

Q2 2021 Financial Results
August 10, 2021

Paymentus

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Paymentus

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- 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 presentation, and although 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 a thorough inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and you are cautioned not to unduly rely upon these statements.
- Market data and industry information used throughout this presentation are based on management's knowledge of the industry and the good faith estimates of management. We also relied, to the extent available, upon management's review of independent industry surveys and publications and other publicly available information prepared by a number of third-party sources. All of the market data and industry information used in this presentation involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. Although we believe that these sources are reliable, we cannot guarantee the accuracy or completeness of this information, and we have not independently verified this information.
- In addition to the GAAP financial measures presented in our consolidated financial statements, this presentation includes key performance indicators and non-GAAP measures that we use to help us evaluate our business, identify trends affecting our business, formulate business plans and make strategic decisions. There are limitations to contribution profit, adjusted gross profit and adjusted gross profit as a % of contribution profit, the non-GAAP measures included in this presentation. These 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 GAAP financial measures. Reconciliations of these non-GAAP measures to the most directly comparable GAAP measures are included in the Appendix to this presentation.
- Unless otherwise indicated, all references in this presentation to “Paymentus,” “we,” “our,” “us”, or similar terms refer to Paymentus Holdings, Inc. and its subsidiaries.

Highlights

Q2 Key Metrics

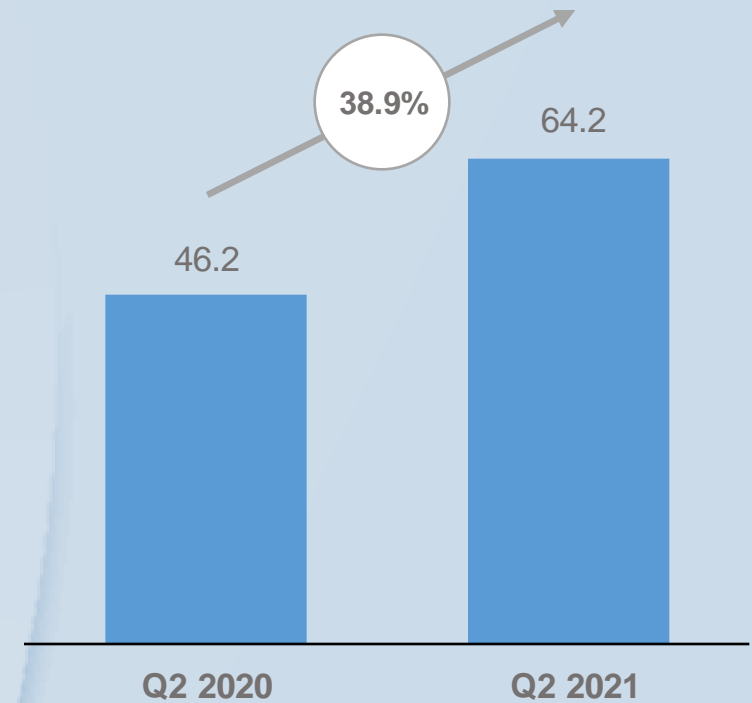
- Processed over 64 million bill pay transactions, up 39%
- Generated \$93 million in revenue, up 30%
- Increased contribution profit by 24%

Acquisitions announced today



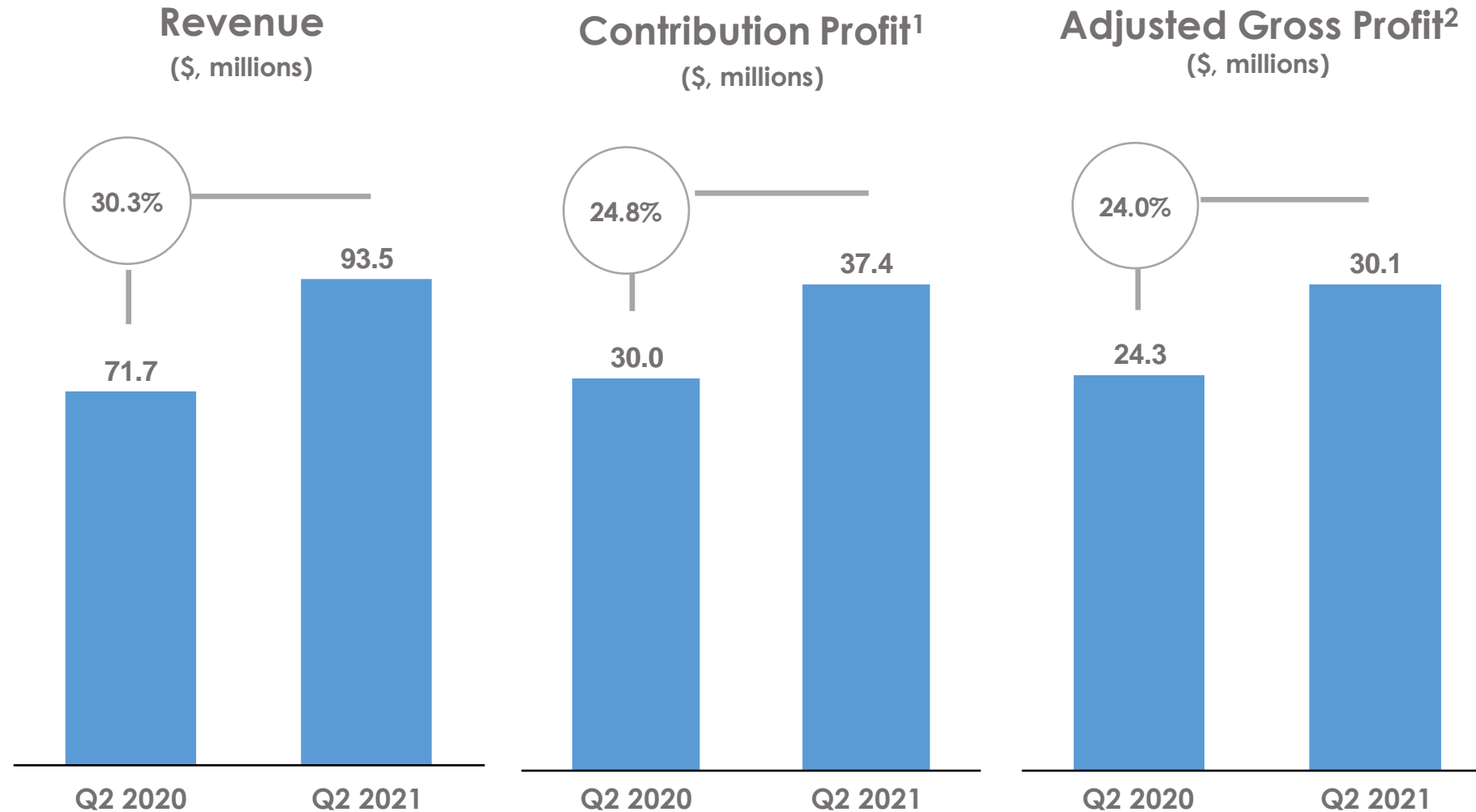
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Quarterly Transactions (Millions)



Q2 2021 Financial Performance

Paymentus



¹ Contribution profit is a non-GAAP measure. We define 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. Please refer to the Appendix for a reconciliation of contribution profit to gross profit.
² Adjusted gross profit is a non-GAAP measure. We define adjusted gross profit as gross profit adjusted for non-cash items, primarily stock-based compensation and amortization. Please refer to the Appendix for a reconciliation of adjusted gross profit to gross profit.

Overview

Paymentus

Company Snapshot

Strong, Profitable Financial Profile



\$302M

Revenue

FY2020



28%

Revenue Growth

FY2020

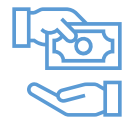
Tremendous Scale



>195M

**Transactions
Processed**

FY2020



>1,300

Billers

As of December 31, 2020

Extensive Reach



~16M

**Monthly Consumers
and Business Users**

As of December 2020



Diversified

Across Industries

Paymentus

Revenue Model

Number of Transactions

Transaction Drivers

- Grow Existing Billers and Partners
- Win New Billers and Partners
- Expand the IPN
- Platform and Product Innovation
- Global Expansion



Fee per Transaction

(1) Convenience Fee

- Fee is paid by the consumer – the biller passes through the charge
- Paymentus pays interchange fee

(2) Absorbed Fee

- Fee is paid by the biller
- Paymentus typically pays interchange fee

Massive Market Opportunity

Paymentus
~\$38B
Payment Volume¹
(**<1%** of U.S. Bill
Payment Market)

~\$5T
U.S. Bill
Payments²

~\$35T
Global Electronic
Payments³

58%

of U.S. adult consumer's
monthly expenditures is
on bill payments⁴

10

average number of bills
paid per month
per U.S. household⁵

¹ Represents total payment volume processed for the 12 months ended December 31, 2020.

² Represents approximately 15.5 billion bills paid by U.S. consumers in the 12 months ended September 30, 2020, according to Aite Group, How Americans Pay Their Bills: Sizing Bill Pay Channels and Methods, 2020 Update (September 2020).

³ Represents global credit & debit card transactions according to Nilson Report, Global Network Cards in 2019, Issue 1178, Jun 2020.

⁴ Source: Claire Greene and Joanna Stavins, Consumer Payment Choice for Bill Payments, Federal Reserve Bank of Boston Working Paper 20-9 (June 2020).

⁵ Represents 15.5 billion bills paid by U.S. consumers according to Aite Group (cited above) across 128 million U.S. households according to the Federal Reserve Bank of St. Louis.

Three Horizon Strategy To Capture The Market

Horizon 1

Mid-Market Billers

Utility and Municipality-Focused
Focused on Bill Payment

Horizon 2

Enterprise Billers

Highly Diversified Industries
End-to-End Product Suite

Horizon 3

Global Network

Expand Verticals
Expand Functionality



Paymentus

The Problem We're Solving

Bill Pay Is Too Complex, Manual And Paper-Based For Billers and Consumers

Paper-Based
Workflows



Biller Prints and Mails
Bill

✗ Expensive

Legacy
Digital
Offerings

Numerous Disparate
Systems With Upkeep
to Stay Relevant



Consumer Receives
and Opens Bill

✗ Manual

Visit Each Biller Site
Individually or
Manually Add Biller to
FI Site



Consumer Must Write
Check or Write Card
Number

✗ Lacks Flexibility

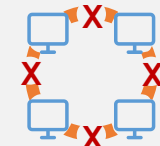
Limited Channel
and/or Payment
Options (ACH Only)



Consumer Doesn't
Know if Payment
Received

✗ No Transparency

Lacking Integration,
Making Reconciliation
Complicated



- ✓ We built a cloud-based platform from the ground up with a focus on digital engagement
- ✓ We designed the technology to be fully unified on a single code base with no versioning to reduce technical debt and promote rapid innovation and platform extensibility
- ✓ We equip billers with flexibility for how to leverage the platform (APIs, iFrames, Fully Hosted)
- ✓ We integrate directly with the biller's core systems to gain real-time information access and the ability to post payments directly
- ✓ We empower billers to eliminate disparate systems and migrate to a single platform
- ✓ We have streamlined the onboarding process through automation
- ✓ We give consumers maximum optionality for when, how and where to interact with billers
- ✓ We make digital self-service a core platform attribute to limit paper-based and labor-intensive (e.g. inbound phone calls) processes

Comprehensive, Fully Unified and Modern Platform

For Consumers – More Ways To Interact, View Bills And Make Payments

For Billers - Faster Revenue Realization And Reduced Cost To Serve

All Payment Methods

Legacy Payment Methods



Popular Payment Methods



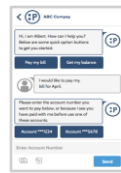
All Channels



Text



Voice Assistants



Live Chat / Bot



Smart Devices



PayPal App



Intelligent IVR



Secure PDF



Responsive Web, Mobile, Tablet



Kiosk



Point of Sale



Agent Assisted

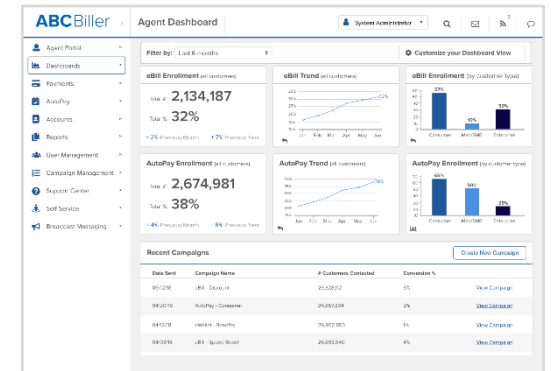


In-Store



Bank

Actionable Insights And Process Automation



Billers get a complete picture in real-time – visibility into every payment in all channels

Paymentus

At The Center Of Modern Bill Pay

Paymentus connects consumers, businesses and our strategic partners through a unified customer engagement, bill presentment and payment platform

Partners seek to drive consumer engagement by offering bill pay in their product suites

J.P.Morgan



Banks

amazon

Walmart

Strategic Partners

Consumers

Consumers have bills to pay and want options for when, how and where to pay



Paymentus

We are the ecosystem that powers the next generation of electronic bill payments

Businesses

Businesses need to efficiently engage with their customers, present bills and get paid



- Utilities (gas, electric, water)
- Insurers
- Lenders
- Healthcare providers
- Municipalities
- Property Managers
- Others

Acquisition Rationale

Paymentus

Banks Represent a Multi-Faceted Growth Opportunity



Billers

- Credit cards
- Mortgages
- Auto
- Personal Loans

Gain Access to Next-Gen
Bill Payment Technology

Resellers

Strategic partners to leverage their treasury relationships to offer Paymentus biller platform acting as a reseller

Expand Biller Network
At a Low CAC

IPN Partners

Direct integration with Paymentus to enable consumers to pay bills through their bank

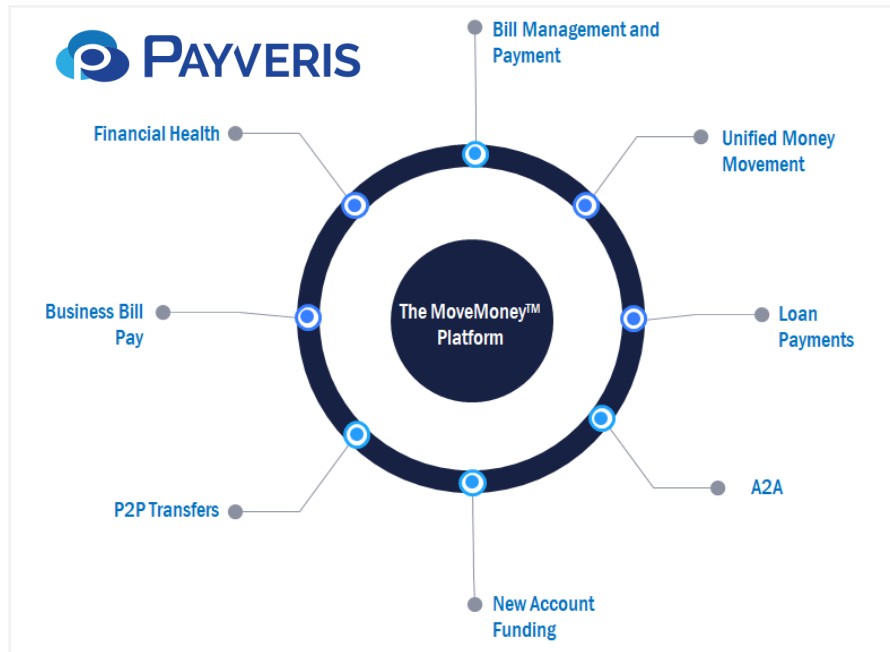
Drive Consumer Network
and Engagement

Massive market opportunity for Paymentus to drive expansion and engagement across its network of billers and consumers



A unified platform that modernizes money movement for financial institutions to improve the financial well-being of the consumers they serve

- Scaled, proven and modern alternative to legacy bank money movement and bill payment solutions
- 265+ bank and credit unions implemented
- Over 1 million bill pay transactions monthly
- Average consumer pays over 4 bills per month on Payveris platform



Strategic Rationale

The acquisition is highly additive to our already differentiated bill payment ecosystem:

- Benefits existing/future Paymentus clients and partners through additional engagement channels
- Enables monetization and accelerated capture of both biller direct and bank bill payment share
- Value-added capabilities – A2A, P2P functionality
- Disruptive and unified platform that is embraced by financial institutions seeking to modernize money movement
- Robust library of open APIs, widgets and microapps that are highly compatible with commonly used digital banking software



Provider of patented electronic bill presentment technology to financial institutions

- Access to electronic bill information for over 15,000 billers
- Hundreds of U.S. banks and credit unions already use Finovera's technology to present bills electronically
- Web and mobile app that can be easily integrated into digital banking platforms
- eBill and payment APIs/SDKs for financial institutions who want a custom bill pay app while minimizing development

Strategic Rationale

- Existing and prospective Instant Payment Network® partners want bill data to deliver contextualized experiences that drive consumers engagement
- Finovera has broad coverage of eBills for telcos and financial institutions, augmenting our existing network for broad eBill data coverage across verticals



Accelerating Network Effects and Capture Of The Total Addressable Market

A More Powerful Network With Every Interaction

With every interaction, the Instant Payment Network® grows (more user profiles, payment methods stored, bill pay accounts linked) enabling the simplification of subsequent payments between consumers, across financial institutions, to businesses and between businesses



Electronic bill presentment technology and biller reach (15,000 billers)



Modern money movement platform



Many consumers transfer money (A2A and P2P) before paying their bills

Notable Value Creation Opportunities:

Attracting New FI Clients

Extending modern solution set to attract more and larger financial institutions

Attracting New Direct Billers

Further differentiating Paymentus platform through additional end-points and money movement capabilities

Growing The Network

Adding Payveris and Finovera clients to the Instant Payment Network® to extend consumer reach by millions of consumers

Cross-Selling Capabilities

Equipping Payveris and Finovera clients with Paymentus' omni-channel platform for loan payments

Increasing Adoption:

Delivering more electronic bills and real-time capabilities to drive increased adoption and transactions from existing clients

Appendix

Contribution Profit

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	(in thousands)			
Gross profit	\$ 28,928	\$ 23,402	\$ 56,475	\$ 44,179
Plus: other cost of revenue	8,513	6,589	16,075	13,440
Contribution profit	<u>\$ 37,441</u>	<u>\$ 29,991</u>	<u>\$ 72,550</u>	<u>\$ 57,619</u>

Adjusted Gross Profit

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	(in thousands)			
Gross profit	\$ 28,928	\$ 23,402	\$ 56,475	\$ 44,179
Stock-based compensation	—	—	—	—
Amortization	1,164	858	2,212	1,660
Adjusted gross profit	<u>\$ 30,092</u>	<u>\$ 24,260</u>	<u>\$ 58,687</u>	<u>\$ 45,839</u>