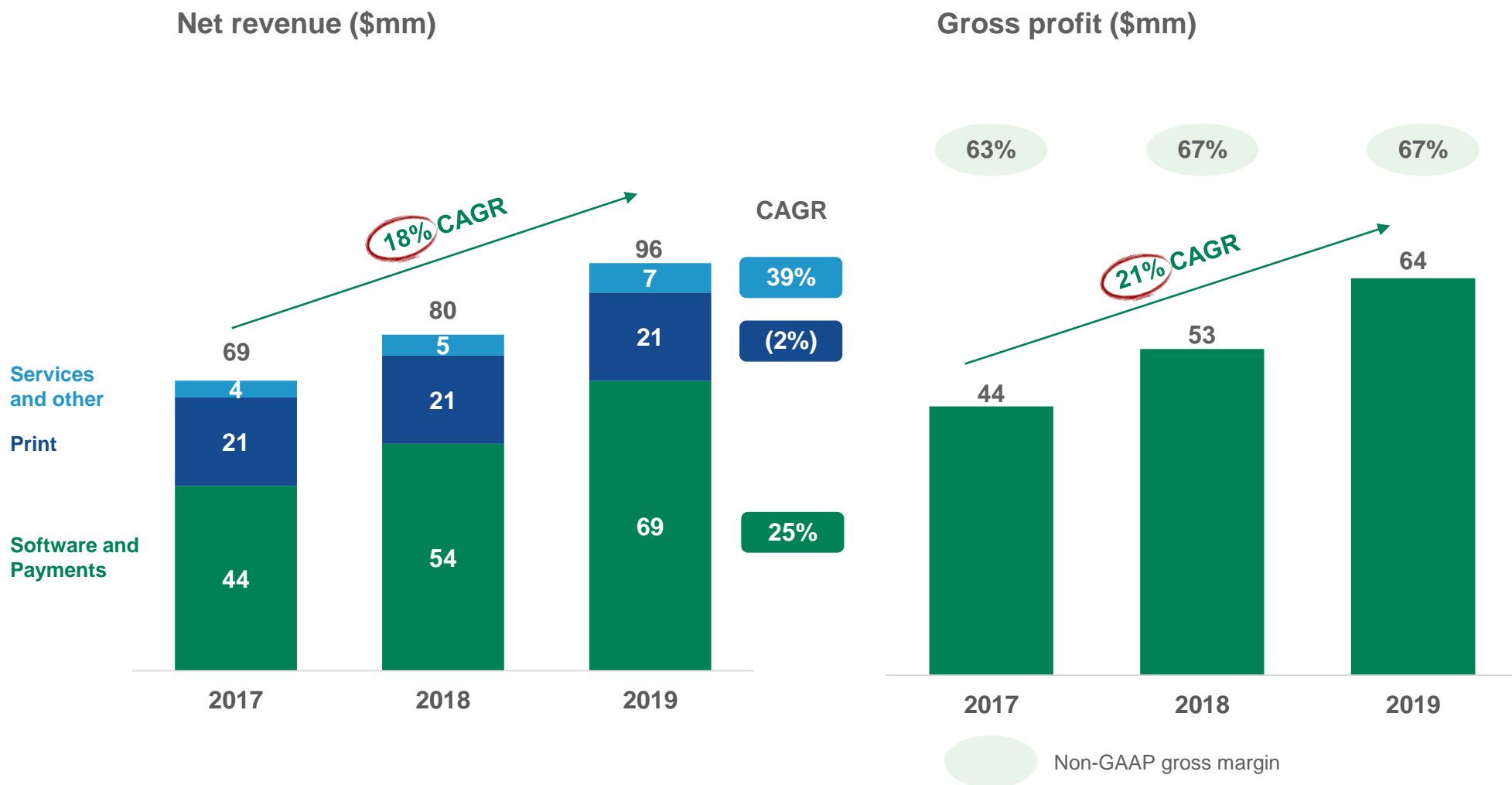
Total payment volume (\$mm)



Card payment volume (\$mm)



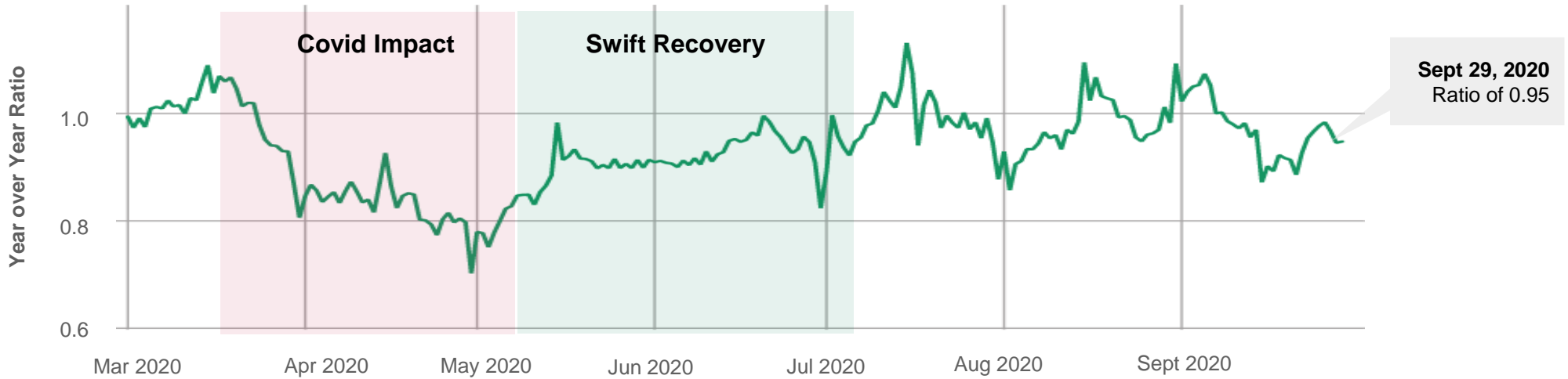
Rapid growth in Software and Payments revenue with high gross margins⁽¹⁾



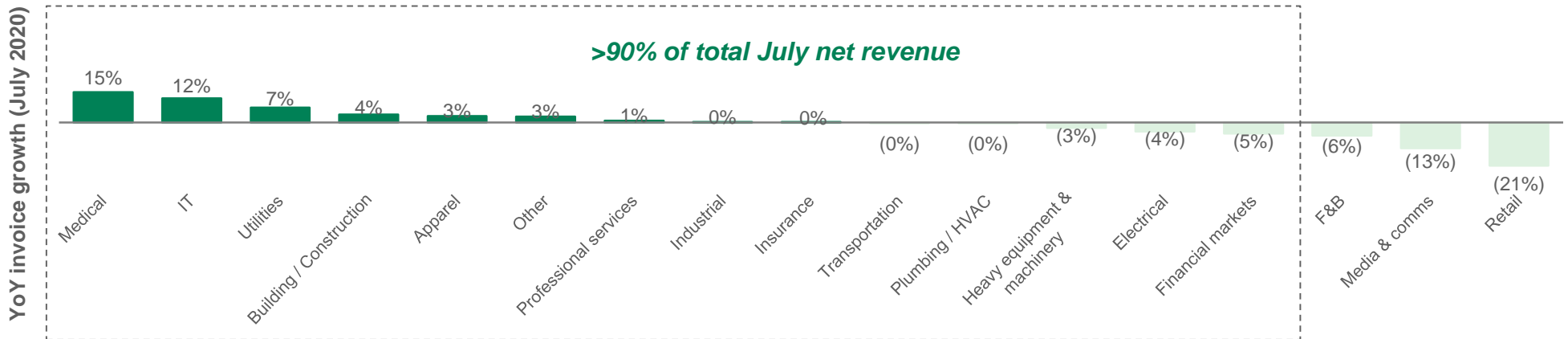
¹ Net revenue and non-GAAP gross margin are non-GAAP financial measures; see Appendix for a reconciliation to the GAAP equivalent measures. This information is preliminary and is subject to adjustment as Billtrust is in the process of completing its audit procedures for the periods presented.

Impact of COVID-19

YoY bill count ratio – 15 day moving average (existing customer cohort)⁽¹⁾



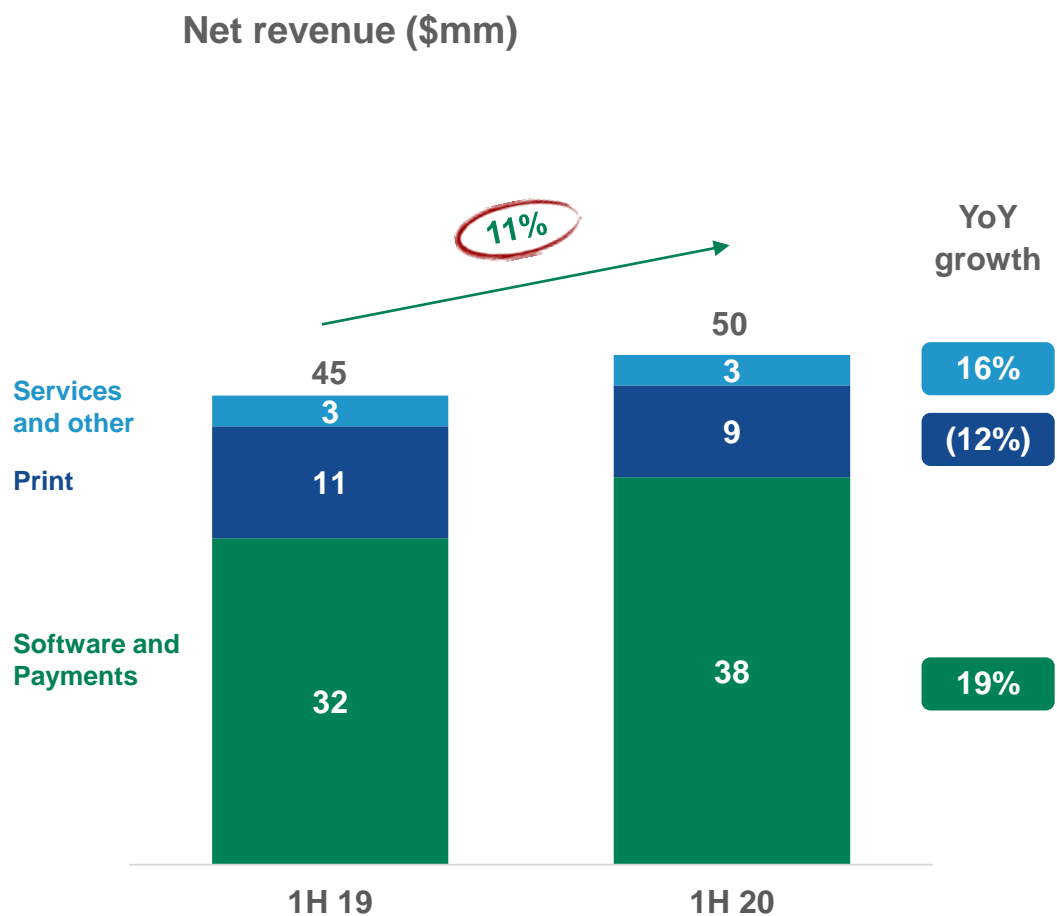
YoY invoice growth by industry in July 2020



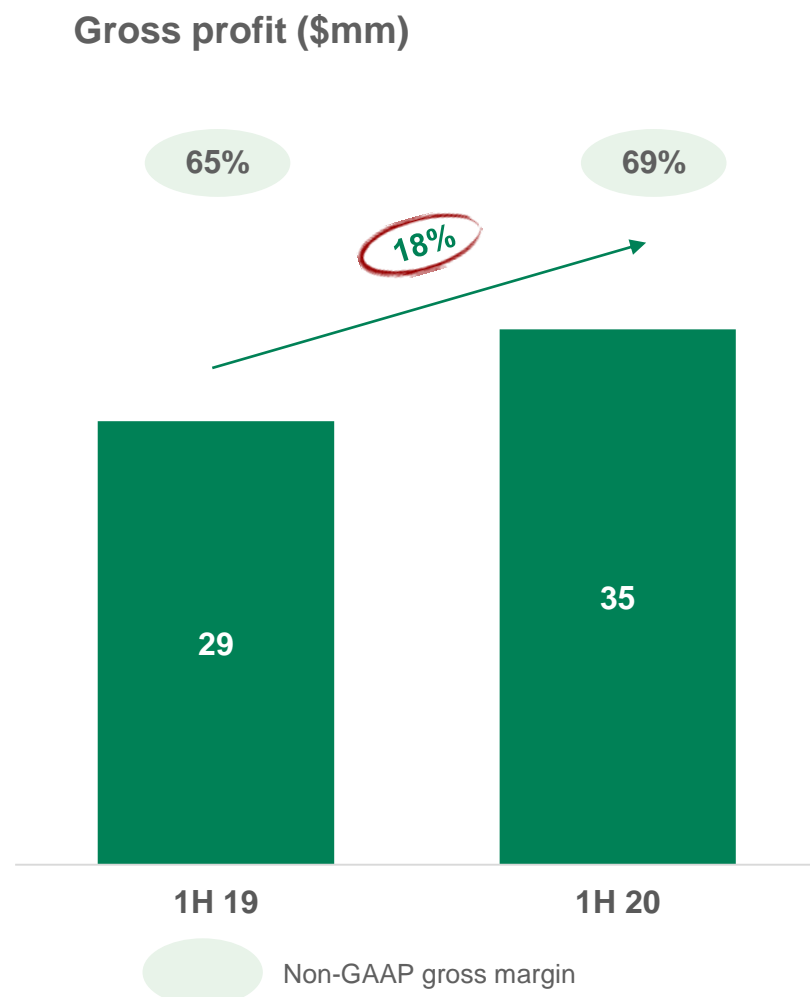
¹ Cohort includes 833 active customers who commenced billing prior to January 2019 and remained active as of March 2020

Update on 1H 2020 financials⁽¹⁾

Net revenue (\$mm)



Gross profit (\$mm)

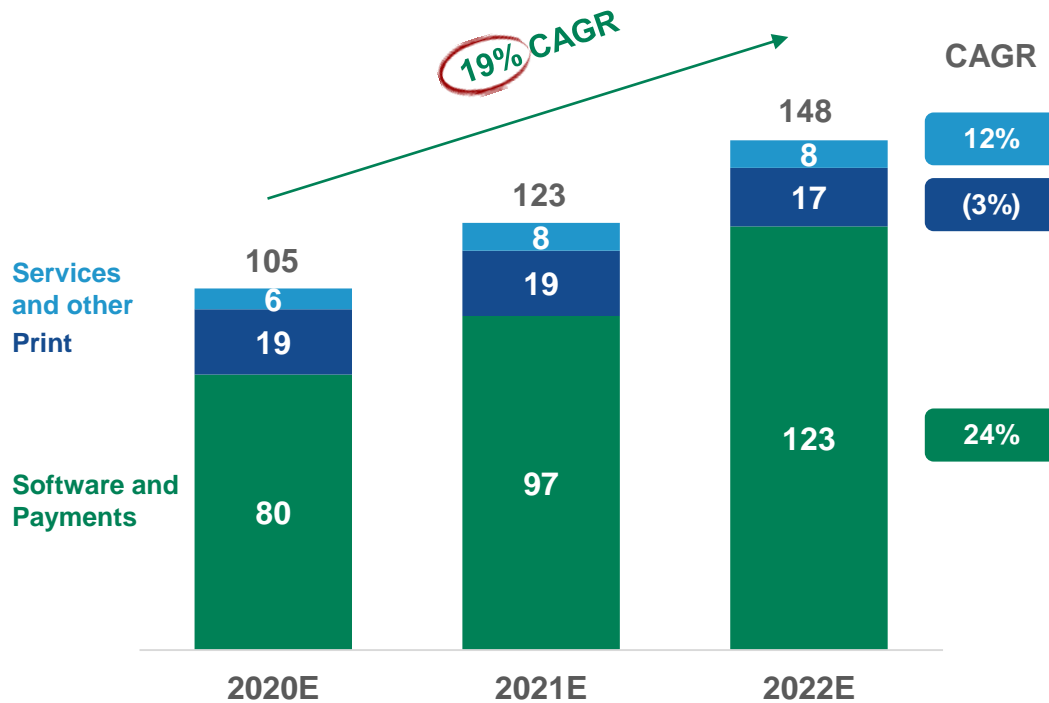


Non-GAAP gross margin

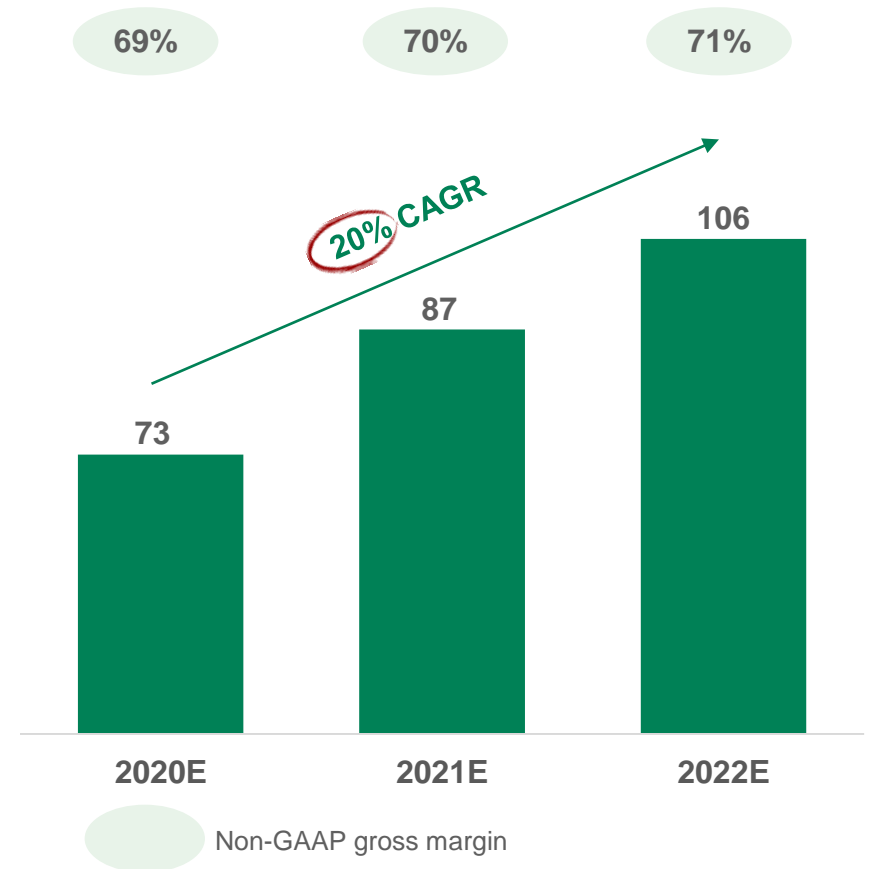
¹ Net revenue and non-GAAP gross margin are non-GAAP financial measures; see Appendix for a reconciliation to the GAAP equivalent measures. This information is preliminary and is subject to adjustment as Billtrust is in the process of completing its review procedures for the periods presented.

Financial projections⁽¹⁾

Net revenue (\$mm)



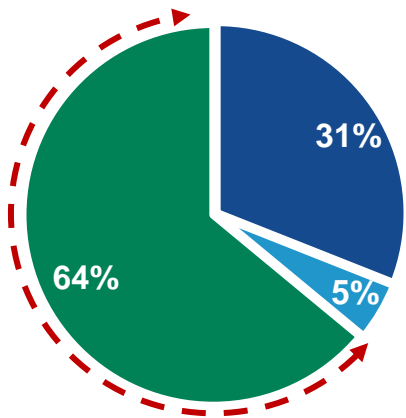
Gross profit (\$mm)



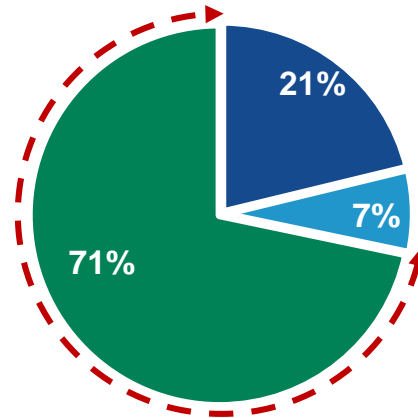
¹ Net revenue and non-GAAP gross margin are non-GAAP financial measures. See Appendix for a reconciliation to the GAAP equivalent measures.

Estimated favorable shift in revenue mix going forward

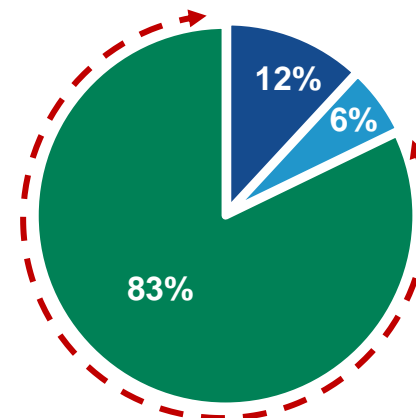
2017A revenue split ⁽¹⁾



2019A revenue split ⁽¹⁾



2022E revenue split



■ Software and Payments ■ Print ■ Services and other

Continued eAdoption from Print to EIPP

Monetizing Payment Opportunities

Monetizing BPN Opportunities

Note: May not sum to 100% due to rounding.

¹ This information is preliminary and is subject to adjustment as Billtrust is in the process of completing its audit procedures for the periods presented.

Long-term target operating model

<i>Non-GAAP measures</i>	Target % of revenue
Gross Margin	80%+
S&M	25%
R&D	20%
G&A	10%
Adjusted EBITDA	25%+

Note: non-GAAP financial figures exclude stock-based compensation expense and the amortization of acquired intangible assets. The company has not reconciled, any of the non-GAAP measures referenced above to the most comparable GAAP measure in its long-term target non-GAAP operating model because certain items are out of the company's control and/or cannot be reasonably predicted. Accordingly, a reconciliation is not available without unreasonable effort.

Transaction Overview

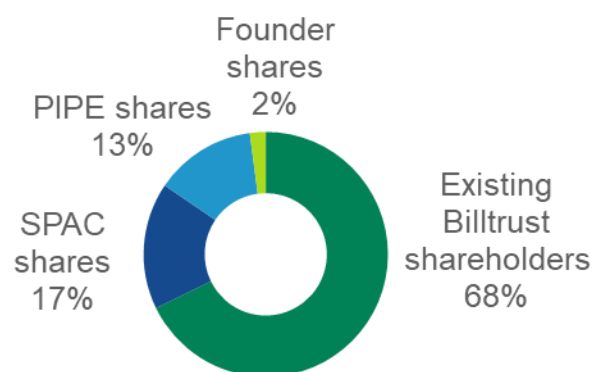


Transaction overview

Pro forma valuation (\$mm, except per share data)

SMMC share price	\$10.00
Pro Forma shares outstanding	149.3
Total equity value	\$1,493
Cash on balance sheet	\$200
Total firm value	\$1,293
Firm value (incl. earn-out) ⁽¹⁾	\$1,458
Transaction Multiples	Metric x
FV / 2021E revenue	\$123 10.5x
FV / 2022E revenue	148 8.7
FV (incl. earn-out) / 2022E revenue	148 9.8

Pro forma ownership at close



Illustrative Sources (\$mm)

Existing Billtrust shareholders	\$1,011
SPAC cash in trust ⁽²⁾	250
Additional PIPE equity	200
Founder shares ⁽³⁾	31
Total sources	\$1,493

Illustrative Uses (\$mm)

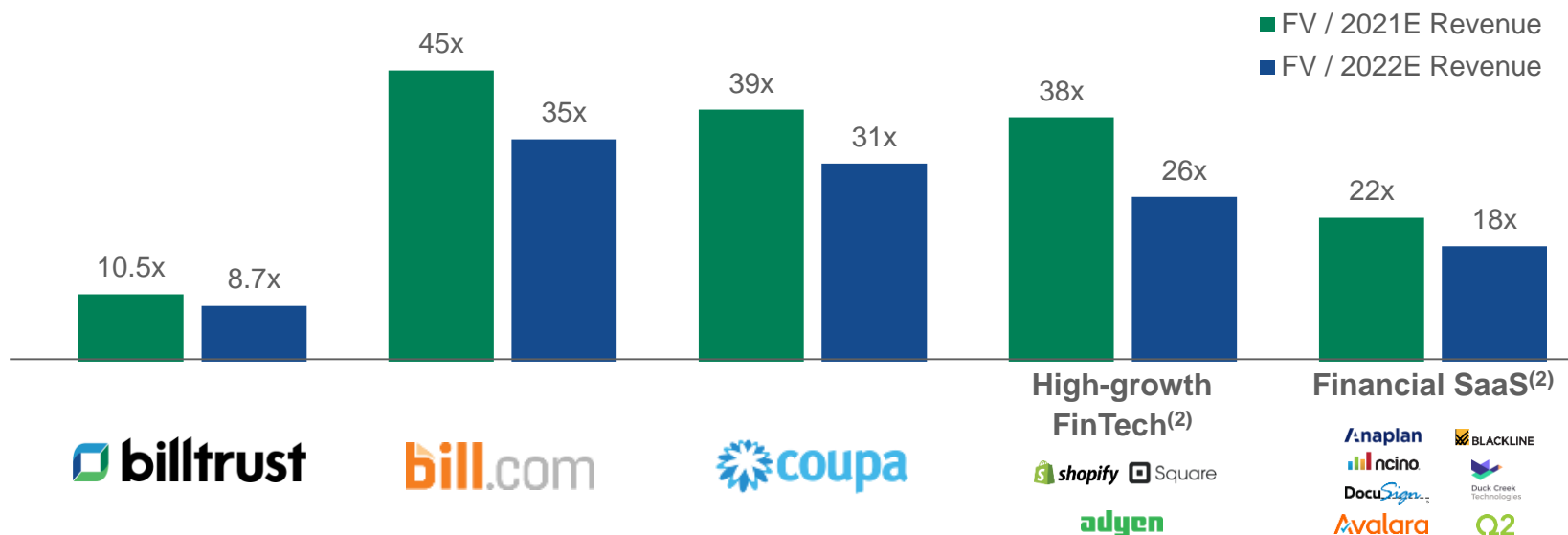
Existing Billtrust shareholders	\$1,011
Cash consideration	178
Retire existing debt	45
Cash to balance sheet	200
Founder shares	31
Estimated fees and expenses	27
Total uses	\$1,493

¹ Includes 6mm shares triggered at \$12.50 per share and 6mm shares triggered at \$15.00 per share for a total earn-out consideration of \$165mm

² Assumes no redemptions by SMMC's existing shareholders

³ Assumes 3.13mm founder shares at \$10.00. Additional 0.94mm and 0.94mm founder shares subject to \$12.50 and \$15.00 earnouts, respectively

Attractive initial valuation relative to peers



FV / 2021E revenue / 2021E growth	0.6x	1.9x	1.5x	1.2x	0.9x
2020E – 2022E revenue CAGR	19% ⁽¹⁾	27%	27%	40%	24%
2021E gross margin	70% ⁽³⁾	73%	72%	45%	72%
Market positioning	<ul style="list-style-type: none"> Leader in AR automation Proprietary platform with integrated payments Loyal enterprise customer base 	<ul style="list-style-type: none"> Leader in AP automation SMB customer base 	<ul style="list-style-type: none"> Procurement software solutions Early stages of integrated payments 	<ul style="list-style-type: none"> Industry disruptors Mixed revenue models with volume and subscription components 	<ul style="list-style-type: none"> Subscription revenue models Cloud-based automated solutions

Source: Company materials; FactSet as of 10/16/2020

¹ CAGR estimate based on non-GAAP net revenue

² Metrics reflect median of peer set

³ Estimate based on non-GAAP gross margin

Billtrust's equity story



Huge TAM with *strong tailwinds in B2B commerce* and electronic billing and payments



Proprietary platform combining *cloud-based software* and *integrated payments* capabilities



Comprehensive, end-to-end B2B commerce solutions across the value chain

Questions?

Direct sales model with *high retention rates* across industry verticals



Extensive distribution network with tremendous opportunity to scale and *monetize payments*



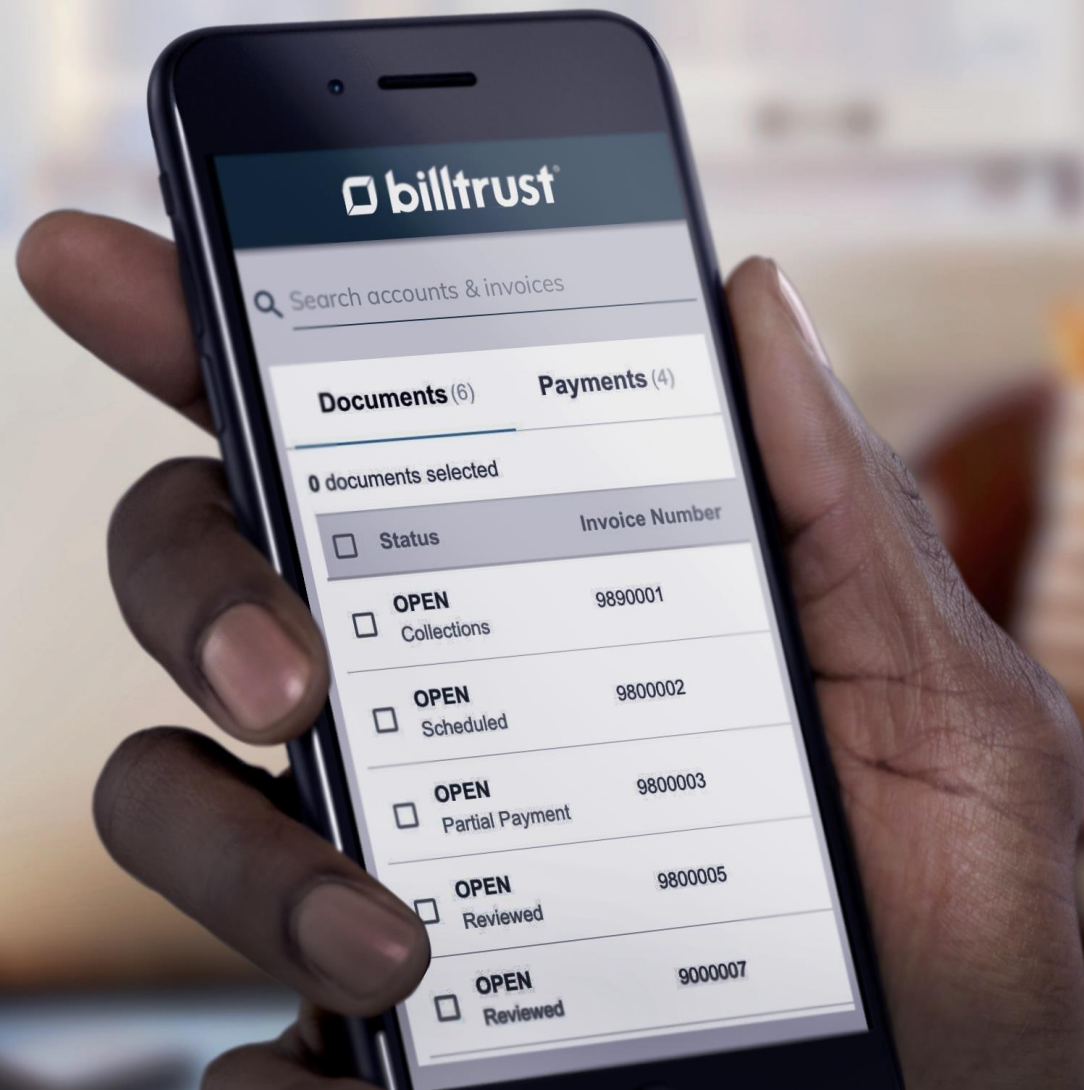
Founder-led and *visionary management team*



Strong revenue growth with *high revenue visibility* and *expanding margins*



Appendix



Peer operating and trading metrics

Sorted by 2021E FV / Revenue

(\$bn)	Firm value	Revenue		Revenue growth			CY21E margins			FV / Revenue		FV /	Stock perf.	
		CY21E	MRQ	CY20E	CY21E	CY22E	Gross	EBITDA	FCF	CY21E	CY22E	21E revenue / 21E growth	Feb 19 peak ⁽¹⁾	
Primary	 Bill.com	\$9.7	\$0.2	33%	31%	24%	31%	73%	(9%)	(16%)	45x	35x	1.9x	85%
	 Coupa	24.3	0.6	32%	29%	26%	27%	72%	16%	12%	39x	31x	1.5x	78%
Median				33%	30%	25%	29%	73%	4%	(2%)	42x	33x	1.7x	
High-growth FinTech	 Adyen	\$56.4	1.1	27%	31%	43%	38%	NM	56%	52%	52x	38x	1.2x	82%
	 Shopify	129.7	3.4	97%	63%	32%	48%	53%	10%	8%	38x	26x	1.2x	96%
	 Square	95.6	9.3	64%	56%	27%	26%	37%	7%	8%	10x	8x	0.4x	119%
Median				64%	56%	32%	38%	45%	10%	8%	38x	26x	1.2x	
Financial SaaS	 Incino	\$7.3	\$0.2	52%	38%	25%	23%	60%	(3%)	(4%)	32x	26x	1.3x	NA
	 DocuSign	48.9	1.8	45%	42%	32%	30%	80%	14%	12%	28x	21x	0.9x	156%
	 Avalara	13.1	0.6	28%	23%	23%	26%	72%	1%	2%	23x	18x	1.0x	75%
	 Duck Creek Technologies	5.7	0.3	NA	19%	17%	17%	58%	1%	(1%)	22x	19x	1.3x	NA
	 Anaplan	9.5	0.5	26%	27%	25%	28%	78%	(3%)	0%	18x	14x	0.7x	(1%)
	 BLACKLINE	6.3	0.4	20%	17%	19%	21%	81%	12%	9%	16x	13x	0.8x	47%
 Q2	5.9	0.5	26%	27%	21%	23%	52%	7%	2%	12x	10x	0.6x	10%	
Median				27%	27%	23%	23%	72%	1%	2%	22x	18x	0.9x	

Source: FactSet as of 10/16/2020

Note: FCF defined as CFO – Capex

¹ Represents pre-COVID market peak

Definitions

Non-GAAP net revenue is defined as total revenue less revenue from out-of-pocket expense reimbursements.

Non-GAAP gross margin is defined as GAAP gross profit divided by non-GAAP net revenue.

EBITDA is defined as net profit/(loss) plus depreciation and amortization expenses, income tax expense/(benefit) and other expense/(income).

EBITDA margin is defined as EBITDA divided by non-GAAP net revenue.

Adjusted EBITDA is defined as net profit/(loss) plus depreciation and amortization expenses, income tax expense/(benefit), other expense/(income), stock-based compensation expense, severance costs and acquisition and integration costs and other one time costs associated with the merger transaction.

Adjusted EBITDA margin is defined as Adjusted EBITDA divided by non-GAAP net revenue.

Free cash flow is defined as net cash flows from operating activities less capitalized expenditures and capitalized software development costs.

Free cash flow margin is defined as free cash flow divided by non-GAAP net revenue.

Net recurring revenue percentage is defined as subscription and transaction fees divided by non-GAAP net revenue.

Net dollar retention rate is calculated by comparing, for a given period, actual recurring revenue (excluding revenue for expense reimbursements such as postage) for all customers who had recurring revenue for all three-months in the corresponding quarter of the prior year, to the same amount from the same customers in the given quarter. The calculation does not include new customers added during the one-year calculation period. This calculation includes additional modules purchased, pricing changes, transaction volume changes and product cancellations during the given period. For periods other than quarters, Billtrust takes the average of the quarters for the stated period.

Reconciliation of non-GAAP net revenue and non-GAAP gross margin⁽¹⁾

<u>(\$mm), year ending 12/31</u>	<u>2017A</u>	<u>2018A</u>	<u>2019A</u>	<u>2017A-2019A CAGR</u>	<u>2020E</u>	<u>2021E</u>	<u>2022E</u>	<u>2020-2022E CAGR</u>
GAAP Total Revenue	110	121	136	11%	142	161	183	13%
Less: Revenue from Out of Pocket Reimbursements	(41)	(41)	(40)		(37)	(37)	(35)	
Non-GAAP Net Revenue	69	80	96	18%	105	123	148	19%
GAAP Gross Profit	44	53	64		73	87	106	
<i>GAAP Gross Margin (%)</i>	<i>40%</i>	<i>44%</i>	<i>47%</i>		<i>51%</i>	<i>54%</i>	<i>58%</i>	
Non-GAAP gross margin (%) ⁽¹⁾	63%	67%	67%		69%	70%	71%	

<u>(\$mm), six months ending 6/30</u>	<u>1H 2019</u>	<u>1H 2020</u>	<u>YoY Growth</u>
GAAP Total Revenue	\$65	\$69	5%
Less: Revenue from Out of Pocket Reimbursements	(\$20)	(\$19)	
Non-GAAP Net Revenue	\$45	\$50	11%
GAAP Gross Profit	\$29	\$35	
<i>GAAP Gross Margin (%)</i>	<i>45%</i>	<i>50%</i>	
Non-GAAP gross margin (%) ⁽¹⁾	65%	69%	

¹ The historical information for 2017, 2018, 2019, 1H 2019, and 1H 2020 is preliminary and is subject to adjustment as Billtrust is in the process of completing the audit procedures for the periods presented.

Reconciliation of non-GAAP net recurring revenue percentage⁽¹⁾

<u>(\$mm), year ending 12/31</u>	<u>2019A</u>
Subscription and transaction fees	\$89
Services and other	7
Out of Pocket reimbursements	40
GAAP Total Revenue	136
Less: Revenue from Out of Pocket Reimbursements	40
Non-GAAP Net Revenue	96
<i>Net recurring revenue percentage</i> ^{(1) (2)}	93%
<i>GAAP recurring revenue percentage</i> ^{(1) (3)}	65%

¹ The historical information for 2019 is preliminary and is subject to adjustment as Billtrust is in the process of completing the audit procedures for the periods presented.

² Net recurring revenue percentage is calculated as subscription and transaction fees divided by non-GAAP net revenue.

³ GAAP recurring revenue percentage is calculated as subscription and transaction fees divided by GAAP total revenue.

Reconciliation of historical non-GAAP financial metrics⁽¹⁾

(\$mm), year ending 12/31	2017A	2018A	2019A
GAAP Net Profit / (Loss)	(17)	(18)	(23)
Add: Depreciation & Amortization	5	6	6
Add: Other Expense/(Income)	1	1	2
Add: Income Expense/(Tax Benefit)	(1)	0	0
EBITDA	(12)	(11)	(15)
GAAP Net Profit / (Loss)	(17)	(18)	(23)
Add: Depreciation & Amortization	5	6	6
Add: Other Expense/(Income)	1	1	2
Add: Income Expense/(Tax Benefit)	(1)	0	0
Add: Stock compensation	2	2	2
Add: Severance	0	1	1
Add: Acquisition & Integration Costs	1	0	1
Adjusted EBITDA	(10)	(8)	(11)
GAAP Net Cash from Operating Activities	(6)	(6)	(7)
Less: Capex	(2)	(7)	(3)
Less: Capitalized Software	(0)	(1)	(1)
Free Cash Flow	(8)	(14)	(12)

¹ The historical information for 2017, 2018 and 2019 is preliminary and is subject to adjustment as Billtrust is in the process of completing the audit procedures for the periods presented.

Summary financials ⁽¹⁾

(\$mm), year ending 12/31	2017A	2018A	2019A	2020E	2021E	2022E
Software and Payments	44	54	69	80	97	123
% growth		23%	28%	16%	21%	26%
Print	21	21	21	19	19	17
% growth		(1%)	(2%)	(10%)	(0%)	(6%)
Services and Other	4	5	7	6	8	8
% growth		28%	50%	(8%)	20%	5%
Non-GAAP Net Revenue	69	80	96	105	123	148
% growth		16%	21%	9%	18%	20%
GAAP Gross Profit	44	53	64	73	87	106
% Non-GAAP gross margin	64%	67%	67%	69%	70%	71%
Research & Development	(20)	(24)	(34)			
Sales & Marketing	(21)	(22)	(22)			
General & Administrative	(16)	(19)	(23)			
Total Operating Expenses	(56)	(64)	(80)			
EBITDA	(12)	(11)	(15)			
% margin	(18%)	(14%)	(15%)			
Adjusted EBITDA	(10)	(8)	(11)			
% margin	(14%)	(10%)	(12%)			
Free Cash Flow	(8)	(14)	(12)			

¹ The historical information for 2017, 2018 and 2019 is preliminary and is subject to adjustment as Billtrust is in the process of completing the audit procedures for the periods presented.