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psfe\_er 2.11.htm 6-K 6-K Â UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549  
FORM 6-K REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 OF THE SECURITIES  
EXCHANGE ACT OF 1934 For the month of February 2025 Commission File No. 001-40302 PAYSAFE LIMITED Â  
(Translation of registrantâ€™s name into English) Paysafe Limited 2 Gresham Street London, United Kingdom EC2V  
7AD (Address of Principal Executive Offices) (Zip Code) Indicate by check mark whether the registrant files or will file  
annual reports under cover Form 20-F or Form 40-F. Â Form 20-F â˜ Form 40-F â˜ Â Â Information Contained in  
this Form 6-K Report On February 11, 2025, Paysafe Limited issued a press release announcing an agreement to sell the  
direct marketing business line. A copy of the press release is furnished as Exhibit 99.1 to this report on Form 6-K. The  
information contained in this report and the exhibit hereto shall not be deemed to be â€œfiledâ€ for purposes of  
Section 18 of the Securities Exchange Act of 1934, as amended (the â€œExchange Actâ€), or otherwise subject to the  
liabilities of that section, and shall not be deemed incorporated by reference into any filings made by Paysafe Limited  
under the Securities Act of 1933, as amended, or the Exchange Act, except as may be expressly set forth by specific  
reference in such filing. Financial Statements and Exhibits Exhibits Â Exhibit Â Description Â 99.1 Â Press  
Release, dated February 11, 2025 Â 1 Â SIGNATURES Pursuant to the requirements of the Securities Exchange Act  
of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereto duly  
authorized. Date: February 11, 2025 PAYSAFE LIMITED Â 1 Â 1 Â By: /s/ John Crawford Â Name: John Crawford  
Â Title: Chief Financial Officer Â 2 EX-99.1 2 psfe-ex99\_1.htm EX-99.1 Exhibit 99.1 Paysafe Announces  
Agreement to Sell Direct Marketing Payment Processing Business Line Â Provides Preliminary Select Financial Results  
for Q4 and Full Year 2024 Provides Preliminary Outlook for Full Year 2025 Board Authorizes Additional \$70 Million to  
Existing Share Repurchase Program Â 1 Â London, UK â€ February 11, 2025 â€ Paysafe Limited (â€œPaysafeâ€ or  
the â€œCompanyâ€) (NYSE: PSFE), a leading payments platform, announced a definitive agreement to sell its direct  
marketing payment processing business line (â€œthe disposed businessâ€). Paysafe also announced preliminary select  
results for the fourth quarter and full year 2024, along with supplemental financial information for comparability  
purposes, giving effect to the disposed business. Â Bruce Lowthers, CEO of Paysafe commented: â€œThe divestiture of  
our direct marketing payment processing business reflects our commitment to portfolio and resource optimization to  
focus on our largest growth opportunities as a company. This accelerates our transformation by exiting a non-strategic  
business line, bringing a close to the repositioning of our Merchant Solutions segment. This represents a significant  
milestone that enhances long-term shareholder value by positioning Paysafe to deliver resilient growth and sharpen our  
focus on Paysafe's ideal customers and verticals in the experience economy.â€ Â Agreement to sell direct marketing  
payment processing business Â Paysafe has entered into a definitive agreement to sell substantially all assets related to  
its direct marketing payment processing business line (Paysafe Direct LLC) to KORT Payments, a specialized  
omnichannel payments provider, led by Joel Leonoff, founder and former CEO of Paysafe. The business primarily  
consists of direct marketing and other card-not-present volume in both complex and traditional industry verticals. Â  
The transaction includes reseller and merchant contracts, as well as dedicated technology and employees related to the  
business. The consideration for this transaction largely consists of annual earnout payments over the next five years.  
The transaction is expected to close in 30 days subject to finalizing certain transition services-related items. Â  
Additional background Â During the Companyâ€™s prior two earnings calls, management discussed that strategically  
it was in the best interest of Paysafeâ€™s shareholders to reduce the Companyâ€™s exposure to direct marketing, a  
business line within the SMB portfolio of its Merchant Solutions segment. In the fourth quarter, the Company continued  
reviewing alternatives for the business line and exiting higher risk merchants and determined that an accelerated exit  
would best support long-term shareholder value and minimize disruption to the impacted employees and remaining  
customers. Â John Crawford, CFO of Paysafe commented: â€œThis is a meaningful step forward to improve our  
financial performance by eliminating a declining, non-core revenue stream while significantly reducing Paysafeâ€™s  
exposure to higher risk verticals. Itâ€™s important to highlight that the core businesses performed in line with our  
expectations for 2024, including 10% revenue growth from our Merchant Solutions segment, excluding the disposed  
business, and 4% revenue growth from our Digital Wallets segment. We look forward to providing more detail on our  
2024 performance and 2025 outlook during our earnings call next month.â€ Â Preliminary select financial results Â To  
supplement the preliminary financial results, which were impacted by the accelerated merchant exits and associated  
credit losses during the fourth quarter, the Company has provided additional historical information for comparability  
purposes giving effect to the disposed business. Â Full year 2024 Â Subject to the finalization of financial reporting  
processes, including the finalization of our review of income taxes, net income for 2024 is expected to be between \$19  
million and \$25 million, compared to a net loss of \$20 million in 2023. Â Full year revenue for 2024 is estimated to be  
\$1,705 million, an increase of 6% compared to 2023, or 7% when excluding the disposed business. Â Adjusted EBITDA  
for the full year 2024 is estimated to be \$452 million, a decrease of 2%, compared to 2023, or an increase of 2%, when  
excluding the disposed business. This includes total credit losses of \$47 million in 2024, an increase of \$26 million  
compared to 2023. As previously discussed on the Companyâ€™s earnings calls, Paysafe made significant investments  
in 2024 totaling approximately \$29 million to expand its sales capabilities and optimize the portfolio. Â The combined  
year-over-year headwinds from movements in foreign exchange rates and interest on consumer deposits to full year  
revenue and adjusted EBITDA were approximately \$6 million and \$7 million, respectively. Â Fourth quarter 2024 Â  
Subject to the finalization of financial reporting processes, including the finalization of income taxes, net income for the  
fourth quarter of 2024 is expected to be between \$31 million and \$37 million, compared to a net loss of \$12 million in  
the fourth quarter of 2023. Â Revenue for the fourth quarter of 2024 is estimated to be \$420 million, an increase of 1%  
compared to the fourth quarter of 2023, or 4% when excluding the disposed business. Â Adjusted EBITDA for the  
fourth quarter of 2024 is estimated to be \$103 million, a decrease of 16%, or an increase of 1% when excluding the  
disposed business. This includes total credit losses of \$23 million in the fourth quarter of 2024, an increase of \$16  
million compared to the fourth quarter of 2023. Â The combined year-over-year headwinds from movements in foreign  
exchange rates and interest on consumer deposits to fourth quarter revenue and adjusted EBITDA were approximately  
\$5 million and \$4 million, respectively. Â Â Â Summary of estimated segment results Â Â Â Three Months Ended  
December 31, (1) Â Â Â Paysafe Â Â YoY Â Results of disposed business (2) Â (\$ in millions) (unaudited) Â 2024 Â  
Â 2023 Â Â change Â 2024 Â 2023 Â Revenue: Â Â Â Â Â Â Â Â Â Â Â Â Â Merchant Solutions Â \$ 230  
Â Â \$ 227 Â 1% Â \$ 13 Â Â \$ 24 Â Digital Wallets Â \$ 194 Â Â \$ 191 Â 2% Â \$ 0 Â \$ 0 Â Intersegment Â



and increasingly intense competition worldwide in the global payments industry; risks related to developing and maintaining effective internal controls over financial reporting; managing our growth effectively, including growing our revenue pipeline; any difficulties maintaining a strong and trusted brand; keeping pace with rapid technological developments; risks associated with the significant influence of our principal shareholders; the effect of regional epidemics or a global pandemic on our business; and other factors included in the "Risk Factors" in our Form 20-F and in other filings we make with the SEC, which are available at <https://www.sec.gov>. Readers are cautioned not to place undue reliance upon any forward-looking statements, which speak only as of the date made. The Company expressly disclaims any obligations or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in their expectations with respect thereto or any change in events. Disposed Business and Non-GAAP financial measures This release includes the presentation and discussion of financial information that reflects the disposal of the Company's direct marketing payment processing business line. Additionally, to supplement the Company's condensed consolidated financial statements presented in accordance with generally accepted accounting principles, or GAAP, the Company presents in this release non-GAAP measures of certain components of financial performance. This includes Adjusted EBITDA and net leverage which are supplemental measures that not required by, or presented in accordance with, accounting principles generally accepted in the United States ("U.S. GAAP"). Adjusted EBITDA is defined as net income/(loss) before the impact of income tax (benefit)/expense, interest expense, net, depreciation and amortization, share-based compensation, impairment expense on goodwill and intangible assets, restructuring and other costs, loss/(gain) on disposal of a subsidiaries and other assets, net, and other income/(expense), net. These adjustments also include certain costs and transaction items that are not reflective of the underlying operating performance of the Company. Management believes Adjusted EBITDA to be a useful profitability measure to assess the performance of our businesses and improves the comparability of operating results across reporting periods. Net leverage is defined as net debt (gross debt less cash and cash equivalents) divided by the last twelve months Adjusted EBITDA. Management believes net leverage is a useful measure of the Company's credit position and progress towards leverage targets. Management believes the presentation of these disposed business and non-GAAP financial measures, including Adjusted EBITDA and net leverage, when considered together with the Company's results presented in accordance with GAAP, provide users with useful supplemental information in comparing the operating results across reporting periods by excluding items that are not considered indicative of Paysafe's core operating performance. In addition, management believes the presentation of these disposed business and non-GAAP financial measures provides useful supplemental information in assessing the Company's results on a basis that fosters comparability across periods by excluding the impact on the Company's reported GAAP results of acquisitions and dispositions that have occurred in such periods. However, these non-GAAP measures exclude items that are significant in understanding and assessing Paysafe's financial results or position. Therefore, these measures should not be considered in isolation or as alternatives to revenue, net income, cash flows from operations or other measures of profitability, liquidity or performance under GAAP. You should be aware that Paysafe's presentation of these measures may not be comparable to similarly titled measures used by other companies. GAAP to Non-GAAP reconciliation (1) Three Months Ended Year Ended December 31, December 31, (\$ in millions)(unaudited) 2024 2023 2024 2023 Net income / (loss) (2) \$ 34 \$ (12 ) \$ 22 \$ (20 ) Income tax (benefit) / expense (18 ) 13 (8 ) 41 Interest expense, net 33 39 141 151 Depreciation and amortization 66 66 273 263 Share-based compensation expense 4 6 39 29 Impairment expense on goodwill and intangibles assets 1 1 1 1 Restructuring and other costs 4 2 5 6 Loss on disposal of subsidiaries and other assets, net 1 1 Other (income) / expense, net (19 ) 7 (21 ) (13 ) Paysafe total Adjusted EBITDA \$ 103 \$ 122 \$ 452 \$ 459 (1)Amounts may not sum due to rounding. (2)Due to ongoing reviews of financial statement line items within the reconciliation of Adjusted EBITDA to Net income for both the three months ended and the year ended December 31, 2024, including but not limited to income taxes, we are reporting a range of preliminary net income, from \$31 million to \$37 million for the three months ended December 31, 2024 and a range from \$19 million to \$25 million for the year ended December 31, 2024. Each of the numbers included in the reconciliation are also considered to be the mid-point of a similar range.