

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 June 30, 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 July 31, 2025, the registrant had 45,348,953 shares of Class A Common Stock, \$0.0001 par value per share and 79,915,356 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 June 30, 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 our subsequent Quarterly Reports on Form 10-Q, 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)

	June 30, 2025	December 31, 2024
Assets		
Current assets		
Cash and cash equivalents	\$ 266,422	\$ 205,900
Restricted cash and cash equivalents	3,623	3,511
Accounts and other receivables, net of allowance for expected credit losses of \$71 and \$257, respectively	96,589	119,816
Income tax receivable	3,781	3,356
Prepaid expenses and other assets	10,511	13,058
Total current assets	380,926	345,641
Property and equipment, net	1,040	1,157
Capitalized internal-use software development costs, net	69,053	67,375
Intangible assets, net	14,809	19,076
Goodwill	131,836	131,815
Operating lease right-of-use assets	7,494	7,801
Deferred tax asset	2,364	367
Prepaid expenses and other assets, less current portion	2,001	3,015
Total assets	\$ 609,523	\$ 576,247
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 52,584	\$ 49,871
Accrued and other liabilities	24,891	26,462
Current portion of operating lease liabilities	2,233	2,090
Contract liabilities	3,771	2,937
Income tax payable	—	190
Total current liabilities	83,479	81,550
Operating lease liabilities, less current portion	5,810	6,318
Contract liabilities, less current portion	2,666	2,783
Accrued and other liabilities, less current portion	869	—
Total liabilities	92,824	90,651
Stockholders' equity		
Class A common stock, \$0.0001 par value per share, 883,950,000 shares authorized as of June 30, 2025 and December 31, 2024; 45,277,062 and 32,136,989 shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively	4	3
Class B common stock, \$0.0001 par value per share, 111,050,000 shares authorized as of June 30, 2025 and December 31, 2024; 79,986,209 and 92,699,294 shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively	8	9
Additional paid-in capital	392,478	389,904
Accumulated other comprehensive loss	(224)	(233)
Retained earnings	124,433	95,913
Total stockholders' equity	516,699	485,596
Total liabilities and stockholders' equity	\$ 609,523	\$ 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 June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenue	\$ 280,077	\$ 197,422	\$ 555,312	\$ 382,297
Cost of revenue	208,600	138,671	417,811	270,821
Gross profit	71,477	58,751	137,501	111,476
Operating expenses				
Research and development	15,231	12,535	30,332	24,586
Sales and marketing	29,610	26,766	55,661	50,005
General and administrative	10,714	9,214	19,897	18,306
Total operating expenses	55,555	48,515	105,890	92,897
Income from operations	15,922	10,236	31,611	18,579
Interest income, net	2,336	2,194	4,398	4,380
Other income	111	39	161	270
Income before income taxes	18,369	12,469	36,170	23,229
Provision for income taxes	(3,662)	(3,105)	(7,650)	(6,639)
Net income	\$ 14,707	\$ 9,364	\$ 28,520	\$ 16,590
Net income per share				
Basic	\$ 0.12	\$ 0.08	\$ 0.23	\$ 0.13
Diluted	\$ 0.11	\$ 0.07	\$ 0.22	\$ 0.13
Weighted-average number of shares used to compute net income per share				
Basic	125,077,964	124,264,789	125,066,334	124,106,046
Diluted	129,030,539	127,252,366	128,967,807	127,074,921
Comprehensive income				
Net income	14,707	9,364	28,520	16,590
Foreign currency translation adjustments, net of tax	63	(40)	9	(82)
Comprehensive income	\$ 14,770	\$ 9,324	\$ 28,529	\$ 16,508

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 Stockholder s' Equity
	Shares	Amount				
Balances at December 31, 2024	124,836,2					
	83	\$ 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	125,124,4					
	22	\$ 12	\$ 390,944	\$ 109,726	\$ (287)	\$ 500,395
Stock-based compensation	—	—	3,315	—	—	3,315
Issuance of Class A common stock upon exercise of stock options	28,240	—	40	—	—	40
Issuance of Class A common stock upon vesting of restricted stock units	157,818	—	—	—	—	—
Shares withheld for the withholding tax on vesting of restricted stock units	(47,209)	—	(1,821)	—	—	(1,821)
Foreign currency translation adjustments	—	—	—	—	63	63
Net income	—	—	—	14,707	—	14,707
Balances at June 30, 2025	125,263,2					
	71	\$ 12	\$ 392,478	\$ 124,433	\$ (224)	\$ 516,699

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholder s' Equity
	Shares	Amount				
Balances at December 31, 2023	123,821,1					
	11	\$ 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	124,125,9					
	76	\$ 12	\$ 380,357	\$ 58,970	\$ 45	\$ 439,384
Stock-based compensation	—	—	2,882	—	—	2,882
Issuance of Class A common stock upon exercise of stock options	115,775	—	37	—	—	37
Issuance of Class A common stock upon vesting of restricted stock units	232,728	—	—	—	—	—
Foreign currency translation adjustments	—	—	—	—	(40)	(40)
Net income	—	—	—	9,364	—	9,364
Balances at June 30, 2024	124,474,4					
	79	\$ 12	\$ 383,276	\$ 68,334	\$ 5	\$ 451,627

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)

	Six Months Ended June 30,	
	2025	2024
Cash flows from operating activities		
Net income	\$ 28,520	\$ 16,590
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	21,223	17,506
Deferred income taxes	(1,991)	177
Stock-based compensation	7,770	5,303
Amortization of capitalized warrants cost	1,124	953
Non-cash lease expense	1,158	1,293
Amortization of capitalized contract acquisition cost	873	881
Provision for expected credit losses and credit adjustments	3,038	1,630
Other non-cash adjustments	—	(213)
Change in operating assets and liabilities		
Accounts and other receivables	20,220	(15,321)
Prepaid expenses and other assets	986	(81)
Accounts payable	2,516	7,950
Accrued and other liabilities	(2,421)	(4,118)
Operating lease liabilities	(1,225)	(1,168)
Contract liabilities	716	(1,053)
Income taxes receivable, net of payable	(587)	(1,345)
Net cash provided by operating activities	<u>81,920</u>	<u>28,984</u>
Cash flows from investing activities		
Purchases of property and equipment	(176)	(304)
Purchases of interest-bearing deposits	(913)	(1,313)
Proceeds from matured interest-bearing deposits	1,547	1,190
Capitalized internal-use software development costs	(18,166)	(18,362)
Net cash used in investing activities	<u>(17,708)</u>	<u>(18,789)</u>
Cash flows from financing activities		
Proceeds from exercise of stock-based awards	91	137
Payments of taxes withheld on net settled vesting of restricted stock units	(3,764)	—
Settlement of holdback liability related to prior acquisitions	—	(506)
Net cash used in financing activities	<u>(3,673)</u>	<u>(369)</u>
Effect of exchange rate changes on Cash and cash equivalents and Restricted cash	95	(141)
Net increase in cash, cash equivalents and Restricted cash	60,634	9,685
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>\$ 270,045</u>	<u>\$ 192,880</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	266,422	188,810
Restricted cash at the end of period	3,623	4,070
Cash and cash equivalents and Restricted cash at the end of period	<u>\$ 270,045</u>	<u>\$ 192,880</u>
Supplemental disclosure of cash flow information:		
Cash paid for income taxes, net of refunds	\$ 10,256	\$ 7,746
Non-cash investing activities:		
Right-of-use assets obtained in exchange of operating lease obligations	\$ 510	\$ 96

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 currently 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 and six months ended June 30, 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 \$128.9 million and \$147.2 million as of June 30, 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. As of December 31, 2024 and June 30, 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 and six months ended June 30, 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 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):

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Payment transaction processing revenue	\$ 278,080	\$ 193,564	\$ 551,360	\$ 376,316
Other	1,997	3,858	3,952	5,981
Total revenue	\$ 280,077	\$ 197,422	\$ 555,312	\$ 382,297

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

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
United States	\$ 275,417	\$ 193,483	\$ 546,096	\$ 374,784
Other	4,660	3,939	9,216	7,513
Total	\$ 280,077	\$ 197,422	\$ 555,312	\$ 382,297

Remaining Performance Obligations

As of June 30, 2025, the aggregate amount of transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied was \$6.4 million, of which the Company expects to recognize over 75% within the next two years, 17% 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 June 30, 2025, the Company has contractual rights under its commercial agreements with customers and resellers to receive \$54.1 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 (in thousands):

	<u>June 30,</u>	<u>December 31,</u>
	<u>2025</u>	<u>2024</u>
Contract Liabilities:		
Current	\$ 3,771	\$ 2,937
Non-current	2,666	2,783
Total contract liabilities	\$ 6,437	\$ 5,720

Revenue recognized during the three months ended June 30, 2025 and 2024 that was included in the contract liabilities balance at the beginning of each of the periods was \$0.3 million and \$2.1 million, respectively. Revenue recognized during the six months ended June 30, 2025 and 2024 that was included in the contract liabilities balance at the beginning of each of the periods was \$0.9 million and \$2.9 million, respectively.

4. Property and Equipment, Net

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

	<u>June 30,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
Computer equipment	\$ 6,467	\$ 6,178
Furniture and fixtures	1,832	1,724
Leasehold improvements	387	375
Total property and equipment	8,686	8,277
Less: Accumulated depreciation	(7,646)	(7,120)
Property and equipment, net	<u>\$ 1,040</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 June 30, 2025 and 2024, respectively, and \$0.3 million and \$0.4 million for the six months ended June 30, 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>June 30,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
United States	\$ 361	\$ 450
Other	679	707
Total	<u>\$ 1,040</u>	<u>\$ 1,157</u>

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

Goodwill

The goodwill reporting units were realigned into a 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 and six months ended June 30, 2025 relate to foreign currency translation adjustments.

Internal-use Software Development Costs

During the three months ended June 30, 2025 and 2024, the Company capitalized \$8.9 million and \$9.1 million of costs related to internal-use software development, respectively. During the six months ended June 30, 2025 and 2024, the Company capitalized \$18.3 million and \$18.4 million of costs related to internal-use software development, respectively.

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

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Cost of revenue	\$ 5,517	\$ 4,366	\$ 11,155	\$ 8,395
Research and development	2,672	2,373	5,460	4,655
Total	<u>\$ 8,189</u>	<u>\$ 6,739</u>	<u>\$ 16,615</u>	<u>\$ 13,050</u>

Intangible Assets

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

	June 30, 2025			Weighted-Average Useful Life (Years)
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	
Technology	\$ 21,827	\$ (20,818)	\$ 1,009	4.0
Customer relationship	31,982	(18,360)	13,622	8.0
Software and license	2,926	(2,926)	—	3.0
Trademark	4,038	(3,860)	178	4.0
Total	<u>\$ 60,773</u>	<u>\$ (45,964)</u>	<u>\$ 14,809</u>	

	December 31, 2024			Weighted-Average Useful Life (Years)
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	
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 June 30, 2025 and 2024, respectively, and \$4.3 million and \$4.0 million for the six months ended June 30, 2025 and 2024, respectively.

As of June 30, 2025, future expected amortization expense is as follows (in thousands):

Years Ending December 31,		
2025	\$	2,822
2026		3,269
2027		3,269
2028		3,269
2029		2,180
Total future amortization expense	<u>\$</u>	<u>14,809</u>

There were no impairments of goodwill, internal-use software development costs or intangible assets in the three or six months ended June 30, 2025 or 2024.

6. Prepaid expenses and other assets

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

	June 30, 2025	December 31, 2024
Prepaid expenses and other assets:		
Prepaid expenses	\$ 5,362	\$ 6,584
Contract acquisition costs	5,223	6,657
Other assets	1,927	2,832
Total prepaid expenses and other assets	<u>\$ 12,512</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 deposits 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>June 30,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
Accrued and other liabilities		
Payroll and employee-related expenses	\$ 11,030	\$ 16,650
Other accrued expenses	9,335	8,095
Other liabilities	5,395	1,717
Total accrued and other liabilities	<u>\$ 25,760</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 expenses 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 June 30, 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 June 30, 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 June 30, 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 June 30, 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 six months ended June 30, 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	(61,976)	1.46		
Options forfeited	(7,667)	0.28		
Outstanding at June 30, 2025	<u>3,464,460</u>	8.61	3.81	\$ 83,620
Exercisable at June 30, 2025	<u>3,456,085</u>	\$ 8.61	3.81	\$ 83,422

There were no options granted during the six months ended June 30, 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 June 30, 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 0.5 years.

Restricted Stock Units ("RSUs")

A summary of the Company's RSU activity during the six months ended June 30, 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	605,306	29.39
Awards vested	(486,019)	16.56
Awards forfeited	(40,967)	17.17
Awarded and unvested at June 30, 2025	<u>2,174,488</u>	<u>\$ 19.59</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 continued provision of services for non-employees and continued employment for employees.

At June 30, 2025, there was \$39.9 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 3.7 years.

Stock-based compensation expense (including amortization of capitalized warrants cost) included in the condensed consolidated statements of operations was as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Cost of revenue	\$ 83	\$ 66	\$ 149	\$ 117
Research and development	1,160	846	2,041	1,454
Sales and marketing	2,312	1,494	3,806	2,804
General and administrative	1,733	917	2,837	1,881
Total stock-based compensation	<u>\$ 5,288</u>	<u>\$ 3,323</u>	<u>\$ 8,833</u>	<u>\$ 6,256</u>

11. Income Taxes

The Company computes its tax provision for the three and six months ended June 30, 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 and six months ended June 30, 2025 was 19.9% and 21.2%, respectively, and for the three and six months ended June 30, 2024 was 24.9% and 28.6%, 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 and prior year Canadian research and development ("R&D") credit claims. 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.

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.

On July 4, 2025, H.R. 1, known as The One Big Beautiful Bill Act (the "OBBBA"), was enacted. The OBBBA contains significant changes to corporate taxation, including increased deductions for capital spending, expensing of domestic R&D costs, and increased deductibility of interest expense deductions. The Company is currently evaluating the provisions of the new law and potential effects to the financial statements as a result of the enactment of the OBBBA.

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 June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Numerator:				
Net income	\$ 14,707	\$ 9,364	\$ 28,520	\$ 16,590
Denominator:				
Weighted-average shares of common stock — basic	125,077,964	124,264,789	125,066,334	124,106,046
Dilutive effect of stock options	2,584,773	2,167,559	2,551,462	2,157,147
Dilutive effect of RSUs	1,016,437	709,580	1,018,724	721,860
Dilutive effect of warrants	351,365	110,438	331,287	89,868
Weighted-average shares of common stock — diluted	129,030,539	127,252,366	128,967,807	127,074,921
Net income per share				
Basic	\$ 0.12	\$ 0.08	\$ 0.23	\$ 0.13
Diluted	\$ 0.11	\$ 0.07	\$ 0.22	\$ 0.13

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 June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
RSUs	3,633	206,514	3,730	205,176

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 June 30,			Six Months Ended June 30,		
	2025	2024	% Growth	2025	2024	% Growth
	(in millions)			(in millions)		
Transactions processed	175.8	140.4	25.2%	349.0	275.7	26.6%

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 increase in number of transactions processed during the three and six months ended June 30, 2025 as compared to the same periods in 2024 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. Further, we are currently analyzing the provisions of the One Big Beautiful Bill Act and assessing its potential effects on our business, financial condition, results of operations, and cash flows.

Impact of Economic and Inflationary Trends

Significant economic uncertainty is expected to persist through the remainder of 2025, driven by concerns over trade policies, geopolitical tensions, stubborn inflation, and the interest rate outlook. For our business, these pressures may influence consumer payment patterns in competing ways. An economic slowdown could reduce our revenue per transaction and overall volume should consumers switch to lower-cost payment methods or defer payments. Conversely, a higher frequency of partial payments could increase our total transaction count, providing a potential offset. The net effect of these variables on our transaction-based revenues remains the key uncertainty for our financial performance.

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 macroeconomic trends and will take further action as needed to maintain operational resilience, while continuing to adapt our financial and operational approach in response to the evolving economic landscape.

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 June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(in thousands)			
Gross profit	\$ 71,477	\$ 58,751	\$ 137,501	\$ 111,476
Plus: other cost of revenue	22,051	17,730	43,669	34,372
Contribution profit	\$ 93,528	\$ 76,481	\$ 181,170	\$ 145,848

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 and six months ended June 30, 2025 increased approximately

22.3% and 24.2%, respectively, as compared to the same periods in 2024. The increase was driven by growth in transaction count and volume driven from both new and existing billers and financial institutions.

Adjusted Gross Profit

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(in thousands)			
Gross profit	\$ 71,477	\$ 58,751	\$ 137,501	\$ 111,476
Stock-based compensation	83	66	149	117
Amortization of capitalized software development costs	5,517	4,366	11,155	8,395
Amortization of acquisition-related intangibles	829	827	1,657	1,657
Adjusted gross profit	\$ 77,906	\$ 64,010	\$ 150,462	\$ 121,645

Adjusted gross profit for the three and six months ended June 30, 2025 increased 21.7% and 23.7%, respectively, as compared to the same periods 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 by 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 June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(in thousands)			
Net income — GAAP	\$ 14,707	\$ 9,364	\$ 28,520	\$ 16,590
Interest income, net	(2,336)	(2,194)	(4,398)	(4,380)
Other income ⁽¹⁾	—	—	—	(213)
Provision for income taxes	3,662	3,105	7,650	6,639
Amortization of capitalized software development costs	8,189	6,739	16,615	13,050
Amortization of acquisition-related intangibles	2,130	2,020	4,267	4,041
Depreciation	164	210	341	415
EBITDA	\$ 26,516	\$ 19,244	\$ 52,995	\$ 36,142
Adjustments				
Foreign exchange gain	(111)	(39)	(161)	(57)
Stock-based compensation	5,288	3,323	8,833	6,256
Adjusted EBITDA	\$ 31,693	\$ 22,528	\$ 61,667	\$ 42,341

⁽¹⁾ Other income for the six months ended June 30, 2024 includes 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 40.7% and 45.6% in the three and six months ended June 30, 2025, respectively, as compared to the same periods in 2024. The increase was primarily attributable to higher revenues generated from growth in transaction volumes from both new and existing billers and financial institutions. The rate of growth in Adjusted EBITDA exceeded the rate of growth in both contribution profit and adjusted gross profit, reflecting the operating leverage inherent in our business, as certain operating expenses are largely fixed and did not increase in proportion to the growth in revenue.

Free Cash Flow

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(in thousands)			
Net cash provided by operating activities	\$ 31,479	\$ 18,030	\$ 81,920	\$ 28,984
Purchases of property and equipment	(116)	(188)	(176)	(304)
Capitalized internal-use software development costs	(8,888)	(9,086)	(18,166)	(18,362)
Free cash flow	\$ 22,475	\$ 8,756	\$ 63,578	\$ 10,318

The increase in free cash flow for the three and six months ended June 30, 2025, as compared to the same periods in 2024, 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 June 30,		Change		Six Months Ended June 30,		Change	
	2025	2024	\$	%	2025	2024	\$	%
	(in thousands)							
Revenue	\$ 280,077	\$ 197,422	\$ 82,655	41.9 %	\$ 555,312	\$ 382,297	173,015	45.3 %
Cost of revenue	208,600	138,671	69,929	50.4 %	417,811	270,821	146,990	54.3 %
Gross profit	71,477	58,751	12,726	21.7 %	137,501	111,476	26,025	23.3 %
Gross margin ⁽¹⁾	25.5%	29.8%			24.8%	29.2%		
Operating expenses								
Research and development	15,231	12,535	2,696	21.5 %	30,332	24,586	5,746	23.4 %
Sales and marketing	29,610	26,766	2,844	10.6 %	55,661	50,005	5,656	11.3 %
General and administrative	10,714	9,214	1,500	16.3 %	19,897	18,306	1,591	8.7 %
Total operating expenses	55,555	48,515	7,040	14.5 %	105,890	92,897	12,993	14.0 %
Income from operations	15,922	10,236	5,686	55.5 %	31,611	18,579	13,032	70.1 %
Interest income, net	2,336	2,194	142	6.5 %	4,398	4,380	18	0.4 %
Other income ⁽²⁾	111	39	72	n/m	161	270	(109)	(40.4)%
Income before income taxes	18,369	12,469	5,900	47.3 %	36,170	23,229	12,941	55.7 %
Provision for income taxes	(3,662)	(3,105)	(557)	17.9 %	(7,650)	(6,639)	(1,011)	15.2 %
Net income	\$ 14,707	\$ 9,364	\$ 5,343	57.1 %	\$ 28,520	\$ 16,590	\$ 11,930	71.9 %

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

⁽²⁾ Other income for the six months ended June 30, 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 June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenue	100.0%	100.0%	100.0%	100.0%
Cost of revenue	74.5%	70.2%	75.2%	70.8%
Gross profit	25.5%	29.8%	24.8%	29.2%
Operating expenses				
Research and development	5.4%	6.3%	5.5%	6.4%
Sales and marketing	10.6%	13.6%	10.0%	13.1%
General and administrative	3.8%	4.7%	3.6%	4.8%
Total operating expenses	19.8%	24.6%	19.1%	24.3%
Income from operations	5.7%	5.2%	5.7%	4.9%
Interest income, net	0.8%	1.1%	0.8%	1.1%
Other income	0.0%	0.0%	0.0%	0.1%
Income before income taxes	6.5%	6.3%	6.5%	6.1%
Provision for income taxes	(1.3)%	(1.6)%	(1.4)%	(1.7)%
Net income	5.2%	4.7%	5.1%	4.4%

Comparison of the Three Months Ended June 30, 2025 and 2024

Revenue

The increase in revenue was primarily driven by an increase in the number of transactions processed, which was driven by both 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 corresponds with higher revenue and transaction volumes, as it consists primarily of variable interchange fees and processor costs.

Gross margin decreased due to a shift in customer mix towards new, high-volume enterprise billers with lower margins. This impact was partially offset by improved economies of scale.

Research and Development Expenses

Research and development expenses increased primarily due to an increase in employee-related costs, including benefits, driven by increased headcount, higher stock based compensation and increases in annual compensation, a rise in cloud computing services expenses, reflecting higher utilization of our cloud-based infrastructure and increased data processing demands, and an increase in the amortization of capitalized internal-use software development costs.

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 increase in general and administrative expenses was primarily due to increases in professional fees, legal fees and insurance premiums of certain business policies.

Interest income, net

The changes in interest income, net was mainly due to 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 our effective tax rate, which was 19.9% for the three months ended June 30, 2025 as compared to 24.9% for the same period in the prior year and the difference between our 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 compensation pursuant to IRC Section 162(m), state taxes, discrete benefits for excess tax benefits on stock-based compensation and prior year Canadian research and development credit claims. 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.

Comparison of the Six Months Ended June 30, 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 directly attributable to higher revenue and transaction volumes, as these costs are predominantly variable and consist mainly of interchange and processor fees.

Gross margin compression resulted from a customer mix shift toward high-volume enterprise billers with lower margins. This effect was partially mitigated by benefits from economies of scale.

Research and Development Expenses

Research and development expenses increased primarily due to an increase in employee-related costs, including benefits, driven by increased headcount, higher stock based compensation and increases in annual compensation, a rise in cloud computing services expenses, reflecting higher utilization of our cloud-based infrastructure and increased data processing demands, and an increase in the amortization of capitalized internal-use software development costs.

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 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

Interest income, net was stable as higher cash balances held with banks were offset by lower interest rates.

Income Taxes

The change in provision for income taxes as well as the decrease in our effective tax rate, which was 21.2% for the six months ended June 30, 2025 as compared to 28.6% for the same period in the prior year and the difference between our 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 compensation pursuant to IRC Section 162(m), state taxes, discrete benefits for excess tax benefits on stock-based compensation and prior year Canadian research and development credit claims. 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.

Liquidity and Capital Resources

Sources and Uses of Funds

As of June 30, 2025, we had \$266.4 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.

	Six Months Ended June 30,	
	2025	2024
	(in thousands)	
Net cash provided by (used in)		
Operating activities	\$ 81,920	\$ 28,984
Investing activities	(17,708)	(18,789)
Financing activities	(3,673)	(369)
Effects of foreign exchange on cash	95	(141)
Net increase in cash, cash equivalents and restricted cash	<u>\$ 60,634</u>	<u>\$ 9,685</u>

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 six months ended June 30, 2025 was \$81.9 million. Net income was \$28.5 million, adjusted for non-cash charges of \$33.2 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 additionally supported by net cash inflows of \$20.2 million provided by changes in our operating assets and liabilities.

Net cash provided by operating activities for the six months ended June 30, 2024 was \$29.0 million. Net income was \$16.6 million, adjusted for non-cash charges of \$27.5 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 \$15.1 million due to changes in our operating assets and liabilities.

Net Cash Used in Investing Activities

Net cash used in investing activities for the six months ended June 30, 2025 consisted of \$18.2 million of capitalized internal-use software development costs and \$0.2 million of purchases of property and equipment, offset by \$0.6 million cash inflow from net change in interest-bearing deposits.

Net cash used in investing activities for the six months ended June 30, 2024 consisted of \$18.4 million of capitalized internal-use software development costs, \$0.3 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 six months ended June 30, 2025 consisted of \$3.8 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 six months ended June 30, 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 June 30, 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 June 30, 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 June 30, 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 Agreement under the 2021 Equity Incentive Plan for Dushyant Sharma	8-K	001-40429	10.1	July 2, 2025	
19.1	Paymentus Holdings, Inc. Insider Trading Policy					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: August 4, 2025

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

Date: August 4, 2025

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

PAYMENTUS HOLDINGS, INC.

INSIDER TRADING POLICY

A. POLICY OVERVIEW

Paymentus Holdings, Inc. (together with any subsidiaries, collectively the “**Company**”) has adopted this Insider Trading Policy (the “**Policy**”) to help you comply with the federal and state securities laws and regulations that govern trading in securities and to help the Company minimize its own legal and reputational risk.

It is your responsibility to understand and follow this Policy. Insider trading is illegal and a violation of this Policy. In addition to your own liability for insider trading, the Company, as well as individual directors, officers and other supervisory personnel, could face liability. Even the appearance of insider trading can lead to government investigations or lawsuits that are time-consuming, expensive and can lead to criminal and civil liability, including damages and fines, imprisonment and bars on serving as an officer or director of a public company, not to mention irreparable damage to both your and the Company’s reputation.

For purposes of this Policy, the Company’s General Counsel serves as the Compliance Officer. The Compliance Officer may designate others, from time to time, to assist with the execution of his or her duties under this Policy.

B. POLICY STATEMENT

1. No Trading on Material Nonpublic Information. It is illegal for anyone to trade in securities on the basis of material nonpublic information. If you are in possession of material nonpublic information about the Company, you are prohibited from:

- a. using it to transact in securities of the Company;
- b. disclosing it to other directors, officers, employees, consultants, contractors or advisors whose roles do not require them to have the information;
- c. disclosing it to anyone outside of the Company, including family, friends, business associates, investors or consulting firms, without prior written authorization from the Compliance Officer; or
- d. using it to express an opinion or make a recommendation about trading in the Company’s securities.

In addition, material nonpublic information about another company that you learn through your service with the Company is subject to these same restrictions around disclosure and trading, and you cannot use that information to trade securities. Any such action will be deemed a violation of this Policy.

2. No Disclosure of Confidential Information. You may not at any time disclose material nonpublic information about the Company or about another company that you obtained in connection with your service with the Company to friends, family members or any other person or entity that the Company has not authorized to know such information. In addition, you must handle the confidential information of others in accordance with any related non-disclosure agreements and other obligations that the Company has with them and limit your use of the confidential information to the purpose for which it was disclosed.

If you receive an inquiry for information from someone outside of the Company, such as a stock analyst, investor or the media, or a request for sensitive information outside the ordinary course of business from someone outside of the Company, such as a business partner, vendor, supplier or salesperson, then you should refer the inquiry to the Chief Financial Officer or Investor Relations, as applicable. Responding to a request yourself may violate this Policy and, in some circumstances, the law. Please consult the Company’s External Communications Policy for more details.

3. Definition of Material Nonpublic Information. “**Material information**” means information that a reasonable investor would be substantially likely to consider important in deciding whether to buy, hold or sell securities of the Company or view as significantly altering the total mix of information available in the marketplace about the Company as an issuer of the securities. In general, any information that could reasonably be expected to affect the market price of a security is likely to be material. Either positive or negative information may be material.

It is not possible to define all categories of “material” information. However, some examples of information that could be regarded as material include, but are not limited to:

- a. financial results, key metrics, financial condition, earnings pre-announcements, guidance, projections or forecasts, particularly if inconsistent with the Company’s guidance or the expectations of the investment community;
- b. restatements of financial results, or material impairments, write-offs or restructurings;
- c. changes in independent auditors, or notification that the Company may no longer rely on an audit report;
- d. business plans or budgets;
- e. creation of significant financial obligations, or any significant default under or acceleration of any financial obligation;
- f. impending bankruptcy or financial liquidity problems;
- g. significant developments involving business relationships, including execution, modification or termination of significant agreements or orders with customers, suppliers, distributors, manufacturers or other business partners;
- h. significant information relating to the operation of product or service, such as new products or services, major modifications or performance issues, defects or recalls, significant pricing changes or other announcements of a significant nature;
- i. significant developments in research and development or relating to intellectual property;
- j. significant legal or regulatory developments, whether positive or negative, actual or threatened, including litigation or resolving litigation;
- k. major events involving the Company’s securities, including calls of securities for redemption, adoption of stock repurchase programs, option repricings, stock splits, changes in dividend policies, public or private securities offerings, modification to the rights of security holders or notice of delisting;
- l. significant corporate events, such as a pending or proposed merger, joint venture or tender offer, a significant investment, the acquisition or disposition of a significant business or asset or a change in control of the Company;
- m. major personnel changes, such as changes in senior management or employee layoffs;
- n. data breaches or other cybersecurity events;
- o. updates regarding any prior material disclosure that has materially changed; and
- p. the existence of a special blackout period.

“**Material nonpublic information**” means material information that is not generally known or made available to the public. Even if information is widely known throughout the Company, it may still be nonpublic. Generally, in order for information to be considered public, it must be made generally available through media outlets or SEC filings.

After the release of information, a reasonable period of time must elapse in order to provide the public an opportunity to absorb and evaluate the information provided. As a general rule, at least one full trading day must pass after the dissemination of information before such information is considered public.

As a rule of thumb, if you think something might be material nonpublic information, it probably is. You can always reach out to the Compliance Officer if you have questions.

C. PERSONS COVERED BY THIS POLICY

This Policy applies to you if you are a director, officer, employee, consultant, contractor or advisor of the Company, both inside and outside of the United States. To the extent applicable to you, this Policy also covers your immediate family members, persons with whom you share a household, persons who are your economic dependents and any entity whose transactions in securities you influence, direct or control; provided, however, that the Policy shall not apply to any such entity that engages in the investment of securities in the ordinary course of its business (*e.g.*, an investment fund or partnership) if such entity has established its own insider trading controls and procedures in compliance with applicable securities laws. You are responsible for making sure that these other individuals and entities comply with this Policy.

This Policy continues to apply even if you leave the Company or are otherwise no longer affiliated with or providing services to the Company, for as long as you remain in possession of material nonpublic information. In addition, if you are subject to a trading blackout under this Policy at the time you leave the Company, you must abide by the applicable trading restrictions until at least the end of the relevant blackout period.

D. TRADING COVERED BY THIS POLICY

Except as discussed in Section H (*Exceptions to Trading Restrictions*), this Policy applies to all transactions involving the Company's securities or other companies' securities for which you possess material nonpublic information obtained in connection with your service with the Company. This Policy therefore applies to:

1. any purchase, sale, loan or other transfer or disposition of any equity securities (including common stock, options, restricted stock units, warrants and preferred stock) and debt securities (including debentures, bonds and notes) of the Company and such other companies, whether direct or indirect (including transactions made on your behalf by money managers), and any offer to engage in the foregoing transactions;
2. any disposition in the form of a gift of any securities of the Company;
3. any distribution to holders of interests in an entity if the entity is subject to this Policy; and
4. any other arrangement that generates gains or losses from or based on changes in the prices of such securities including derivative securities (for example, exchange-traded put or call options, swaps, caps and collars), hedging and pledging transactions, short sales and certain arrangements regarding participation in benefit plans, and any offer to engage in the foregoing transactions.

There are no exceptions from insider trading laws or this Policy based on the size of the transaction or the type of consideration received.

E. TRADING RESTRICTIONS

Subject to the exceptions set forth below, this Policy restricts trading during certain periods and by certain people as follows:

1. **Quarterly Blackout Periods.** Except as discussed in Section H (*Exceptions to Trading Restrictions*), all directors, officers and employees of the Company must refrain from conducting transactions involving the Company's securities during quarterly blackout periods. Individuals subject to quarterly blackout periods will be informed by the Compliance Officer that they are listed on the covered persons list maintained by the Compliance Officer (the "**Covered Persons List**"). To the extent applicable to you, quarterly blackout periods also cover your immediate family members, persons with whom you share a household, persons who are your economic dependents, and any entity whose transactions in securities you influence, direct or control. Even if you are not specifically identified as being subject to quarterly blackout periods, you should exercise caution when engaging in transactions during quarterly blackout periods because of the heightened risk of insider trading exposure.

Quarterly blackout periods will start at the end of the fifteenth day of the third month of each fiscal quarter (*i.e.*, March 15, June 15, September 15 and December 15) and will end at the start of the second full trading day following the Company's earnings release.

The prohibition against trading during the blackout period also means that brokers cannot fulfill open orders on your behalf or on behalf of your immediate family members, persons with whom you share a household, persons who are your economic dependents, or any entity whose transactions in securities you influence, direct or control, during the blackout period, including "limit orders" to buy or sell stock at a specific price or better and "stop orders" to buy or sell stock once the price of the stock reaches a specified price. If you are subject to blackout periods or pre-clearance requirements, you should so inform any broker with whom such an open order is placed at the time it is placed.

From time to time, the Company may identify other persons who should be subject to quarterly blackout periods, and the Compliance Officer may update and revise the Covered Persons List as appropriate.

2. Special Blackout Periods. The Company always retains the right to impose additional or longer trading blackout periods at any time on any or all of its directors, officers, employees, consultants, contractors and advisors. The Compliance Officer will notify you in writing (or by e-mail) if you are subject to a special blackout period. If you are notified that you are subject to a special blackout period, you may not engage in any transaction involving the Company's securities until the special blackout period has ended other than the transactions that are covered by the exceptions below. You also may not disclose to anyone else that the Company has imposed a special blackout period. To the extent applicable to you, special blackout periods also cover your immediate family members, persons with whom you share a household, persons who are your economic dependents, and any entity whose transactions in securities you influence, direct or control.

3. Regulation BTR Blackouts. Directors and officers may also be subject to trading blackouts pursuant to Regulation Blackout Trading Restriction, or Regulation BTR, under U.S. federal securities laws. In general, Regulation BTR prohibits any director or officer from engaging in certain transactions involving Company securities during periods when 401(k) plan participants are prevented from purchasing, selling or otherwise acquiring or transferring an interest in certain securities held in individual account plans. Any profits realized from a transaction that violates Regulation BTR are recoverable by the Company, regardless of the intentions of the director or officer effecting the transaction. In addition, individuals who engage in such transactions are subject to sanction by the SEC as well as potential criminal liability. The Company will notify directors and officers if they are subject to a blackout trading restriction under Regulation BTR. Failure to comply with an applicable trading blackout in accordance with Regulation BTR is a violation of law and this Policy.

F. PROHIBITED TRANSACTIONS

You may not engage in any of the following types of transactions other than as noted below, regardless of whether you have material nonpublic information or not.

1. Short Sales. You may not engage in short sales (meaning the sale of a security that must be borrowed to make delivery) or "sell short against the box" (meaning the sale of a security with a delayed delivery) if such sales involve the Company's securities.

2. Derivative Securities and Hedging Transactions. You may not, directly or indirectly, (a) trade in publicly-traded options, such as puts and calls, and other derivative securities with respect to the Company's securities (other than stock options, restricted stock units and other compensatory awards issued to you by the Company) or (b) purchase financial instruments (including prepaid variable forward contracts, equity swaps, collars and exchange funds), or otherwise engage in transactions, that hedge or offset, or are

designed to hedge or offset, any decrease in the market value of Company equity securities either (i) granted to you by the Company as part of your compensation or (ii) held, directly or indirectly, by you.

3. Pledging Transactions. If you are required to comply with the blackout periods or pre-clearance requirements under this Policy, you may not pledge the Company's securities as collateral for any loan or as part of any other pledging transaction.

4. Margin Accounts. You may not hold the Company's common stock in margin accounts.

G. PRE-CLEARANCE OF TRADES

The Company's directors, executive officers and certain employees identified on the Covered Persons List must obtain pre-clearance prior to trading the Company's securities. If you are subject to pre-clearance requirements, you must submit a pre-clearance request to the Compliance Officer at least two business days prior to your desired trade date. The pre-clearance request must be made on the form provided by the Compliance Officer. The person requesting pre-clearance will be asked to certify that he or she is not in possession of material nonpublic information about the Company. The Compliance Officer is under no obligation to approve a transaction submitted for pre-clearance and may determine not to permit the transaction.

If the Compliance Officer is the requester, then the Company's Chief Executive Officer, Chief Financial Officer or their delegate must pre-clear or deny any trade. All trades must be executed within two business days of any pre-clearance.

Even after pre-clearance, a person may not trade the Company's securities if they become subject to a blackout period or aware of material nonpublic information prior to the trade being executed.

From time to time, the Company may identify other persons who should be subject to the pre-clearance requirements set forth above, and the Compliance Officer may update and revise the Covered Persons List as appropriate.

H. EXCEPTIONS TO TRADING RESTRICTIONS

There are no unconditional "safe harbors" for trades made at particular times, and all persons subject to this Policy should exercise good judgment at all times. Even when a quarterly blackout period is not in effect, you may be prohibited from engaging in transactions involving the Company's securities because you possess material nonpublic information, are subject to a special blackout period or are otherwise restricted under this Policy.

The following are certain limited exceptions to the quarterly and special blackout period restrictions and pre-clearance requirements imposed by the Company under this Policy:

1. Transactions made pursuant to a valid 10b5-1 trading plan approved by the Company. These plans allow for individuals to enter into a prearranged trading plan as long as the plan is not established or modified during a blackout period or when the individual is otherwise in possession of material nonpublic information.
 2. Stock option exercises where the exercise price of such stock options is paid in cash and there is no other associated market activity.
 3. Receipt and vesting of stock options, restricted stock units, restricted stock or other equity compensation awards from the Company.
 4. Purchases pursuant to the employee stock purchase plan; however, this exception does not apply to subsequent sales of the shares.
 5. Net share withholding with respect to equity awards where shares are withheld by the Company in order to satisfy tax withholding requirements, (x) as required by either the Company's Board of Directors (or a committee thereof) or the award agreement governing such equity award or (y) as you elect, if permitted by the Company, so long as the election is irrevocable and made
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in writing at a time when a trading blackout is not in place and you are not in possession of material nonpublic information.

6. Sell-to-cover transactions where shares are sold on your behalf upon vesting of equity awards solely to satisfy tax withholding requirements.
7. Distributions to limited partners by limited partnerships subject to this Policy.
8. Purchases of the Company's stock in the 401(k) plan resulting from periodic contributions to the plan based on your payroll contribution election; provided, however, that the blackout period restrictions and pre-clearance requirements do apply to elections you make under the 401(k) plan to (a) increase or decrease the amount of your contributions under the 401(k) plan if such increase or decrease will increase or decrease the amount of your contributions that will be allocated to a Company stock fund, (b) increase or decrease the percentage of your contributions that will be allocated to a Company stock fund, (c) move balances into or out of a Company stock fund, (d) borrow money against your 401(k) plan account if the loan will result in liquidation of some or all of your Company stock fund balance, and (e) prepay a plan loan if the pre-payment will result in the allocation of loan proceeds to a Company stock fund.
9. Transfers by will or the laws of descent and distribution and, provided that prior written notice is provided to the Compliance Officer, distributions or transfers (such as certain tax planning or estate planning transfers) that effect only a change in the form of beneficial interest without changing your pecuniary interest in the Company's securities.
10. Changes in the number of the Company's securities you hold due to a stock split or a stock dividend that applies equally to all securities of a class, or similar transactions.
11. Sales made by a director of the Company solely to cover tax obligations resulting from vesting of Paymentus Holdings, Inc. equity awards may be executed without a 10b5-1 trading plan. Any such sale will require pre-clearance from the Compliance Officer and must be executed during a time when a trading blackout is not in place and the director is not in possession of material nonpublic information.

Unless an exception is granted in writing by the Compliance Officer, the chairperson of the Audit Committee or the Company's Chief Executive Officer or set forth herein, certain persons identified on the Covered Persons List are not permitted to trade in the Company's securities outside of a valid 10b5-1 trading plan approved by the Company; provided, that stock options may be exercised using permitted exercise and tax withholding methods without a 10b5-1 trading plan, provided that (a) such exercise occurs during an open trading window and (b) only such number of shares required to satisfy the exercise price and/or tax withholding obligations are sold or otherwise disposed of in connection with the option exercise. In addition, the Company permits other employees to adopt written 10b5-1 trading plans in order to mitigate the risk of trading on material nonpublic information. To be approved by the Company and qualify for the exception to this Policy, any 10b5-1 trading plan adopted by a director, officer or employee must be submitted to the Compliance Officer for approval and comply with the requirements set forth in the *Requirements for Trading Plans* attached as Exhibit A. If the Compliance Officer is the requester, then the Company's Chief Executive Officer, Chief Financial Officer, or their delegate, must approve the 10b5-1 trading plan.

If there is a Regulation BTR blackout (and no quarterly or special blackout period), then the limited exceptions set forth in Regulation BTR will apply.

Please be aware that even if a transaction is subject to an exception to this Policy, you will need to separately assess whether the transaction complies with applicable law. Any other Policy exceptions must be approved by the Compliance Officer, in consultation with the Company's Board of Directors or an independent committee of the Board of Directors.

I. SECTION 16 COMPLIANCE

All of the Company's directors, executive officers and greater than 10% stockholders are required to comply with Section 16 of the Securities and Exchange Act of 1934 and related rules and regulations which set forth reporting obligations, limitations on "short swing" transactions, which are certain matching purchases and sales of the Company's securities within a six-month period, and limitations on short sales.

To ensure transactions subject to Section 16 requirements are reported on time, each person subject to these requirements must provide the Company with detailed information (for example, trade date, number of shares, exact price, *etc.*) about his or her transactions involving the Company's securities.

The Company is available to assist in filing Section 16 reports, but the obligation to comply with Section 16 is personal. If you have any questions, you should check with the Compliance Officer.

J. VIOLATIONS OF THIS POLICY

Company directors, officers, employees, consultants, contractors and advisors who violate this Policy will be subject to disciplinary action by the Company, including ineligibility for future Company equity or incentive programs or termination of employment or an ongoing relationship with the Company. The Company has full discretion to determine whether this Policy has been violated based on the information available.

There are also serious legal consequences for individuals who violate insider trading laws, including large criminal and civil fines, significant imprisonment terms and disgorgement of any profits gained or losses avoided. You may also be liable for improper securities trading by any person (commonly referred to as a "tippee") to whom you have disclosed material nonpublic information that you have learned through your position at the Company or made recommendations or expressed opinions about securities trading on the basis of such information.

Please consult with your personal legal and financial advisors as needed. Note that the Company's legal counsel, both internal and external, represent the Company and not you personally. There may be instances where you suffer financial harm or other hardship or are otherwise required to forego a planned transaction because of the restrictions imposed by this Policy or under securities laws. If you were aware of the material nonpublic information at the time of the trade, it is not a defense that you did not "use" the information for the trade. Personal financial emergency or other personal circumstances are not mitigating factors under securities laws and will not excuse your failure to comply with this Policy. In addition, a blackout or trading-restricted period will not extend the term of your options. As a consequence, you may be prevented from exercising your options by this Policy or as a result of a blackout or other restriction on your trading, and as a result your options may expire by their term. It is your responsibility to manage your economic interests and to consider potential trading restrictions when determining whether to exercise your options. In such instances, the Company cannot extend the term of your options and has no obligation or liability to replace the economic value or lost benefit to you.

K. PROTECTED ACTIVITY NOT PROHIBITED

Nothing in this Policy, or any related guidelines or other documents or information provided in connection with this Policy, shall in any way limit or prohibit you from engaging in any of the protected activities set forth in the Company's Whistleblower Policy, as amended from time to time.

L. REPORTING

If you believe someone is violating this Policy or otherwise using material nonpublic information that they learned through their position at the Company to trade securities, you should report it to the Compliance Officer, or if the Compliance Officer is implicated in your report, then you should report it in accordance with the Company's Whistleblower Policy.

M. AMENDMENTS

The Company reserves the right to amend this Policy at any time, for any reason, subject to applicable laws, rules and regulations, and with or without notice, although it will attempt to provide notice in advance of any change. Unless otherwise permitted by this Policy, any amendments must be approved by the Board of Directors of the Company.

(Adopted on May 15, 2021; effective May 25, 2021; amended February 3, 2022, April 18, 2022, February 13, 2023, March 6, 2025 and July 24, 2025)

EXHIBIT A

REQUIREMENTS FOR TRADING PLANS

For transactions under a trading plan to be exempt from (A) the prohibitions in the Company's Insider Trading Policy (the "**Policy**") of Paymentus Holdings, Inc. (together with any subsidiaries, collectively the "**Company**") with respect to transactions made while aware of material nonpublic information and (B) the pre-clearance procedures and blackout periods established under the Policy, the trading plan must comply with the affirmative defense set forth in Exchange Act Rule 10b5-1 and must meet the following requirements:

1. The trading plan must be in writing and signed by the person adopting the trading plan.
 2. The trading plan must be adopted at a time when:
 - a. the person adopting the trading plan is not aware of any material nonpublic information; and
 - b. there is no quarterly, special or other trading blackout in effect with respect to the person adopting the plan.
 3. The trading plan must be entered in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1, and the person adopting the trading plan must act in good faith with respect to the trading plan.
 4. The trading plan must include representations that, on the date of adoption of the trading plan, the person adopting the trading plan:
 - is not aware of material nonpublic information about the securities or the Company; and
 - is adopting the trading plan in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1.
 5. The person adopting the trading plan may not have entered into or altered a corresponding or hedging transaction or position with respect to the securities subject to the trading plan and must agree not to enter into any such transaction while the trading plan is in effect.
 6. The first trade under the trading plan for directors and officers (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934) may not occur until after the expiration of a cooling-off period consisting of the later of (a) 90 calendar days after the adoption of the trading plan and (b) two business days after the filing by the Company of its financial results in a Form 10-Q or Form 10-K for the completed fiscal quarter in which the trading plan was adopted (but, in any event, this required cooling-off period is subject to a maximum of 120 days after adoption of the trading plan). The first trade under the trading plan for all other persons may not occur until after 30 calendar days after adoption of the trading plan.
 7. The trading plan must have a minimum term of one year (starting from the date of adoption of the trading plan).
 8. All transactions during the term of the trading plan (except for the "*Exceptions to Trading Restrictions*" identified in the Policy and *bona fide* gifts) must be conducted through the trading plan. In addition, the person adopting the trading plan may not have an outstanding trading plan (and may not subsequently enter into any additional trading plan) except as permitted by Rule 10b5-1.
 9. Any modification or change to the amount, price or timing of transactions under the trading plan is deemed the termination of the trading plan, and the adoption of a new trading plan ("**Modification**"). Therefore, a Modification is subject to the same conditions as a new trading plan as set forth in Sections 1 through 8 herein.
 10. Within the one year preceding the adoption or a Modification of a trading plan, a person may not have otherwise adopted or done a Modification to a plan more than once.
 11. A person may adopt a trading plan designed to cover a single trade only once in any consecutive 12-month period except as permitted by Rule 10b5-1.
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12. If the person that adopted the trading plan terminates the plan prior to its stated duration, he or she may not trade in the Company's securities until after the expiration of 30 calendar days following termination, and then only in accordance with the Policy.
 13. The Company must be promptly notified of any Modification or termination of the trading plan, including any suspension of trading under the trading plan.
 14. The Company must have authority to require the suspension or cancellation of the trading plan at any time.
 15. If the trading plan grants discretion to a stockbroker or other person with respect to the execution of trades under the trading plan:
 - a. trades made under the trading plan must be executed by someone other than the stockbroker or other person that executes trades in other securities for the person adopting the trading plan;
 - b. the person adopting the trading plan may not confer with the person administering the trading plan regarding the Company or its securities; and
 - c. the person administering the trading plan must provide prompt notice to the Company of the execution of a transaction pursuant to the plan.
 16. All transactions under the trading plan must be in accordance with applicable law.
 17. The trading plan (including any Modification) must meet such other requirements as the Compliance Officer may determine.
 18. Any trading plans adopted or modified prior to February 27, 2023 (the "**Effective Date**") are permitted to continue in place until all trades are executed thereunder or they expire by their terms ("**Grandfathered Plans**"). If the person undertakes a Modification of a Grandfathered Plan on or after the Effective Date, then the Modification must meet all of the requirements set forth herein.
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**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: August 4, 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: August 4, 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 and six months period ended June 30, 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: August 4, 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 and six months period ended June 30, 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: August 4, 2025

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