

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 2025
OR
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____
Commission File Number: 001-40429

Paymentus Holdings, Inc.
(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction of
incorporation or organization)
11605 North Community House Road, Suite 300
Charlotte, NC
(Address of principal executive offices)

45-3188251
(I.R.S. Employer
Identification No.)

28277
(Zip Code)

(888) 440-4826

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value \$0.0001 per share	PAY	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input checked="" type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of May 2, 2025, the registrant had 35,178,073 shares of Class A Common Stock, \$0.0001 par value per share and 89,954,158 shares of Class B Common Stock, \$0.0001 par value per share, outstanding.

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Special Note Regarding Forward-Looking Statements

This report on Form 10-Q for the quarterly period ended March 31, 2025 (“Quarterly Report”) contains forward-looking statements within the meaning of the federal securities laws, such as those under the headings “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” which statements involve substantial risks and uncertainties. Forward-looking statements may involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from historical results or from any future results or projections expressed or implied by such forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as “may,” “will,” “should,” “expect,” “plan,” “anticipate,” “could,” “intend,” “target,” “project,” “contemplate,” “believe,” “estimate,” “predict,” “potential” or “continue” or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions. Forward-looking statements contained in this report include statements about:

- our ability to effectively manage our growth and expand our operations;
- our ability to further attract, retain and expand our biller, financial institutions, partner and consumer base;
- our ability to timely implement and recognize revenue from new customers;
- our expectations regarding our revenue, expenses and other operating results;
- the impact of any material cybersecurity incident on our reputation as a trusted brand or on our business, operating results and financial condition;
- our market opportunity and anticipated trends in our business and industry;
- our ability to remain competitive as we continue to scale our business;
- our ability to develop new product features and enhance our platform;
- our ability to hire and retain experienced and talented employees as we grow our business;
- general economic conditions, including inflation and changes in trade policies and tariffs, and their impact on us, consumer demand, average bill amounts and interchange fees;
- the impact of disruptions or instability in the financial services industry, or perceived or actual liquidity constraints at financial institutions, on our ability or the ability of our customers and vendors to meet operating expense requirements or to satisfy financial or other obligations;
- our ability to realize the anticipated benefits of past or future acquisitions or strategic investments in complementary companies, products or technologies and our ability to manage the potential business disruption and diversion of management attention caused by such acquisitions;
- our ability to maintain and enhance our brand;
- our plan to expand into new channels and industry verticals across different markets;
- the impact of widespread health issues on our operating results, liquidity and financial condition and on our employees, billers, financial institutions, partners, consumers and other key stakeholders;
- our international expansion plans and ability to expand internationally; and
- those factors described in the sections titled “Risk Factors” and “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” in our Annual Report on Form 10-K for the year ended December 31, 2024, and the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this Quarterly Report.

We caution you that the foregoing list may not contain all of the forward-looking statements made in this report.

You should not place undue reliance on our forward-looking statements as predictions of future events. We have based the forward-looking statements primarily on our current expectations and projections about future events and trends that we believe may affect our business, operating results, financial condition and prospects. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties and other factors, including those described in the section titled “Risk Factors” and elsewhere in this Quarterly Report. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this report. We cannot

assure you that the results, events and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements.

Neither we nor any other person assumes responsibility for the ultimate outcome of any of these forward-looking statements. Moreover, the forward-looking statements made in this report relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this report to reflect events or circumstances after the date of this report or to reflect new information or the occurrence of unanticipated events, except as required by law.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this report, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information.

Certain Definitions

In this report, unless the context requires otherwise, all references to “we,” “our,” “us,” “Paymentus,” and the “Company” refer to Paymentus Holdings, Inc., and where appropriate its consolidated subsidiaries.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

PAYMENTUS HOLDINGS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share data)
(Unaudited)

	March 31, 2025	December 31, 2024
Assets		
Current assets		
Cash and cash equivalents	\$ 245,849	\$ 205,900
Restricted cash and cash equivalents	3,799	3,511
Accounts and other receivables, net of allowance for expected credit losses of \$122 and \$257, respectively	99,985	119,816
Income tax receivable	—	3,356
Prepaid expenses and other assets	11,880	13,058
Total current assets	361,513	345,641
Property and equipment, net	1,061	1,157
Capitalized internal-use software development costs, net	68,313	67,375
Intangible assets, net	16,938	19,076
Goodwill	131,817	131,815
Operating lease right-of-use assets	7,330	7,801
Deferred tax asset	1,380	367
Prepaid expenses and other assets, less current portion	2,536	3,015
Total assets	\$ 590,888	\$ 576,247
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 55,664	\$ 49,871
Accrued and other liabilities	18,513	26,462
Current portion of operating lease liabilities	2,097	2,090
Contract liabilities	3,375	2,937
Income tax payable	1,327	190
Total current liabilities	80,976	81,550
Operating lease liabilities, less current portion	5,809	6,318
Contract liabilities, less current portion	2,746	2,783
Accrued and other liabilities, less current portion	962	—
Total liabilities	90,493	90,651
Stockholders' equity		
Class A common stock, \$0.0001 par value per share, 883,950,000 shares authorized as of March 31, 2025 and December 31, 2024; 35,090,301 and 32,136,989 shares issued and outstanding as of March 31, 2025 and December 31, 2024, respectively	3	3
Class B common stock, \$0.0001 par value per share, 111,050,000 shares authorized as of March 31, 2025 and December 31, 2024; 90,034,121 and 92,699,294 shares issued and outstanding as of March 31, 2025 and December 31, 2024, respectively	9	9
Additional paid-in capital	390,944	389,904
Accumulated other comprehensive loss	(287)	(233)
Retained earnings	109,726	95,913
Total stockholders' equity	500,395	485,596
Total liabilities and stockholders' equity	\$ 590,888	\$ 576,247

The accompanying notes are an integral part of these condensed consolidated financial statements.

PAYMENTUS HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(In thousands, except share and per share data)
(Unaudited)

	Three Months Ended March 31,	
	2025	2024
Revenue	\$ 275,235	\$ 184,875
Cost of revenue	209,211	132,150
Gross profit	<u>66,024</u>	<u>52,725</u>
Operating expenses		
Research and development	15,101	12,051
Sales and marketing	26,051	23,239
General and administrative	9,183	9,092
Total operating expenses	<u>50,335</u>	<u>44,382</u>
Income from operations	<u>15,689</u>	<u>8,343</u>
Interest income, net	2,062	2,186
Other income	50	231
Income before income taxes	17,801	10,760
Provision for income taxes	<u>(3,988)</u>	<u>(3,534)</u>
Net income	<u>\$ 13,813</u>	<u>\$ 7,226</u>
Net income per share		
Basic	\$ 0.11	\$ 0.06
Diluted	\$ 0.11	\$ 0.06
Weighted-average number of shares used to compute net income per share		
Basic	124,941,781	123,945,778
Diluted	128,801,974	126,917,654
Comprehensive income		
Net income	13,813	7,226
Foreign currency translation adjustments, net of tax	<u>(54)</u>	<u>(42)</u>
Comprehensive income	<u>\$ 13,759</u>	<u>\$ 7,184</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

PAYMENTUS HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands, except share amounts)
(Unaudited)

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount				
Balances at December 31, 2024	124,836,283	\$ 12	\$ 389,904	\$ 95,913	\$ (233)	\$ 485,596
Stock-based compensation	—	—	2,932	—	—	2,932
Issuance of Class A common stock upon exercise of stock options	33,736	—	51	—	—	51
Issuance of Class A common stock upon vesting of restricted stock units	328,201	—	—	—	—	—
Shares withheld for the withholding tax on vesting of restricted stock units	(73,798)	—	(1,943)	—	—	(1,943)
Foreign currency translation adjustments	—	—	—	—	(54)	(54)
Net income	—	—	—	13,813	—	13,813
Balances at March 31, 2025	<u>125,124,422</u>	<u>\$ 12</u>	<u>\$ 390,944</u>	<u>\$ 109,726</u>	<u>\$ (287)</u>	<u>\$ 500,395</u>

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholder s' Equity
	Shares	Amount				
Balances at December 31, 2023	123,821,111	\$ 12	\$ 377,773	\$ 51,744	\$ 87	\$ 429,616
Stock-based compensation	—	—	2,484	—	—	2,484
Issuance of Class A common stock upon exercise of stock options	69,246	—	100	—	—	100
Issuance of Class A common stock upon vesting of restricted stock units	235,619	—	—	—	—	—
Foreign currency translation adjustments	—	—	—	—	(42)	(42)
Net income	—	—	—	7,226	—	7,226
Balances at March 31, 2024	<u>124,125,976</u>	<u>\$ 12</u>	<u>\$ 380,357</u>	<u>\$ 58,970</u>	<u>\$ 45</u>	<u>\$ 439,384</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

PAYMENTUS HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Three Months Ended March 31,	
	2025	2024
Cash flows from operating activities		
Net income	\$ 13,813	\$ 7,226
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	10,740	8,537
Deferred income taxes	(1,013)	92
Stock-based compensation	3,042	2,457
Amortization of capitalized warrants cost	559	476
Non-cash lease expense	573	601
Amortization of capitalized contract acquisition cost	418	451
Provision for expected credit losses and credit adjustments	1,440	835
Other non-cash adjustments	—	(213)
Change in operating assets and liabilities		
Accounts and other receivables	18,386	(8,637)
Prepaid expenses and other assets	(377)	(993)
Accounts payable	5,691	5,793
Accrued and other liabilities	(7,120)	(8,166)
Operating lease liabilities	(604)	(541)
Contract liabilities	401	28
Income taxes receivable, net of payable	4,492	3,008
Net cash provided by operating activities	<u>50,441</u>	<u>10,954</u>
Cash flows from investing activities		
Purchases of property and equipment	(60)	(116)
Purchases of interest-bearing deposits	—	(723)
Proceeds from matured interest-bearing deposits	1,051	602
Capitalized internal-use software development costs	(9,278)	(9,276)
Net cash used in investing activities	<u>(8,287)</u>	<u>(9,513)</u>
Cash flows from financing activities		
Proceeds from exercise of stock-based awards	51	100
Payments of taxes withheld on net settled vesting of restricted stock units	(1,943)	—
Settlement of holdback liability related to prior acquisitions	—	(506)
Net cash used in financing activities	<u>(1,892)</u>	<u>(406)</u>
Effect of exchange rate changes on Cash and cash equivalents and Restricted cash	(25)	(78)
Net increase in cash, cash equivalents and Restricted cash	40,237	957
Cash and cash equivalents and Restricted cash at the beginning of period	209,411	183,195
Cash and cash equivalents and Restricted cash at the end of period	<u>\$ 249,648</u>	<u>\$ 184,152</u>
Reconciliation of Cash and cash equivalents and Restricted Cash:		
Cash and cash equivalents at the beginning of period	205,900	179,361
Restricted cash at the beginning of period	3,511	3,834
Cash and cash equivalents and Restricted cash at the beginning of period	<u>\$ 209,411</u>	<u>\$ 183,195</u>
Cash and cash equivalents at the end of period	245,849	180,138
Restricted cash at the end of period	3,799	4,014
Cash and cash equivalents and Restricted cash at the end of period	<u>\$ 249,648</u>	<u>\$ 184,152</u>
Supplemental disclosure of cash flow information:		
Cash paid for income taxes, net of refunds	\$ 508	\$ 434
Non-cash investing activities:		
Unpaid capitalized internal-use software development costs and equipment in accounts payable	\$ 102	\$ 103
Right-of-use assets obtained in exchange of operating lease obligations	\$ —	\$ 97

The accompanying notes are an integral part of these condensed consolidated financial statements.

PAYMENTUS HOLDINGS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, unless otherwise stated)
(Unaudited)

1. Organization and Description of Business

Description of Business

Paymentus Holdings, Inc. and its wholly owned subsidiaries (“Paymentus” or the “Company”) provides electronic bill presentment and payment services, enterprise customer communication and self-service revenue management to billers through a Software-as-a-Service (“SaaS”), secure, omni-channel technology platform. The platform seamlessly integrates into a biller’s core financial and operating systems to provide flexible and secure access to payment processing of credit cards, debit cards, eChecks and digital wallets across a significant number of channels including online, mobile, IVR, call center, chatbot and voice-based assistants. Paymentus was incorporated in the state of Delaware on September 2, 2011 with office locations in Charlotte, North Carolina, Dallas, Texas, Santa Clara, California, Richmond Hill, Ontario (Canada), and Gurugram, Mohali and Bangalore (India). The Company is headquartered in Charlotte, North Carolina.

2. Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited interim condensed consolidated financial statements and related notes have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) and applicable rules and regulations of the United States Securities and Exchange Commission (the “SEC”) regarding interim financial reporting. Accordingly, they do not include all disclosures normally required in annual consolidated financial statements prepared in accordance with GAAP. Therefore, these unaudited condensed consolidated financial statements and related notes should be read in conjunction with the audited consolidated financial statements and the related notes included in the Company’s Form 10-K for the year ended December 31, 2024 filed with the SEC on March 11, 2025 (the “2024 Form 10-K”).

These unaudited interim condensed consolidated financial statements have been prepared on the same basis as the annual financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments necessary for the fair statement of the Company’s financial position, results of operations and comprehensive income, changes in stockholders’ equity and cash flows for the periods presented. The results of operations for the three months ended March 31, 2025 and 2024 are not necessarily indicative of the results to be expected for the full year or any other future interim or annual period.

Principles of Consolidation

The unaudited interim condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany accounts and balances have been eliminated upon consolidation.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Such estimates include revenue recognition, cost of revenue recognition, the allowance for credit losses, the lives of tangible and intangible assets, the valuation of acquired intangible assets and the recoverability or impairment of intangible assets, including goodwill, internal-use software development costs, valuation of stock warrants issued, stock-based compensation, and accounting for income taxes. The Company bases its estimates on historical experience and also on assumptions that management considers reasonable. The Company assesses these estimates on a regular basis; however, actual results could differ from these estimates.

Custodial Accounts

The Company has established a relationship with its merchant processors to act as collection and paying agents, whereby a merchant processor receives funds from customers and forwards such funds to the respective Paymentus client, based on the instructions received from the Company. These merchant processors act as custodians of the cash received, and the Company has no legal ownership rights to the funds held in such custodial accounts and does not control the use of these funds. As the Company does not take ownership of the funds, these custodial accounts are not included in the Company’s consolidated balance sheets. The balance of cash in the custodial accounts held by these merchant processors was \$125.8 million and \$147.2 million as of March 31, 2025 and December 31, 2024, respectively.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to credit risk primarily consist of cash, cash equivalents and accounts receivable. The Company maintains its cash and cash equivalents with high-quality financial institutions with investment-grade ratings. For accounts receivable, the Company is exposed to credit risk in the event of nonpayment by customers to the extent of the amounts recorded in the condensed consolidated balance sheets. No customer accounted for more than 10% of revenue for either of the three months ended March 31, 2025 and 2024. As of December 31, 2024 and March 31, 2025, one reseller accounted for more than 10% of accounts receivable.

Segment Information

Effective January 1, 2025, the Company changed its reporting segment structure to a single reporting segment, and the composition of the information package provided to the chief operating decision maker ("CODM") was amended to deliver more focused and relevant data for decision-making. Previously, the Company identified three operating segments with one reportable segment. Following an internal assessment and a change in the manner in which financial results are provided to and reviewed by the CODM, the Company determined that it now operates and reports as a single operating and reportable segment. The determination was made based on the evaluation of factors, including resource allocation, management oversight, and the consolidated review of financial performance by the CODM. As a result, segment disclosures in the Company's financial statements is updated to reflect the new reporting structure.

The Company's CODM is its chief executive officer and the CODM evaluates financial performance and makes resource allocation decisions based on consolidated financial information. The measure of segment profit or loss that the CODM uses to allocate resources and assess performance is the Company's consolidated net income, as reported on the condensed consolidated statements of operations and comprehensive income. The CODM uses consolidated net income to assess overall Company performance, monitor progress toward financial targets, and make strategic decisions regarding the allocation of resources across functions and initiatives.

The accounting policies applied to the segments are the same as those described in the summary of significant accounting policies. All expense categories on the condensed consolidated statements of operations and comprehensive income are significant, and there are no other significant expenses that are reviewed or provided to the CODM, which would require disclosure.

Assets provided to the CODM are consistent with those reported on the condensed consolidated balance sheets.

Information related to the Company's products and services is disclosed in Note 1. Information about geographical distribution of the Company's revenue and long-lived assets is disclosed in Notes 3 and 4, respectively.

Summary of Significant Accounting Policies

The Company's significant accounting policies are discussed in Note 2, "Basis of Presentation and Summary of Significant Accounting Policies," in the Notes to Consolidated Financial Statements as of December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022 included in the 2024 Form 10-K. There have been no significant changes to these policies during the three months ended March 31, 2025, except for "Segment Information" as described above.

Recently Adopted Accounting Standards

The Company is provided the option to adopt new or revised accounting guidance as an "emerging growth company" under the Jumpstart Our Business Startups Act of 2012 either (1) within the same periods as those otherwise applicable to public business entities, or (2) within the same time periods as non-public business entities, including early adoption when permissible. With the exception of standards the Company elected to early adopt, when permissible, the Company has elected to adopt new or revised accounting guidance within the same time period as non-public business entities, as indicated below.

Accounting Standards Updates ("ASU") not listed below were assessed and determined to be either not applicable or are not expected to have a material impact on the consolidated financial statements.

Accounting Pronouncements Not Yet Adopted

In December 2023, the FASB issued ASU 2023-09, "Improvements to Income Tax Disclosures", which is intended to enhance income tax disclosures around the rate reconciliation and income taxes paid. The purpose of the amendment is to provide readers of the financial statements with information to better assess the differences between the effective tax rate and the statutory tax rate across multiple jurisdictions, enabling them to understand tax implications around operational opportunities and potential future cash flows. The guidance is effective beginning with the Company's 2025 fiscal year Form

10-K for the fiscal year ending December 31, 2025. The adoption of ASU 2023-09 is not expected to have a material impact on the Company's financial position or results of operations.

In November 2024, the Financial Accounting Standards Board issued ASU 2024-03, Disaggregation of Income Statement Expenses (Topic 220), which requires additional disclosures, for interim and annual reporting, of expenses by nature, such as employee compensation, depreciation and amortization, and selling expenses. The updated standard will be effective for annual periods beginning in fiscal 2027 and interim periods beginning in the first quarter of fiscal 2028. Early adoption is permitted. This ASU will result in the required additional disclosures being included in the consolidated financial statements on a prospective basis, with the option for retrospective application, once adopted. The guidance is effective beginning with the Company's Form 10-K for the fiscal year ending December 31, 2027. The Company is currently evaluating the potential impact of adopting this new guidance on its condensed consolidated financial statements and related disclosures.

3. Revenue, Performance Obligations and Contract Balances

Disaggregation of Revenue

The following table presents a disaggregation of revenue from contracts with customers (in thousands):

	Three Months Ended March 31,	
	2025	2024
Payment transaction processing revenue	\$ 273,280	\$ 182,752
Other	1,955	2,123
Total revenue	\$ 275,235	\$ 184,875

Revenue by geographic area, based on the location of the Company's users, was as follows (in thousands):

	Three Months Ended March 31,	
	2025	2024
United States	\$ 270,679	\$ 181,301
Other	4,556	3,574
Total	\$ 275,235	\$ 184,875

Remaining Performance Obligations

As of March 31, 2025, the aggregate amount of transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied was \$6.1 million, of which the Company expects to recognize over 74% within the next two years, 21% between two to four years and the remainder thereafter. The timing of revenue recognition within the next four years is largely dependent upon the go-live dates of the Company's customers under the Company's contracts.

As of March 31, 2025, the Company has contractual rights under its commercial agreements with customers and resellers to receive \$63.8 million of fixed consideration related to the future minimum guarantees through 2029. As permitted, the Company has elected to exclude from this disclosure any variable consideration that meets specified criteria. Accordingly, the total unsatisfied or partially unsatisfied performance obligations related to processing services is significantly higher than the amount disclosed.

Contract Liabilities

Contract liabilities consist of the following:

	March 31,	December 31,
	2025	2024
	(in thousands)	
Contract Liabilities:		
Current	\$ 3,375	\$ 2,937
Non-current	2,746	2,783
Total contract liabilities	\$ 6,121	\$ 5,720

Revenue recognized during the three months ended March 31, 2025 and 2024 that was included in the contract liabilities balance at the beginning of each of the periods was \$0.6 million and \$0.9 million, respectively.

4. Property and Equipment, Net

Property and equipment, net consisted of the following (in thousands):

	<u>March 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
Computer equipment	\$ 6,264	\$ 6,178
Furniture and fixtures	1,737	1,724
Leasehold improvements	376	375
Total property and equipment	8,377	8,277
Less: Accumulated depreciation	(7,316)	(7,120)
Property and equipment, net	<u>\$ 1,061</u>	<u>\$ 1,157</u>

Depreciation expense recorded for property and equipment was \$0.2 million and \$0.2 million for the three months ended March 31, 2025 and 2024, respectively.

The Company's long lived assets primarily consist of computer equipment and furniture. The table below summarizes long-lived assets based on its geographical area (in thousands):

	<u>March 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
United States	\$ 399	\$ 450
Other	662	707
Total	<u>\$ 1,061</u>	<u>\$ 1,157</u>

5. Goodwill, Internal-use Software Development Costs and Intangible Assets

Goodwill

The goodwill reporting units were realigned into single reporting unit, consistent with the change to the Company's segment structure described in Note 2, "Segment Information". The changes in the carrying amount of goodwill during the three month ended March 31, 2025, relate to foreign currency translation adjustments.

Internal-use Software Development Costs

During the three months ended March 31, 2025 and 2024, the Company capitalized \$9.4 million and \$9.3 million in software development and implementation costs, respectively.

Amortization expense included in the condensed consolidated statements of operations was as follows (in thousands):

	<u>Three Months Ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Cost of revenue	\$ 5,638	\$ 4,029
Research and development	2,788	2,282
Total	<u>\$ 8,426</u>	<u>\$ 6,311</u>

Intangible Assets

Intangible assets, net consisted of the following (in thousands):

	March 31, 2025			
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted-Average Useful Life (Years)
Technology	\$ 21,802	\$ (19,736)	\$ 2,066	4.0
Customer relationship	31,951	(17,512)	14,439	8.0
Software and license	2,813	(2,813)	—	3.0
Trademark	4,038	(3,605)	433	4.0
Total	<u>\$ 60,604</u>	<u>\$ (43,666)</u>	<u>\$ 16,938</u>	

	December 31, 2024			
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted-Average Useful Life (Years)
Technology	\$ 21,798	\$ (18,675)	\$ 3,123	4.0
Customer relationship	31,946	(16,689)	15,257	8.0
Software and license	2,797	(2,789)	8	3.0
Trademark	4,038	(3,350)	688	4.0
Total	<u>\$ 60,579</u>	<u>\$ (41,503)</u>	<u>\$ 19,076</u>	

Amortization expense of intangible assets was \$2.1 million and \$2.0 million for the three months ended March 31, 2025 and 2024, respectively.

As of March 31, 2025, future expected amortization expense is as follows (in thousands):

Years Ending December 31,	
2025	\$ 4,951
2026	3,269
2027	3,269
2028	3,269
2029	2,180
Total future amortization expense	<u>\$ 16,938</u>

There were no impairments of goodwill, internal-use software development costs or intangible assets in the three months ended March 31, 2025 and 2024.

6. Prepaid expenses and other assets

The composition of prepaid expenses and other assets is as follows (in thousands):

	March 31, 2025	December 31, 2024
Prepaid expenses and other assets:		
Prepaid expenses	\$ 7,130	\$ 6,584
Contract acquisition costs	5,907	6,657
Other assets	1,379	2,832
Total prepaid expenses and other assets	<u>\$ 14,416</u>	<u>\$ 16,073</u>
Prepaid expenses and other assets:		
Current	\$ 11,880	\$ 13,058
Non-current	2,536	3,015
Total prepaid expenses and other assets:	<u>\$ 14,416</u>	<u>\$ 16,073</u>

Contract acquisition costs consist of upfront customer contract discounts, unamortized warrants cost and sales commissions. Other assets consist of security deposit for leased properties, investment in term deposits and input tax receivables.

7. Accrued and Other Liabilities

The composition of accrued and other liabilities is as follows (in thousands):

	<u>March 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
Accrued and other liabilities		
Payroll and employee-related expenses	\$ 7,618	\$ 16,650
Other accrued expenses	7,546	8,095
Other liabilities	4,311	1,717
Total accrued and other liabilities	<u>\$ 19,475</u>	<u>\$ 26,462</u>
Accrued and other liabilities		
Current	\$ 18,513	\$ 26,462
Non-current	962	—
Total accrued and other liabilities	<u>\$ 19,475</u>	<u>\$ 26,462</u>

Other accrued expenses consist of professional services, insurance and legal accruals, obligations related to agency commissions and other miscellaneous accruals. Other liabilities primarily consist of amounts payable to customers related to refunds arising from various circumstances, including dispute settlements and other customer-related transactions.

8. Commitments and Contingencies

Other Commitments

The Company has entered into certain non-cancellable agreements for software and marketing services that specify all significant terms, including fixed or minimum services to be used, pricing provisions and the approximate timing of the transaction. Obligations under contracts that are cancellable or with remaining terms of 12 months or less are not included. There have been no material changes to the Company's contractual obligations or commitments outside of the ordinary course of business as compared to those described in the 2024 Form 10-K.

Legal Matters

The Company is involved from time to time in various claims and legal proceedings arising in the ordinary course of business. From time to time as appropriate, the Company accrues liabilities related to legal claims in its financial statements. Accrued liabilities related to legal matters are included within other accrued liabilities in Note 7. If the loss is not probable or cannot be reasonably estimated, a liability is not recorded in its condensed consolidated financial statements. While it is not feasible to predict or determine the ultimate outcome of these matters, the Company believes that, as of March 31, 2025, except for potential losses associated with the estimated liabilities recorded in the condensed consolidated financial statements, no current claims and legal proceedings are expected to have a material adverse effect on its financial position, results of operations, or cash flows.

Indemnification

The Company enters into indemnification provisions under agreements with other parties in the ordinary course of business, including business partners, investors, contractors, customers, and the Company's officers, directors, and certain employees. The Company has agreed to indemnify and defend the indemnified party claims and related losses suffered or incurred by the indemnified party from actual or threatened third-party claims due to the Company's activities or non-compliance with obligations or representations made by the Company. The Company seeks to limit, or cap, its indemnification exposure in its commercial and other contracts. It is not possible to determine the maximum potential loss under these indemnification provisions due to the Company's limited history of prior indemnification claims and the unique facts and circumstances involved in each particular provision.

9. Equity

Warrants

On May 13, 2021, the Company entered into a warrant agreement with JPMC Strategic Investments I Corporation ("JPMC"), an affiliate of J.P. Morgan Securities LLC, an underwriter in our 2021 initial public offering ("IPO"), pursuant to which the Company agreed to issue a warrant to JPMC for up to 509,370 shares of Class A common stock upon completion of the IPO at an exercise price of \$18.38 per share (the "May 2021 warrant agreement"). Upon completion of the IPO, 382,027 of the warrant shares vested and were exercisable. The vesting of the remaining 127,343 shares of Class A common stock underlying the warrant was subject to the achievement of certain commercial milestones through December 31, 2025 pursuant to a related commercial agreement with JPMorgan Chase Bank, National Association ("JPM Chase"), an affiliate of JPMC. As discussed below, this commercial agreement was amended in August 2022, and the achievement of certain commercial milestones was extended through December 31, 2026 and minimum revenue commitments were set for each of the calendar years through 2026. As of March 31, 2025, all 509,370 warrant shares were vested and exercisable under the May 2021 warrant agreement.

On August 29, 2022, the Company entered into a second warrant agreement with JPMC, in connection with an amendment to the Company's existing commercial agreement with JPM Chase discussed above, pursuant to which the Company issued a warrant to JPMC for up to 684,510 shares of Class A common stock at an exercise price of \$10.10 per share (the "August 2022 warrant agreement"). Upon signing the August 2022 warrant agreement, 171,128 of the warrant shares vested and were exercisable. The vesting of the remaining 513,382 shares of Class A common stock underlying the warrant is subject to the achievement of certain commercial milestones through December 31, 2026 pursuant to the commercial agreement, as amended. As of March 31, 2025, 175,904 warrant shares were vested and exercisable under the August 2022 warrant agreement.

The Company accounts for the consideration payable in the form of warrants to its vendor as share based compensation expense. The warrant fair value was determined using the Black-Scholes pricing model in accordance with ASC 718, *Compensation-Stock Compensation*.

10. Stock-Based Compensation

In May 2021, the Company's board of directors (the "Board") adopted, and its stockholders approved, the 2021 Equity Incentive Plan (the "2021 Plan"), which became effective in connection with the IPO. The 2021 Plan provides for the grant of incentive stock options, within the meaning of Section 422 of the Internal Revenue Code, to the Company's employees and any of its parent or subsidiary corporations' employees, and for the grant of non-statutory stock options, restricted stock, restricted stock units, stock appreciation rights, and performance awards to the Company's employees, directors and consultants and any of its parent or subsidiary corporations' employees and consultants. A total of 10,459,000 shares of the Company's Class A common stock have been reserved for issuance under the 2021 Plan in addition to (i) an annual increase of 4% of the outstanding shares of the Company's common stock, with Class A and Class B common stock taken together, on the first day of each fiscal year (subject to the Compensation Committee of the Board exercising discretion to increase or decrease such amount, the "Evergreen Addition") and (ii) upon the expiration, forfeiture, cancellation, or reacquisition of any shares of Class B common stock underlying outstanding stock awards granted under the 2012 Equity Incentive Plan, an equal number of shares of Class A common stock, such number of shares not to exceed 7,563,990. On January 1, 2025, pursuant to the Evergreen Addition, approximately 5.0 million shares of Class A common stock were added to the 2021 Plan issuance reserve. At March 31, 2025, there were approximately 26.4 million remaining shares available for the Company to grant under the 2021 Plan.

Stock Options

A summary of the Company's option activity during the three months ended March 31, 2025 was as follows (in thousands, except share and per share amounts):

	Options Outstanding	Weighted- Average Exercise Price per Share	Weighted- Average Remaining Contractual Life (years)	Aggregate Intrinsic Value
Outstanding at December 31, 2024	3,534,103	\$ 8.47	4.26	\$ 85,525
Options exercised	(33,736)	1.54		
Options forfeited	(7,667)	0.28		
Outstanding at March 31, 2025	<u>3,492,700</u>	\$ 8.56	4.04	\$ 61,279
Exercisable at March 31, 2025	<u>3,479,030</u>	\$ 8.55	4.03	\$ 61,046

There were no options granted during the three months ended March 31, 2025. Aggregate intrinsic value represents the difference between the exercise price of the options and the fair value of the Company's common stock.

At March 31, 2025, there was \$0.1 million of total unrecognized compensation cost related to unvested stock options granted under the 2012 Equity Incentive Plan, which is expected to be recognized over a remaining weighted-average period of 0.7 years.

Restricted Stock Units ("RSUs")

A summary of the Company's RSU activity during the three months ended March 31, 2025 was as follows:

	RSUs Outstanding	Weighted- Average Grant Date Fair Value
Awarded and unvested at December 31, 2024	2,096,168	\$ 16.01
Awards granted	583,582	29.23
Awards vested	(328,201)	17.18
Awards forfeited	(35,796)	15.98
Awarded and unvested at March 31, 2025	<u>2,315,753</u>	<u>\$ 19.18</u>

The fair value of RSU grants is determined based upon the market closing price of the Company's Class A common stock on the date of grant. RSUs vest over the requisite service period, which is one year from the date of grant for directors and generally ranges between four years and five years from the date of grant for employees, subject to provision of services for non-employees and continued employment for employees.

At March 31, 2025, there was \$42.6 million of total unrecognized compensation cost related to unvested RSUs granted under the 2021 Plan, which is expected to be recognized over a remaining weighted-average period of 3.9 years.

Stock-based compensation expense (including amortization of capitalized warrants cost for the three months ended March 31, 2025) included in the condensed consolidated statements of operations was as follows (in thousands):

	Three Months Ended March 31,	
	2025	2024
Cost of revenue	\$ 66	\$ 51
Research and development	881	608
Sales and marketing	1,494	1,310
General and administrative	1,104	964
Total stock-based compensation	<u>\$ 3,545</u>	<u>\$ 2,933</u>

11. Income Taxes

The Company computes its tax provision for the three months ended March 31, 2025 by applying the estimated annual effective tax rate to year-to-date income from recurring operations and adjusting for discrete items arising in that quarter.

The Company's effective tax rate for the three months ended March 31, 2025 and 2024 was 22.4% and 32.8%, respectively. The difference between the Company's effective tax rate and the U.S. federal statutory rate of 21% in the above periods was primarily the result of permanent differences for disallowed stock-based compensation pursuant to Internal Revenue Code ("IRC") Section 162(m), state taxes and discrete benefits for excess tax benefits on stock-based compensation. In 2024, it was primarily the result of permanent differences for disallowed stock-based compensation pursuant to IRC Section 162(m), state taxes and the impact of the full valuation allowance that has since been released.

The Company forecasts an estimated effective tax rate in 2025, exclusive of discrete benefits, of 27%, which primarily differs from the U.S. federal statutory rate due to state taxes and permanent differences on nondeductible compensation.

12. Net Income per Share Attributable to Common Stock

Basic net income per share attributable to common stock is computed by dividing net income for the period by the weighted average number of common shares outstanding during the period.

Diluted net income per share attributable to common stock is computed by giving effect to all potentially dilutive common stock equivalents to the extent they are dilutive. The dilutive effect of outstanding options, RSUs and warrants is reflected in diluted net income per share attributable to common stock by application of the treasury stock method. The calculation of diluted net income per share attributable to common stock excludes all anti-dilutive common shares.

The rights of the holders of Class A and Class B common stock are identical, except with respect to voting and conversion. As the liquidation and dividend rights are identical, the undistributed earnings are allocated on a proportionate basis to each class of common stock, and the resulting basic and diluted net income per share attributable to common stockholders are, therefore, the same for both Class A and Class B common stock on both an individual and combined basis.

The following table sets forth the computation of basic and diluted net income per share attributable to common stock (in thousands except share and per share data):

	Three Months Ended March 31,	
	2025	2024
Numerator:		
Net income	\$ 13,813	\$ 7,226
Denominator:		
Weighted-average shares of common stock — basic	124,941,781	123,945,778
Dilutive effect of stock options	2,509,281	2,141,741
Dilutive effect of RSUs	1,043,077	754,844
Dilutive effect of warrants	307,835	75,291
Weighted-average shares of common stock — diluted	128,801,974	126,917,654
Net income per share		
Basic	\$ 0.11	\$ 0.06
Diluted	\$ 0.11	\$ 0.06

The following table summarizes the weighted average securities that were excluded from the computation of diluted net income per share attributable to common stock as their inclusion would have been antidilutive:

	Three Months Ended March 31,	
	2025	2024
RSUs	2,599	457,373
Warrants	—	448,881

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Overview

We are a leading provider of cloud-based bill payment technology and solutions. We deliver our next-generation product suite through a modern technology stack to more than 2,500 biller business and financial institution clients. Our platform was used by approximately 46 million consumers and businesses globally in December 2024 to pay their bills, make money movements and engage with our clients. We serve billers of all sizes that primarily provide non-discretionary services across a variety of industry verticals, including utilities, financial services, insurance, government, telecommunications, real estate management, education, consumer finance, healthcare and small business. We also serve financial institutions by providing them with a modern platform that their customers use for bill payment, account-to-account transfers and person-to-person transfers. By powering this comprehensive network of billers and financial institutions, each with their own set of bill payment requirements, we believe we have created an enviable feedback loop that enables us to continuously drive innovation, grow our business and uniquely improve the electronic bill payment experience for participants in the bill payment ecosystem.

Our platform provides our clients with easy-to-use, flexible and secure electronic bill payment experiences powered by an omni-channel payment infrastructure that allows consumers to pay their bills using their preferred payment type and channel. Because our biller platform is developed on a single code base and leverages a SaaS infrastructure, we can rapidly deploy new features and tools to our entire biller base simultaneously. Through a single point of integration to our billers’ core financial and operating systems, our mission-critical solutions provide our billers with a payments operating system that helps them collect revenue faster and more profitably and empower their consumers with the information and transparency needed to control their finances.

Transactions Processed

	Three Months Ended March 31,		
	2025	2024	% Growth
		(in millions)	
Transactions processed	173.2	135.3	28.0%

We define transactions processed as the number of revenue generating payment transactions, such as checks, credit card and debit card transactions, automated clearing house, or ACH, items and emerging payment types, which are initiated and generally processed through our platform during a period. The number of transactions also includes account-to-account and person-to-person transfers. The number of transactions processed during the three months ended March 31, 2025 increased approximately 28.0% as compared to the same period in 2024. The increase was primarily driven by the addition of new billers and increased transactions from our existing billers.

Other Key Factors and Trends Affecting Our Operating Results

The discussion below includes a number of forward-looking statements regarding our future performance. For a discussion of important factors, including the continuing development of our business and other factors which could cause actual results to differ materially from matters referred to below, see the discussions under “Risk Factors” and “Special Note Regarding Forward-Looking Statements” herein and in the 2024 Form 10-K.

Impact of Economic and Inflationary Trends

Economic uncertainty increased meaningfully in the first quarter of 2025, driven by growing concerns around new or evolving trade and tariff policies, geopolitical tensions, inflationary pressures, and the interest rate outlook. These factors have introduced a significant level of uncertainty to the economic outlook for the remainder of the year. The risk of a recession or tighter credit markets could lead certain customers to scale back spending, adopt lower-cost payment methods, or suspend operations. These shifts may adversely impact our performance through the rest of 2025.

Additionally, elevated inflation could negatively affect our results due to the time lag between inflationary impacts and our ability to adjust pricing strategies. We are closely monitoring these trends and will take further action as needed to maintain operational resilience, while continuing to adapt our financial and operational approach in response to evolving macroeconomic conditions.

Non-GAAP Measures

We use supplemental measures of our performance that are derived from our consolidated financial information but which are not presented in our consolidated financial statements prepared in accordance with U.S. generally accepted accounting principles, or GAAP. These supplemental non-GAAP measures include contribution profit, adjusted gross profit, adjusted EBITDA and free cash flow.

Contribution Profit

We calculate contribution profit as gross profit plus other cost of revenue. Other cost of revenue equals cost of revenue less interchange and assessment fees paid by us to our payment processors.

Adjusted Gross Profit

We calculate adjusted gross profit as gross profit adjusted for non-cash items, primarily stock-based compensation and amortization of acquisition-related intangible assets and capitalized software development costs.

Adjusted EBITDA

We calculate adjusted EBITDA as net income before interest income (expense), net, other income (expense), depreciation and amortization of acquisition-related intangible assets and capitalized software development costs, and income taxes, adjusted to exclude the effects of net foreign exchange gain (loss), stock-based compensation expense and certain nonrecurring expenses that management believes are not indicative of ongoing operations.

Free Cash Flow

We calculate free cash flow as net cash provided by (used in) operating activities less capital expenditures, other intangible assets acquired, and capitalized internal-use software development costs.

How we use Non-GAAP Measures

We use non-GAAP measures to supplement financial information presented on a GAAP basis. We believe that excluding certain items from our GAAP results allows management and our board of directors to more fully understand our consolidated financial performance from period to period and helps management project our future consolidated financial performance as forecasts are developed at a level of detail different from that used to prepare GAAP-based financial measures. Moreover, we believe these non-GAAP measures provide our investors with useful information to help them evaluate our operating results by facilitating an enhanced understanding of our operating performance and enabling them to make more meaningful period-to-period comparisons. In particular, we exclude interchange and assessment fees in the presentation of contribution profit because we believe inclusion is less directly reflective of our operating performance as we do not control the payment method or channel used by consumers, which is the primary determinant of the amount of interchange and assessment fees. We use contribution profit to measure the amount available to fund our operations after interchange and assessment fees, which are directly linked to the number of transactions we process and thus our revenue and gross profit. There are limitations to the use of the non-GAAP measures presented in this report. Our non-GAAP measures may not be comparable to similarly titled measures of other companies; other companies, including companies in our industry, may calculate non-GAAP measures differently than we do, limiting the usefulness of those measures for comparative purposes. These non-GAAP measures should not be considered in isolation from or as a substitute for financial measures prepared in accordance with GAAP.

We also urge you to review the reconciliation of these non-GAAP financial measures included below. To properly and prudently evaluate our business, we encourage you to review the condensed consolidated financial statements and related notes included elsewhere in this report and to not rely on any single financial measure to evaluate our business.

Contribution Profit

	Three Months Ended March 31,	
	2025	2024
	(in thousands)	
Gross profit	\$ 66,024	\$ 52,725
Plus: other cost of revenue	21,618	16,642
Contribution profit	\$ 87,642	\$ 69,367

In general, contribution profit is driven by the number of transactions we process offset by network fees associated with processing those transactions. The amount of contribution profit per transaction may vary due to a variety of factors substantially outside of our control, including client size, type and industry as well as whether the client is a biller, financial institution or other partner. Contribution profit for the three months ended March 31, 2025 increased approximately 26.3%, as compared to the same period in 2024. The increase was primarily driven by growth in transaction count and volume driven by the addition of new billers and financial institutions and increased transactions from our existing billers and financial institutions.

Adjusted Gross Profit

	Three Months Ended March 31,	
	2025	2024
	(in thousands)	
Gross profit	\$ 66,024	\$ 52,725
Stock-based compensation	66	51
Amortization of capitalized software development costs	5,638	4,029
Amortization of acquisition-related intangibles	828	830
Adjusted gross profit	\$ 72,556	\$ 57,635

Adjusted gross profit for the three months ended March 31, 2025 increased 25.9%, as compared to the same period in 2024. Adjusted gross profit improved in line with contribution profit. Adjusted gross profit as a percentage of contribution profit decreased modestly, as a result of changes in customer mix resulting primarily from the addition of large, high-volume enterprise billers with lower margins in our biller mix. This decline was partially offset the realization of economies of scale. Adjusted gross profit is driven primarily by the same factors that impact gross profit with the exception of excluding the amortization and stock-based compensation recorded in cost of revenue. The increase in amortization was driven by additional capitalization of software development costs.

Adjusted EBITDA

	Three Months Ended March 31,	
	2025	2024
	(in thousands)	
Net income — GAAP	\$ 13,813	\$ 7,226
Interest income, net	(2,062)	(2,186)
Other income ⁽¹⁾	—	(213)
Provision for income taxes	3,988	3,534
Amortization of capitalized software development costs	8,426	6,311
Amortization of acquisition-related intangibles	2,137	2,021
Depreciation	177	205
EBITDA	\$ 26,479	\$ 16,898
Adjustments		
Foreign exchange gain	(50)	(18)
Stock-based compensation	3,545	2,933
Adjusted EBITDA	\$ 29,974	\$ 19,813

⁽¹⁾ Other income consists of a remeasurement adjustment relating to the purchase price of a prior acquisition.

Adjusted EBITDA is a measure of profitability and generally is expected to move in line with revenue, contribution profit, gross profit and adjusted gross profit. Adjusted EBITDA increased 51.3% in the three months ended March 31, 2025, as compared to the same period in 2024. The increase was primarily driven by growth in transaction count and volume driven by the addition of new billers and financial institutions and increased transactions from our existing billers and financial institutions.

Free Cash Flow

	Three Months Ended March 31,	
	2025	2024
	(in thousands)	
Net cash provided by operating activities	\$ 50,441	\$ 10,954
Purchases of property and equipment	(60)	(116)
Capitalized internal-use software development costs	(9,278)	(9,276)
Free cash flow	\$ 41,103	\$ 1,562

The increase in free cash flow for the three months ended March 31, 2025 was primarily driven by higher cash generated from operations.

Results of Operations

The following table sets forth our condensed consolidated statements of operations for the periods presented:

	Three Months Ended March 31,		Change	
	2025	2024	\$	%
	(in thousands)			
Revenue	\$ 275,235	\$ 184,875	\$ 90,360	48.9 %
Cost of revenue	209,211	132,150	77,061	58.3 %
Gross profit	66,024	52,725	13,299	25.2 %
Gross margin ⁽¹⁾	24.0%	28.5%		
Operating expenses				
Research and development	15,101	12,051	3,050	25.3 %
Sales and marketing	26,051	23,239	2,812	12.1 %
General and administrative	9,183	9,092	91	1.0 %
Total operating expenses	50,335	44,382	5,953	13.4 %
Income from operations	15,689	8,343	7,346	88.0 %
Interest income, net	2,062	2,186	(124)	(5.7)%
Other income ⁽²⁾	50	231	(181)	(78.4)%
Income before income taxes	17,801	10,760	7,041	65.4 %
Provision for income taxes	(3,988)	(3,534)	(454)	12.8 %
Net income	\$ 13,813	\$ 7,226	\$ 6,587	91.2 %

⁽¹⁾ Gross margin is calculated as gross profit divided by revenue.

⁽²⁾ Other income for the three months ended March 31, 2024 includes a remeasurement adjustment relating to the purchase price of a prior acquisition.

The following table presents the components of our condensed consolidated statements of operations for the periods presented as a percentage of revenue:

	Three Months Ended March 31,	
	2025	2024
Revenue	100.0%	100.0%
Cost of revenue	76.0%	71.5%
Gross profit	24.0%	28.5%
Operating expenses		
Research and development	5.5%	6.5%
Sales and marketing	9.5%	12.6%
General and administrative	3.3%	4.9%
Total operating expenses	18.3%	24.0%
Income from operations	5.7%	4.5%
Interest income, net	0.7%	1.2%
Other income	0.0%	0.1%
Income before income taxes	6.4%	5.8%
Provision for income taxes	(1.4)%	(1.9)%
Net income	5.0%	3.9%

Comparison of the Three Months Ended March 31, 2025 and 2024

Revenue

The increase in revenue was primarily driven by an increase in the number of transactions processed, which was driven by the implementation of new billers and increased transactions from our existing billers.

Cost of Revenue, Gross Profit and Gross Margin

The increase in cost of revenue was driven by the increase in revenue and transactions processed, as it consists primarily of interchange fees and processor costs, as well as other direct costs associated with making our platform available to our billers.

Gross margin decreased due to changes in customer mix resulting primarily from the addition of large, high-volume enterprise billers with lower margins in our biller mix. This decline was partially offset by the realization of economies of scale.

Research and Development Expenses

The increase in research and development expenses was primarily due to increases in cloud computing services expenses due to higher utilization of cloud-based infrastructure and increased data processing demands, amortization of capitalized internal-use software development costs and employee-related costs, including benefits due to increased headcount and merit increases in annual compensation.

Sales and Marketing Expenses

The increase in sales and marketing expenses was primarily due to an increase in reseller commissions, including amortization of warrants.

General and Administrative Expenses

The marginal increase in general and administrative expenses was primarily due to increases in professional fees and legal fees, which were offset by lower cost of insurance premiums of certain business policies.

Interest income, net

The changes in interest income, net was a result of higher cash balances held with banks, offset by lower interest rate.

Income Taxes

The change in provision for income taxes as well as the decrease in the Company's effective tax rate, which was 22.4% for the three months ended March 31, 2025 as compared to 32.8% for the same period in the prior year, was primarily the result of permanent differences for disallowed stock-based compensation pursuant to IRC Section 162(m), state taxes and discrete benefits for excess tax benefits on stock-based compensation. In 2024, it was primarily the result of permanent differences for disallowed compensation pursuant to IRC Section 162(m), state taxes and the impact of the full valuation allowance that has since been released.

Liquidity and Capital Resources

Sources and Uses of Funds

As of March 31, 2025, we had \$245.8 million of unrestricted cash and cash equivalents. We believe that existing unrestricted cash and cash equivalents will be sufficient to support our working capital and capital expenditure requirements for at least the next 12 months. Since inception, we have financed operations primarily through the sale of equity securities and revenue from payment transaction fees and subscriptions. Our principal uses of cash are funding operations and capital expenditures.

From time to time, we may explore additional financing sources and means to lower our cost of capital, which could include equity, equity-linked and debt financing. We cannot assure you that any additional financing will be available to us on acceptable terms, or at all. The inability to raise capital would adversely affect our ability to achieve our business objectives. If we raise additional funds by issuing equity or equity-linked securities, the ownership of our existing stockholders will be diluted. If we raise additional financing by the incurrence of indebtedness, we may be subject to increased fixed payment obligations and could be subject to additional restrictive covenants, such as limitations on our ability to incur additional debt, and other operating restrictions that could adversely impact our ability to conduct our business or execute our growth strategy. Any future indebtedness we incur may result in terms that could be unfavorable to equity investors.

Historical Cash Flows

The following table summarizes our condensed consolidated cash flows.

	Three Months Ended March 31,	
	2025	2024
	(in thousands)	
Net cash provided by (used in)		
Operating activities	\$ 50,441	\$ 10,954
Investing activities	(8,287)	(9,513)
Financing activities	(1,892)	(406)
Effects of foreign exchange on cash	(25)	(78)
Net increase in cash, cash equivalents and restricted cash	\$ 40,237	\$ 957

Net Cash Provided by Operating Activities

Our primary source of operating cash is revenue from payment transaction fees. Our primary uses of operating cash are personnel-related costs, payments to third parties to fulfill our payment transactions and payments to sales and marketing partners. Net cash provided by operating activities for the three months ended March 31, 2025 was \$50.4 million. Net income was \$13.8 million, adjusted for non-cash charges of \$15.8 million, consisting primarily of depreciation and amortization, stock-based compensation, amortization of capitalized contract acquisition costs and warrant cost, non-cash lease expense and provision for expected credit losses and credit adjustments, which contributed positively to cash provided from operating activities. This was additionally supported by net cash inflows of \$20.9 million provided by changes in our operating assets and liabilities.

Net cash provided by operating activities for the three months ended March 31, 2024 was \$11.0 million. Net income was \$7.2 million, adjusted for non-cash charges of \$13.2 million consisting primarily of depreciation and amortization, stock-based compensation, amortization of capitalized contract acquisition costs and warrant cost, non-cash lease expense and provision for expected credit losses and credit adjustments, which contributed positively to cash provided from operating activities. This was offset by net cash outflows of \$9.5 million due to changes in our operating assets and liabilities.

Net Cash Used in Investing Activities

Net cash used in investing activities for the three months ended March 31, 2025 consisted of \$9.3 million of capitalized internal-use software development costs and \$0.1 million of purchases of property and equipment, offset by \$1.1 million cash inflow from net change in interest-bearing deposits.

Net cash used in investing activities for the three months ended March 31, 2024 consisted of \$9.3 million of capitalized internal-use software development costs, \$0.1 million of purchases of property and equipment and \$0.1 million from net change in interest-bearing deposits.

Net Cash Used in Financing Activities

Net cash used in financing activities for the three months ended March 31, 2025 consisted of \$1.9 million of payments of taxes withheld on net settled vesting of restricted stock units, which was offset by \$0.1 million of proceeds from the exercise of stock-based awards by employees.

Net cash used in financing activities for the three months ended March 31, 2024 consisted of \$0.5 million of settlement of holdback liability relating to a prior acquisition, which was offset by \$0.1 million of proceeds from the exercise of stock-based awards by employees.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosures of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Our significant accounting policies are described in Note 2, "Basis of Presentation and Summary of Significant Accounting Policies" to our consolidated financial statements included in our 2024 Form 10-K. Except for those disclosed in Note 2 "Summary of Significant Accounting Policies" of this Quarterly Report on Form 10-Q, there have been no material changes in our critical accounting policies and estimates since December 31, 2024.

Recent Accounting Pronouncements

See Note 2 “Basis of Presentation and Summary of Significant Accounting Policies” in the unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report for a full description of recent accounting pronouncements, including the respective dates of adoption or expected adoption and effects on our condensed consolidated financial statements contained in Item 1 of this Quarterly Report.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

There have been no material changes in our exposures to market risk since December 31, 2024. For details on the Company’s interest rate, foreign currency exchange, and inflation risks, see Part I, Item 7A. “Quantitative and Qualitative Information About Market Risk” in our 2024 Form 10-K.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (“the Exchange Act”)) that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures as of March 31, 2025, the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended March 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the company have been detected. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, we may be involved in claims, regulatory examinations or investigations and legal proceedings arising in the ordinary course of our business. The outcome of any such claims or proceedings, regardless of the merits, and the Company's ultimate liability, if any, is inherently uncertain. Furthermore, we may become subject to stockholder inspection demands under Delaware law and derivative or other similar litigation. We are not currently party to any material legal proceedings, and, except as referred to in Note 8 to the condensed consolidated financial statements, we are not aware of any pending or threatened legal proceeding against us that we believe could have a material adverse effect on our business, operating results, cash flows or financial condition.

Item 1A. Risk Factors.

There have been no material changes in the risk factors previously disclosed in Item 1A. of our 2024 Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not Applicable.

Item 5. Other Information.

During the quarter ended March 31, 2025, none of the Company's directors or officers adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as such terms are defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits.

(a) Exhibits

Exhibit Number	Description	Incorporated by Reference				Filed/ Furnished Herewith
		Form	File No.	Exhibit	Filing Date	
3.1.1	Amended and Restated Certificate of Incorporation of Paymentus Holdings, Inc.	8-K	001-40429	3.1	May 28, 2021	
3.1.2	Amendment to Amended and Restated Certificate of Incorporation of Paymentus Holdings, Inc.	10-Q	001-40429	3.1	August 7, 2023	
3.2	Amended and Restated Bylaws of Paymentus Holdings, Inc.	8-K	001-40429	3.2	November 14, 2022	
10.1+	Form of Restricted Stock Unit Award Agreement (for Independent Contractors) under the 2021 Equity Incentive Plan					X
10.2+	Form of Restricted Stock Award Agreement under the 2021 Equity Incentive Plan					X
31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1*	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
32.2*	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.					
101.SCH	Inline XBRL Taxonomy Extension Schema Document					
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)					

+ Indicates a management contract or compensatory plan or arrangement

* The certifications attached as Exhibit 32.1 and 32.2 that accompany this report are not deemed filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of Paymentus Holdings, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this report, irrespective of any general incorporation language contained in such filing.

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 thereunto duly authorized.

PAYMENTUS HOLDINGS, INC.

Date: May 7, 2025

By: /s/ Dushyant Sharma
Dushyant Sharma
Chairman, President and Chief Executive Officer
(Principal Executive Officer)

Date: May 7, 2025

By: /s/ Sanjay Kalra
Sanjay Kalra
Senior Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

PAYMENTUS HOLDINGS, INC.
2021 EQUITY INCENTIVE PLAN
RESTRICTED STOCK UNIT AGREEMENT
NOTICE OF RESTRICTED STOCK UNIT GRANT
(INDEPENDENT CONTRACTORS)

Unless otherwise defined herein, the terms defined in the Paymentus Holdings, Inc. 2021 Equity Incentive Plan (the “**Plan**”) will have the same defined meanings in this Restricted Stock Unit Agreement, which includes the Notice of Restricted Stock Unit Grant (the “**Notice of Grant**”), the Terms and Conditions of Restricted Stock Unit Grant, attached hereto as **Exhibit A**, and all other exhibits, appendices, and addenda attached hereto (including any additional terms and conditions for Participant’s country set forth in Appendix 1 to the Terms and Conditions of Restricted Stock Unit Grant (the “**Country Addendum**”) and restrictive covenants set forth in Appendix 2 to the Terms and Conditions of Restricted Stock Unit Grant (the “**Restrictive Covenants Addendum**”)) (together, the “**Award Agreement**”).

Participant Name:

Address:

The undersigned Participant has been granted an Award of Restricted Stock Units, subject to the terms and conditions of the Plan and this Award Agreement, as follows:

Grant Number: _____

Grant Date: _____

Total Number of Restricted Stock Units: _____

Vesting Schedule:

For purposes of this Award Agreement, “**Quarterly Vesting Dates**” with respect to any calendar year means February 15, May 15, August 15, and November 15.

Subject to any acceleration provisions contained in the Plan, this Award Agreement or any other written agreement authorized by the Administrator between Participant and the Company (or any Parent or Subsidiary of the Company, as applicable) governing the terms of this Award, The Restricted Stock Units will be scheduled to vest according to the following vesting schedule:

One-fifth (1/5th) of the Total Number of Restricted Stock Units (as set forth above) subject to this Award Agreement will be scheduled to vest on the one (1) year anniversary of the Grant Date (such first vesting date, the “**First Vesting Date**”), and thereafter, one-twentieth (1/20th) of the Total Number of Restricted Stock Units subject to this Award Agreement will be scheduled to vest on each of the sixteen (16) Quarterly Vesting Dates that occur after the First Vesting Date, beginning with the second Quarterly Vesting Date following the First Vesting Date, subject to Participant continuing to be a Service Provider through the applicable vesting date.

By Participant’s signature or by Participant’s acceptance of the Award Agreement via the Company’s designated electronic acceptance procedures and the signature of the representative of the Company below, Participant and the Company agree that this Award of Restricted Stock Units is granted under and governed by the terms and conditions of the Plan and this Award Agreement, including the Terms and Conditions of Restricted Stock Unit Grant, attached hereto as **Exhibit A**, and all other exhibits, appendices and addenda attached hereto (including any Country Addendum and Restrictive Covenants Addendum), all of which are made a part of this document. Participant acknowledges receipt of a copy of the Plan. Participant has reviewed the Plan and this Award Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Award Agreement and fully understands all provisions of the Plan and this Award Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions relating to the Plan or this Award Agreement. Participant further agrees to notify the Company upon any change in Participant’s residence address indicated below.

PARTICIPANT

Signature

Print Name

Residence Address:

PAYMENTUS HOLDINGS, INC.

Signature

Print Name

Title

EXHIBIT A

PAYMENTUS HOLDINGS, INC.

2021 EQUITY INCENTIVE PLAN

RESTRICTED STOCK UNIT AGREEMENT

TERMS AND CONDITIONS OF RESTRICTED STOCK UNIT GRANT

1. Grant of Restricted Stock Units. Paymentus Holdings, Inc. (the “**Company**”) hereby grants to the individual (“**Participant**”) named in the Notice of Restricted Stock Unit Grant of this Award Agreement (the “**Notice of Grant**”) under the Plan an Award of Restricted Stock Units, subject to the terms and conditions of this Award Agreement and the Plan, which is incorporated herein by reference. Subject to Section 20 of the Plan, in the event of a conflict between the terms and conditions of the Plan and this Award Agreement, the terms and conditions of the Plan shall prevail.

2. Company’s Obligation to Pay. Each Restricted Stock Unit represents the right to receive a share of the Company’s Class A common stock (a “**Share**”) on the date it vests. Unless and until the Restricted Stock Units will have vested in the manner set forth in Section 3 or 4, Participant will have no right to payment of any such Restricted Stock Units. Prior to actual payment of any vested Restricted Stock Units, such Restricted Stock Unit will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company.

3. Vesting Schedule. Except as provided in Section 4, and subject to Section 5, the Restricted Stock Units awarded by this Award Agreement will vest in accordance with the vesting provisions set forth in the Notice of Grant. Unless specifically provided otherwise in this Award Agreement or other written agreement authorized by the Administrator between Participant and the Company or any Parent or Subsidiary of the Company, as applicable, governing the terms of this Award, Restricted Stock Units scheduled to vest on a certain date or upon the occurrence of a certain condition will not vest in accordance with any of the provisions of this Award Agreement, unless Participant will have been continuously a Service Provider from the Grant Date until the date such vesting occurs.

4. Payment after Vesting.

(a) **General Rule.** Subject to Section 7, any Restricted Stock Units that vest will be paid to Participant (or in the event of Participant’s death, to his or her properly and validly designated beneficiary or estate) in whole Shares. Subject to the provisions of Section 4(c), such vested Restricted Stock Units shall be paid in whole Shares as soon as practicable after vesting, but in each such case within sixty (60) days following the vesting date. In no event will Participant be permitted, directly or indirectly, to specify the taxable year of payment of any Restricted Stock Units payable under this Award Agreement.

(b) **Discretionary Acceleration.** The Administrator, in its discretion, may accelerate the vesting of the balance, or some lesser portion of the balance, of the unvested Restricted Stock Units at any time, subject to the terms of the Plan. If so accelerated, such Restricted Stock Units will be considered as having vested as of the date specified by the Administrator.

(c) **Section 409A.**

(i) If Participant is a U.S. taxpayer, the payment of Shares vesting pursuant to this Award Agreement (including any discretionary acceleration under Section 4(b)) shall in all cases be paid at a time or in a manner that is exempt from, or complies with, Section 409A. The prior sentence may be superseded in a future agreement or amendment to this Award Agreement only by direct and specific reference to such sentence.

(ii) It is the intent of this Award Agreement that it and all payments and benefits to U.S. taxpayers hereunder be exempt from, or comply with, the requirements of Section 409A so that none of the Restricted Stock Units provided under this Award Agreement or Shares issuable thereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities or ambiguous terms herein will be interpreted to be so exempt or so comply. Each payment payable under this Award Agreement is intended to constitute a separate payment for purposes of Treasury Regulations Section 1.409A-2(b)(2). To the extent necessary to comply with Section 409A, references to termination of Participant’s status as a Service Provider or similar phrases will be references to Participant’s “separation from service” within the meaning of Section 409A. In no event will the Company or any Parent or Subsidiary of the Company have any responsibility, liability, or obligation to reimburse, indemnify, or hold harmless Participant (or any other person) for any taxes, penalties and interest that may be imposed, or other costs that may be incurred, as a result of Section 409A.

5. Forfeiture Upon Termination as a Service Provider. Unless specifically provided otherwise in this Award Agreement or other written agreement authorized by the Administrator between Participant and the Company or any of its Subsidiaries or Parents, as applicable, governing the terms of this Award, if Participant ceases to be a Service Provider

for any or no reason, the then-unvested Restricted Stock Units awarded by this Award Agreement will thereupon be forfeited at no cost to the Company and Participant will have no further rights thereunder.

6. Death of Participant. Any distribution or delivery to be made to Participant under this Award Agreement, if Participant is then deceased, will be made to Participant's designated beneficiary: provided, however, that the Administrator has permitted the designation and such designation is valid under Applicable Laws. If no beneficiary survives Participant, or if the designation was not permitted by the Administrator or not valid under Applicable Laws, distribution or delivery shall be made to the administrator or executor of Participant's estate. Any such transferee must furnish the Company with (a) written notice of his or her status as transferee, and (b) evidence satisfactory to the Company to establish the validity of the transfer and compliance with any laws or regulations pertaining to said transfer.

7. Tax Obligations

(a) **Responsibility for Taxes.** Participant shall bear all expense of, and be solely responsible for, any tax and/or social insurance liability obligations and requirements in connection with the Restricted Stock Units, including, without limitation, (i) all federal, state, and local taxes or other tax-related items related to Participant's participation in the Plan and legally applicable or deemed legally applicable to Participant, (ii) Participant's and, to the extent required by the Company, the Company's fringe benefit tax liability, if any, associated with the grant, vesting, or settlement of the Restricted Stock Units or sale of Shares, and (iii) any other Company taxes the responsibility for which Participant has, or has agreed to bear, with respect to the Restricted Stock Units (or settlement thereof or issuance of Shares thereunder) (collectively, the "**Tax Obligations**"). Participant further acknowledges that the Company (A) makes no representations or undertakings regarding the treatment of any Tax Obligations in connection with any aspect of the Restricted Stock Units, including, but not limited to, the grant, vesting or settlement of the Restricted Stock Units, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends or other distributions, and (B) makes no commitment to and is under no obligation to structure the terms of the grant or any aspect of the Restricted Stock Units to reduce or eliminate Participant's liability for Tax Obligations or achieve any particular tax result.

(b) **Tax Consequences.** Participant has reviewed with his or her own tax advisers the U.S. federal, state, local and non-U.S. tax consequences of this investment and the transactions contemplated by this Award Agreement. With respect to such matters, Participant relies solely on such advisers and not on any statements or representations of the Company or any of its agents, written or oral. Participant understands that Participant (and not the Company) shall be responsible for Participant's own tax liability that may arise as a result of this investment or the transactions contemplated by this Award Agreement.

8. Rights as Stockholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares (which may be in book entry form) will have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to Participant (including through electronic delivery to a brokerage account). After such issuance, recordation and delivery, Participant will have all the rights of a stockholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares.

9. No Guarantee of Continued Service. PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF THE RESTRICTED STOCK UNITS PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AWARD AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN SHALL NOT BE INTERPRETED AS FORMING OR AMENDING A SERVICE CONTRACT AND DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL.

10. Grant is Not Transferable. Except to the limited extent provided in Section 6, this Award and the rights and privileges conferred hereby will not be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and will not be subject to sale under execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of this Award, or any right or privilege conferred hereby, or upon any attempted sale under any execution, attachment or similar process, this Award and the rights and privileges conferred hereby immediately will become null and void.

11. Nature of Grant. In accepting this Award of Restricted Stock Units, Participant acknowledges, understands and agrees that:

(a) the grant of the Restricted Stock Units is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of Restricted Stock Units, or benefits in lieu of Restricted Stock Units, even if Restricted Stock Units have been granted in the past;

(b) all decisions with respect to future Restricted Stock Units or other grants, if any, will be at the sole discretion of the Administrator;

(c) Participant is voluntarily participating in the Plan;

(d) the future value of the Shares underlying the Restricted Stock Units is unknown, indeterminable, and cannot be predicted with certainty;

(e) for purposes of the Restricted Stock Units, Participant's status as a Service Provider will be considered terminated as of the date Participant is no longer actively providing services to the Company or any Parent or Subsidiary (regardless of the reason for such termination), and unless otherwise expressly provided in this Award Agreement (including by reference in the Notice of Grant to other arrangements or contracts) or determined by the Administrator, Participant's right to vest in the Restricted Stock Units under the Plan, if any, will terminate as of such date and will not be extended by any notice period. The Administrator shall have the exclusive discretion to determine when Participant is no longer actively providing services for purposes of this Award of Restricted Stock Units (including whether Participant may still be considered to be providing services while on a leave of absence and consistent with Applicable Laws).

(f) unless otherwise provided in the Plan or by the Administrator in its discretion, the Restricted Stock Units and the benefits evidenced by this Award Agreement do not create any entitlement to have the Restricted Stock Units or any such benefits transferred to, or assumed by, another company nor be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares; and

(g) the following provisions apply only if Participant is providing services outside the United States:

(i) the Restricted Stock Units and the Shares subject to the Restricted Stock Units, and the income from and value of same, are not part of normal or expected compensation for any purpose;

(ii) the Company shall not be liable for any foreign exchange rate fluctuation between Participant's local currency and the United States Dollar that may affect the value of the Restricted Stock Units or of any amounts due to Participant pursuant to the settlement of the Restricted Stock Units or the subsequent sale of any Shares acquired upon settlement; and

(iii) no claim or entitlement to compensation or damages shall arise from forfeiture of the Restricted Stock Units resulting from the termination of Participant's status as a Service Provider (for any reason whatsoever), and in consideration of the grant of the Restricted Stock Units to which Participant is otherwise not entitled, Participant irrevocably agrees never to institute any claim against the Company, waives his or her ability, if any, to bring any such claim, and releases the Company from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim.

12. Restrictive Covenants. In consideration of this grant of Restricted Stock Units, Participant agrees to the restrictive covenants set forth in Appendix 2 to this Award Agreement, the terms of which are incorporated by reference.

13. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant's participation in the Plan, or Participant's acquisition or sale of the Shares underlying the Restricted Stock Units. Participant is hereby advised to consult with his or her own personal tax, legal and financial advisers regarding his or her participation in the Plan before taking any action related to the Plan.

14. Data Privacy. *Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data as described in this Award Agreement and any other Restricted Stock Unit grant materials by the Company for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan.*

Participant understands that the Company may hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Restricted Stock Units or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.

Participant understands that Data will be transferred to a third-party stock plan service provider, which is assisting the Company with the implementation, administration and management of the Plan. Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country of operation (e.g., the United States) may have different data privacy laws and protections than Participant's country. Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. Participant authorizes the Company, any stock plan service provider selected by the Company and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his or her participation

in the Plan. Participant understands that Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. Participant understands if he or she resides outside the United States, he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Company's local human resources representative. Further, Participant understands that he or she is providing the consents herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke his or her consent, his or her status as a Service Provider will not be adversely affected. The only adverse consequence of refusing or withdrawing Participant's consent is that the Company would not be able to grant Participant Restricted Stock Units or other equity awards or administer or maintain such awards. Therefore, Participant understands that refusing or withdrawing his or her consent may affect Participant's ability to participate in the Plan. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant understands that he or she may contact the Company's local human resources representative.

15. Address for Notices. Any notice to be given to the Company under the terms of this Award Agreement will be addressed to the Company at Paymentus Holdings, Inc., 11605 N. Community House Road, Suite 300, Charlotte, NC 28277, Attention: General Counsel, or at such other address as the Company may hereafter designate in writing.

16. Successors and Assigns. The Company may assign any of its rights under this Award Agreement to single or multiple assignees, and this Award Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Award Agreement shall be binding upon Participant and Participant's heirs, executors, administrators, successors and assigns. The rights and obligations of Participant under this Award Agreement may be assigned only with the prior written consent of the Company.

17. Additional Conditions to Issuance of Stock. If at any time the Company will determine, in its discretion, that the listing, registration, qualification or rule compliance of the Shares upon any securities exchange or under any state, federal or non-U.S. law, the tax code and related regulations or under the rulings or regulations of the U.S. Securities and Exchange Commission or any other governmental regulatory body or the clearance, consent or approval of the U.S. Securities and Exchange Commission or any other governmental regulatory authority is necessary or desirable as a condition to the issuance of Shares to Participant (or his or her estate) hereunder, such issuance will not occur unless and until such listing, registration, qualification, rule compliance, clearance, consent or approval will have been completed, effected or obtained free of any conditions not acceptable to the Company. Subject to the terms of the Award Agreement and the Plan, the Company will not be required to issue any certificate or certificates for (or make any entry on the books of the Company or of a duly authorized transfer agent of the Company of) the Shares hereunder prior to the lapse of such reasonable period of time following the date of vesting of the Restricted Stock Units as the Administrator may establish from time to time for reasons of administrative convenience.

18. Language. Participant acknowledges that Participant is sufficiently proficient in the English language, or has consulted with an adviser who is sufficiently proficient in the English language, so as to allow Participant to understand the terms and conditions of this Award Agreement. If Participant has received this Award Agreement or any other document related to the Plan translated into a language other than the English language and if the meaning of the translated version is different than the English version, the English language version will control.

19. Interpretation. The Administrator will have the power to interpret the Plan and this Award Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any Restricted Stock Units have vested). All actions taken and all interpretations and determinations made by the Administrator in good faith will be final and binding upon Participant, the Company and all other interested persons. Neither the Administrator nor any person acting on behalf of the Administrator will be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or this Award Agreement.

20. Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to the Restricted Stock Units awarded under the Plan or future Restricted Stock Units that may be awarded under the Plan by electronic means or require Participant to participate in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Company or a third party designated by the Company.

21. Captions. Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Award Agreement.

22. Amendment, Suspension or Termination of the Plan. By accepting this Award, Participant expressly warrants that he or she has received an Award of Restricted Stock Units under the Plan, and has received, read and understood a description of the Plan. Participant understands that the Plan is discretionary in nature and may be amended, suspended or terminated by the Administrator at any time.

23. Country Addendum. Notwithstanding any provisions in this Award Agreement, the Restricted Stock Unit grant shall be subject to any additional terms and conditions set forth in the Country Addendum (if any) for any country whose laws are applicable to Participant and this Award of Restricted Stock Units (as determined by the Administrator in its sole discretion). Moreover, if Participant relocates to one of the countries included in the Country Addendum, the additional terms and conditions for such country will apply to Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Country Addendum (if any) constitutes a part of this Award Agreement.

24. Modifications to the Award Agreement. This Award Agreement constitutes the entire understanding of the parties on the subjects covered. Participant expressly warrants that he or she is not accepting this Award Agreement in reliance on any promises, representations, or inducements other than those contained herein. Modifications to this Award Agreement can be made only in an express written contract executed by a duly authorized officer of the Company. Notwithstanding anything to the contrary in the Plan or this Award Agreement, the Company reserves the right to revise this Award Agreement as it deems necessary or advisable, in its sole discretion and without the consent of Participant, to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection with this Award of Restricted Stock Units.

25. No Waiver. Either party's failure to enforce any provision or provisions of this Award Agreement shall not in any way be construed as a waiver of any such provision or provisions, nor prevent that party from thereafter enforcing each and every other provision of this Award Agreement. The rights granted both parties herein are cumulative and shall not constitute a waiver of either party's right to assert all other legal remedies available to it under the circumstances.

26. Insider Trading/Market Abuse Laws. Participant acknowledges that Participant may be subject to insider trading restrictions and/or market abuse laws based on the exchange on which the Shares are listed and in applicable jurisdictions including, but not limited to, the United States and Participant's country of residence, which may affect Participant's ability to acquire or sell Shares or rights to Shares (e.g., Restricted Stock Units) under the Plan during such time as Participant is considered to have "inside information" regarding the Company (as defined by the laws in the applicable jurisdictions). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders Participant placed before Participant possessed inside information. Furthermore, Participant could be prohibited from (i) disclosing the inside information to any third party and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Participant should keep in mind that third parties include employees of the Company. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable insider trading policy of the Company. Participant is responsible for ensuring compliance with any applicable restrictions and should consult with his or her personal legal advisor on this matter.

27. Governing Law; Venue; Severability. This Award Agreement and the Restricted Stock Units are governed by the internal substantive laws, but not the choice of law rules, of the State of Delaware. For purposes of any action, lawsuit or other proceedings brought to enforce this Award Agreement, relating to it, or arising from it, the parties hereby submit to and consent to the sole and exclusive jurisdiction of the courts of the State of Delaware, and no other courts, where this grant is made and/or to be performed. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Award Agreement shall continue in full force and effect.

28. Entire Agreement. The Plan is incorporated herein by reference. The Plan and this Award Agreement (including the exhibits, appendices, and addenda attached to the Notice of Grant) constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof, and may not be modified adversely to Participant's interest except by means of a writing signed by the Company and Participant. Notwithstanding the foregoing, the restrictive covenants set forth in Appendix 2 do not supersede or in any way modify any other restrictive covenants applicable to Participant in any agreement with the Company or any Parent or Subsidiary of the Company.

* * *

APPENDIX 1
PAYMENTUS HOLDINGS, INC.
2021 EQUITY INCENTIVE PLAN
COUNTRY ADDENDUM TO RESTRICTED STOCK UNIT AGREEMENT

Unless otherwise defined herein, capitalized terms used in this Country Addendum to Restricted Stock Unit Agreement (the “**Country Addendum**”) will be ascribed the same defined meanings as set forth in the Restricted Stock Unit Agreement of which this Country Addendum forms a part (or the Plan or other written agreement as specified in the Restricted Stock Unit Agreement).

Terms and Conditions

This Country Addendum includes additional terms and conditions that govern the Award of Restricted Stock Units granted to Participant under the Plan to the extent Participant resides and/or works in one of the countries listed below. If Participant is a citizen or resident (or is considered as such for local law purposes) of a country other than the country in which Participant is currently residing and/or working, or if Participant transfers employment and/or residency to another country after the Award of Restricted Stock Units is granted, the Company, in its discretion, will determine to what extent the terms and conditions contained herein will apply to Participant.

Notifications

This Country Addendum also includes information regarding securities laws, exchange controls and certain other issues of which Participant should be aware with respect to Participant’s participation in the Plan. The information is provided solely for Participant’s convenience and is based on the securities, exchange control and other Applicable Laws in effect in the respective countries as of **April 2021**. Such Applicable Laws often are complex and change frequently. As a result, the Company strongly recommends that Participant not rely on the information in this Country Addendum as the only source of information relating to the consequences of Participant’s participation in the Plan because the information may be out of date at the time Participant vests in or receives or sells the Shares covered by the Restricted Stock Units.

In addition, the information contained in this Country Addendum is general in nature and may not apply to Participant’s particular situation, and the Company is not in a position to assure Participant of any particular result. Participant should seek appropriate professional advice as to how the Applicable Laws in Participant’s country may apply to his or her situation.

Finally, if Participant is a citizen or resident (or is considered as such for local law purposes) of a country other than the one in which Participant currently is residing and/or working, or if Participant transfers residence and/or employment to another country after the grant of the Restricted Stock Units, the information in this Country Addendum may not apply to Participant in the same manner.

CANADA

Terms and Conditions

Settlement of Restricted Stock Units. Notwithstanding any discretion in Section 9.4 of the Plan and without prejudice to Section 7(b) of the Restricted Stock Unit Agreement, Restricted Stock Units will be settled in Shares only, not in cash.

Termination. The following provision replaces the second paragraph of Sections 5 and 11(h) of the Restricted Stock Unit Agreement in its entirety:

For purposes of the Restricted Stock Units, Participant’s status as a Service Provider will be considered terminated (regardless of the reason for such termination) as of the date that is the earliest of: (i) the date of termination of Participant’s status as a Service Provider, (ii) the date on which Participant receives notice of termination of his or her status as a Service Provider, and (iii) the date on which Participant ceases to be providing services to the Company, the Company or any other Subsidiary or Parent of the Company, which date shall not be extended by any notice period or period of pay in lieu of such notice mandated under the terms of Participant’s service agreement, if any. The Administrator shall have the exclusive discretion to determine when Participant no longer is actively providing services for purposes of the Award.

Language. The parties acknowledge that it is Participant’s express wish that the Restricted Stock Unit Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent que le participant souhaite expressément que le contrat d'attribution, ainsi que tous les documents, avis et procédures judiciaires conclus, donnés ou intentés en vertu des présentes ou s'y rapportant directement ou indirectement, soient rédigés en anglais.

Data Privacy. This provision supplements Section 14 of the Restricted Stock Unit Agreement:

Participant hereby authorizes the Company, and any agents or representatives to (i) discuss with and obtain all relevant information from all personnel, professional or non-professional, involved in the administration and operation of the Plan, and (ii) disclose and discuss any and all information relevant to the Plan with their advisers. Participant further authorizes the Company and any agents or representatives to record such information and to keep such information in Participant's file.

Notifications

Securities Law Notification. Participant is permitted to sell Shares acquired under the Plan through the designated broker appointed under the Plan, if any, provided the resale of Shares acquired under the Plan takes place outside Canada through the facilities of the exchange on which the Shares are then listed.

INDIA

Notifications

Exchange Control Notification. Participant is required to repatriate to India, or cause to be repatriated, any proceeds from the sale of Shares acquired under the Plan and any dividends received in relation to the Shares within such time as prescribed under applicable Indian exchange control laws as may be amended from time to time. Participant should obtain a foreign inward remittance certificate ("FIRC") or other similar form from the bank where Participant deposits the funds and maintain the FIRC or other form as evidence of the repatriation of funds in the event the Reserve Bank of India or Participant's employer requests proof of repatriation. *Participant should consult with his or her personal legal adviser to ensure compliance with the applicable requirements.*

APPENDIX 2
PAYMENTUS HOLDINGS, INC.
2021 EQUITY INCENTIVE PLAN

RESTRICTIVE COVENANTS ADDENDUM TO RESTRICTED STOCK UNIT AGREEMENT

Unless otherwise defined herein, capitalized terms used in this Restrictive Covenants Addendum to Restricted Stock Unit Agreement will be ascribed the same defined meanings as set forth in the Restricted Stock Unit Agreement of which this Restrictive Covenants Addendum forms a part (or the Plan or other written agreement as specified in the Restricted Stock Unit Agreement). If you are an independent contractor, any reference to a "Participant's employment" with the Company in this Restrictive Covenants Addendum shall be deemed to mean service with the Company or its Parents or Subsidiaries pursuant to your independent contractor agreement(s) with the Company or its Parents or Subsidiaries.

1. Confidential Information

- a. Participant expressly agrees that, throughout the term of Participant's employment with the Company and at all times following the cessation of Participant's employment from the Company, for so long as the information remains confidential, Participant will not acquire, use, transfer, download, print, or disclose any Confidential Information other than for the purpose to carry out the duties of Participant's employment for the benefit of the Company (but in all cases preserving confidentiality by following the Company's policies and procedures). Participant agrees to take all reasonable measures to protect the secrecy of and avoid disclosure or use of Confidential Information in order to prevent it from falling into the public domain or into the possession of any Competing Business or any persons other than those persons authorized under this Restrictive Covenants Addendum to have such information for the benefit of the Company. Participant agrees to notify the Company in writing of any actual or suspected misuse, misappropriation, or unauthorized disclosure of Confidential Information that may come to Participant's attention. Participant acknowledges that if Participant discloses or uses knowledge of the Company's Confidential Information to gain an advantage for Participant, for any Competing Business, or for any other person or entity other than the Company, such an advantage so obtained would be unfair and detrimental to the Company.
- b. Participant shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.
- c. Nothing contained in this Restrictive Covenants Addendum is intended to prohibit Participant from disclosing or discussing information relating to compensation or working conditions protected by the National Labor Relations Act or applicable law. Additionally, nothing contained in this Restrictive Covenants Addendum prohibits or prevents Participant from filing a charge with or participating, testifying, or assisting in any investigation, hearing, whistleblower proceeding, or other proceeding before any federal, state, or local government agency (e.g., EEOC, NLRB, SEC, etc.) or in any legislative or judicial proceeding nor does anything in this Restrictive Covenants Addendum preclude, prohibit or otherwise limit, in any way, Participant's rights and abilities to contact, communicate with or report unlawful conduct to federal, state, or local officials for investigation or participate in any whistleblower program administered by such agencies. The Company further acknowledges Participant's rights to make truthful statements or disclosures required by law, regulation, or legal process and to request or receive confidential legal advice, and nothing in this Restrictive Covenants Addendum shall be deemed to impair those rights. The Company also acknowledges Participant's rights to make truthful statements or disclosures about unlawful employment practices which are defined to mean any form of unlawful discrimination, harassment, or retaliation that is actionable under Title VII of the Civil Rights Act of 1964 or any comparable state statute or any other related federal or state rule or law that is enforced by the Equal Employment Opportunity Commission or any comparable state agency.

- 2. Limited Non-Compete Agreement.** The Parties acknowledge and agree that, as a result of Participant's employment with the Company: (i) Participant has and will have access to and be involved in the development and utilization of the Company's Confidential Information; (ii) Participant will develop and maintain critical relationships with the Company's customers, prospective customers, employees, consultants, and independent contractors; and (iii) Participant will be responsible for further developing and strengthening the Company's goodwill in the market. Accordingly, Participant expressly agrees that Participant will not Compete with the Company during the Restricted Period within the Restricted Territory on behalf of any Competing Business.

- 3. Non-Solicitation of Customers/Prospective Customers.** Participant expressly agrees that during the Restricted

Period, Participant will not, directly or indirectly, either alone or by assisting or acting in concert with others, on behalf of themselves or any other person, business, entity, including but not limited to on behalf of a Competing Business, solicit, persuade, induce, encourage, divert, or attempt to solicit, persuade, induce, encourage, or divert, or otherwise accept business from, any Customer or Prospective Customer with whom Participant had Material Contact, for the purpose of interfering in the relationship between such Customer or Prospective Customer and the Company, or providing products or services that are competitive with or could replace the Company's products or services in the Company's Business.

4. **Non-Raiding of Employees.** Participant expressly agrees that during the Restricted Period, Participant will not, directly or indirectly, either alone or by assisting or acting in concert with others, on behalf of themselves or any other person, business or entity, solicit, induce, encourage or attempt to solicit, induce or encourage any then current employee or independent contractor of the Company (each, a "Restricted Employee") to alter or terminate their relationship with the Company, or hire, employ, recruit or attempt to hire, employ or recruit any Restricted Employee on behalf of any other person, business or entity.
5. **Remedies.** In the event that Participant breaches any of the restrictive covenants set forth in this Restrictive Covenants Addendum, the then-unvested Restricted Stock Units awarded by this Award Agreement will thereupon be forfeited at no cost to the Company and Participant will have no further rights thereunder. Participant agrees that the obligations set forth in this Restrictive Covenants Addendum are necessary and reasonable in order to protect the Company's legitimate business interests and (without limiting the foregoing) that the obligations set forth in this Restrictive Covenants Addendum are necessary and reasonable in order to protect the Company's legitimate business interests in protecting its Confidential Information, customer and employee relationships and the goodwill associated therewith. Participant expressly agrees that due to the unique nature of the Company's Confidential Information, and its relationships with its customers and employees, monetary damages would be inadequate to compensate the Company for any breach by Participant of the covenants and agreements set forth in this Restrictive Covenants Addendum. Accordingly, Participant agrees and acknowledges that any such violation or threatened violation shall cause irreparable injury to the Company and that, in addition to forfeiture of any unvested Restricted Stock Units and any other remedies that may be available in law, in equity, or otherwise, the Company shall be entitled: (a) to obtain injunctive relief against the threatened breach of this Restrictive Covenants Addendum or the continuation of any such breach by Participant, without the necessity of proving actual damages, and without necessity of posting bond; and (b) to recover any costs or attorneys' fees, arising out of or in connection with any breach or threatened breach by Participant or any action relating to Participant's obligations under this Restrictive Covenants Addendum. Any such equitable relief sought or obtained pursuant to this Restrictive Covenants Addendum will not be the Company's exclusive remedy to address Participant's breach or threatened breach of the provisions herein, and the Company shall be entitled to pursue all remedies available, including but not limited to actual damages, pursuant to applicable law. No claim, demand, action, or cause of action that Participant may have against the Company shall constitute a defense to the Company's enforcement of any of its rights or Participant's obligations hereunder by the Company or the Company's successors or assigns.
6. **Tolling.** Participant acknowledges and agrees that the Restricted Period shall be tolled on a day-for-day basis for all periods in which Participant is in breach of the obligations contained in this Restrictive Covenants Addendum, so that the Company receives the full benefit of the Restricted Period to which Participant has agreed herein. Participant also agrees that if Participant or the Company institutes litigation to enforce or challenge the protective covenants in this Restrictive Covenants Addendum, and Participant is not enjoined from breaching one or more of the protective covenants contained in this Restrictive Covenants Addendum, and a court thereafter determines that one or more of the protective covenants are enforceable, the Restricted Period shall be tolled (i.e. suspended) beginning on the date the litigation was instituted until the litigation is finally resolved and all periods of appeal have expired.
7. **Definitions.** For all purposes throughout this Restrictive Covenants Addendum, the terms defined below shall have the respective meanings specified in this section.
 - a. "Business" means the business of investing and operating in payments, payments networks, billing, billing solutions, software and technology-enabled businesses, including a continuous program of research, development, production and marketing.
 - b. "Cause" shall mean voluntary resignation, disability that renders Participant incapable of performing the essential functions of Participant's job, with or without reasonable accommodation, after Participant has exhausted any leave available under applicable law or Company policy, job abandonment, substandard performance, engaging in any act or omission deemed to be against the best interests of the Company, unsafe, threatening or violent activity or conduct, and any other conduct that could reasonably be perceived as damaging the Company's reputation or interfering with its business interests. A termination for Cause may be based on conduct that takes place in or outside the workplace. Cause shall be determined in the sole discretion of the Company.

- c. "Compete" shall mean: (i) providing the same or similar services or expertise Participant provided to the Company at any time during the twelve (12) months prior to cessation of Participant's employment; (ii) any involvement where Participant will be responsible for managing others, participating in strategic decision-making, engaging in research or development, or personally selling products or services that are the same as or substantially similar to the products or services market, sold, or provided by the Company; or (iii) any other capacity where Participant's knowledge of the Company's Confidential Information could provide a competitive advantage to any Competing Business.
- d. "Competing Business" shall mean any person or entity in the business of developing, distributing, selling, supplying or otherwise dealing with (including but not limited to technical and product support, professional services, technical advice and other customer services) billing and payment solutions (products and services) that offer billers the ability to send bills via electronic channels, receive payments of all types, reconcile payments in real time, and empower customers to work with a self-service billing portal and any other products or services that could replace and are therefore competitive with those offered by the Company or any predecessor within the two (2) years prior to the cessation of Participant's employment.
- e. "Confidential Information" shall mean sensitive business information having actual or potential value to the Company or its affiliates because it is not generally known to the general public or ascertainable by a Competing Business, and which has been disclosed to Participant, or of which Participant will become aware, as a consequence of the Participant's employment with the Company. Confidential Information includes, but is not limited to, the Company's investment strategies, management planning information, business plans, operational methods, market studies, marketing plans or strategies, patent information, business acquisition plans, past, current and planned research and development, formulas, methods, patterns, processes, procedures, instructions, designs, inventions, operations, engineering, drawings, equipment, devices, technology, software systems, price lists, sales reports and records, sales books and manuals, code books, financial information and projections, personnel data such as compensation, strengths, weaknesses, and experience, names of customers, customer lists and contact information, customer pricing and purchasing information, lists of targeted prospective customers, supplier lists, product/service and marketing data and programs, product/service plans, product development, advertising campaigns, new product designs or roll out, agreements with third parties, or any information designated by the Company as being "confidential." Confidential Information may be in written or non-written form, as well as information held on electronic media or networks, magnetic storage, cloud storage service, or other similar media. The Company has invested and will continue to invest extensive time, resources, talent, and effort to develop its Confidential Information, all of which generates goodwill for the Company. Participant acknowledges that the Company has taken reasonable and adequate steps to control access to the Confidential Information and to prevent unauthorized disclosure, which could cause injury to the Company. This definition shall not limit any broader definition of "confidential information" or any equivalent term under applicable state or federal law. Confidential Information shall not include any information that (i) is or becomes generally available to the public other than as a result of an unauthorized or unintentional disclosure, (ii) has been independently developed and disclosed by others without violating any obligations to the Company or applicable law, or (iii) otherwise enters the public domain through lawful means.
- f. "Customer" of the Company shall mean any business or entity that agreed, verbally or in writing, to purchase products or services from the Company or actually purchased products or services from the Company within the twelve (12) months preceding the cessation of Participant's employment with the Company.
- g. The term "employment" shall include service as an employee, consultant, or other service provider of the Company or any Subsidiary or Parent of the Company.
- h. Participant will be deemed to have had "Material Contact" with any Customer or Prospective Customer of the Company if, in the twelve (12) months prior to the cessation of Participant's employment with the Company, the Customer or Prospective Customer is one: (i) with whom or which Participant dealt on behalf of the Company; (ii) whose dealings with the Company were coordinated or supervised by Participant; (iii) about whom Participant obtained Confidential Information in the ordinary course of business as a result of Participant's employment with the Company; or (iv) who received products or services authorized by the Company, the sale or provision of which resulted in compensation, commissions, or earnings for Participant.
- i. "Prospective Customer" shall mean any business or entity that is not a Customer, but to whom Participant provided a bid, quote for products or services, or about whom Participant obtained Confidential Information for the purposes of securing a sale, during the twelve (12) months preceding cessation of Participant's employment with the Company.

- j. "Restricted Period" shall mean the entire period of Participant's employment with the Company and a twelve (12) month period immediately following the cessation of Participant's employment.
- k. "Restricted Territory" shall mean (i) Participant's designated territory or area of responsibility as of the cessation of Participant's employment with the Company; and (ii) the geographic areas in which Participant, during any time in the last twelve (12) months of Participant's employment with the Company, provided services or had a material presence or influence. Acts done by Participant outside the "Restricted Territory" shall be deemed to be done within the "Restricted Territory" where their primary purpose or effect is to compete with the Company on behalf of a Competing Business within the "Restricted Territory."
8. **Participant's right to consult with counsel.** Participant acknowledges that Participant has been provided an opportunity, and has been made aware of Participant's right, to consult with counsel of their choosing at Participant's expense prior to entering into the Award Agreement, including specifically (but without limitation) the restrictive covenants in this Restrictive Covenants Addendum.
9. **Notification of New Employer.** Before Participant accepts employment or enters into any consulting, independent contractor, or other professional or business engagement with any other person or entity while any of the provisions of this Restrictive Covenants Addendum are in effect, Participant will provide such person or entity with written notice of the provisions of this Restrictive Covenants Addendum and will deliver a copy of that notice to the Company. While any of the restrictive covenant provisions of this Restrictive Covenants Addendum are in effect, Participant agrees that, upon the request of the Company, Participant will furnish the Company with the name and address of any new employer or entity for whom Participant provides contractor or consulting services, as well as the capacity in which Participant will be employed or otherwise engaged. Participant hereby consents to the Company's notifying Participant's new employer about Participant's responsibilities, restrictions and obligations under this Restrictive Covenants Addendum.
10. **State Law Exceptions.** The Company acknowledges and agrees that, in certain states the covenants contained in this Restrictive Covenants Addendum may have limited or no applicability. The Company intends for this Restrictive Covenants Addendum to comply fully with state and local laws and, as such, acknowledges that this Restrictive Covenants Addendum is limited or not applicable in the following states. To the extent that there are additional limitations not acknowledged herein, the Company intends for this Restrictive Covenants Addendum to be read and applied in full compliance with applicable state laws. Further, to the extent any state not listed limits enforceability of a covenant if Participant's annual compensation is insufficient for enforceable post-employment non-competition or non-solicitation restrictions, such limitation is incorporated by reference.
- a. Arizona. If Participant's primary work location is in Arizona as of the date Participant's employment with the Company ceases, Sections 3 and 4 of this Restrictive Covenants Addendum will prohibit Participant from engaging in the conduct described only in the "Restricted Territory."
- b. California. If Participant's primary work location is in California as of the date Participant's employment with the Company ceases, Sections 2, 3, 4 and 6 of this Restrictive Covenants Addendum do not apply to Participant after Participant's last day of employment. Further, Section 5 of this Restrictive Covenants Addendum shall provide for attorneys' fees to the prevailing party as required under California Civil Code § 1717.
- c. Connecticut. If Participant's primary work location is in Connecticut, Section 1 of this Restrictive Covenants Addendum shall not be interpreted to preclude Participant from discussing at any time the compensation of any employee of the Company who has voluntarily disclosed that compensation information to Participant.
- d. Florida. If Participant's primary work location is in Florida as of the date Participant's employment with the Company ceases, then the phrase "and without necessity of posting bond" shall be struck from Section 5 of this Restrictive Covenants Addendum.
- e. Hawaii. If Participant's primary work location is in Hawaii as of the date Participant's employment with the Company ceases, then after the last day of Participant's employment the restrictions in Section 2 of this Restrictive Covenants Addendum will apply geographically only to the specific island(s) within the State of Hawaii for which Participant had managerial and/or sales responsibility.
- f. Idaho. If Participant's primary work location is in Idaho as of the date Participant's employment with the Company ceases, then after the last day of Participant's employment the restrictions in Sections 2, 3, and 4 of this Restrictive Covenants Addendum shall apply only if Participant is a "key employee." As used herein, the phrase "key employee" means an employee who, by reason of the employer's investment of time, money, trust, exposure to the public, or exposure to technologies, intellectual property, business plans, business processes and methods of operation, customers, vendors or other business relationships

during the course of Participant's employment, has gained a high level of inside knowledge, influence, credibility, notoriety, fame, reputation or public persona as a representative or spokesperson of the employer and, as a result, has the ability to harm or threaten an employer's legitimate business interests.

- g. Nebraska. If Participant's primary work location is in Nebraska as of the date Participant's employment with the Company ceases, then after the last day of Participant's employment the restrictions in Section 2 of this Restrictive Covenants Addendum will not apply. After Participant's employment with the Company ceases, the restrictions of Section 3 of this Restrictive Covenants Addendum will only apply to the Company's current Customers, and not to Prospective Customers. Also after Participant's employment with the Company ceases, (1) the definition of "Customer" in Section 7(f) of this Restrictive Covenants Addendum shall only apply to any business or entity that is a current customer of the Company; (2) the definition of "Material Contact" in Section 7(h) of this Restrictive Covenants Addendum shall mean doing business and having personal contact with Customers during Participant's employment with the Company; and (3) the definition of "Restricted Employee" in Section 4 of this Restrictive Covenants Addendum shall mean any employee of the Company whom Participant had material business-related contact during Participant's employment with the Company, and who is actually employed by the Company at the time of the conduct prohibited by Section 4 of this Restrictive Covenants Addendum, or who were employed by the Company within three (3) months prior to the contact prohibited by Section 4 of this Restrictive Covenants Addendum.
- h. Tennessee. If Participant's primary work location is in Tennessee as of the date Participant's employment with the Company ceases, Sections 3 and 4 of this Restrictive Covenants Addendum will prohibit Participant from engaging in the conduct described only in the "Restricted Territory."
- i. Virginia. If Participant's primary work location is in Virginia, then: (i) at any time that Participant is a "low-wage employee" within the meaning of Virginia Code § 40.1-28.7:8, Section 2 of this Restrictive Covenants Addendum does not apply and Section 3 of this Restrictive Covenants Addendum is modified by deleting the phrase "or otherwise accept business from"; and (ii) as of the date Participant's employment with the Company ceases, "Compete" as defined in Section 7(c), shall mean: providing the same or similar services or expertise Participant provided to the Company at any time during the twelve (12) months prior to cessation of Participant's employment.

PAYMENTUS HOLDINGS, INC.
2021 EQUITY INCENTIVE PLAN
RESTRICTED STOCK AWARD AGREEMENT
NOTICE OF RESTRICTED STOCK AWARD GRANT

Unless otherwise defined herein, the terms defined in the Paymentus Holdings, Inc. 2021 Equity Incentive Plan (the "Plan") will have the same defined meanings in this Restricted Stock Award Agreement, which includes the Notice of Restricted Stock Award Grant (the "Notice of Grant"), the Terms and Conditions of Restricted Stock Award Grant, attached hereto as **Exhibit A**, and all other exhibits, appendices, and addenda attached hereto (including any additional terms and conditions for Participant's country set forth in Appendix 1 to the Terms and Conditions of Restricted Stock Award Grant (the "Country Addendum") and restrictive covenants set forth in Appendix 2 to the Terms and Conditions of Restricted Stock Award Grant (the "Restrictive Covenants Addendum")) (together, the "Award Agreement").

Participant Name:

The undersigned Participant has been granted a Restricted Stock Award, subject to the terms and conditions of the Plan and this Award Agreement, as follows:

Grant Number: _____
Grant Date: _____
Total Number of Shares: _____
Vesting Period: _____

By Participant's signature or by Participant's acceptance of the Award Agreement via the Company's designated electronic acceptance procedures and the signature of the representative of the Company below, Participant and the Company agree that this Restricted Stock Award is granted under and governed by the terms and conditions of the Plan and this Award Agreement, including the Terms and Conditions of Restricted Stock Award Grant, attached hereto as **Exhibit A**, and all other exhibits, appendices and addenda attached hereto (including any applicable Country Addendum and Restrictive Covenants Addendum), all of which are made a part of this document. Participant acknowledges receipt of a copy of the Plan. Participant has reviewed the Plan and this Award Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Award Agreement and fully understands all provisions of the Plan and this Award Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions relating to the Plan or this Award Agreement. Participant further agrees to notify the Company upon any change in Participant's residence address indicated below.

PARTICIPANT

PAYMENTUS HOLDINGS, INC.

Signature

Signature

Print Name

Print Name

Residence Address:

Title

EXHIBIT A
PAYMENTUS HOLDINGS, INC.
2021 EQUITY INCENTIVE PLAN
RESTRICTED STOCK AWARD AGREEMENT
TERMS AND CONDITIONS OF RESTRICTED STOCK AWARD GRANT

1. Grant of Restricted Stock Award. Paymentus Holdings, Inc. (the “**Company**”) hereby grants to the individual (“**Participant**”) named in the Notice of Restricted Stock Award Grant of this Award Agreement (the “**Notice of Grant**”) under the Plan, on behalf of the Company and any Parent or Subsidiary by which Participant is employed, an award of the number of shares of Restricted Stock set forth in the Notice of Grant, subject to the terms and conditions of this Award Agreement and the Plan, which is incorporated herein by reference. The shares of Restricted Stock shall be issued in the form of shares of Class A Common stock (the “**Shares**”) as soon as reasonably practicable after the Grant Date. Subject to Section 20 of the Plan, in the event of a conflict between the terms and conditions of the Plan and this Award Agreement, the terms and conditions of the Plan shall prevail.

2. Vesting Schedule. Except as provided in Section 3, and subject to Section 4, the Restricted Stock Award awarded by this Award Agreement will vest in accordance with the vesting provisions set forth in the Notice of Grant. Unless specifically provided otherwise in this Award Agreement or other written agreement authorized by the Administrator between Participant and the Company or any Parent or Subsidiary of the Company, as applicable, governing the terms of this Award, the portion of the Restricted Stock Award scheduled to vest on a certain date or upon the occurrence of a certain condition will not vest in accordance with any of the provisions of this Award Agreement, unless Participant will have been continuously a Service Provider from the Grant Date until the date such vesting occurs.

3. Vesting.

(a) **Discretionary Acceleration.** The Administrator, in its discretion, may accelerate the vesting of the balance, or some lesser portion of the balance, of the unvested Restricted Stock Award at any time, subject to the terms of the Plan. If so accelerated, such portion of the Restricted Stock Award will be considered as having vested as of the date specified by the Administrator.

(b) **Section 409A.**

(i) If Participant is a U.S. taxpayer, the issuance of Shares pursuant to this Award Agreement (including any discretionary acceleration under Section 3(b)) shall in all cases be made at a time or in a manner that is exempt from, or complies with, Section 409A. The prior sentence may be superseded in a future agreement or amendment to this Award Agreement only by direct and specific reference to such sentence.

(ii) Notwithstanding anything in the Plan or this Award Agreement or any other agreement (whether entered into before, on or after the Grant Date), if the vesting of the balance, or some lesser portion of the balance, of the Restricted Stock Award is accelerated in connection with the termination of Participant’s status as a Service Provider (provided that such termination is a “separation from service” within the meaning of Section 409A, as determined by the Administrator), other than due to Participant’s death, and if (x) Participant is a U.S. taxpayer and a “specified employee” within the meaning of Section 409A at the time of such termination as a Service Provider and (y) the vesting of such accelerated Restricted Stock Award will result in the imposition of additional tax under Section 409A if vested on or within the six (6) month period following the cessation of Participant’s status as a Service Provider, then the vesting of such accelerated Restricted Stock Award will not occur until the date six (6) months and one (1) day following the date of cessation of Participant’s status as a Service Provider, unless Participant dies following his or her termination as a Service Provider, in which case, the Shares will be issued to Participant’s estate as soon as practicable following his or her death.

(iii) It is the intent of this Award Agreement that it and all payments and benefits to U.S. taxpayers hereunder be exempt from, or comply with, the requirements of Section 409A so that the Shares issuable pursuant to this Award Agreement will not be subject to the additional tax imposed under Section 409A, and any ambiguities or ambiguous terms herein will be interpreted to be so exempt or so comply. Each issuance of Shares under this Award Agreement is intended to constitute a separate issuance for purposes of Treasury Regulations Section 1.409A-2(b)(2). To the extent necessary to comply with Section 409A, references to termination of Participant’s status as a Service Provider, termination of employment, or similar phrases will be references to Participant’s “separation from service” within the meaning of Section 409A. In no event will the Company or any Parent or Subsidiary of the Company have any responsibility, liability, or obligation to reimburse, indemnify, or hold harmless Participant (or any other person) for any taxes, penalties and interest that may be imposed, or other costs that may be incurred, as a result of Section 409A.

4. Forfeiture Upon Termination as a Service Provider. Unless specifically provided otherwise in this Award Agreement or other written agreement authorized by the Administrator between Participant and the Company or any Parent or Subsidiary of the Company, as applicable, governing the terms of this Award, if Participant ceases to be a Service

Provider for any or no reason, the then-unvested portion of the Restricted Stock Award will thereupon be forfeited at no cost to the Company and Participant will have no further rights thereunder.

5. Death of Participant. Any distribution or delivery to be made to Participant under this Award Agreement, if Participant is then deceased, will be made to Participant's designated beneficiary: provided, however, that the Administrator has permitted the designation and such designation is valid under Applicable Laws. If no beneficiary survives Participant, or if the designation was not permitted by the Administrator or not valid under Applicable Laws, distribution or delivery shall be made to the administrator or executor of Participant's estate. Any such transferee must furnish the Company with (a) written notice of his or her status as transferee, and (b) evidence satisfactory to the Company to establish the validity of the transfer and compliance with any laws or regulations pertaining to said transfer.

6. Tax Obligations

(a) **Responsibility for Taxes.** Participant acknowledges that, regardless of any action taken by the Company or, if different, Participant's employer or any Parent or Subsidiary of the Company to which Participant is providing services (together, the "**Service Recipients**"), the ultimate liability for any tax and/or social insurance liability obligations and requirements in connection with the Restricted Stock Award, including, without limitation, (i) all federal, state, and local taxes (including Participant's Federal Insurance Contributions Act (FICA) obligations) that are required to be withheld by any Service Recipient or other tax-related items related to Participant's participation in the Plan and legally applicable or deemed legally applicable to Participant, (ii) Participant's and, to the extent required by any Service Recipient, the Service Recipient's fringe benefit tax liability, if any, associated with the grant or vesting of the Restricted Stock Award or sale of Shares, and (iii) any other Service Recipient taxes the responsibility for which Participant has, or has agreed to bear, with respect to the Restricted Stock Award (or issuance of Shares thereunder) (collectively, the "**Tax Obligations**"), is and remains Participant's sole responsibility and may exceed the amount actually withheld by the applicable Service Recipient(s). Participant further acknowledges that no Service Recipient (A) makes any representations or undertakings regarding the treatment of any Tax Obligations in connection with any aspect of the Restricted Stock Award, including, but not limited to, the grant or vesting of the Restricted Stock Award, the subsequent sale of Shares acquired pursuant to such issuance and the receipt of any dividends or other distributions, and (B) makes any commitment to or is under any obligation to structure the terms of the grant or any aspect of the Restricted Stock Award to reduce or eliminate Participant's liability for Tax Obligations or achieve any particular tax result. Further, if Participant is subject to Tax Obligations in more than one jurisdiction, Participant acknowledges that the applicable Service Recipient(s) (or former service recipient(s), as applicable) may be required to withhold or account for Withholding Obligations (as defined below) in more than one jurisdiction.

(b) **Tax Withholding.** Pursuant to such procedures as the Administrator may specify from time to time, the applicable Service Recipient(s) will withhold the amount required to be withheld for the payment of Tax Obligations (the "**Withholding Obligations**"). The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit Participant to satisfy such Withholding Obligations, in whole or in part (without limitation), if permissible by Applicable Laws, by: (i) paying cash in U.S. dollars, (ii) having the Company withhold otherwise deliverable Shares having a fair market value equal to the minimum amount that is necessary to meet the withholding requirement for such Withholding Obligations (or such greater amount as Participant may elect if permitted by the Administrator, if such greater amount would not result in adverse financial accounting consequences) ("**Net Share Withholding**"), (iii) withholding the amount of such Withholding Obligations from Participant's wages or other cash compensation payable to Participant by the applicable Service Recipient(s), (iv) delivering to the Company Shares that Participant owns and that already have vested with a fair market value equal to the Withholding Obligations (or such greater amount as Participant may elect if permitted by the Administrator, if such greater amount would not result in adverse financial accounting consequences), (v) selling a sufficient number of such Shares otherwise deliverable to Participant, through such means as the Company may determine in its sole discretion (whether through a broker or otherwise) equal to the minimum amount that is necessary to meet the withholding requirement for such Withholding Obligations (or such greater amount as Participant may elect if permitted by the Administrator, if such greater amount would not result in adverse financial accounting consequences) ("**Sell to Cover**"), or (vi) such other means as the Administrator deems appropriate. If the Withholding Obligations are satisfied by Net Share Withholding, for tax purposes, Participant is deemed to have been issued the full number of Shares subject to the vested Restricted Stock Award, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Withholding Obligations. To the extent determined appropriate by the Administrator in its discretion, the Administrator will have the right (but not the obligation) to satisfy any Withholding Obligations by Net Share Withholding. If Net Share Withholding is the method by which such Withholding Obligations are satisfied, the Company will not withhold on a fractional Share basis to satisfy any portion of the Withholding Obligations and, unless the Company determines otherwise, no refund will be made to Participant for the value of the portion of a Share, if any, withheld in excess of the Withholding Obligations. If a Sell to Cover is the method by which Withholding Obligations are satisfied, Participant agrees that as part of the Sell to Cover, additional Shares may be sold to satisfy any associated broker or other fees. Only whole Shares will be sold pursuant to a Sell to Cover. Any proceeds from the sale of Shares pursuant to a Sell to Cover that are in excess of the Withholding Obligations and any associated broker or other fees will be paid to Participant in accordance with procedures the Company may specify from time to time.

(c) **Tax Consequences.** Participant has reviewed with his or her own tax advisers the U.S. federal, state, local and non-U.S. tax consequences of this investment and the transactions contemplated by this Award Agreement. With respect to such matters, Participant relies solely on such advisers and not on any statements or representations of the Company or any of its agents, written or oral. Participant understands that Participant (and not the Company) shall be responsible for Participant's own tax liability that may arise as a result of this investment or the transactions contemplated by this Award Agreement.

(d) **Company's Obligation to Deliver Shares.** For clarification purposes, in no event will the Company issue Participant any Shares unless and until arrangements satisfactory to the Administrator have been made for the payment of Participant's Withholding Obligations. If Participant fails to make satisfactory arrangements for the payment of such Withholding Obligations hereunder at the time any applicable portion of the Restricted Stock Award is scheduled to vest pursuant to Sections 2 or 3 or Participant's Withholding Obligations otherwise become due, Participant will forfeit such portion of the Restricted Stock Award to which Participant's Withholding Obligation relates and any right to receive Shares thereunder and such portion of the Restricted Stock Award will be returned to the Company at no cost to the Company. Participant acknowledges and agrees that the Company may permanently refuse to issue or deliver the Shares if such Withholding Obligations are not satisfied at the time they are due.

7. Rights as Stockholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a stockholder of the Company in respect of any unvested shares of Restricted Stock issued hereunder. Participant will have all the rights of a stockholder of the Company with respect to voting and receipt of dividends and distributions on any vested shares of Restricted Stock.

8. No Guarantee of Continued Service. PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF THE RESTRICTED STOCK AWARD PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER, WHICH UNLESS PROVIDED OTHERWISE UNDER APPLICABLE LAWS IS AT THE WILL OF THE APPLICABLE SERVICE RECIPIENT AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS RESTRICTED STOCK AWARD OR ACQUIRING SHARES HEREUNDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AWARD AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN SHALL NOT BE INTERPRETED AS FORMING OR AMENDING AN EMPLOYMENT OR SERVICE CONTRACT, DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND SHALL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF ANY SERVICE RECIPIENT TO TERMINATE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER, SUBJECT TO APPLICABLE LAW, WHICH TERMINATION, UNLESS PROVIDED OTHERWISE UNDER APPLICABLE LAW, MAY BE AT ANY TIME, WITH OR WITHOUT CAUSE.

9. Grant is Not Transferable. Except to the limited extent provided in Section 5, this Award and the rights and privileges conferred hereby will not be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and will not be subject to sale under execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of this Award, or any right or privilege conferred hereby, or upon any attempted sale under any execution, attachment or similar process, this Award and the rights and privileges conferred hereby immediately will become null and void.

10. Nature of Grant. In accepting this Restricted Stock Award, Participant acknowledges, understands and agrees that:

(a) the grant of the Restricted Stock Award is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of Restricted Stock Awards, or benefits in lieu of Restricted Stock Awards, even if Restricted Stock Awards have been granted in the past;

(b) all decisions with respect to future Restricted Stock Awards or other grants, if any, will be at the sole discretion of the Administrator;

(c) Participant is voluntarily participating in the Plan;

(d) the Restricted Stock Award and the Shares issuable thereunder, and the income from and value of same, are not intended to replace any pension rights or compensation;

(e) unless otherwise agreed with the Company in writing, the Restricted Stock Award and the Shares issuable thereunder, and the income from and value of same, are not granted as consideration for, or in connection with, the service Participant may provide as a director of any Subsidiary or Parent of the Company;

(f) the future value of the Shares issuable pursuant to the Restricted Stock Award is unknown, indeterminable, and cannot be predicted with certainty;

(g) for purposes of the Restricted Stock Award, Participant's status as a Service Provider will be considered terminated as of the date Participant is no longer actively providing services to the Company or any Parent or

Subsidiary (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any), and unless otherwise expressly provided in this Award Agreement (including by reference in the Notice of Grant to other arrangements or contracts) or determined by the Administrator, Participant's right to vest in the Restricted Stock Award under the Plan, if any, will terminate as of such date and will not be extended by any notice period (e.g., Participant's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any, unless Participant is providing bona fide services during such time). The Administrator shall have the exclusive discretion to determine when Participant is no longer actively providing services for purposes of this Restricted Stock Award (including whether Participant may still be considered to be providing services while on a leave of absence and consistent with Applicable Laws).

(h) unless otherwise provided in the Plan or by the Administrator in its discretion, the Restricted Stock Award and the benefits evidenced by this Award Agreement do not create any entitlement to have the Restricted Stock Award or any such benefits transferred to, or assumed by, another company nor be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares; and

(i) the following provisions apply only if Participant is providing services outside the United States:

(i) the Restricted Stock Award and the Shares issuable thereunder, and the income from and value of same, are not part of normal or expected compensation or salary for any purpose;

(ii) neither the Company nor any Service Recipient shall be liable for any foreign exchange rate fluctuation between Participant's local currency and the United States Dollar that may affect the value of the Restricted Stock Award or the Shares issuable thereunder or the subsequent sale of any such Shares; and

(iii) no claim or entitlement to compensation or damages shall arise from forfeiture of any portion of the Restricted Stock Award resulting from the termination of Participant's status as a Service Provider (for any reason whatsoever whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any), and in consideration of the grant of the Restricted Stock Award to which Participant is otherwise not entitled, Participant irrevocably agrees never to institute any claim against any Service Recipient, waives his or her ability, if any, to bring any such claim, and releases each Service Recipient from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim.

11. Restrictive Covenants. In consideration of this grant of the Restricted Stock Award, Participant agrees to the restrictive covenants set forth in Appendix 2 to this Award Agreement, the terms of which are incorporated by reference.

12. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant's participation in the Plan, or Participant's acquisition or sale of the Shares issuable pursuant to the Restricted Stock Award. Participant is hereby advised to consult with his or her own personal tax, legal and financial advisers regarding his or her participation in the Plan before taking any action related to the Plan.

13. Data Privacy. *Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data as described in this Award Agreement and any other Restricted Stock Award grant materials by and among, as applicable, the Company and the Service Recipients for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan.*

Participant understands that the Company and the Service Recipient may hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Restricted Stock Awards or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.

Participant understands that Data will be transferred to a third-party stock plan service provider, which is assisting the Company with the implementation, administration and management of the Plan. Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country of operation (e.g., the United States) may have different data privacy laws and protections than Participant's country. Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. Participant authorizes the Company, any stock plan service provider selected by the Company and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other

form, for the sole purpose of implementing, administering and managing his or her participation in the Plan. Participant understands that Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. Participant understands if he or she resides outside the United States, he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, Participant understands that he or she is providing the consents herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke his or her consent, his or her status as a Service Provider will not be adversely affected. The only adverse consequence of refusing or withdrawing Participant's consent is that the Company would not be able to grant Participant Restricted Stock Awards or other equity awards or administer or maintain such awards. Therefore, Participant understands that refusing or withdrawing his or her consent may affect Participant's ability to participate in the Plan. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant understands that he or she may contact his or her local human resources representative.

14. Address for Notices. Any notice to be given to the Company under the terms of this Award Agreement will be addressed to the Company at Paymentus Holdings, Inc., 11605 N. Community House Road, Suite 300, Charlotte, NC 28277, Attention: General Counsel, or at such other address as the Company may hereafter designate in writing.

15. Successors and Assigns. The Company may assign any of its rights under this Award Agreement to single or multiple assignees, and this Award Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Award Agreement shall be binding upon Participant and Participant's heirs, executors, administrators, successors and assigns. The rights and obligations of Participant under this Award Agreement may be assigned only with the prior written consent of the Company.

16. Additional Conditions to Issuance of Stock. If at any time the Company will determine, in its discretion, that the listing, registration, qualification or rule compliance of the Shares upon any securities exchange or under any state, federal or non-U.S. law, the tax code and related regulations or under the rulings or regulations of the U.S. Securities and Exchange Commission or any other governmental regulatory body or the clearance, consent or approval of the U.S. Securities and Exchange Commission or any other governmental regulatory authority is necessary or desirable as a condition to the issuance of Shares to Participant (or his or her estate) hereunder, such issuance will not occur unless and until such listing, registration, qualification, rule compliance, clearance, consent or approval will have been completed, effected or obtained free of any conditions not acceptable to the Company. Subject to the terms of the Award Agreement and the Plan, the Company will not be required to issue any certificate or certificates for (or make any entry on the books of the Company or of a duly authorized transfer agent of the Company of) the Shares hereunder prior to the lapse of such reasonable period of time following the date of vesting of the Restricted Stock Award as the Administrator may establish from time to time for reasons of administrative convenience.

17. Language. Participant acknowledges that Participant is sufficiently proficient in the English language, or has consulted with an adviser who is sufficiently proficient in the English language, so as to allow Participant to understand the terms and conditions of this Award Agreement. If Participant has received this Award Agreement or any other document related to the Plan translated into a language other than the English language and if the meaning of the translated version is different than the English version, the English language version will control.

18. Interpretation. The Administrator will have the power to interpret the Plan and this Award Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any portion of the Restricted Stock Award has vested). All actions taken and all interpretations and determinations made by the Administrator in good faith will be final and binding upon Participant, the Company and all other interested persons. Neither the Administrator nor any person acting on behalf of the Administrator will be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or this Award Agreement.

19. Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to the Restricted Stock Award granted under the Plan or future Restricted Stock Awards that may be granted under the Plan by electronic means or require Participant to participate in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Company or a third party designated by the Company.

20. Captions. Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Award Agreement.

21. Amendment, Suspension or Termination of the Plan. By accepting this Award, Participant expressly warrants that he or she has received a Restricted Stock Award under the Plan, and has received, read and understood a description of the Plan. Participant understands that the Plan is discretionary in nature and may be amended, suspended or terminated by the Administrator at any time.

22. Country Addendum. Notwithstanding any provisions in this Award Agreement, the Restricted Stock Award grant shall be subject to any additional terms and conditions set forth in the Country Addendum (if any) for any country whose laws are applicable to Participant and this Restricted Stock Award (as determined by the Administrator in its sole discretion). Moreover, if Participant relocates to one of the countries included in the Country Addendum, the additional terms and conditions for such country will apply to Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Country Addendum (if any) constitutes a part of this Award Agreement.

23. Modifications to the Award Agreement. This Award Agreement constitutes the entire understanding of the parties on the subjects covered. Participant expressly warrants that he or she is not accepting this Award Agreement in reliance on any promises, representations, or inducements other than those contained herein. Modifications to this Award Agreement can be made only in an express written contract executed by a duly authorized officer of the Company. Notwithstanding anything to the contrary in the Plan or this Award Agreement, the Company reserves the right to revise this Award Agreement as it deems necessary or advisable, in its sole discretion and without the consent of Participant, to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection with this Restricted Stock Award.

24. No Waiver. Either party's failure to enforce any provision or provisions of this Award Agreement shall not in any way be construed as a waiver of any such provision or provisions, nor prevent that party from thereafter enforcing each and every other provision of this Award Agreement. The rights granted both parties herein are cumulative and shall not constitute a waiver of either party's right to assert all other legal remedies available to it under the circumstances.

25. Insider Trading/Market Abuse Laws. Participant acknowledges that Participant may be subject to insider trading restrictions and/or market abuse laws based on the exchange on which the Shares are listed and in applicable jurisdictions including, but not limited to, the United States and Participant's country of residence, which may affect Participant's ability to acquire or sell Shares during such time as Participant is considered to have "inside information" regarding the Company (as defined by the laws in the applicable jurisdictions). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders Participant placed before Participant possessed inside information. Furthermore, Participant could be prohibited from (i) disclosing the inside information to any third party and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Participant should keep in mind that third parties include employees of the Company or any Parent or Subsidiary of the Company. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable insider trading policy of the Company. Participant is responsible for ensuring compliance with any applicable restrictions and should consult with his or her personal legal advisor on this matter.

26. Governing Law; Venue; Severability. This Award Agreement and the Restricted Stock Award are governed by the internal substantive laws, but not the choice of law rules, of the State of Delaware. For purposes of any action, lawsuit or other proceedings brought to enforce this Award Agreement, relating to it, or arising from it, the parties hereby submit to and consent to the sole and exclusive jurisdiction of the courts of the State of Delaware, and no other courts, where this grant is made and/or to be performed. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Award Agreement shall continue in full force and effect.

27. Entire Agreement. The Plan is incorporated herein by reference. The Plan and this Award Agreement (including the exhibits, appendices, and addenda attached to the Notice of Grant) constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof, and may not be modified adversely to Participant's interest except by means of a writing signed by the Company and Participant. Notwithstanding the foregoing, the restrictive covenants set forth in Appendix 2, if applicable, do not supersede or in any way modify any other restrictive covenants applicable to Participant in any employment or other agreement with the Company or any Parent or Subsidiary of the Company. This Award Agreement, the Restricted Stock Award, and any Shares received hereunder shall be subject to any compensation recoupment or similar policy adopted by the Company from time to time as required by law or any rules of the New York Stock Exchange or other stock exchange.

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APPENDIX 1
PAYMENTUS HOLDINGS, INC.
2021 EQUITY INCENTIVE PLAN
COUNTRY ADDENDUM TO RESTRICTED STOCK AWARD AGREEMENT

Unless otherwise defined herein, capitalized terms used in this Country Addendum to Restricted Stock Award Agreement (the “**Country Addendum**”) will be ascribed the same defined meanings as set forth in the Restricted Stock Award Agreement of which this Country Addendum forms a part (or the Plan or other written agreement as specified in the Restricted Stock Award Agreement).

Terms and Conditions

This Country Addendum includes additional terms and conditions that govern the Restricted Stock Award granted to Participant under the Plan to the extent Participant resides and/or works in one of the countries listed below. If Participant is a citizen or resident (or is considered as such for local law purposes) of a country other than the country in which Participant is currently residing and/or working, or if Participant transfers employment and/or residency to another country after the Restricted Stock Award is granted, the Company, in its discretion, will determine to what extent the terms and conditions contained herein will apply to Participant.

Notifications

This Country Addendum also includes information regarding securities laws, exchange controls and certain other issues of which Participant should be aware with respect to Participant's participation in the Plan. The information is provided solely for Participant's convenience and is based on the securities, exchange control and other Applicable Laws in effect in the respective countries as of **April 2021**. Such Applicable Laws often are complex and change frequently. As a result, the Company strongly recommends that Participant not rely on the information in this Country Addendum as the only source of information relating to the consequences of Participant's participation in the Plan because the information may be out of date at the time Participant vests in or receives or sells the Shares issuable pursuant to the Restricted Stock Award.

In addition, the information contained in this Country Addendum is general in nature and may not apply to Participant's particular situation, and the Company is not in a position to assure Participant of any particular result. Participant should seek appropriate professional advice as to how the Applicable Laws in Participant's country may apply to his or her situation.

Finally, if Participant is a citizen or resident (or is considered as such for local law purposes) of a country other than the one in which Participant currently is residing and/or working, or if Participant transfers residence and/or employment to another country after the grant of the Restricted Stock Award, the information in this Country Addendum may not apply to Participant in the same manner.

CANADA

Terms and Conditions

Termination. The following provision replaces the second paragraph of Sections 4 and 10(g) of the Restricted Stock Award Agreement in its entirety:

For purposes of the Restricted Stock Award, Participant's status as a Service Provider will be considered terminated (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any) as of the date that is the earliest of: (i) the date of termination of Participant's status as a Service Provider, (ii) the date on which Participant receives notice of termination of his or her status as a Service Provider, and (iii) the date on which Participant ceases to be providing services to the Service Recipient, which date shall not be extended by any notice period or period of pay in lieu of such notice mandated under the employment laws of the jurisdiction in which Participant is providing service or the terms of Participant's employment or other service agreement, if any. The Administrator shall have the exclusive discretion to determine when Participant no longer is actively providing services for purposes of the Award (including whether Participant may still be considered to be providing services while on a leave of absence).

Notwithstanding the foregoing, if applicable employment standards legislation explicitly requires continued vesting during a statutory notice period, Participant's right to vest in the Restricted Stock Award, if any, will terminate effective upon the expiry of the minimum statutory notice period, but Participant will not earn or be entitled to prorated vesting if the vesting date falls after the end of the statutory notice period, nor will Participant be entitled to any compensation in lieu of any such prorated vesting.

Language. The parties acknowledge that it is Participant's express wish that the Restricted Stock Award Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent que le participant souhaite expressément que le contrat d'attribution, ainsi que tous les documents, avis et procédures judiciaires conclus, donnés ou intentés en vertu des présentes ou s'y rapportant directement ou indirectement, soient rédigés en anglais.

Data Privacy. This provision supplements Section 13 of the Restricted Stock Award Agreement:

Participant hereby authorizes any Service Recipient and any agents or representatives thereof to (i) discuss with and obtain all relevant information from all personnel, professional or non-professional, involved in the administration and operation of the Plan, and (ii) disclose and discuss any and all information relevant to the Plan with their advisers. Participant further authorizes any Service Recipient and any agents or representatives thereof to record such information and to keep such information in Participant's file.

Notifications

Securities Law Notification. Participant is permitted to sell Shares acquired under the Plan through the designated broker appointed under the Plan, if any, provided the resale of Shares acquired under the Plan takes place outside Canada through the facilities of the exchange on which the Shares are then listed.

INDIA

Notifications

Exchange Control Notification. Participant is required to repatriate to India, or cause to be repatriated, any proceeds from the sale of Shares acquired under the Plan and any dividends received in relation to the Shares within such time as prescribed under applicable Indian exchange control laws as may be amended from time to time. Participant should obtain a foreign inward remittance certificate ("FIRC") or other similar form from the bank where Participant deposits the funds and maintain the FIRC or other form as evidence of the repatriation of funds in the event the Reserve Bank of India or Participant's employer requests proof of repatriation. *Participant should consult with his or her personal legal adviser to ensure compliance with the applicable requirements.*

APPENDIX 2

PAYMENTUS HOLDINGS, INC.

2021 EQUITY INCENTIVE PLAN

RESTRICTIVE COVENANTS ADDENDUM TO RESTRICTED STOCK AWARD AGREEMENT

Unless otherwise defined herein, capitalized terms used in this Restrictive Covenants Addendum to Restricted Stock Award Agreement will be ascribed the same defined meanings as set forth in the Restricted Stock Award Agreement of which this Restrictive Covenants Addendum forms a part (or the Plan or other written agreement as specified in the Restricted Stock Award Agreement).

1. Confidential Information

- a. Participant expressly agrees that, throughout the term of Participant's employment with the Company and at all times following the cessation of Participant's employment from the Company, for so long as the information remains confidential, Participant will not acquire, use, transfer, download, print, or disclose any Confidential Information other than for the purpose to carry out the duties of Participant's employment for the benefit of the Company (but in all cases preserving confidentiality by following the Company's policies and procedures). Participant agrees to take all reasonable measures to protect the secrecy of and avoid disclosure or use of Confidential Information in order to prevent it from falling into the public domain or into the possession of any Competing Business or any persons other than those persons authorized under this Restrictive Covenants Addendum to have such information for the benefit of the Company. Participant agrees to notify the Company in writing of any actual or suspected misuse, misappropriation, or unauthorized disclosure of Confidential Information that may come to Participant's attention. Participant acknowledges that if Participant discloses or uses knowledge of the Company's Confidential Information to gain an advantage for Participant, for any Competing Business, or for any other person or entity other than the Company, such an advantage so obtained would be unfair and detrimental to the Company.
- b. Participant shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.
- c. Nothing contained in this Restrictive Covenants Addendum is intended to prohibit Participant from disclosing or discussing information relating to compensation or working conditions protected by the National Labor Relations Act or applicable law. Additionally, nothing contained in this Restrictive Covenants Addendum prohibits or prevents Participant from filing a charge with or participating, testifying, or assisting in any investigation, hearing, whistleblower proceeding, or other proceeding before any federal, state, or local government agency (e.g., EEOC, NLRB, SEC, etc.) or in any legislative or judicial proceeding nor does anything in this Restrictive Covenants Addendum preclude, prohibit or otherwise limit, in any way, Participant's rights and abilities to contact, communicate with or report unlawful conduct to federal, state, or local officials for investigation or participate in any whistleblower program administered by such agencies. The Company further acknowledges Participant's rights to make truthful statements or disclosures required by law, regulation, or legal process and to request or receive confidential legal advice, and nothing in this Restrictive Covenants Addendum shall be deemed to impair those rights. The Company also acknowledges Participant's rights to make truthful statements or disclosures about unlawful employment practices which are defined to mean any form of unlawful discrimination, harassment, or retaliation that is actionable under Title VII of the Civil Rights Act of 1964 or any comparable state statute or any other related federal or state rule or law that is enforced by the Equal Employment Opportunity Commission or any comparable state agency.

2. Limited Non-Compete Agreement. The Parties acknowledge and agree that, as a result of Participant's employment with the Company: (i) Participant has and will have access to and be involved in the development and utilization of the Company's Confidential Information; (ii) Participant will develop and maintain critical relationships with the Company's customers, prospective customers, employees, consultants, and independent contractors; and (iii) Participant will be responsible for further developing and strengthening the Company's goodwill in the market. Accordingly, Participant expressly agrees that Participant will not Compete with the Company during the Restricted Period within the Restricted Territory on behalf of any Competing Business.

3. Non-Solicitation of Customers/Prospective Customers. Participant expressly agrees that during the Restricted Period, Participant will not, directly or indirectly, either alone or by assisting or acting in concert with others, on

behalf of themselves or any other person, business, entity, including but not limited to on behalf of a Competing Business, solicit, persuade, induce, encourage, divert, or attempt to solicit, persuade, induce, encourage, or divert, or otherwise accept business from, any Customer or Prospective Customer with whom Participant had Material Contact, for the purpose of interfering in the relationship between such Customer or Prospective Customer and the Company, or providing products or services that are competitive with or could replace the Company's products or services in the Company's Business.

4. **Non-Raiding of Employees.** Participant expressly agrees that during the Restricted Period, Participant will not, directly or indirectly, either alone or by assisting or acting in concert with others, on behalf of themselves or any other person, business or entity, solicit, induce, encourage or attempt to solicit, induce or encourage any then current employee or independent contractor of the Company (each, a "Restricted Employee") to alter or terminate their relationship with the Company, or hire, employ, recruit or attempt to hire, employ or recruit any Restricted Employee on behalf of any other person, business or entity.
5. **Remedies.** In the event that Participant breaches any of the restrictive covenants set forth in this Restrictive Covenants Addendum, the then-unvested portion of the Restricted Stock Award awarded by this Award Agreement will thereupon be forfeited at no cost to the Company and Participant will have no further rights thereunder. Participant agrees that the obligations set forth in this Restrictive Covenants Addendum are necessary and reasonable in order to protect the Company's legitimate business interests and (without limiting the foregoing) that the obligations set forth in this Restrictive Covenants Addendum are necessary and reasonable in order to protect the Company's legitimate business interests in protecting its Confidential Information, customer and employee relationships and the goodwill associated therewith. Participant expressly agrees that due to the unique nature of the Company's Confidential Information, and its relationships with its customers and employees, monetary damages would be inadequate to compensate the Company for any breach by Participant of the covenants and agreements set forth in this Restrictive Covenants Addendum. Accordingly, Participant agrees and acknowledges that any such violation or threatened violation shall cause irreparable injury to the Company and that, in addition to forfeiture of any unvested portion of the Restricted Stock Award and any other remedies that may be available in law, in equity, or otherwise, the Company shall be entitled: (a) to obtain injunctive relief against the threatened breach of this Restrictive Covenants Addendum or the continuation of any such breach by Participant, without the necessity of proving actual damages, and without necessity of posting bond; and (b) to recover any costs or attorneys' fees, arising out of or in connection with any breach or threatened breach by Participant or any action relating to Participant's obligations under this Restrictive Covenants Addendum. Any such equitable relief sought or obtained pursuant to this Restrictive Covenants Addendum will not be the Company's exclusive remedy to address Participant's breach or threatened breach of the provisions herein, and the Company shall be entitled to pursue all remedies available, including but not limited to actual damages, pursuant to applicable law. No claim, demand, action, or cause of action that Participant may have against the Company shall constitute a defense to the Company's enforcement of any of its rights or Participant's obligations hereunder by the Company or the Company's successors or assigns.
6. **Tolling.** Participant acknowledges and agrees that the Restricted Period shall be tolled on a day-for-day basis for all periods in which Participant is in breach of the obligations contained in this Restrictive Covenants Addendum, so that the Company receives the full benefit of the Restricted Period to which Participant has agreed herein. Participant also agrees that if Participant or the Company institutes litigation to enforce or challenge the protective covenants in this Restrictive Covenants Addendum, and Participant is not enjoined from breaching one or more of the protective covenants contained in this Restrictive Covenants Addendum, and a court thereafter determines that one or more of the protective covenants are enforceable, the Restricted Period shall be tolled (i.e. suspended) beginning on the date the litigation was instituted until the litigation is finally resolved and all periods of appeal have expired.
7. **Definitions.** For all purposes throughout this Restrictive Covenants Addendum, the terms defined below shall have the respective meanings specified in this section.
 - a. "Business" means the business of investing and operating in payments, payments networks, billing, billing solutions, software and technology-enabled businesses, including a continuous program of research, development, production and marketing.
 - b. "Cause" shall mean voluntary resignation, disability that renders Participant incapable of performing the essential functions of Participant's job, with or without reasonable accommodation, after Participant has exhausted any leave available under applicable law or Company policy, job abandonment, substandard performance, engaging in any act or omission deemed to be against the best interests of the Company, unsafe, threatening or violent activity or conduct, and any other conduct that could reasonably be perceived as damaging the Company's reputation or interfering with its business interests. A termination for Cause may be based on conduct that takes place in or outside the workplace. Cause shall be determined in the sole discretion of the Company.

- c. "Compete" shall mean: (i) providing the same or similar services or expertise Participant provided to the Company at any time during the twelve (12) months prior to cessation of employment; (ii) any involvement where Participant will be responsible for managing others, participating in strategic decision-making, engaging in research or development, or personally selling products or services that are the same as or substantially similar to the products or services market, sold, or provided by the Company; or (iii) any other capacity where Participant's knowledge of the Company's Confidential Information could provide a competitive advantage to any Competing Business.
- d. "Competing Business" shall mean any person or entity in the business of developing, distributing, selling, supplying or otherwise dealing with (including but not limited to technical and product support, professional services, technical advice and other customer services) billing and payment solutions (products and services) that offer billers the ability to send bills via electronic channels, receive payments of all types, reconcile payments in real time, and empower customers to work with a self-service billing portal and any other products or services that could replace and are therefore competitive with those offered by the Company or any predecessor within the two (2) years prior to the cessation of Participant's employment.
- e. "Confidential Information" shall mean sensitive business information having actual or potential value to the Company or its affiliates because it is not generally known to the general public or ascertainable by a Competing Business, and which has been disclosed to Participant, or of which Participant will become aware, as a consequence of the employment with the Company. Confidential Information includes, but is not limited to, the Company's investment strategies, management planning information, business plans, operational methods, market studies, marketing plans or strategies, patent information, business acquisition plans, past, current and planned research and development, formulas, methods, patterns, processes, procedures, instructions, designs, inventions, operations, engineering, drawings, equipment, devices, technology, software systems, price lists, sales reports and records, sales books and manuals, code books, financial information and projections, personnel data such as compensation, strengths, weaknesses, and experience, names of customers, customer lists and contact information, customer pricing and purchasing information, lists of targeted prospective customers, supplier lists, product/service and marketing data and programs, product/service plans, product development, advertising campaigns, new product designs or roll out, agreements with third parties, or any information designated by the Company as being "confidential." Confidential Information may be in written or non-written form, as well as information held on electronic media or networks, magnetic storage, cloud storage service, or other similar media. The Company has invested and will continue to invest extensive time, resources, talent, and effort to develop its Confidential Information, all of which generates goodwill for the Company. Participant acknowledges that the Company has taken reasonable and adequate steps to control access to the Confidential Information and to prevent unauthorized disclosure, which could cause injury to the Company. This definition shall not limit any broader definition of "confidential information" or any equivalent term under applicable state or federal law. Confidential Information shall not include any information that (i) is or becomes generally available to the public other than as a result of an unauthorized or unintentional disclosure, (ii) has been independently developed and disclosed by others without violating any obligations to the Company or applicable law, or (iii) otherwise enters the public domain through lawful means.
- f. "Customer" of the Company shall mean any business or entity that agreed, verbally or in writing, to purchase products or services from the Company or actually purchased products or services from the Company within the twelve (12) months preceding the cessation of Participant's employment with the Company.
- g. The term "employment" shall include service as an employee, consultant, or other service provider of the Company or any Subsidiary or Parent of the Company.
- h. Participant will be deemed to have had "Material Contact" with any Customer or Prospective Customer of the Company if, in the twelve (12) months prior to the cessation of Participant's employment with the Company, the Customer or Prospective Customer is one: (i) with whom or which Participant dealt on behalf of the Company; (ii) whose dealings with the Company were coordinated or supervised by Participant; (iii) about whom Participant obtained Confidential Information in the ordinary course of business as a result of Participant's employment with the Company; or (iv) who received products or services authorized by the Company, the sale or provision of which resulted in compensation, commissions, or earnings for Participant.
- i. "Prospective Customer" shall mean any business or entity that is not a Customer, but to whom Participant provided a bid, quote for products or services, or about whom Participant obtained Confidential Information for the purposes of securing a sale, during the twelve (12) months preceding cessation of Participant's employment with the Company.

- j. "Restricted Period" shall mean the entire period of Participant's employment with the Company and a twelve (12) month period immediately following the cessation of Participant's employment.
- k. "Restricted Territory" shall mean (i) Participant's designated territory or area of responsibility as of the cessation of Participant's employment with the Company; and (ii) the geographic areas in which Participant, during any time in the last twelve (12) months of employment with the Company, provided services or had a material presence or influence. Acts done by Participant outside the "Restricted Territory" shall be deemed to be done within the "Restricted Territory" where their primary purpose or effect is to compete with the Company on behalf of a Competing Business within the "Restricted Territory."
8. **Participant's Right to Consult with Counsel.** Participant acknowledges that Participant has been provided an opportunity, and has been made aware of Participant's right, to consult with counsel of their choosing at Participant's expense prior to entering into the Award Agreement, including specifically (but without limitation) the restrictive covenants in this Restrictive Covenants Addendum.
9. **Notification of New Employer.** Before Participant accepts employment or enters into any consulting, independent contractor, or other professional or business engagement with any other person or entity while any of the provisions of this Restrictive Covenants Addendum are in effect, Participant will provide such person or entity with written notice of the provisions of this Restrictive Covenants Addendum and will deliver a copy of that notice to the Company. While any of the restrictive covenant provisions of this Restrictive Covenants Addendum are in effect, Participant agrees that, upon the request of the Company, Participant will furnish the Company with the name and address of any new employer or entity for whom Participant provides contractor or consulting services, as well as the capacity in which Participant will be employed or otherwise engaged. Participant hereby consents to the Company's notifying Participant's new employer about Participant's responsibilities, restrictions and obligations under this Restrictive Covenants Addendum.
10. **State Law Exceptions.** The Company acknowledges and agrees that, in certain states the covenants contained in this Restrictive Covenants Addendum may have limited or no applicability. The Company intends for this Restrictive Covenants Addendum to comply fully with state and local laws and, as such, acknowledges that this Restrictive Covenants Addendum is limited or not applicable in the following states. To the extent that there are additional limitations not acknowledged herein, the Company intends for this Restrictive Covenants Addendum to be read and applied in full compliance with applicable state laws. Further, to the extent any state not listed limits enforceability of a covenant if Participant's annual compensation is insufficient for enforceable post-employment non-competition or non-solicitation restrictions, such limitation is incorporated by reference.
- a. **Arizona.** If Participant's primary work location is in Arizona as of the date Participant's employment with the Company ceases, Sections 3 and 4 of this Restrictive Covenants Addendum will prohibit Participant from engaging in the conduct described only in the "Restricted Territory."
- b. **California.** If Participant's primary work location is in California as of the date Participant's employment with the Company ceases, Sections 2, 3, 4 and 6 of this Restrictive Covenants Addendum do not apply to Participant after Participant's last day of employment. Further, Section 5 of this Restrictive Covenants Addendum shall provide for attorneys' fees to the prevailing party as required under California Civil Code § 1717.
- c. **Connecticut.** If Participant's primary work location is in Connecticut, Section 1 of this Restrictive Covenants Addendum shall not be interpreted to preclude Participant from discussing at any time the compensation of any employee of the Company who has voluntarily disclosed that compensation information to Participant.
- d. **Florida.** If Participant's primary work location is in Florida as of the date Participant's employment with the Company ceases, then the phrase "and without necessity of posting bond" shall be struck from Section 5 of this Restrictive Covenants Addendum.
- e. **Hawaii.** If Participant's primary work location is in Hawaii as of the date Participant's employment with the Company ceases, then after the last day of employment the restrictions in Section 2 of this Restrictive Covenants Addendum will apply geographically only to the specific island(s) within the State of Hawaii for which Participant had managerial and/or sales responsibility.
- f. **Idaho.** If Participant's primary work location is in Idaho as of the date Participant's employment with the Company ceases, then after the last day of employment the restrictions in Sections 2, 3, and 4 of this Restrictive Covenants Addendum shall apply only if Participant is a "key employee." As used herein, the phrase "key employee" means an employee who, by reason of the employer's investment of time, money, trust, exposure to the public, or exposure to technologies, intellectual property, business plans, business processes and methods of operation, customers, vendors or other business relationships during the

course of employment, has gained a high level of inside knowledge, influence, credibility, notoriety, fame, reputation or public persona as a representative or spokesperson of the employer and, as a result, has the ability to harm or threaten an employer's legitimate business interests.

- g. Nebraska. If Participant's primary work location is in Nebraska as of the date Participant's employment with the Company ceases, then after the last day of employment the restrictions in Section 2 of this Restrictive Covenants Addendum will not apply. After Participant's employment with the Company ceases, the restrictions of Section 3 of this Restrictive Covenants Addendum will only apply to the Company's current Customers, and not to Prospective Customers. Also after Participant's employment with the Company ceases, (1) the definition of "Customer" in Section 7(f) of this Restrictive Covenants Addendum shall only apply to any business or entity that is a current customer of the Company; (2) the definition of "Material Contact" in Section 7(h) of this Restrictive Covenants Addendum shall mean doing business and having personal contact with Customers during Participant's employment with the Company; and (3) the definition of "Restricted Employee" in Section 4 of this Restrictive Covenants Addendum shall mean any employee of the Company whom Participant had material business-related contact during Participant's employment with the Company, and who is actually employed by the Company at the time of the conduct prohibited by Section 4 of this Restrictive Covenants Addendum, or who were employed by the Company within three (3) months prior to the contact prohibited by Section 4 of this Restrictive Covenants Addendum.
- h. Tennessee. If Participant's primary work location is in Tennessee as of the date Participant's employment with the Company ceases, Sections 3 and 4 of this Restrictive Covenants Addendum will prohibit Participant from engaging in the conduct described only in the "Restricted Territory."
- i. Virginia. If Participant's primary work location is in Virginia, then: (i) at any time that Participant is a "low-wage employee" within the meaning of Virginia Code § 40.1-28.7:8, Section 2 of this Restrictive Covenants Addendum does not apply and Section 3 of this Restrictive Covenants Addendum is modified by deleting the phrase "or otherwise accept business from"; and (ii) as of the date Participant's employment with the Company ceases, "Compete" as defined in Section 7(c), shall mean: providing the same or similar services or expertise Participant provided to the Company at any time during the twelve (12) months prior to cessation of employment. APPENDIX 1

**CERTIFICATION PURSUANT
TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Dushyant Sharma, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Paymentus Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2025

By: _____
/s/ Dushyant Sharma
Dushyant Sharma
Chairman, President and Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Sanjay Kalra, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Paymentus Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2025

By: _____ /s/ Sanjay Kalra
Sanjay Kalra
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Paymentus Holdings, Inc. (the "Company") for the three months period ended March 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the periods presented in the Report.

Date: May 7, 2025

By: _____
/s/ Dushyant Sharma
Dushyant Sharma
Chairman, President and,
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Paymentus Holdings, Inc. (the "Company") for the three months period ended March 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the periods presented in the Report.

Date: May 7, 2025

By: _____
/s/ Sanjay Kalra
Sanjay Kalra
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)
