



Q2

FISCAL YEAR 2025



Presenters



Geoff Smith
Chief Financial Officer



Clay Whitson
Chief Strategy Officer

Disclaimer

Except as otherwise indicated or unless the context otherwise requires, all references in this presentation to “we,” “our,” “us,” “i3,” the “Company” or “i3 Verticals” refer to i3 Verticals, Inc.

Forward-Looking Statements

This presentation may contain forward-looking statements within the meaning of federal securities laws relating to, among other things, the future performance of i3 Verticals, Inc. All statements in this presentation other than statements of historical fact, including statements regarding targeted financial performance, expected operating results and other events that depend upon or refer to future events or conditions or that include words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “estimates,” “thinks” and similar expressions, are forward-looking statements. Although we believe that these forward-looking statements are based on reasonable assumptions, these assumptions are inherently subject to significant risks, uncertainties and contingencies, which are difficult or impossible to predict accurately and are beyond our control. Accordingly, there can be no assurance that these future events will occur as anticipated, if at all, or that actual results will be as expected. A number of factors could affect our future results and could cause our expected results to differ materially from those expressed in this presentation. Such differences may result from a number of factors, including, but not limited to, our ability to protect our systems and data from continually evolving cybersecurity risks or other technological risks, including the impact of any cybersecurity incidents or security breaches; liability and reputation damage from unauthorized disclosure, destruction or modification of data or disruption of our services; technical, operational and regulatory risks related to our information technology systems and third-party providers’ systems; our ability to execute on our strategy and achieve our goals following the completion of the sale of our merchant services business and the completion of the sale of our healthcare revenue cycle management business; risks related to ongoing and future economic and geopolitical conditions, including the impact of inflationary pressures, elevated interest rates, current geopolitical instability (including with respect to the current dispute between India and Pakistan), and tariff and trade-related developments; our ability to successfully manage our intellectual property; the triggering of impairment testing of our fair-valued assets, including goodwill and intangible assets, in the event of a decline in the price of our Class A common stock or otherwise; our ability to generate revenues sufficient to maintain profitability and positive cash flow; competition in our industry and our ability to compete effectively; consolidation in the banking and financial services industry; risk of shortages, price increases, changes, delays or discontinuations of hardware due to supply chain disruptions with respect to our limited number of suppliers; impact of inflation and fluctuations in interest rates (including current elevated interest rate levels) and the potential effect of such fluctuations on revenues, expenses and resulting margins; our ability to keep pace with rapid developments and changes in our industry and provide new products and services; reliance on third parties for significant services; exposure to economic conditions and political risks affecting consumer, commercial and government spending, including as a result of budgetary and political pressures to reduce government spending, as well as any decline in the use of credit cards; changes in the budgets or regulatory environments of our public sector customers, primarily local and state governments, that could negatively impact spending; our ability to increase our existing vertical markets, grow within the current vertical markets in which we operate and execute our growth strategy; our ability to successfully identify acquisition targets, complete those acquisitions and effectively integrate those acquisitions into our services; potential degradation of the quality of our products, services and support; our ability to retain customers; our ability to attract, recruit, retain and develop key personnel and qualified employees; risks related to laws, regulations, and industry standards; risk of chargeback liabilities if our customers refuse or cannot reimburse chargebacks resolved in favor of their customers; risks related to laws, regulations and industry standards, including our ability to comply with complex laws and regulations applicable to the healthcare industry or to adjust our operations in response to changing laws and regulations; the impact of recent decisions of the U.S. Supreme Court regarding the actions of federal agencies; the impact of government investigations, claims, and litigation; the effects of health reform initiatives; risks related to our international operations; our indebtedness and our ability to maintain compliance with the financial covenants in our senior secured credit facility; our ability to meet our liquidity needs; our ability to raise additional funds on terms acceptable to us, if at all, whether through debt, equity or a combination thereof; and operating and financial restrictions imposed by our senior secured credit facility. More information about these risks and other factors that may affect our operating results are set forth under the captions “Risk Factors” and “Note Regarding Forward-Looking Statements” in our periodic reports (e.g. 10-K, 10-Q).

The financial information presented herein is not necessarily indicative of the results that may be experienced for any such future period or for any future year.

The forward-looking statements speak only as of the date of this presentation. We do not undertake any obligation to revise or update any of these statements, or to make any other forward-looking statements, whether as a result of new information, future events or otherwise.

Disclaimer Continued

Non-GAAP Financial Measures

This presentation includes the disclosure of certain non-GAAP financial measures presented by the Company, including the following:

- **Adjusted Income Before Taxes from Continuing Operations.** Adjusted income before taxes from continuing operations equals net income (loss) from continuing operations attributable to i3 Verticals Inc., adjusted to add back net income (loss) from continuing operations attributable to non-controlling interest and to exclude certain items on a pre-tax basis which the Company believes may not fully reflect our underlying operating performance. The Company believes that this non-GAAP measure provides useful information to investors in understanding and evaluating the Company's results of continuing operations and ongoing operational performance on a pre-tax basis.
- **Adjusted Net Income from Continuing Operations and Adjusted Diluted Earnings Per Share from Continuing Operations.** Adjusted net income from continuing operations equals adjusted income before taxes from continuing operations as described above, adjusted to give effect to an effective tax rate of 25%, which reflects our estimated long-term effective tax rate, considering blended federal and state tax rates. Adjusted diluted earnings per share from continuing operations equals adjusted net income from continuing operations divided by our adjusted weighted average shares of adjusted diluted Class A common stock outstanding. The Company believes that these non-GAAP measures provide useful information to investors in understanding and evaluating the Company's results of continuing operations and ongoing operational performance on a post-tax basis after giving effect to this assumed tax rate. Adjusted Diluted Earnings per Share from Continuing Operations has also been utilized as a metric in connection with performance-based equity awards previously granted by the Company to executives.
- **Adjusted EBITDA from Continuing Operations and Adjusted EBITDA Margin from Continuing Operations.** Adjusted EBITDA from continuing operations equals net income (loss) from continuing operations attributable to i3 Verticals Inc., before interest, income taxes, depreciation and amortization, adjusted to add back net income (loss) from continuing operations attributable to non-controlling interest, and to exclude certain items which the Company believes do not fully reflect our underlying operating performance. Adjusted EBITDA margin represents adjusted EBITDA as a percentage of revenue. The Company believes that these non-GAAP measures provide useful information to investors in understanding and evaluating the Company's results of continuing operations and ongoing operational performance. Adjusted EBITDA from continuing operations and Adjusted EBITDA margin as presented at a segment level are measures reported to the Company's management for purposes of making decisions about allocating resources and assessing the performance of our business segments, and these measures are presented in the Company's financial statement footnotes in accordance with ASC 280. Adjusted EBITDA and Adjusted EBITDA margin, as presented on a consolidated basis, are non-GAAP financial measures. In addition, Adjusted EBITDA and Adjusted EBITDA margin have been metrics utilized in connection with the Company's short-term annual cash incentive program for executive management.

This presentation also includes the disclosure of certain revenue and other financial measures for certain historical periods in this presentation with respect to our remaining business ("RemainCo") after giving effect to the removal of our healthcare revenue cycle management business (the "Healthcare RCM Business") which was sold to Infinx, Inc. on May 5, 2025 pursuant to a securities purchase agreement dated as of May 5, 2025, which are non-GAAP financial measures. The Company believes that these non-GAAP financial measures present useful information to investors in connection with understanding the ongoing operational performance of the Company by giving effect to the sale of the Healthcare RCM Business, which will not be included in the financial results of the Company following the completion of such sale on May 5, 2025.

The Company discloses these non-GAAP financial measures when reporting its financial results to stockholders and potential investors in order to provide them with an additional tool to evaluate the Company's ongoing business operations. The Company believes that the disclosure of these non-GAAP financial measures provides investors with important key financial performance indicators as described above. In addition, these non-GAAP financial measures are utilized by management to assess the Company's financial results, evaluate the Company's business and make operational decisions on a prospective, going-forward basis. Hence, management provides disclosure of these non-GAAP financial measures to give stockholders and potential investors an opportunity to see the Company as viewed by management, to assess the Company with some of the same tools that management utilizes internally and to be able to compare such information with prior periods. The Company believes that disclosure of these non-GAAP financial measures provides investors with additional information to help them better understand its financial statements just as management utilizes these non-GAAP financial measures to better understand the business, manage budgets and allocate resources. Although these non-GAAP financial measures assist in measuring the Company's financial results and assessing its financial performance, they are not necessarily comparable to similarly titled measures of other companies due to potential inconsistencies in the method of calculation. Reconciliations of the non-GAAP financial measures included in this presentation are included later in this presentation.

i3 Verticals at a Glance⁽¹⁾

\$106.4M

YTD 2025 Revenue

9%

Q2 FY2025 ARR⁽²⁾ Growth

\$30.4M

YTD 2025 Adj. EBITDA⁽³⁾

29%

YTD 2025 Adj EBITDA Margin⁽³⁾

75%

YTD 2025 Recurring Revenue

~1,120

Employees

~500

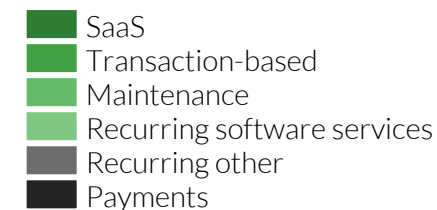
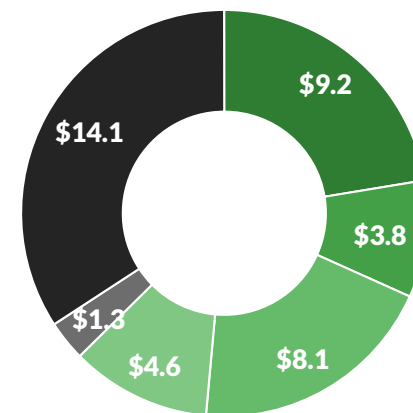
Tech Pros

Vertical Market Software Growth Driving Attractive ARR Profile



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Q2 FY2025 Revenue Within Categories



1.) All financial information presented on this slide reflects our remaining business ("RemainCo") after giving effect to the removal of our healthcare revenue cycle management business (the "Healthcare RCM Business") which was sold to Infinx, Inc. on May 5, 2025, pursuant to a securities purchase agreement dated as of May 5, 2025. All financial information presented on this slide for YTD 2025 reflects our financial results for the six months ended March 31, 2025.
 2.) For additional information regarding Annual Recurring Revenue (ARR), see subsequent slides
 3.) For additional information regarding Adjusted EBITDA from Continuing Operations and Adjusted EBITDA Margin from Continuing Operations (which are non-GAAP financial measures), including reconciliations, see subsequent slides.

Public Sector Vertical Software Solutions

26 Acquisitions to Date



Justice Tech / Public Safety

- Courts: Case Management, Evidence Management, Online Dispute Resolution, E-Filing
- Public safety: Fully integrated Records Management and Jail Management
- Data Services and Document Management



Utilities

- Customer Engagement Suite
- Cloud Based Customer Information System
- Integrated Reporting
- Billing and Payments
- EIVR



Transportation

- Motor Vehicle: Vehicle Title and Registration, Electronic Insurance Verification, Data Services
- Motor Carrier: IRP, IFTA, PARS, & CVIEW
- Drivers License



ERP

- GL & Finance Management
- Land Records Management
- Licensing & Permitting
- Appraisal and Property Tax
- Sales Tax

Future Opportunities

Transition Clients to Secure Cloud Infrastructure

Cross-Sell Solutions to Existing Customers

Integrate Payments Into Proprietary Software Solutions

Strategically Build New Solutions

Education

- School Lunch POS and Inventory Management
- K - 12 Payments
- Nutrition Services
- Ticketing & Events

Key Drivers of Shareholder Value⁽¹⁾

Sustained Organic Growth in Underserved Markets

| | |
|--|--|
| Growing Recurring Revenue Streams | <ul style="list-style-type: none">* \$164.5 million of ARR* Over 75% Recurring Revenue |
| Attractive Sources of Revenue | <ul style="list-style-type: none">* 70% Software Revenue* 26% Payments Revenue* 4% Other Revenue |
| Attractive Vertical Focus | <ul style="list-style-type: none">* Fragmented* Defensive* Underserved |



Continuous Ability to Pursue M&A and Drive Inorganic Growth

| | |
|--|--|
| History of Successful Execution | <ul style="list-style-type: none">* 26 Public Sector Software Acquisitions to Date |
| Robust Future M&A Pipeline | <ul style="list-style-type: none">* Net cash position after divestitures |
| Management Track Record | <ul style="list-style-type: none">* Third Public Company |

1.) All financial information on this slide is presented for the three months ended March 31, 2025

Revenue Composition - Continuing Operations⁽¹⁾

| (\$ in thousands) | Quarter Ended | | | | | | | | | |
|---|-------------------|-------------------|--------------------|-------------------|-------------------|-------------------|--------------------|-------------------|-------------------|--|
| | March 31, 2025 | December 31, 2024 | September 30, 2024 | June 30, 2024 | March 31, 2024 | December 31, 2023 | September 30, 2023 | June 30, 2023 | March 31, 2023 | |
| Software and related service revenue | | | | | | | | | | |
| SaaS ⁽¹⁾ | \$ 10,585 | \$ 10,182 | \$ 9,677 | \$ 8,834 | \$ 8,809 | \$ 8,742 | \$ 8,977 | \$ 8,523 | \$ 8,244 | |
| Transaction-based ⁽²⁾ | 4,043 | 3,836 | 4,121 | 3,928 | 3,538 | 3,651 | 3,706 | 3,291 | 3,174 | |
| Maintenance ⁽³⁾ | 8,288 | 8,796 | 8,783 | 8,433 | 8,125 | 8,207 | 7,970 | 8,336 | 8,039 | |
| Recurring software services ⁽⁴⁾ | 11,092 | 10,343 | 10,497 | 10,913 | 11,263 | 10,205 | 10,303 | 11,127 | 10,567 | |
| Professional services ⁽⁵⁾ | 9,410 | 9,841 | 10,062 | 8,906 | 9,199 | 8,881 | 10,777 | 10,039 | 10,634 | |
| Software licenses | 2,805 | 2,677 | 2,498 | 405 | 963 | 417 | 2,714 | 2,380 | 3,193 | |
| Total | \$ 46,223 | \$ 45,675 | \$ 45,638 | \$ 41,419 | \$ 41,897 | \$ 40,103 | \$ 44,447 | \$ 43,696 | \$ 43,851 | |
| <i>Year-over-year growth</i> | <i>10%</i> | <i>14%</i> | <i>3%</i> | <i>(5)%</i> | <i>(4)%</i> | | | | | |
| Payments revenue | \$ 14,141 | \$ 13,511 | \$ 12,225 | \$ 11,867 | \$ 13,572 | \$ 12,677 | \$ 11,296 | \$ 10,895 | \$ 12,903 | |
| <i>Year-over-year growth</i> | <i>4%</i> | <i>7%</i> | <i>8%</i> | <i>9%</i> | <i>5%</i> | | | | | |
| Other revenue | | | | | | | | | | |
| Recurring ⁽⁶⁾ | \$ 1,614 | \$ 1,646 | \$ 1,738 | \$ 1,343 | \$ 1,405 | \$ 1,423 | \$ 1,526 | \$ 1,445 | \$ 1,363 | |
| Other | 1,081 | 859 | 1,263 | 1,408 | 1,094 | 851 | 1,315 | 1,224 | 1,050 | |
| Total | \$ 2,695 | \$ 2,505 | \$ 3,001 | \$ 2,751 | \$ 2,499 | \$ 2,274 | \$ 2,841 | \$ 2,669 | \$ 2,413 | |
| <i>Year-over-year growth</i> | <i>8%</i> | <i>10%</i> | <i>6%</i> | <i>3%</i> | <i>4%</i> | | | | | |
| Total revenue | \$ 63,059 | \$ 61,691 | \$ 60,864 | \$ 56,037 | \$ 57,968 | \$ 55,054 | \$ 58,584 | \$ 57,260 | \$ 59,167 | |
| Recurring revenue⁽⁷⁾ | \$ 49,763 | \$ 48,314 | \$ 47,040 | \$ 45,318 | \$ 46,712 | \$ 44,905 | \$ 43,778 | \$ 43,617 | \$ 44,290 | |
| Annual recurring revenue ("ARR")⁽⁸⁾ | | | | | | | | | | |
| Software and related service revenue | \$ 136,032 | \$ 132,628 | \$ 132,313 | \$ 128,432 | \$ 126,940 | \$ 123,220 | \$ 123,824 | \$ 125,108 | \$ 120,096 | |
| Payments revenue | 56,564 | 54,044 | 48,898 | 47,468 | 54,288 | 50,708 | 45,184 | 43,580 | 51,612 | |
| Other revenue | 6,456 | 6,584 | 6,951 | 5,372 | 5,620 | 5,692 | 6,104 | 5,780 | 5,452 | |
| Total ARR | \$ 199,052 | \$ 193,256 | \$ 188,162 | \$ 181,272 | \$ 186,848 | \$ 179,620 | \$ 175,112 | \$ 174,468 | \$ 177,160 | |
| <i>Year-over-year growth</i> | <i>7%</i> | <i>8%</i> | <i>7%</i> | <i>4%</i> | <i>5%</i> | | | | | |

See footnotes continued on the next slide.

Revenue Composition - Continuing Operations

- 1.) As a result of the sale of our merchant services business (the “Merchant Services Business”) on September 20, 2024, the historical results of our Merchant Services Business have been reflected in discontinued operations in the results of operations included in this supplemental information, and continuing operations reflect our remaining operations after giving effect to such classification. Prior period results have been recast to reflect this presentation. In addition, as previously announced, on May 5, 2025, the Company entered into a securities purchase agreement pursuant to which the Company sold its healthcare revenue cycle management business (the “Healthcare RCM Business”) on such date to Infix, Inc. In addition, the Healthcare RCM Business was not classified as held for sale according to GAAP as of March 31, 2025. Accordingly, the current period and historical results of the Healthcare RCM Business are presented within results from continuing operations. On subsequent slides, we present certain revenue-related information (i) with respect to the Healthcare RCM Business, (ii) with respect to our remaining business after giving effect to the removal of the Healthcare RCM Business (“RemainCo”), and (iii) on a consolidated basis for reconciliation purposes.
- 2.) SaaS revenue is earned when we provide, as a service to our customers over time, the right to access our software, generally hosted in a cloud environment.
- 3.) Transaction-based software revenue is earned when we provide services through our software and charge a per-transaction fee. For example, when we provide electronic filing services for courts and charge fees per filing, or when we stand-ready to process and bill utility customers and charge the utility a fee per bill electronically presented.
- 4.) Software maintenance revenue is earned when, following the implementation of our software systems, we provide ongoing software support services to assist our customers in operating the systems and to periodically update the software.
- 5.) Recurring software services are earned when we provide long-term, usually evergreen, contracted services to our customers through our software. The services provided, such as healthcare revenue cycle management, or automated collections management, are integrated into one of our software solutions.
- 6.) Professional services are earned when we provide customized services to our customers who utilize our software products. Many of our customers contract with us for installation, configuration, training, and data conversion projects, which do not necessarily recur, and as such are excluded from our calculation of ARR.
- 7.) Recurring other revenue primarily consists of recurring long-term contracts that are not specific to software, such as hardware maintenance plans or field service plans.
- 8.) Recurring revenue consists of software-as-a-service (“SaaS”) arrangements, transaction-based software-revenue, software maintenance revenue, recurring software-based services, payments revenue and other recurring revenue sources. This excludes contracts that are not recurring or are one-time in nature.
- 9.) Annualized Recurring Revenue (ARR) is the annualized revenue derived from recurring sources where the Company has an ongoing contract with our customers. We believe revenue from recurring sources is a strategic priority. ARR is comprised of software-as-a-service (“SaaS”) arrangements, transaction-based software-revenue, software maintenance, recurring software-based services, payments revenue and other recurring revenue sources within the quarter. The sum of these revenue categories is multiplied by four to calculate ARR. ARR excludes revenue that is not recurring or is one-time in nature. We believe this metric provides useful information to investors by providing visibility regarding the ongoing revenue potential of our business model and providing a clearer picture of our sustainable revenue base. Further, management uses ARR as a metric because it helps to assess the health and trajectory of our business. Our management believes that focusing on ARR can orient our sales and operations management towards long-term, reliable revenue growth. This focus on recurring revenue is particularly relevant for businesses operating under a subscription model, where customer retention and contract renewals play a significant role in long-term financial performance. ARR does not have a standardized definition and is therefore unlikely to be comparable to similarly titled measures presented by other companies. It should be reviewed independently of revenue and it is not a forecast. Additionally, ARR does not take into account seasonality. The active contracts at the end of a reporting period used in calculating ARR may or may not be extended or renewed by our customers.

Revenue Composition - Reconciliation of Healthcare RCM Business and RemainCo⁽¹⁾

(\$ in thousands)

| | Quarter Ended | | | | | | | | |
|---|----------------|-------------------|--------------------|---------------|----------------|-------------------|--------------------|---------------|----------------|
| | March 31, 2025 | December 31, 2024 | September 30, 2024 | June 30, 2024 | March 31, 2024 | December 31, 2023 | September 30, 2023 | June 30, 2023 | March 31, 2023 |
| Total - Software and related service revenue | | | | | | | | | |
| SaaS ⁽²⁾ | \$ 10,585 | \$ 10,182 | \$ 9,677 | \$ 8,834 | \$ 8,809 | \$ 8,742 | \$ 8,977 | \$ 8,523 | \$ 8,244 |
| Transaction-based ⁽³⁾ | 4,043 | 3,836 | 4,121 | 3,928 | 3,538 | 3,651 | 3,706 | 3,291 | 3,174 |
| Maintenance ⁽⁴⁾ | 8,288 | 8,796 | 8,783 | 8,433 | 8,125 | 8,207 | 7,970 | 8,336 | 8,039 |
| Recurring software services ⁽⁵⁾ | 11,092 | 10,343 | 10,497 | 10,913 | 11,263 | 10,205 | 10,303 | 11,127 | 10,567 |
| Professional services ⁽⁶⁾ | 9,410 | 9,841 | 10,062 | 8,906 | 9,199 | 8,881 | 10,777 | 10,039 | 10,634 |
| Software licenses | 2,805 | 2,677 | 2,498 | 405 | 963 | 417 | 2,714 | 2,380 | 3,193 |
| Total | \$ 46,223 | \$ 45,675 | \$ 45,638 | \$ 41,419 | \$ 41,897 | \$ 40,103 | \$ 44,447 | \$ 43,696 | \$ 43,851 |
| Healthcare RCM Business - Software and related service revenue | | | | | | | | | |
| SaaS ⁽²⁾ | \$ 1,376 | \$ 1,370 | \$ 1,346 | \$ 1,317 | \$ 1,309 | \$ 1,323 | \$ 1,312 | \$ 1,308 | \$ 1,325 |
| Transaction-based ⁽³⁾ | 213 | 230 | 211 | 205 | 8 | 386 | 322 | 43 | 2 |
| Maintenance ⁽⁴⁾ | 173 | 174 | 173 | 178 | 189 | 192 | 193 | 199 | 200 |
| Recurring software services ⁽⁵⁾ | 6,710 | 7,302 | 7,218 | 7,461 | 7,310 | 7,102 | 6,985 | 7,636 | 6,495 |
| Professional services ⁽⁶⁾ | 274 | 258 | 333 | 434 | 404 | 425 | 411 | 363 | 424 |
| Software licenses | — | 3 | 7 | — | 2 | 22 | 6 | 11 | — |
| Total | \$ 8,746 | \$ 9,337 | \$ 9,288 | \$ 9,595 | \$ 9,222 | \$ 9,450 | \$ 9,229 | \$ 9,560 | \$ 8,446 |
| Intercompany eliminations of Recurring software services ⁽⁷⁾ | \$ (202) | \$ (266) | \$ (137) | \$ (139) | \$ (133) | \$ (4) | \$ (3) | \$ (1) | \$ — |
| RemainCo - Software and related service revenue | | | | | | | | | |
| SaaS ⁽²⁾ | \$ 9,209 | \$ 8,812 | \$ 8,331 | \$ 7,517 | \$ 7,500 | \$ 7,419 | \$ 7,665 | \$ 7,215 | \$ 6,919 |
| Transaction-based ⁽³⁾ | 3,830 | 3,606 | 3,910 | 3,723 | 3,530 | 3,265 | 3,384 | 3,248 | 3,172 |
| Maintenance ⁽⁴⁾ | 8,115 | 8,622 | 8,610 | 8,255 | 7,936 | 8,015 | 7,777 | 8,137 | 7,839 |
| Recurring software services ⁽⁵⁾ | 4,584 | 3,307 | 3,416 | 3,591 | 4,086 | 3,107 | 3,321 | 3,492 | 4,072 |
| Professional services ⁽⁶⁾ | 9,136 | 9,583 | 9,729 | 8,472 | 8,795 | 8,456 | 10,366 | 9,676 | 10,210 |
| Software licenses | 2,805 | 2,674 | 2,491 | 405 | 961 | 395 | 2,708 | 2,369 | 3,193 |
| Total | \$ 37,679 | \$ 36,604 | \$ 36,487 | \$ 31,963 | \$ 32,808 | \$ 30,657 | \$ 35,221 | \$ 34,137 | \$ 35,405 |

See remaining reconciliation continued on the next slide.

Revenue Composition - Reconciliation of Healthcare RCM Business and RemainCo⁽¹⁾

| (\$ in thousands) | Quarter Ended | | | | | | | | | |
|---|----------------|-------------------|--------------------|---------------|----------------|-------------------|--------------------|---------------|----------------|--|
| | March 31, 2025 | December 31, 2024 | September 30, 2024 | June 30, 2024 | March 31, 2024 | December 31, 2023 | September 30, 2023 | June 30, 2023 | March 31, 2023 | |
| Total - Payments revenue | \$ 14,141 | \$ 13,511 | \$ 12,225 | \$ 11,867 | \$ 13,572 | \$ 12,677 | \$ 11,296 | \$ 10,895 | \$ 12,903 | |
| Healthcare RCM Business - Payments revenue | 83 | 75 | 75 | 70 | 67 | 56 | 39 | 23 | 17 | |
| RemainCo - Payments revenue | \$ 14,058 | \$ 13,436 | \$ 12,150 | \$ 11,797 | \$ 13,505 | \$ 12,621 | \$ 11,257 | \$ 10,872 | \$ 12,886 | |
| Total - Other revenue | | | | | | | | | | |
| Recurring ⁽⁸⁾ | \$ 1,614 | \$ 1,646 | \$ 1,738 | \$ 1,343 | \$ 1,405 | \$ 1,423 | \$ 1,526 | \$ 1,445 | \$ 1,363 | |
| Other | 1,081 | 859 | 1,263 | 1,408 | 1,094 | 851 | 1,315 | 1,224 | 1,050 | |
| Total | \$2,695 | \$2,505 | \$3,001 | \$2,751 | \$2,499 | \$2,274 | \$2,841 | \$ 2,669 | \$ 2,413 | |
| Healthcare RCM Business - Other revenue | | | | | | | | | | |
| Recurring ⁽⁸⁾ | \$ 297 | \$ 324 | \$ 314 | \$ 328 | \$ 307 | \$ 329 | \$ 353 | \$ 357 | \$ 378 | |
| Other | — | — | 1 | — | 1 | 1 | 4 | 2 | 1 | |
| Total | \$ 297 | \$ 324 | \$ 315 | \$ 328 | \$ 308 | \$ 330 | \$ 357 | \$ 359 | \$ 379 | |
| RemainCo - Other revenue | | | | | | | | | | |
| Recurring ⁽⁸⁾ | \$ 1,317 | \$ 1,322 | \$ 1,424 | \$ 1,015 | \$ 1,098 | \$ 1,094 | \$ 1,173 | \$ 1,088 | \$ 985 | |
| Other | 1,081 | 859 | 1,262 | 1,408 | 1,093 | 850 | 1,311 | 1,222 | 1,049 | |
| Total | \$ 2,398 | \$ 2,181 | \$ 2,686 | \$ 2,423 | \$ 2,191 | \$ 1,944 | \$ 2,484 | \$ 2,310 | \$ 2,034 | |
| Totals | | | | | | | | | | |
| Total Revenue | \$ 63,059 | \$ 61,691 | \$ 60,864 | \$ 56,037 | \$ 57,968 | \$ 55,054 | \$ 58,584 | \$ 57,260 | \$ 59,167 | |
| Healthcare RCM Business Revenue | 9,126 | 9,736 | 9,678 | 9,993 | 9,597 | 9,836 | 9,625 | 9,942 | 8,842 | |
| Intercompany Eliminations | (202) | (266) | (137) | (139) | (133) | (4) | (3) | (1) | — | |
| RemainCo Revenue | 54,135 | 52,221 | 51,323 | 46,183 | 48,504 | 45,222 | 48,962 | 47,319 | 50,325 | |
| RemainCo Recurring Revenue ⁽⁹⁾ | 41,113 | 39,105 | 37,841 | 35,898 | 37,655 | 35,521 | 34,577 | 34,052 | 35,873 | |

See footnotes continued on the next slide.

Revenue Composition - Reconciliation of Healthcare RCM Business and RemainCo⁽¹⁾

- 1.) In connection with the sale of our Healthcare RCM business on May 5, 2025, as noted above, Slides 10 and 11 present certain revenue-related information (i) with respect to the Healthcare RCM Business, (ii) with respect to our remaining business after giving to the removal of the Healthcare RCM Business (“RemainCo”), and (iii) on a consolidated basis for reconciliation purposes. Prior period results have been recast to reflect this presentation.
- 2.) SaaS revenue is earned when we provide, as a service to our customers over time, the right to access our software, generally hosted in a cloud environment.
- 3.) Transaction-based software revenue is earned when we provide services through our software and charge a per-transaction fee. For example, when we provide electronic filing services for courts and charge fees per filing, or when we stand-ready to process and bill utility customers and charge the utility a fee per bill electronically presented.
- 4.) Software maintenance revenue is earned when, following the implementation of our software systems, we provide ongoing software support services to assist our customers in operating the systems and to periodically update the software.
- 5.) Recurring software services are earned when we provide long-term, usually evergreen, contracted services to our customers through our software. The services provided, such as healthcare revenue cycle management, or automated collections management, are integrated into one of our software solutions.
- 6.) Professional services are earned when we provide customized services to our customers who utilize our software products. Many of our customers contract with us for installation, configuration, training, and data conversion projects, which do not necessarily recur, and as such are excluded from our calculation of ARR.
- 7.) Intercompany eliminations of Recurring software services relate to intercompany transactions between the Healthcare RCM Business and RemainCo that have historically been eliminated upon consolidation. These eliminations are added back to RemainCo revenue to present standalone financial information.
- 8.) Recurring other revenue primarily consists of recurring long-term contracts that are not specific to software, such as hardware maintenance plans or field service plans.
- 9.) Recurring revenue consists of software-as-a-service (“SaaS”) arrangements, transaction-based software-revenue, software maintenance revenue, recurring software-based services, payments revenue and other recurring revenue sources. This excludes contracts that are not recurring or are one-time in nature. RemainCo recurring revenue equals consolidated recurring revenue less Healthcare RCM Business recurring revenue, after giving effect to intercompany eliminations. See slides 10 and 11 for additional information regarding the components of recurring revenue for the periods presented.

Q2 QTD 2025 Segment Performance⁽¹⁾

| (\$ in thousands) | Three Months Ended March 31, 2025 | | | | Three Months Ended March 31, 2024 | | | |
|--|-----------------------------------|------------|------------|-----------|-----------------------------------|------------|------------|-----------|
| | Public Sector | Healthcare | Other | Total | Public Sector | Healthcare | Other | Total |
| Revenue from continuing operations | \$ 52,405 | \$ 10,857 | \$ (203) | \$ 63,059 | \$ 47,097 | \$ 11,053 | \$ (182) | \$ 57,968 |
| Recurring cash other costs of services ⁽²⁾⁽³⁾ | 15,698 | 6,151 | 338 | 22,187 | 14,207 | 6,209 | 731 | 21,147 |
| Recurring cash SG&A expenses ⁽²⁾⁽⁴⁾ | 15,131 | 2,984 | 5,615 | 23,730 | 13,657 | 3,069 | 4,881 | 21,607 |
| Adjusted EBITDA from continuing operations⁽⁵⁾ | \$ 21,576 | \$ 1,722 | \$ (6,156) | \$ 17,142 | \$ 19,233 | \$ 1,775 | \$ (5,794) | \$ 15,214 |
| Adjusted EBITDA margin from continuing operations⁽⁵⁾ | 41 % | 16 % | n/m | 27 % | 41 % | 16 % | n/m | 26 % |
| Period over period growth rates | | | | | | | | |
| Revenue from continuing operations | 11% | (2)% | | 9% | | | | |
| Recurring cash other costs of services ⁽²⁾⁽³⁾ | 10% | (1)% | | 5% | | | | |
| Recurring cash SG&A expenses ⁽²⁾⁽⁴⁾ | 11% | (3)% | | 10% | | | | |
| Adjusted EBITDA from continuing operations ⁽⁵⁾ | 12% | (3)% | | 13% | | | | |

- 1.) i3 Verticals currently has two segments, "Public Sector" and "Healthcare." i3 Verticals also has an "Other" category, which includes corporate overhead, technology resources shared across segments and inter-segment eliminations.
- 2.) Following the disposal of our Merchant Services Business in the fourth quarter of fiscal year 2024, our core business is providing software solutions for key verticals. Given the change in our business model following the sale of our Merchant Services Business, we have reclassified certain expenses to better align with the primary industry in which we now operate. During the first quarter of fiscal year 2025, we revised our presentation of certain expenses in the Condensed Consolidated Statements of Operations from selling, general and administrative expenses to other costs of services. We reclassified personnel costs related to installation of our software, conversion of client data, training client personnel, customer support activities and various other services provided directly to customers from selling, general and administrative to other costs of services. We also reclassified certain hosting and related software costs for directly supporting our customers from selling, general and administrative to other costs of services. Prior period results have been reclassified to conform to the current presentation. These tables are presented for our continuing operations. In addition, the Healthcare RCM Business was not classified as held for sale according to GAAP as of March 31, 2025. Accordingly, the current period and historical results of the Healthcare RCM Business are presented within results from continuing operations.
- 3.) Recurring cash other costs of services represents recurring operating costs directly related to our revenue generating activities except the stock compensation portion of personnel costs included within other costs of services.
- 4.) Recurring cash SG&A expenses represents recurring operating costs such as certain people costs (for individuals not within other cost of services), technology, facilities, sales and marketing.
- 5.) Adjusted EBITDA from continuing operations and Adjusted EBITDA margin from continuing operations as presented at a segment level are measures reported to our management for purposes of making decisions about allocating resources and assessing the performance of our business segments, and these measures are presented in our financial statement footnotes in accordance with ASC 280. Adjusted EBITDA margin represents adjusted EBITDA as a percentage of revenue. Adjusted EBITDA and Adjusted EBITDA margin, as presented on a consolidated basis, are non-GAAP financial measures. For additional information regarding these non-GAAP financial measures, including reconciliations of Adjusted EBITDA to the most comparable GAAP measure. Refer to the following slides for the reconciliations of non-GAAP financial measures.

Q2 YTD 2025 Segment Performance⁽¹⁾

| (\$ in thousands) | Six Months Ended March 31, 2025 | | | | Six Months Ended March 31, 2024 | | | |
|--|---------------------------------|------------|-------------|------------|---------------------------------|------------|-------------|------------|
| | Public Sector | Healthcare | Other | Total | Public Sector | Healthcare | Other | Total |
| Revenue from continuing operations | \$ 101,190 | \$ 24,028 | \$ (468) | \$ 124,750 | \$ 90,595 | \$ 22,633 | \$ (206) | \$ 113,022 |
| Recurring cash other costs of services ⁽²⁾⁽³⁾ | 30,413 | 12,325 | 480 | 43,218 | 27,170 | 12,029 | 1,525 | 40,724 |
| Recurring cash SG&A expenses ⁽²⁾⁽⁴⁾ | 29,958 | 6,233 | 11,827 | 48,018 | 26,833 | 6,035 | 10,228 | 43,096 |
| Adjusted EBITDA from continuing operations⁽⁵⁾ | \$ 40,819 | \$ 5,470 | \$ (12,775) | \$ 33,514 | \$ 36,592 | \$ 4,569 | \$ (11,959) | \$ 29,202 |
| Adjusted EBITDA margin from continuing operations⁽⁵⁾ | 40 % | 23 % | n/m | 27 % | 40 % | 20 % | n/m | 26 % |
| Period over period growth rates | | | | | | | | |
| Revenue from continuing operations | 12% | 6% | | 10% | | | | |
| Recurring cash other costs of services ⁽²⁾⁽³⁾ | 12% | 2% | | 6% | | | | |
| Recurring cash SG&A expenses ⁽²⁾⁽⁴⁾ | 12% | 3% | | 11% | | | | |
| Adjusted EBITDA from continuing operations ⁽⁵⁾ | 12% | 20% | | 15% | | | | |

- 1.) i3 Verticals currently has two segments, "Public Sector" and "Healthcare." i3 Verticals also has an "Other" category, which includes corporate overhead, technology resources shared across segments and inter-segment eliminations.
- 2.) Following the disposal of our Merchant Services Business in the fourth quarter of fiscal year 2024, our core business is providing software solutions for key verticals. Given the change in our business model following the sale of our Merchant Services Business, we have reclassified certain expenses to better align with the primary industry in which we now operate. During the first quarter of fiscal year 2025, we revised our presentation of certain expenses in the Condensed Consolidated Statements of Operations from selling, general and administrative expenses to other costs of services. We reclassified personnel costs related to installation of our software, conversion of client data, training client personnel, customer support activities and various other services provided directly to customers from selling, general and administrative to other costs of services. We also reclassified certain hosting and related software costs for directly supporting our customers from selling, general and administrative to other costs of services. Prior period results have been reclassified to conform to the current presentation. These tables are presented for our continuing operations. In addition, the Healthcare RCM Business was not classified as held for sale according to GAAP as of March 31, 2025. Accordingly, the current period and historical results of the Healthcare RCM Business are presented within results from continuing operations.
- 3.) Recurring cash other costs of services represents recurring operating costs directly related to our revenue generating activities except the stock compensation portion of personnel costs included within other costs of services.
- 4.) Recurring cash SG&A expenses represents recurring operating costs such as certain people costs (for individuals not within other cost of services), technology, facilities, sales and marketing.
- 5.) Adjusted EBITDA from continuing operations and Adjusted EBITDA margin from continuing operations as presented at a segment level are measures reported to our management for purposes of making decisions about allocating resources and assessing the performance of our business segments, and these measures are presented in our financial statement footnotes in accordance with ASC 280. Adjusted EBITDA margin represents adjusted EBITDA as a percentage of revenue. Adjusted EBITDA and Adjusted EBITDA margin, as presented on a consolidated basis, are non-GAAP financial measures. For additional information regarding these non-GAAP financial measures, including reconciliations of Adjusted EBITDA to the most comparable GAAP measure. Refer to the following slides for the reconciliations of non-GAAP financial measures.

Reconciliation of Non-GAAP Financial Measures⁽¹⁾

The reconciliation of our income (loss) from continuing operations attributable to i3 Verticals, Inc. to non-GAAP adjusted income (loss) before taxes from continuing operations, non-GAAP adjusted net income from continuing operations and non-GAAP adjusted EBITDA from continuing operations, on both a consolidated basis and at a segment level, for the three months ended March 31, 2025, and March 31, 2024, is as follows:

| (\$ in thousands) | Three Months Ended March 31, 2025 | | | | Three Months Ended March 31, 2024 | | | |
|--|-----------------------------------|-----------------|-------------------|------------------|-----------------------------------|-----------------|--------------------|------------------|
| | Public Sector | Healthcare | Other | Total | Public Sector | Healthcare | Other | Total |
| Net income (loss) from continuing operations attributable to i3 Verticals, Inc. | \$ 16,050 | \$ (417) | \$ (15,560) | \$ 73 | \$ 13,318 | \$ 1,160 | \$ (16,187) | \$ (1,709) |
| Net income (loss) from continuing operations attributable to non-controlling interests | — | — | 1,022 | 1,022 | — | — | (593) | (593) |
| Net income (loss) from continuing operations | 16,050 | (417) | (14,538) | 1,095 | 13,318 | 1,160 | (16,780) | (2,302) |
| Non-GAAP Adjustments: | | | | | | | | |
| Provision for (benefit from) income taxes | — | — | 3,054 | 3,054 | — | — | (669) | (669) |
| Non-cash change in fair value of contingent consideration ⁽²⁾ | (786) | 1,167 | — | 381 | 88 | (378) | — | (290) |
| Equity-based compensation ⁽³⁾ | — | — | 3,932 | 3,932 | — | — | 5,022 | 5,022 |
| M&A-related activity ⁽⁴⁾ | — | — | 109 | 109 | — | — | 714 | 714 |
| Acquisition intangible amortization ⁽⁵⁾ | 4,104 | 809 | — | 4,913 | 4,015 | 815 | — | 4,830 |
| Non-cash interest ⁽⁶⁾ | — | — | 250 | 250 | — | — | 262 | 262 |
| Other taxes ⁽⁷⁾ | 1 | — | 454 | 455 | (1) | 28 | 62 | 89 |
| Net gain on exchangeable note repurchases and related transactions ⁽⁸⁾ | — | — | — | — | — | — | (2,257) | (2,257) |
| Gain on disposal of property and equipment ⁽⁹⁾ | — | (38) | — | (38) | — | — | — | — |
| Non-GAAP adjusted income (loss) before taxes from continuing operations | 19,369 | 1,521 | (6,739) | 14,151 | 17,420 | 1,625 | (13,646) | 5,399 |
| Estimated taxes at 25% ⁽¹⁰⁾ | (4,842) | (380) | 1,685 | (3,537) | (4,355) | (406) | 3,410 | (1,351) |
| Adjusted net income (loss) from continuing operations⁽¹¹⁾ | \$ 14,527 | \$ 1,141 | \$ (5,054) | \$ 10,614 | \$ 13,065 | \$ 1,219 | \$ (10,236) | \$ 4,048 |
| Plus: | | | | | | | | |
| Cash interest (income) expense, net ⁽¹²⁾ | — | — | 64 | 64 | — | — | 7,452 | 7,452 |
| Estimated taxes at 25% ⁽¹⁰⁾ | 4,842 | 380 | (1,685) | 3,537 | 4,355 | 406 | (3,410) | 1,351 |
| Depreciation and internally developed software amortization ⁽¹³⁾ | 2,207 | 201 | 519 | 2,927 | 1,813 | 150 | 400 | 2,363 |
| Adjusted EBITDA from continuing operations⁽¹⁴⁾ | \$ 21,576 | \$ 1,722 | \$ (6,156) | \$ 17,142 | \$ 19,233 | \$ 1,775 | \$ (5,794) | \$ 15,214 |

See footnotes continued on the next slide.

Reconciliation of Non-GAAP Financial Measures⁽¹⁾

The reconciliation of our quarterly GAAP diluted EPS from continuing operations and non-GAAP pro forma adjusted diluted EPS from continuing operations is as follows:

| (\$ in thousands, except share and per share amounts) | Three Months Ended March 31, 2025 | | Three Months Ended March 31, 2024 | |
|--|--------------------------------------|------------|--------------------------------------|------------|
| Diluted net income (loss) attributable to Class A common stock per share from continuing operations | \$ | — | \$ | (0.07) |
| Pro forma adjusted diluted earnings per share from continuing operations ⁽⁹⁾⁽¹³⁾⁽¹⁴⁾ | \$ | 0.32 | \$ | 0.12 |
| Pro forma adjusted net income from continuing operations ⁽⁹⁾ | \$ | 10,614 | \$ | 4,047 |
| Pro forma weighted average shares of adjusted diluted Class A common stock outstanding ⁽¹⁵⁾ | | 33,542,165 | | 33,810,078 |

See footnotes continued on the next slide.

Reconciliation of Non-GAAP Financial Measures

- 1.) Following the disposal of our Merchant Services Business in the fourth quarter of fiscal year 2024, our core business is providing software solutions for key verticals. Given the change in our business model following the sale of our Merchant Services Business, we have reclassified certain expenses to better align with the primary industry in which we now operate. During the first quarter of fiscal year 2025, we revised our presentation of certain expenses in the Condensed Consolidated Statements of Operations from selling, general and administrative expenses to other costs of services. We reclassified personnel costs related to installation of our software, conversion of client data, training client personnel, customer support activities and various other services provided directly to customers from selling, general and administrative to other costs of services. We also reclassified certain hosting and related software costs for directly supporting our customers from selling, general and administrative to other costs of services. Prior period results have been reclassified to conform to the current presentation. These tables are presented for our continuing operations. In addition, the Healthcare RCM Business was not classified as held for sale according to GAAP as of March 31, 2025. Accordingly, the current period and historical results of the Healthcare RCM Business are presented within results from continuing operations.
- 2.) Non-cash change in fair value of contingent consideration reflects the changes in management's estimates of future cash consideration to be paid in connection with prior acquisitions from the amount estimated as of the later of the most recent balance sheet date forming the beginning of the income statement period or the original estimates made at the closing of the applicable acquisition.
- 3.) Equity-based compensation expense related to stock options and restricted stock units issued under the Company's 2018 Equity Incentive Plan and 2020 Acquisition Equity Incentive Plan.
- 4.) M&A-related activity is the net impact of professional service and related costs directly related to any merger, acquisition and disposition activity of the Company, which are recorded in selling, general and administrative in the condensed consolidated statements of operations, and revenue earned through post-sale non-recurring activities with divestitures, which are recorded in other income in the condensed consolidated statements of operations. i3 Verticals believes these activities are not reflective of the underlying operational performance of the Company.
- 5.) Acquisition intangible amortization reflects amortization of intangible assets and software acquired through business combinations, acquired customer portfolios, acquired referral agreements and related asset acquisitions.
- 6.) Non-cash interest expense reflects amortization of debt issuance costs and any write-offs of debt issuance costs.
- 7.) Other taxes consist of franchise taxes, commercial activity taxes, reserves for ongoing tax audit matters, the employer portion of payroll taxes related to stock option exercises and other non-income-based taxes. Taxes related to salaries are not included.
- 8.) Net gain on exchangeable note repurchases and related transactions reflects the gain on repurchases of exchangeable notes and warrant unwinds, net of the loss on sale of bond hedge unwinds, which occurred during the three months ended March 31, 2024
- 9.) (Gain) loss on disposal of property and equipment is related to the sale of buildings and automobiles purchased through acquisitions.
- 10.) Corporate income tax expense is based on non-GAAP adjusted income before taxes from continuing operations and is calculated using a tax rate of 25.0% for both the six months ended March 31, 2025 and 2024, based on the estimated long-term effective tax rate, considering blended federal and state tax rates.
- 11.) Adjusted net income from continuing operations represents a non-GAAP financial measure and assumes that all net income during the period is available to the holders of the Company's Class A common stock. Further, adjusted diluted earnings per share from continuing operations assumes that all Common Units in i3 Verticals, LLC and the associated non-voting Class B common stock were exchanged for Class A common stock at the beginning of the period on a one-for-one basis.
- 12.) Cash interest (income) expense, net, represents all interest expense net of interest income recorded on the Company's statement of operations other than non-cash interest expense, which represents amortization of debt issuance costs and any write-offs of debt issuance costs.
- 13.) Depreciation and internally developed software amortization reflects depreciation on the Company's property, plant and equipment, net, and amortization expense on its internally developed capitalized software.

Reconciliation of Non-GAAP Financial Measures

- 14.) Represents a non-GAAP financial measure.
- 15.) Diluted net income (loss) per share attributable to Class A common stockholders from continuing operations and adjusted diluted earnings per share from continuing operations both exclude the discontinued operations of the Merchant Services Business but include the consolidated cash interest expense.
- 16.) Adjusted diluted earnings per share from continuing operations, a non-GAAP financial measure, is calculated using adjusted net income from continuing operations and the adjusted weighted average shares of adjusted diluted Class A common stock outstanding. Adjusted diluted earnings per share from continuing operations is the same measure as pro forma adjusted diluted earnings per share from continuing operations as was disclosed by the Company in prior earnings releases. There has not been any change in the manner in which this measure has been calculated in comparison to prior periods.
- 17.) Adjusted net income from continuing operations, a non-GAAP financial measure, assumes that all net income from continuing operations during the period is available to the holders of the Company's Class A common stock. Further, adjusted diluted earnings per share from continuing operations assumes that all Common Units in i3 Verticals, LLC and the associated non-voting Class B common stock were exchanged for Class A common stock at the beginning of the period on a one-for-one basis. Adjusted net income from continuing operations is the same measure as pro forma adjusted net income from continuing operations as was disclosed by the Company in prior earnings release. There has not been any change in the manner in which this measure has been calculated in comparison to prior periods.
- 18.) Adjusted weighted average shares of adjusted diluted Class A common stock outstanding include 9,408,427 and 10,091,604 outstanding shares of Class A common stock issuable upon the exchange of Common Units in i3 Verticals, LLC and 299,505 and 387,235 shares resulting from estimated stock option exercises and restricted stock units vesting as calculated by the treasury stock method for the three months ended March 31, 2025 and 2024, respectively.

Reconciliation of Non-GAAP Financial Measures⁽¹⁾

The reconciliation of our income (loss) from continuing operations to non-GAAP adjusted net income from continuing operations and non-GAAP adjusted EBITDA from continuing operations, on both a consolidated basis and at a segment level, for the six months ended March 31, 2025, and March 31, 2024, is as follows:

| (\$ in thousands) | Six Months Ended March 31, 2025 | | | | Six Months Ended March 31, 2024 | | | |
|--|---------------------------------|-----------------|--------------------|------------------|---------------------------------|-----------------|--------------------|------------------|
| | Public Sector | Healthcare | Other | Total | Public Sector | Healthcare | Other | Total |
| Net income (loss) from continuing operations attributable to i3 Verticals, Inc. | \$ 28,426 | \$ 2,217 | \$ (28,376) | \$ 2,267 | \$ 24,726 | \$ 3,320 | \$ (32,640) | \$ (4,594) |
| Net income (loss) from continuing operations attributable to non-controlling interests | — | — | 2,150 | 2,150 | — | — | (1,923) | (1,923) |
| Net income (loss) from continuing operations | 28,426 | 2,217 | (26,226) | 4,417 | 24,726 | 3,320 | (34,563) | (6,517) |
| Non-GAAP Adjustments: | | | | | | | | |
| Provision for (benefit from) income taxes | — | — | 3,577 | 3,577 | — | — | (1,763) | (1,763) |
| Non-cash change in fair value of contingent consideration ⁽²⁾ | 466 | 1,292 | — | 1,758 | 170 | (697) | — | (527) |
| Equity-based compensation ⁽³⁾ | — | — | 7,746 | 7,746 | — | — | 10,380 | 10,380 |
| M&A-related activity ⁽⁴⁾ | — | — | 160 | 160 | — | — | 958 | 958 |
| Acquisition intangible amortization ⁽⁵⁾ | 8,208 | 1,618 | — | 9,826 | 8,056 | 1,630 | — | 9,686 |
| Non-cash interest ⁽⁶⁾ | — | — | 530 | 530 | — | — | 676 | 676 |
| Other taxes ⁽⁷⁾ | 14 | — | 693 | 707 | 27 | 31 | 115 | 173 |
| Net gain on exchangeable note repurchases and related transactions ⁽⁸⁾ | — | — | — | — | — | — | (2,257) | (2,257) |
| (Gain) loss on disposal of property and equipment ⁽⁹⁾ | (585) | (38) | — | (623) | 118 | — | (11) | 107 |
| Non-GAAP adjusted income (loss) before taxes from continuing operations | 36,529 | 5,089 | (13,520) | 28,098 | 33,097 | 4,284 | (26,465) | 10,916 |
| Estimated taxes at 25% ⁽¹⁰⁾ | (9,132) | (1,272) | 3,380 | (7,024) | (8,274) | (1,071) | 6,615 | (2,730) |
| Adjusted net income (loss) from continuing operations⁽¹¹⁾ | \$ 27,397 | \$ 3,817 | \$ (10,140) | \$ 21,074 | \$ 24,823 | \$ 3,213 | \$ (19,850) | \$ 8,186 |
| Plus: | | | | | | | | |
| Cash interest (income) expense, net ⁽¹²⁾ | — | — | (282) | (282) | 6 | — | 13,719 | 13,725 |
| Estimated taxes at 25% ⁽¹⁰⁾ | 9,132 | 1,272 | (3,380) | 7,024 | 8,274 | 1,071 | (6,615) | 2,730 |
| Depreciation and internally developed software amortization ⁽¹³⁾ | 4,290 | 381 | 1,027 | 5,698 | 3,489 | 285 | 787 | 4,561 |
| Adjusted EBITDA from continuing operations⁽¹⁴⁾ | \$ 40,819 | \$ 5,470 | \$ (12,775) | \$ 33,514 | \$ 36,592 | \$ 4,569 | \$ (11,959) | \$ 29,202 |

See footnotes continued on the next slide.

Reconciliation of Non-GAAP Financial Measures⁽¹⁾

The reconciliation of our quarterly GAAP diluted EPS from continuing operations and non-GAAP pro forma adjusted diluted EPS from continuing operations is as follows:

| (\$ in thousands, except share and per share amounts) | Six Months Ended March 31, 2025 | | Six Months Ended March 31, 2024 | |
|--|---------------------------------|------------|---------------------------------|------------|
| Diluted net income (loss) attributable to Class A common stock per share from continuing operations | \$ | 0.09 | \$ | (0.20) |
| Pro forma adjusted diluted earnings per share from continuing operations ⁽⁹⁾⁽¹³⁾⁽¹⁴⁾ | \$ | 0.62 | \$ | 0.24 |
| Pro forma adjusted net income from continuing operations ⁽⁹⁾ | \$ | 21,074 | \$ | 8,186 |
| Pro forma weighted average shares of adjusted diluted Class A common stock outstanding ⁽¹⁵⁾ | | 33,801,930 | | 33,819,224 |

See footnotes continued on the next slide.

Reconciliation of Non-GAAP Financial Measures

- 1.) Following the disposal of our Merchant Services Business in the fourth quarter of fiscal year 2024, our core business is providing software solutions for key verticals. Given the change in our business model following the sale of our Merchant Services Business, we have reclassified certain expenses to better align with the primary industry in which we now operate. During the first quarter of fiscal year 2025, we revised our presentation of certain expenses in the Condensed Consolidated Statements of Operations from selling, general and administrative expenses to other costs of services. We reclassified personnel costs related to installation of our software, conversion of client data, training client personnel, customer support activities and various other services provided directly to customers from selling, general and administrative to other costs of services. We also reclassified certain hosting and related software costs for directly supporting our customers from selling, general and administrative to other costs of services. Prior period results have been reclassified to conform to the current presentation. These tables are presented for our continuing operations. In addition, the Healthcare RCM Business was not classified as held for sale according to GAAP as of March 31, 2025. Accordingly, the current period and historical results of the Healthcare RCM Business are presented within results from continuing operations.
- 2.) Non-cash change in fair value of contingent consideration reflects the changes in management's estimates of future cash consideration to be paid in connection with prior acquisitions from the amount estimated as of the later of the most recent balance sheet date forming the beginning of the income statement period or the original estimates made at the closing of the applicable acquisition.
- 3.) Equity-based compensation expense related to stock options and restricted stock units issued under the Company's 2018 Equity Incentive Plan and 2020 Acquisition Equity Incentive Plan.
- 4.) M&A-related activity is the net impact of professional service and related costs directly related to any merger, acquisition and disposition activity of the Company, which are recorded in selling, general and administrative in the condensed consolidated statements of operations, and revenue earned through post-sale non-recurring activities with divestitures, which are recorded in other income in the condensed consolidated statements of operations. i3 Verticals believes these activities are not reflective of the underlying operational performance of the Company.
- 5.) Acquisition intangible amortization reflects amortization of intangible assets and software acquired through business combinations, acquired customer portfolios, acquired referral agreements and related asset acquisitions.
- 6.) Non-cash interest expense reflects amortization of debt issuance costs and any write-offs of debt issuance costs.
- 7.) Other taxes consist of franchise taxes, commercial activity taxes, reserves for ongoing tax audit matters, the employer portion of payroll taxes related to stock option exercises and other non-income-based taxes. Taxes related to salaries are not included.
- 8.) Net gain on exchangeable note repurchases and related transactions reflects the gain on repurchases of exchangeable notes and warrant unwinds, net of the loss on sale of bond hedge unwinds, which occurred during the three months ended March 31, 2024
- 9.) (Gain) loss on disposal of property and equipment is related to the sale of buildings and automobiles purchased through acquisitions.
- 10.) Corporate income tax expense is based on non-GAAP adjusted income before taxes from continuing operations and is calculated using a tax rate of 25.0% for both the six months ended March 31, 2025 and 2024, based on the estimated long-term effective tax rate, considering blended federal and state tax rates.
- 11.) Adjusted net income from continuing operations represents a non-GAAP financial measure and assumes that all net income during the period is available to the holders of the Company's Class A common stock.
- 12.) Cash interest (income) expense, net, represents all interest expense net of interest income recorded on the Company's statement of operations other than non-cash interest expense, which represents amortization of debt issuance costs and any write-offs of debt issuance costs.
- 13.) Depreciation and internally developed software amortization reflects depreciation on the Company's property, plant and equipment, net, and amortization expense on its internally developed capitalized software.

Reconciliation of Non-GAAP Financial Measures

- 14.) Represents a non-GAAP financial measure.
- 15.) Diluted net income (loss) per share attributable to Class A common stockholders from continuing operations and adjusted diluted earnings per share from continuing operations both exclude the discontinued operations of the Merchant Services Business but include the consolidated cash interest expense.
- 16.) Adjusted diluted earnings per share from continuing operations, a non-GAAP financial measure, is calculated using adjusted net income from continuing operations and the adjusted weighted average shares of adjusted diluted Class A common stock outstanding. Adjusted diluted earnings per share from continuing operations is the same measure as pro forma adjusted diluted earnings per share from continuing operations as was disclosed by the Company in prior earnings releases. There has not been any change in the manner in which this measure has been calculated in comparison to prior periods.
- 17.) Adjusted net income from continuing operations, a non-GAAP financial measure, assumes that all net income from continuing operations during the period is available to the holders of the Company's Class A common stock. Further, adjusted diluted earnings per share from continuing operations assumes that all Common Units in i3 Verticals, LLC and the associated non-voting Class B common stock were exchanged for Class A common stock at the beginning of the period on a one-for-one basis. Adjusted net income from continuing operations is the same measure as pro forma adjusted net income from continuing operations as was disclosed by the Company in prior earnings release. There has not been any change in the manner in which this measure has been calculated in comparison to prior periods.
- 18.) Adjusted weighted average shares of adjusted diluted Class A common stock outstanding include 9,720,698 and 10,092,504 outstanding shares of Class A common stock issuable upon the exchange of Common Units in i3 Verticals, LLC and 389,584 and 427,506 shares resulting from estimated stock option exercises and restricted stock units vesting as calculated by the treasury stock method for the six months ended March 31, 2025 and 2024, respectively.

Reconciliation of Non-GAAP Financial Measures⁽¹⁾

The reconciliation of our quarterly income (loss) from continuing operations attributable to i3 Verticals, Inc. to non-GAAP adjusted income (loss) before taxes from continuing operations, non-GAAP adjusted net income from continuing operations and non-GAAP adjusted EBITDA from continuing operations (on a consolidated basis as well as with respect to the Healthcare RCM Business and RemainCo) is as follows:

| (\$ in thousands) | Three months ended | | | | | |
|--|--------------------|-------------------|--------------------|------------------|------------------|-------------------|
| | March 31, 2025 | December 31, 2024 | September 30, 2024 | June 30, 2024 | March 31, 2024 | December 31, 2023 |
| Net income (loss) from continuing operations attributable to i3 Verticals, Inc. | \$ 73 | \$ 2,194 | \$ 6,329 | \$ (10,656) | \$ (1,709) | \$ (2,885) |
| Net income (loss) from continuing operations attributable to non-controlling interests | 1,022 | 1,128 | 689 | (3,190) | (593) | (1,330) |
| Net income (loss) from continuing operations | 1,095 | 3,322 | 7,018 | (13,846) | (2,302) | (4,215) |
| Non-GAAP Adjustments: | | | | | | |
| Provision for (benefit from) income taxes | 3,054 | 523 | (9,175) | 5,271 | (669) | (1,094) |
| Non-cash change in fair value of contingent consideration ⁽²⁾ | 381 | 1,377 | (145) | (18) | (290) | (237) |
| Equity-based compensation ⁽³⁾ | 3,932 | 3,814 | 3,367 | 4,432 | 5,022 | 5,358 |
| M&A-related activity ⁽⁴⁾ | 109 | 51 | 272 | 1,931 | 714 | 244 |
| Acquisition intangible amortization ⁽⁵⁾ | 4,913 | 4,913 | 4,853 | 4,788 | 4,830 | 4,856 |
| Non-cash interest ⁽⁶⁾ | 250 | 280 | 278 | 221 | 262 | 414 |
| Other taxes ⁽⁷⁾ | 455 | 252 | 1,605 | 230 | 89 | 84 |
| Other expense related to the adjustment of liabilities under tax receivable agreement ⁽⁸⁾ | — | — | (1,245) | — | — | — |
| Net gain on exchangeable note repurchases and related transactions ⁽⁹⁾ | — | — | — | — | (2,257) | — |
| (Gain) loss on disposal of property and equipment ⁽¹⁰⁾ | (38) | (585) | — | — | — | 107 |
| Non-GAAP adjusted income (loss) before taxes from continuing operations | 14,151 | 13,947 | 6,828 | 3,009 | 5,399 | 5,517 |
| Estimated taxes at 25% ⁽¹¹⁾ | (3,537) | (3,487) | (1,707) | (752) | (1,351) | (1,379) |
| Adjusted net income (loss) from continuing operations⁽¹²⁾ | \$ 10,614 | \$ 10,460 | \$ 5,121 | \$ 2,257 | \$ 4,048 | \$ 4,138 |
| Plus: | | | | | | |
| Cash interest (income) expense, net ⁽¹³⁾ | 64 | (346) | 6,678 | 7,685 | 7,452 | 6,273 |
| Estimated taxes at 25% ⁽¹¹⁾ | 3,537 | 3,487 | 1,707 | 752 | 1,351 | 1,379 |
| Depreciation and internally developed software amortization ⁽¹⁴⁾ | 2,927 | 2,771 | 2,727 | 2,181 | 2,363 | 2,198 |
| Adjusted EBITDA from continuing operations⁽¹⁵⁾ | \$ 17,142 | \$ 16,372 | \$ 16,233 | \$ 12,875 | \$ 15,214 | \$ 13,988 |
| Less: Adjusted EBITDA from Healthcare RCM Business ⁽¹⁵⁾ | 1,301 | 1,801 | 1,620 | 2,096 | 1,666 | 2,464 |
| Adjusted EBITDA from RemainCo⁽¹⁵⁾ | \$ 15,841 | \$ 14,571 | \$ 14,613 | \$ 10,779 | \$ 13,548 | \$ 11,524 |

See footnotes continued on the next slide.

Reconciliation of Non-GAAP Financial Measures

- 1.) Following the disposal of our Merchant Services Business in the fourth quarter of fiscal year 2024, our core business is providing software solutions for key verticals. Given the change in our business model following the sale of our Merchant Services Business, we have reclassified certain expenses to better align with the primary industry in which we now operate. During the first quarter of fiscal year 2025, we revised our presentation of certain expenses in the Condensed Consolidated Statements of Operations from selling, general and administrative expenses to other costs of services. We reclassified personnel costs related to installation of our software, conversion of client data, training client personnel, customer support activities and various other services provided directly to customers from selling, general and administrative to other costs of services. We also reclassified certain hosting and related software costs for directly supporting our customers from selling, general and administrative to other costs of services. Prior period results have been reclassified to conform to the current presentation. These tables are presented for our continuing operations. In addition, the Healthcare RCM Business was not classified as held for sale according to GAAP as of March 31, 2025. Accordingly, the current period and historical results of the Healthcare RCM Business are presented within results from continuing operations.
- 2.) Non-cash change in fair value of contingent consideration reflects the changes in management's estimates of future cash consideration to be paid in connection with prior acquisitions from the amount estimated as of the later of the most recent balance sheet date forming the beginning of the income statement period or the original estimates made at the closing of the applicable acquisition.
- 3.) Equity-based compensation expense related to stock options and restricted stock units issued under the Company's 2018 Equity Incentive Plan and 2020 Acquisition Equity Incentive Plan.
- 4.) M&A-related activity is the net impact of professional service and related costs directly related to any merger, acquisition and disposition activity of the Company, which are recorded in selling, general and administrative in the condensed consolidated statements of operations, and revenue earned through post-sale non-recurring activities with divestitures, which are recorded in other income in the condensed consolidated statements of operations. i3 Verticals believes these activities are not reflective of the underlying operational performance of the Company.
- 5.) Acquisition intangible amortization reflects amortization of intangible assets and software acquired through business combinations, acquired customer portfolios, acquired referral agreements and related asset acquisitions.
- 6.) Non-cash interest expense reflects amortization of debt issuance costs and any write-offs of debt issuance costs.
- 7.) Other taxes consist of franchise taxes, commercial activity taxes, reserves for ongoing tax audit matters, the employer portion of payroll taxes related to stock option exercises and other non-income-based taxes. Taxes related to salaries are not included.
- 8.) Under our Tax Receivable Agreement we have a liability equal to 85% of certain deferred tax assets resulting from an increase in the tax basis of our investment in i3 Verticals, LLC. Other expenses related to adjustments of liabilities under our Tax Receivable Agreement relate to the remeasurement of the underlying deferred tax asset for changes in estimated income tax rates.
- 9.) Net gain on exchangeable note repurchases and related transactions reflects the gain on repurchases of exchangeable notes and warrant unwinds, net of the loss on sale of bond hedge unwinds, which occurred during the three months ended March 31, 2024
- 10.) (Gain) loss on disposal of property and equipment is related to the sale of buildings and automobiles purchased through acquisitions.
- 11.) Corporate income tax expense is based on non-GAAP adjusted income before taxes from continuing operations and is calculated using a tax rate of 25.0% for all presented quarters, based on the estimated long-term effective tax rate, considering blended federal and state tax rates.
- 12.) Adjusted net income from continuing operations represents a non-GAAP financial measure and assumes that all net income during the period is available to the holders of the Company's Class A common stock. Further, adjusted diluted earnings per share from continuing operations assumes that all Common Units in i3 Verticals, LLC and the associated non-voting Class B common stock were exchanged for Class A common stock at the beginning of the period on a one-for-one basis.
- 13.) Cash interest (income) expense, net, represents all interest expense net of interest income recorded on the Company's statement of operations other than non-cash interest expense, which represents amortization of debt issuance costs and any write-offs of debt issuance costs.
- 14.) Depreciation and internally developed software amortization reflects depreciation on the Company's property, plant and equipment, net, and amortization expense on its internally developed capitalized software.
- 15.) Represents a non-GAAP financial measure.