

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2026
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 0-27512

CSG SYSTEMS INTERNATIONAL, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State of other jurisdiction
of incorporation or organization)

47-0723162
(I.R.S. Employer
Identification No.)

169 Inverness Dr W, Suite 300
Englewood, Colorado 80112
(Address of principal executive office, including zip code)
(303) 200-2000
(Registrant's telephone number, including area code)

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

Title of each class
Common Stock, Par Value \$0.51 Per Share

Trading
Symbol(s)
CSGS

Name of each exchange on which registered
Nasdaq Stock Market LLC

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 Accelerated filer
Non-accelerated filer Smaller reporting company
Emerging growth company

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

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

As of May 4, 2026, the registrant had 28,509,904 shares of common stock outstanding.

CSG SYSTEMS INTERNATIONAL, INC.
FORM 10-Q for the Quarter Ended March 31, 2026
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Item 1. Financial Information

CSG SYSTEMS INTERNATIONAL, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS - UNAUDITED
(In thousands, except per share amounts)

	March 31, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 147,324	\$ 180,011
Settlement and merchant reserve assets	329,913	350,390
Trade accounts receivable:		
Billed, net of allowance of \$2,468 and \$3,277	291,947	299,724
Unbilled	78,508	67,868
Income taxes receivable	2,648	3,443
Other current assets	40,159	36,227
Total current assets	890,498	937,683
Non-current assets:		
Property and equipment, net of depreciation of \$126,877 and \$122,947	38,898	42,505
Operating lease right-of-use assets	15,953	16,278
Software, net of amortization of \$158,044 and \$154,240	16,894	19,716
Goodwill	322,770	324,706
Acquired customer contracts, net of amortization of \$149,985 and \$148,587	20,142	20,589
Customer contract costs, net of amortization of \$51,922 and \$50,245	72,361	71,613
Deferred income taxes	79,146	85,808
Other assets	18,733	19,887
Total non-current assets	690,857	696,924
Total assets	\$ 1,481,355	\$ 1,644,607
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Operating lease liabilities	\$ 5,256	\$ 4,837
Customer deposits	41,458	47,633
Trade accounts payable	46,166	45,261
Accrued employee compensation	58,944	81,001
Settlement and merchant reserve liabilities	208,224	348,051
Deferred revenue	58,470	50,738
Income taxes payable	2,174	1,116
Other current liabilities	45,766	71,941
Total current liabilities	582,456	695,854
Non-current liabilities:		
Long-term debt, net of unamortized discounts of \$9,693 and \$10,548	540,207	539,452
Operating lease liabilities	20,033	21,152
Deferred revenue	29,825	29,480
Income taxes payable	2,338	2,371
Other non-current liabilities	15,893	17,649
Total non-current liabilities	608,296	609,104
Total liabilities	\$ 1,190,752	\$ 1,304,958
Stockholders' equity:		
Preferred stock, par value \$ 0.1 per share; 10,000 shares authorized; zero shares issued and outstanding	-	-
Common stock, par value \$ 0.1 per share; 100,000 shares authorized; 28,511 and 28,370 shares outstanding	722	721
Additional paid-in capital	833,739	833,885
Treasury stock, at cost; 42,371 shares	(1,243,972)	(1,243,972)
Accumulated other comprehensive income (loss)	-	-
Cumulative foreign currency translation adjustments	(51,876)	(45,042)
Accumulated earnings	1,053,328	1,039,107
Total stockholders' equity	290,603	339,649
Total liabilities and stockholders' equity	\$ 1,481,355	\$ 1,644,607

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

CSG SYSTEMS INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME - UNAUDITED
(in thousands, except per share amounts)

	Quarter Ended	
	March 31, 2026	March 31, 2025
Revenue	\$ 313,732	\$ 299,453
Cost of revenue (exclusive of depreciation, shown separately below)	161,805	154,498
Other operating expenses:		
Research and development	42,999	40,902
Selling, general and administrative	67,748	62,289
Depreciation	3,999	5,013
Restructuring and reorganization charges	2,109	2,368
Total operating expenses	278,660	270,070
Operating income	35,072	29,383
Other income (expense):		
Interest expense	(6,852)	(7,198)
Interest income	1,232	1,912
Loss on debt extinguishment		(453)
Other, net	2,809	(2,153)
Total other	(2,811)	(7,892)
Income before income taxes	32,261	21,491
Income tax provision	(8,368)	(5,361)
Net income	\$ 23,893	\$ 16,130
Weighted-average shares outstanding:		
Basic	27,798	27,815
Diluted	28,896	28,267
Earnings per common share:		
Basic	\$ 0.86	\$ 0.58
Diluted	0.83	0.57

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

CSG SYSTEMS INTERNATIONAL, INC.
 CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME - UNAUDITED
 (in thousands)

	Quarter Ended	
	March 31, 2025	March 31, 2025
Net income	\$ 23,893	\$ 16,130
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments	(6,834)	6,823
Other comprehensive income (loss), net of tax	(6,834)	6,823
Total comprehensive income, net of tax	<u>\$ 17,059</u>	<u>\$ 22,953</u>

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

CSG SYSTEMS INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY - UNAUDITED
(in thousands)

	Shares of Common Stock Outstanding	Common Stock	Additional Paid-in Capital	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Accumulated Earnings	Total Stockholders' Equity
For the Quarter Ended March 31, 2026:							
BALANCE, January 1, 2026	28,370	\$ 721	\$ 532,885	\$ (1,243,972)	\$ (45,042)	\$ 1,039,107	\$ 283,699
Comprehensive income:							
Net income	-	-	-	-	-	23,893	-
Foreign currency translation adjustments	-	-	-	-	(6,834)	-	-
Total comprehensive income	-	-	-	-	-	17,059	(3,967)
Repurchase of common stock	(49)	(1)	(3,966)	-	-	-	-
Issuance of restricted common stock pursuant to stock-based compensation plans	203	2	(2)	-	-	-	-
Cancellation of restricted common stock issued pursuant to stock-based compensation plans	(13)	-	-	-	-	-	-
Stock-based compensation	-	-	6,832	-	-	-	6,832
Dividends	-	-	-	-	-	(9,672)	-
BALANCE, March 31, 2026	<u>28,511</u>	<u>\$ 722</u>	<u>\$ 535,739</u>	<u>\$ (1,243,972)</u>	<u>\$ (51,876)</u>	<u>\$ 1,053,326</u>	<u>\$ 293,941</u>
For the Quarter Ended March 31, 2025:							
BALANCE, January 1, 2025	28,804	\$ 718	\$ 518,215	\$ (1,194,224)	\$ (92,290)	\$ 1,000,150	\$ 282,569
Comprehensive income:							
Net income	-	-	-	-	-	16,130	-
Foreign currency translation adjustments	-	-	-	-	-	6,823	-
Total comprehensive income	-	-	-	-	-	22,953	(22,236)
Repurchase of common stock	(358)	(2)	(12,807)	(9,427)	-	-	-
Issuance of common stock pursuant to employee stock purchase plan	15	-	769	-	-	-	769
Issuance of restricted common stock pursuant to stock-based compensation plans	608	6	(6)	-	-	-	-
Cancellation of restricted common stock issued pursuant to stock-based compensation plans	(15)	-	-	-	-	-	-
Stock-based compensation	-	-	8,404	-	-	-	8,404
Dividends	-	-	-	-	-	(9,364)	-
BALANCE, March 31, 2025	<u>29,104</u>	<u>\$ 722</u>	<u>\$ 514,375</u>	<u>\$ (1,203,651)</u>	<u>\$ (95,407)</u>	<u>\$ 1,000,316</u>	<u>\$ 293,005</u>

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

CSG SYSTEMS INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS - UNAUDITED
(in thousands)

	Quarter Ended	
	March 31, 2026	March 31, 2025
Cash flows from operating activities:		
Net income	\$ 23,853	\$ 16,130
Adjustments to reconcile net income to net cash provided by (used in) operating activities-		
Depreciation	3,999	5,013
Amortization	13,204	12,164
Loss on debt extinguishment	-	453
(Gain) loss on unrealized foreign currency transactions and other, net	(426)	522
Deferred income taxes	4,234	(2,017)
Stock-based compensation	6,822	8,404
Changes in operating assets and liabilities, net of acquired amounts:		
Trade accounts receivable, net	(1,975)	(4,838)
Other current and non-current assets and liabilities	(9,526)	(2,400)
Income taxes payable/receivable	1,816	4,629
Trade accounts payable and accrued liabilities	(45,738)	(33,074)
Deferred revenue	2,534	8,633
Net cash provided by (used in) operating activities	(1,163)	11,462
Cash flows from investing activities:		
Purchases of software, property, and equipment	-	(4,431)
Proceeds from sale of software, property, and equipment	(1,742)	152
Net cash used in investing activities	(1,742)	(4,249)
Cash flows from financing activities:		
Proceeds from issuance of common stock	-	769
Payments of cash dividends	(18,537)	(9,460)
Repurchases of common stock	(3,967)	(22,396)
Deferred acquisition payments	-	(314)
Proceeds from long-term debt	-	150,605
Payments on long-term debt	-	(150,625)
Payments of debt financing costs	-	(2,258)
Payments on financing obligations	(2,206)	(500)
Settlement and merchant reserve activity	(21,388)	(70,211)
Net cash used in financing activities	(46,098)	(154,460)
Effect of exchange rate fluctuations on cash, cash equivalents, and restricted cash	(4,176)	2,468
Net decrease in cash, cash equivalents, and restricted cash	(53,179)	(94,752)
Cash, cash equivalents, and restricted cash, beginning of period	532,186	508,763
Cash, cash equivalents, and restricted cash, end of period	\$ 479,007	\$ 412,011
Supplemental disclosures of cash flow information:		
Cash paid during the period for-		
Interest	\$ 9,919	\$ 10,181
Income taxes	2,282	2,964
Non-cash investing and financing activities-		
Software, property, and equipment included in current and non-current liabilities	9,040	11,526
Reconciliation of cash, cash equivalents, and restricted cash:		
Cash and cash equivalents	\$ 147,324	\$ 136,024
Settlement and merchant reserve assets	329,913	274,238
Restricted cash included in non-current assets	1,770	1,759
Total cash, cash equivalents, and restricted cash	\$ 479,007	\$ 412,011

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

CSG SYSTEMS INTERNATIONAL, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. GENERAL

CSG Systems International, Inc. (the "Company", "CSG", or forms of the pronoun "we") have prepared the accompanying unaudited condensed consolidated financial statements as of March 31, 2026 and December 31, 2025, and for the quarters ended March 31, 2026 and 2025, in accordance with accounting principles generally accepted in the United States of America ("U.S.") ("GAAP") for interim financial information, and pursuant to the instructions to Form 10-Q and the rules and regulations of the Securities and Exchange Commission (the "SEC"). Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of our management, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation of our financial position and operating results have been included. The unaudited Condensed Consolidated Financial Statements (the "Financial Statements") should be read in conjunction with the Consolidated Financial Statements and notes thereto, together with Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A"), contained in our Annual Report on Form 10-K for the year ended December 31, 2025 (as amended, our "2025 10-K"), filed with the SEC. The results of operations for the quarter ended March 31, 2026 are not necessarily indicative of the expected results for the entire year ending December 31, 2026.

2. PLAN OF MERGER

On October 29, 2025, we entered into an Agreement and Plan of Merger (the "Merger Agreement") with NEC Corporation, a company incorporated under the laws of Japan ("NEC") and Canvas Transaction Company, Inc., a Delaware corporation and a direct or indirect wholly owned subsidiary of NEC ("Merger Sub"). Pursuant to the terms and subject to the conditions set forth in the Merger Agreement, Merger Sub will merge with and into CSG (the "Merger"), with CSG continuing as the surviving corporation as a wholly owned subsidiary of NEC. Our Board of Directors (the "Board") unanimously approved the Merger Agreement and the transactions contemplated thereby, including the Merger, and, subject to the terms of the Merger Agreement, recommended that our stockholders adopt the Merger Agreement.

Per the terms and subject to the conditions set forth in the Merger Agreement, at the effective time of the Merger (the "Effective Time"), each share of CSG common stock that is issued and outstanding immediately prior to the Effective Time (other than the Cancelled Shares and Dissenting Shares, as they are defined in the Merger Agreement), will be converted into the right to receive \$80.70 per share in cash (the "Merger Consideration").

In addition, the Merger Agreement provides for the following treatment of our equity awards:

- Each outstanding time-based restricted stock award that is vested as of immediately prior to the Effective Time (or that will vest solely as a result of the consummation of the transactions contemplated by the Merger Agreement, including, if the Effective Time occurs in 2026, restricted stock awards granted in 2024 that would have completed their full vesting period and been settled in accordance with their terms in 2027) will be converted into the right to receive an amount in cash equal to the number of CSG shares underlying such award multiplied by the Merger Consideration, plus any applicable accrued and unpaid dividends, and become payable shortly following the Effective Time, and each other outstanding time-based restricted stock award will be converted into a deferred cash award based on the number of CSG shares underlying such award multiplied by the Merger Consideration, plus any applicable accrued and unpaid dividends, and will vest and become payable on the original time-based vesting schedule, subject to substantially the same terms and conditions as the corresponding restricted stock award.
- Each outstanding performance-based or market-based restricted stock award (other than the Chief Executive Officer ("CEO") Award (as defined below)) that is vested as of immediately prior to the Effective Time (or that will vest solely as a result of the consummation of the transactions contemplated by the Merger Agreement, including, if the Effective Time occurs in 2026, restricted stock awards that would have completed their full vesting period and been settled in accordance with their terms in 2027) will be converted into the right to receive an amount in cash equal to the number of CSG shares underlying such award (with applicable performance metrics generally deemed achieved at the greater of target and actual performance as of the latest practicable date prior to the Effective Time) multiplied by the Merger Consideration, plus any applicable accrued and unpaid dividends, and become payable shortly following the Effective Time, and each other outstanding performance-based or market-based restricted stock award (other than the CEO Award) will be converted into a deferred cash award based on the number of CSG shares underlying such award multiplied by the Merger Consideration (with applicable performance metrics deemed achieved at the greater of target and actual performance as of the latest practicable date prior to the Effective Time), plus any applicable accrued and unpaid dividends, and will vest and become payable on the original time-based vesting schedule, subject to substantially the same terms and conditions as the corresponding performance-based or market-based restricted stock award.

The market-based restricted stock award granted to our CEO on December 10, 2024 (the "CEO Award") will be converted into a deferred cash award based on the number of CSG shares underlying such award (with applicable performance metrics deemed achieved based on the Merger Consideration) multiplied by the Merger Consideration, plus any applicable accrued and unpaid dividends, and will vest and become payable on the original time-based vesting schedule, subject to substantially the same terms and conditions as the CEO Award.

On January 30, 2026, our stockholders approved the adoption of the Merger Agreement at the special meeting of our stockholders convened for such purpose. The closing of the Merger is expected to occur by the end of 2026, subject to the satisfaction of the remaining customary closing conditions and required regulatory approvals. If the Merger is consummated, CSG shares will be delisted from the Nasdaq Global Select Market and deregistered under the Securities Exchange Act of 1934, as amended.

If the Merger Agreement is terminated under certain specified circumstances, CSG will be required to pay NEC a termination fee of \$82.0 million. If the Merger Agreement is terminated under other certain specified circumstances, NEC will be required to pay CSG a termination fee of \$135.0 million.

The foregoing summary of the Merger Agreement and the transactions contemplated thereby does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Merger Agreement, which is filed as Exhibit 2.01 to our 2025 Form 10-K. Additional information about the Merger Agreement and the Merger is set forth in our Definitive Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission ("SEC") on December 16, 2025, as supplemented.

In connection with the proposed Merger, during the quarter ended March 31, 2026, we recognized \$9.7 million of transaction-related costs primarily within Selling, General and Administrative expenses ("SG&A") in our unaudited Condensed Consolidated Statements of Income (the "Income Statements"). As of March 31, 2026, we have accrued approximately \$19 million of transaction-related costs that will be paid upon closing. We expect to incur additional costs relating to the proposed Merger, such as financial advisory, legal, accounting, retention bonuses, and other professional services fees.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates in Preparation of Financial Statements. The preparation of our Financial Statements requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of our Financial Statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

Revenue. As of March 31, 2026, our aggregate amount of the transaction price allocated to the remaining performance obligations was approximately \$2.3 billion, which is made up of fixed fee consideration and guaranteed minimums expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied). We expect to recognize approximately 65% of this amount by the end of 2026, with the remaining amount recognized by the end of 2036. We have excluded from this amount variable consideration expected to be recognized in the future related to performance obligations that are unsatisfied. The majority of our future revenue is related to our SaaS and related solutions customer contracts that include variable consideration dependent upon a series of monthly volumes and/or daily usage of services and have contractual terms ending from 2026 through 2036. Our customer contracts may include guaranteed minimums and fixed monthly or annual fees.

The nature, amount, timing, and uncertainty of our revenue and how revenue and cash flows are affected by economic factors is most appropriately depicted by revenue type, geographic region, and customer vertical.

Revenue by type for the quarters ended March 31, 2026 and 2025 was as follows (in thousands):

	Quarter Ended			
	March 31, 2026		March 31, 2025	
SaaS and related solutions	\$	286,870	\$	269,940
Software and services		15,005		18,623
Maintenance		11,857		10,890
Total revenue	\$	313,732	\$	299,453

We use the location of the customer as the basis of attributing revenue to geographic regions. Revenue by geographic region for the quarters ended March 31, 2026 and 2025, as a percentage of our total revenue, was as follows:

	Quarter Ended	
	March 31, 2026	March 31, 2025
Americas (principally the U.S.)	86%	87%
Europe, Middle East, and Africa	9%	9%
Asia Pacific	5%	4%
Total revenue	100%	100%

We generate our revenue primarily from the global communications markets; however, we serve an expanding group of customers in other markets including retail, financial services, healthcare, insurance, and government entities. Revenue by customer vertical for the first quarters ended March 31, 2026 and 2025, as a percentage of our total revenue, was as follows:

	Quarter Ended	
	March 31, 2026	March 31, 2025
Broadband/Cable/Satellite	48%	50%
Telecommunications	17%	17%
Other	35%	33%
Total revenue	100%	100%

Deferred revenue recognized during the quarters ended March 31, 2026 and 2025 was \$23.8 million and \$19.7 million, respectively.

On July 5, 2025, we terminated a master services agreement (the "MSA") for one of our implementation projects in the Latin America region on the basis that the customer unlawfully renounced its obligations under the MSA. During 2025, we stopped implementation work on the project. As of March 31, 2026, we had accounts receivable of \$18.1 million (\$1.3 million billed and \$16.8 million unbilled) related to this implementation project and we intend to pursue any and all available remedies to recover the amounts outstanding. As of the date of this filing, we do not believe there has been an impairment to the carrying values of the assets and believe such amounts are recoverable per the terms of the MSA or as a matter of common law.

Cash and Cash Equivalents. We consider all highly liquid investments with original maturities of three months or less as of the date of purchase to be cash equivalents. As of March 31, 2026 and December 31, 2025, our cash equivalents consist primarily of time deposits held at major banks. For the cash and cash equivalents denominated in foreign currencies and/or located outside the U.S., we do not anticipate any material amounts being unavailable for use in running our business, but may face limitations on moving cash out of certain foreign jurisdictions due to currency controls and potential negative economic consequences.

Restricted Cash. Restricted cash includes cash that is legally or contractually restricted, as well as our settlement and merchant reserve assets (discussed below). The nature of the restrictions on our settlement and merchant reserve assets consists of contractual restrictions with the merchants and restrictions arising from our policy and intention. It has historically been our policy to segregate settlement and merchant reserve assets from our operating cash balances, and our intention is to continue to do so. As of each of March 31, 2026 and December 31, 2025, we had \$1.8 million of restricted cash, that mainly serves to collateralize bank and performance guarantees included in other non-current assets on our unaudited Condensed Consolidated Balance Sheets ("Balance Sheets" or "Balance Sheet").

Settlement and Merchant Reserve Assets and Liabilities. Settlement assets and settlement liabilities represent cash collected on behalf of merchants via payments processing services which is held for an established holding period until settlement with the customer. The holding period is generally one to four business days depending on the payment model and contractual terms with the customer. During the holding period, cash is subject to restriction and segregation based on the nature of our custodial relationship with the merchants. Should we fail to remit these funds to our merchants, the merchant's sole recourse for payment would be against us. These rights and obligations are set forth in the contracts between us and the merchants. Settlement assets are held with various major financial institutions, and a corresponding liability is recorded for the amounts owed to the customer. At any given time, there may be differences between the cash held and the corresponding liability due to the timing of operating-related cash transfers.

Merchant reserve assets/liabilities represent deposits collected from merchants to mitigate our risk of loss due to nonperformance of settlement obligations initiated by those merchants using our payments processing services, or non-payment by customers for services rendered by us. We perform a credit risk evaluation on each customer based on multiple criteria, which provides the basis for the deposit amount required for each merchant. For the duration of our relationship with each merchant, we hold their reserve deposits with major financial institutions. We hold these funds in separate accounts, which are offset by corresponding liabilities.

The following table summarizes our settlement and merchant reserve assets and liabilities as of the indicated periods (in thousands):

	March 31, 2026		December 31, 2025	
	Assets	Liabilities	Assets	Liabilities
Settlement assets/liabilities	\$ 315,417	\$ 312,228	\$ 312,424	\$ 310,291
Merchant reserve assets/liabilities	14,496	14,496	37,966	37,966
Total	\$ 329,913	\$ 326,724	\$ 350,390	\$ 348,257

Financial Instruments. Our financial instruments as of March 31, 2026 and December 31, 2025 include cash and cash equivalents, settlement and merchant reserve assets and liabilities, accounts receivable, accounts payable, and debt. Due to their short maturities, the carrying amounts of cash equivalents, settlement and merchant reserve assets and liabilities, accounts receivable, and accounts payable approximate their fair value.

We have chosen not to record our debt at fair value, with changes recognized in earnings each reporting period. The following table indicates the carrying value and estimated fair value of our debt as of the indicated periods (in thousands):

	March 31, 2026		December 31, 2025	
	Carrying Value	Fair Value	Carrying Value	Fair Value
2025 Credit Agreement (carrying value)	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000
2023 Convertible Notes (par value)	428,000	517,438	425,000	504,422

The fair value of our convertible notes was estimated based upon quoted market prices or recent sales activity, while the fair value of our credit agreement was estimated using a discounted cash flow methodology, both of which are considered Level 2 inputs. See Note 6 for a discussion regarding our debt.

Accounting Pronouncements Issued but Not Yet Effective. In November 2024, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2024-03, *Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40)* ("ASU 2024-03"), which requires entities to disclose disaggregated information about certain income statement expense line items in the notes to their financial statements on an annual and interim basis. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027, with early adoption permitted. We are currently in the process of evaluating the impact of this ASU on our Financial Statements and related disclosures.

In September 2025, the FASB issued ASU No. 2025-06, *Intangibles – Goodwill and Other – Internal-Use Software Topic 350-40: Targeted Improvements to the Accounting for Internal-Use Software*, which will update the requirements around the capitalization and disclosure of internal-use software. ASU 2025-06 is effective for annual periods beginning after December 15, 2027, and for interim periods within those fiscal years, with early adoption permitted. We are currently in the process of evaluating the impact of this ASU on our Financial Statements and related disclosures.

4. SEGMENT REPORTING AND CUSTOMER CONCENTRATION

Segment Information. Our Chief Operating Decision Maker ("CODM") is our President and Chief Executive Officer. We have evaluated how our CODM has organized the Company for purposes of making operating decisions, preparing budgets and forecasts, setting targets, allocating resources, and assessing performance. Our CODM manages all business activities on a consolidated basis, and as a result, we have concluded that as of March 31, 2026, there is one reportable segment.

As our one segment is managed on a consolidated basis, our measure of segment profit or loss is consolidated net income. Our CODM uses consolidated net income to assess the performance of our one segment and decide how and where to allocate resources and reinvest profits into the business in areas such as research and development ("R&D"), business and/or asset acquisitions, investments in market share expansion with our existing and potential new customers, talent, technology, the repurchase of our common stock, and/or the payment of dividends. Net income, and components of net income, are used to monitor actual performance and are compared to budgeted and forecasted results to assess the performance of our one segment, set targets, and establish management's incentive compensation. The measure of consolidated segment assets is reported on our Balance Sheets as total assets. We do not have intra-entity sales or transfers.

We regularly provide our CODM a reporting package that shows our results by functional expense, similar to our Income Statements. However, for purposes of this reporting package, depreciation is included in these functional expense categories, rather than broken out separately. Additionally, certain expenses such as restructuring and reorganization charges, executive transition costs, and acquisition-related charges, along with non-cash charges such as stock-based compensation and amortization of acquired intangibles, are excluded. The following table provides the significant expenses that are regularly provided to our CODM for our one segment, the required disclosable amounts that are included in consolidated net income, and a reconciliation to consolidated net income for the quarters ended March 31, 2026 and 2025:

	Quarter Ended	
	March 31, 2026	March 31, 2025
Revenue	\$ 313,732	\$ 299,453
Less:		
Cost of revenue:		
Transaction fees	29,350	27,901
All other (1)	129,979	125,233
Total cost of revenue	159,329	153,134
Research and development (1)	40,826	39,816
Selling and marketing (1)	31,708	28,673
General and administrative (1)	24,958	28,356
Restructuring and reorganization charges (1)	2,109	7,368
Stock-based compensation	6,935	8,712
Acquisition-related costs (2)	12,795	6,012
Other segment items (3)	(4,041)	693
Interest expense	6,852	7,198
Income tax provision	8,368	5,361
Segment net income	23,893	16,130
Reconciliation of profit or loss:		
Adjustments and reconciling items	-	-
Consolidated net income	\$ 23,893	\$ 16,130

(1) These functional expense lines include depreciation expense, which is presented separately on our Income Statements.

(2) Acquisition-related costs include amortization of acquired intangible assets, earn-out compensation, and transaction-related costs.

(3) Other segment items include interest income, loss on extinguishment of debt, and foreign currency gains/losses.

Depreciation expense and interest income are separately disclosed on our Income Statements. Amortization expense is separately disclosed on our unaudited Condensed Consolidated Statements of Cash Flows ("Statements of Cash Flows") and is discussed in Note 5.

5. GOODWILL AND INTANGIBLE ASSETS

Goodwill. The changes in the carrying amount of goodwill for the first quarter of 2026 were as follows (in thousands):

January 1, 2026, balance	\$ 324,706
Effects of changes in foreign currency exchange rates	(1,936)
March 31, 2026, balance	\$ 322,770

Other Intangible Assets. Our other intangible assets subject to ongoing amortization consist of acquired customer contracts and software. As of March 31, 2026 and December 31, 2025, the carrying values of these assets were as follows (in thousands):

	March 31, 2026			December 31, 2025		
	Gross Carrying Amount	Accumulated Amortization	Net Amount	Gross Carrying Amount	Accumulated Amortization	Net Amount
Acquired customer contracts	\$ 176,107	\$ (149,965)	\$ 26,142	\$ 177,156	\$ (148,567)	\$ 28,589
Software	174,938	(158,044)	16,894	173,956	(154,240)	19,716
Total other intangible assets	\$ 351,045	\$ (308,009)	\$ 43,036	\$ 351,112	\$ (302,807)	\$ 48,305

The total amortization expense related to other intangible assets for the first quarters of 2026 and 2025 was \$6.4 million and \$6.6 million, respectively. Based on the March 31, 2026 net carrying value of our intangible assets, the estimated total amortization expense for each of the five succeeding fiscal years ending December 31 will be: 2026 - \$21.7 million; 2027 - \$10.3 million; 2028 - \$5.7 million; 2029 - \$4.2 million; and 2030 - \$3.1 million.

Customer Contract Costs: As of March 31, 2026 and December 31, 2025, the carrying values of our customer contract cost assets, related to those contracts with a contractual term greater than one year, were as follows (in thousands):

	March 31, 2026			December 31, 2025		
	Gross Carrying Amount	Accumulated Amortization	Net Amount	Gross Carrying Amount	Accumulated Amortization	Net Amount
Customer contract costs	\$ 124,283	\$ (51,922)	\$ 72,361	\$ 121,858	\$ (50,245)	\$ 71,613

The total amortization expense related to customer contract costs for the first quarters of 2026 and 2025 was \$6.0 million and \$4.7 million, respectively.

6. DEBT

As of March 31, 2026 and December 31, 2025, our long-term debt was as follows (in thousands):

	March 31, 2026	December 31, 2025
2025 Credit Agreement:		
\$600 million revolving loan facility, due March 2030, interest at adjusted SOFR plus applicable margin (combined rate of 5.148% at March 31, 2026)	\$ 125,000	\$ 125,000
Less – deferred financing costs	(2,495)	(2,650)
2025 Credit Agreement, net of unamortized discounts	122,505	122,350
2023 Convertible Notes:		
2023 Convertible Notes – senior unsecured convertible notes, due September 2028, cash interest at 3.875%	425,000	425,000
Less – deferred financing costs	(7,198)	(7,888)
2023 Convertible Notes, net of unamortized discounts	417,802	417,112
Total debt, net of unamortized discounts	540,307	539,462
Current portion of long-term debt	-	-
Long-term debt, net of unamortized discounts	\$ 540,307	\$ 539,462

2025 Credit Agreement: During the first quarter of 2026, we made no repayments on our \$600.0 million aggregate principal five-year revolving loan facility (the "2025 Revolver"). As of March 31, 2026, we had \$125.0 million outstanding on our 2025 Revolver leaving \$475.0 million available to us.

As of March 31, 2026, our interest rate on the 2025 Revolver was 5.148% (adjusted SOFR plus 1.475% per annum) and our commitment fee on the unused \$475.0 million 2025 Revolver was 0.150%.

The interest rates under the 2025 Credit Agreement are based upon our choice of an adjusted Secured Overnight Financing Rate ("SOFR") plus an applicable margin of 1.375% - 2.125%, or an alternate base rate ("ABR") plus an applicable margin of 0.375% - 1.125%, with the applicable margin dependent upon our then-net secured total leverage ratio. We pay a commitment fee of 0.150% - 0.325% of the average daily unused amount of the 2025 Revolver, with the commitment fee rate also dependent upon our then-net secured total leverage ratio.

If the Merger, discussed in Note 2, is consummated, this will result in the outstanding loans under the 2025 Credit Agreement being repaid and commitments thereunder being terminated at the closing.

2023 Convertible Notes: The 2023 Convertible Notes will be convertible at the option of the noteholders before June 15, 2028, upon the occurrence of certain events. On or after June 15, 2028, and until the close of business on the second scheduled trading day immediately preceding September 15, 2028, the maturity date, noteholders may convert all or any portion of their notes at any time regardless of these conditions.

The 2023 Convertible Notes will be convertible at an initial conversion rate of 14.0753 shares of our common stock per \$1,000 principal amount of the 2023 Convertible Notes, which is equivalent to an initial conversion price of \$71.05 per share of our common stock, plus carryforward adjustments not yet effected pursuant to the terms of the indenture governing the 2023 Convertible Notes. Under the terms of the 2023 Convertible Notes, we will adjust the conversion rate for any quarterly dividends exceeding \$0.28 per share.

We are required to satisfy our conversion obligation as follows: (i) paying cash up to the aggregate principal amount of notes to be converted; and (ii) to the extent the value of our conversion obligation exceeds the par value, we will satisfy the remaining conversion obligation in our common stock, cash, or a combination thereof, at our election. As of March 31, 2026, none of the conditions to early convert have been met.

We may not redeem the 2023 Convertible Notes prior to September 21, 2026. On or after September 21, 2026, we may redeem for cash all or part of the 2023 Convertible Notes, subject to a partial redemption limitation that requires at least \$100.0 million of the principal amount of the 2023 Convertible Notes to remain outstanding if the last reported sales price of our common stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which we provide notice of redemption. The redemption price will equal the principal amount of the 2023 Convertible Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date. No sinking fund has been established for the 2023 Convertible Notes.

In connection with the pricing of the 2023 Convertible Notes, we entered into privately negotiated capped call transactions (the "Capped Call Transactions") with certain of the initial purchasers of the 2023 Convertible Notes and other financial institutions (collectively, the "Option Counterparties"). As of March 31, 2026, all the Capped Call Transactions were outstanding and cover, subject to anti-dilution adjustments substantially similar to those applicable to the 2023 Convertible Notes, 5.98 million shares of our common stock, the same number of shares of common stock underlying the 2023 Convertible Notes. The Capped Call Transactions will expire upon the maturity of the 2023 Convertible Notes.

If the Merger discussed in Note 2 is consummated, this would result in a conversion trigger for the note holders. The Capped Call Transactions entered into in connection with the pricing of the 2023 Convertible Notes are expected to be unwound if the Merger is consummated.

Other. We finance certain of our internal use software. As of March 31, 2026 and December 31, 2025, we had \$9.0 million and \$11.4 million, respectively, outstanding under our existing financing agreements, of which \$6.3 million and \$7.1 million, respectively, were included in other current liabilities with the remaining included in other non-current liabilities in our Balance Sheets. These arrangements are treated as non-cash investing and financing activities for purposes of our Statements of Cash Flows.

7. ACQUISITIONS

CheckGateway.com, LLC. On June 3, 2024, we acquired 100% of the equity of *CheckGateway.com, LLC* ("ICG"), an ACH and credit card payment processing company. The ICG acquisition includes provisions for up to \$15.0 million of potential future earn-out payments. The earn-out payments are tied to performance-based goals and a defined service period and are accounted for as post-acquisition compensation, as applicable. The earn-out period is through June 3, 2027. During 2025, we made earn-out payments of \$5.0 million. As of March 31, 2026, we have accrued \$4.8 million related to potential future earn-out payments, included in other current liabilities on our Balance Sheet.

DGIT Systems Pty Ltd. On October 4, 2021, we acquired *DGIT Systems Pty Ltd* ("DGIT"), a provider of configure, price and quote (CPQ), and order management solutions for the telecommunications industry. The DGIT acquisition includes provisions for up to approximately \$12 million of potential future earn-out payments. The earn-out payments are tied to performance-based goals and a defined service period and are accounted for as post-acquisition compensation, as applicable. The earn-out period is through December 31, 2026. Through March 31, 2026, \$11.6 million of the earn-out had been achieved and was paid, including \$10.9 million paid in the first quarter of 2026.

8. RESTRUCTURING AND REORGANIZATION CHARGES

During the first quarters of 2026 and 2025, we recorded restructuring and reorganization charges of \$2.1 million and \$7.4 million, respectively.

During the first quarter of 2026, we reduced our global workforce by approximately 40 employees as part of reorganization activities focused on cost efficiency actions to optimize our capacity and better align our resources. As a result, we incurred restructuring and reorganization charges related to involuntary terminations of \$1.3 million.

The activity in the restructuring and reorganization reserves during the first quarter of 2026 was as follows (in thousands):

	Termination Benefits		Other		Total
January 1, 2026, balance	\$	1,912	\$	1,280	\$ 3,172
Charged to expense during period		1,342		767	2,109
Cash payments		(2,897)		(1,895)	(4,792)
Other		48		-	48
March 31, 2026, balance	\$	405	\$	132	\$ 537

During the first quarter of 2026, we paid the final \$1.2 million related to the exit of a reseller agreement that was acquired with the acquisition of Forte Payment Systems, Inc. in 2018.

As of March 31, 2026, all restructuring and reorganization reserves were included in current liabilities.

9. COMMITMENTS, GUARANTEES AND CONTINGENCIES

Guarantees. In the ordinary course of business, we may provide guarantees in the form of bid bonds or performance bonds. As of March 31, 2026, we had \$1.8 million of restricted assets used to collateralize these guarantees, which are included in other non-current assets on our Balance Sheet.

We have performance guarantees in the form of surety bonds, along with money transmitter bonds, issued through third-parties that are not required to be reflected on our Balance Sheets. As of March 31, 2026, we had performance guarantees of \$3.7 million. We are ultimately liable for claims that may occur against these guarantees. We have no history of material claims or are aware of circumstances that would require us to pay under any of these arrangements. We also believe that the resolution of any claim that may arise in the future, either individually or in the aggregate, would not be material to our Financial Statements. As of March 31, 2026, we had total aggregate money transmitter bonds of \$25.6 million outstanding. These money transmitter bonds are for the benefit of various states to comply with the states' financial requirements and industry regulations for money transmitter licenses.

Warranties. We generally warrant that our solutions and related offerings will conform to published specifications, or to specifications provided in an individual customer arrangement, as applicable. The typical warranty period is 90 days from the date of acceptance of the solution or offering. For certain service offerings we provide a warranty for the duration of the services provided. We generally warrant that those services will be performed in a professional and skillful manner. The typical remedy for breach of warranty is to correct or replace any defective deliverable, and if not possible or practical, we will accept the return of the defective deliverable and refund the amount paid under the customer arrangement that is allocable to the defective deliverable. Our contracts also generally contain limitation of damages provisions in an effort to reduce our exposure to monetary damages arising from breach of warranty claims. Historically, we have incurred minimal warranty costs, and as a result, do not maintain a warranty reserve.

Solution and Services Indemnifications. Arrangements with our customers generally include an indemnification provision that will indemnify and defend a customer in actions brought against the customer that claim our products and/or services infringe upon a copyright, trade secret, or valid patent. Historically, we have not incurred any significant costs related to such indemnification claims, and as a result, do not maintain a reserve for such exposure.

Claims for Company Non-performance. Our arrangements with our customers typically limit our liability for breach to a specified amount of the direct damages incurred by the customer resulting from the breach. From time-to-time, these arrangements may also include provisions for possible liquidated damages or other financial remedies for our non-performance, or in the case of certain of our solutions, provisions for damages related to service level performance requirements. The service level performance requirements typically relate to system availability and timeliness of service delivery. As of March 31, 2026, we believe we have adequate reserves, based on our historical experience, to cover any reasonably anticipated exposure as a result of our non-performance for any past or current arrangements with our customers.

Sales and Use Tax. In the ordinary course of business, we are, from time to time, subject to audits performed by state taxing authorities. We continually assess our sales and use tax exposure and as of March 31, 2026, we believe that we have adequate reserves to cover any taxes owed and related penalties and interest. While we believe that the assumptions and estimates used to determine these liabilities are reasonable, the ultimate outcome of these matters cannot be certain, and we will adjust these estimated liabilities as new information becomes available.

Indemnifications Related to Officers and the Board of Directors. Other guarantees include promises to indemnify, defend, and hold harmless our directors, and certain officers. Such indemnification covers any expenses and liabilities reasonably incurred by a person, by reason of the fact that such person is, was, or has agreed to be a director or officer, in connection with the investigation, defense, and settlement of any threatened, pending, or contemplated action, suit, proceeding, or claim. We maintain directors' and officers' ("D&O") insurance coverage to protect against such losses. We have not historically incurred any losses related to these types of indemnifications and are not aware of any pending actions or claims against any officer or member of the Board. As a result, we have not recorded any liabilities related to such indemnifications as of March 31, 2026. In addition, as a result of the insurance policy coverage, we believe these indemnification agreements are not significant to our results of operations.

Legal Proceedings. From time to time, we are involved in litigation relating to claims arising out of our operations in the normal course of business.

10. EARNINGS PER COMMON SHARE

Basic and diluted earnings per common share ("EPS") amounts are presented on the face of our Income Statements.

The reconciliation of the basic and diluted EPS denominators related to common shares is included in the following table (in thousands):

	Quarter Ended	
	March 31, 2026	March 31, 2025
Basic weighted-average common shares	27,798	27,815
Dilutive effect of restricted common stock	413	452
Dilutive effect of the 2023 Convertible Notes	675	-
Diluted weighted-average common shares	28,886	28,267

The dilutive effect of time-based awards is computed using the treasury stock method. The dilutive effect of performance-based and market-based awards is computed based on the number of shares that would be issued as if the end of the reporting period was the end of the performance period. The dilutive effect of the 2023 Convertible Notes is computed using the if-converted method and only has an effect in those quarterly periods in which our average stock price exceeds the current effective conversion price.

Potentially dilutive common shares related to non-participating unvested restricted stock were excluded from the computation of diluted EPS, as the effect was anti-dilutive, and were not material in any period presented. The Capped Call Transactions entered into in connection with the pricing of the 2023 Convertible Notes were excluded from the computation of diluted EPS, as the effect was anti-dilutive.

11. STOCKHOLDERS' EQUITY AND EQUITY COMPENSATION PLANS

Stock Repurchase Program. We currently have a stock repurchase program, approved by our Board, authorizing us to repurchase shares of our common stock from time-to-time as market and business conditions warrant (the "Stock Repurchase Program"). Upon the announcement of the Merger Agreement, we have ceased any further repurchases.

During the first quarter of 2025 we repurchased approximately 153,000 shares of our common stock for \$9.6 million (weighted-average price of \$62.65 per share), respectively, under a SEC Rule 10b5-1 Plan. The excise tax imposed on share repurchases, which is included as a cost of treasury stock, is not reflected in these amounts.

Stock Repurchases for Tax Withholdings. In addition to the above-mentioned stock repurchases, during the first quarters of 2026 and 2025, we repurchased and then cancelled approximately 49,000 shares of common stock for \$4.0 million and approximately 204,000 shares of common stock for \$12.8 million, respectively, in connection with minimum tax withholding requirements resulting from the vesting of restricted common stock under our stock incentive plan.

Cash Dividends. During the first quarter of 2026, our Board approved a quarterly cash dividend of \$0.34 per share of common stock, totaling \$9.7 million. During the first quarter of 2025, our Board approved a quarterly cash dividend of \$0.32 per share of common stock, totaling \$9.4 million. As of March 31, 2026 and 2025, we had \$0.9 million and \$10.2 million, respectively, of dividends accrued, which are included in other current and non-current liabilities in our Balance Sheets. The decrease in accrued dividends in 2026 relates primarily to the payment of our first quarter of 2026 dividend, made to shareholders on April 1, 2026, being paid to our transfer agent at the end of the quarter.

Stock-Based Awards. During the first quarter of 2026, we granted restricted stock awards to key members of management in the form of time-based awards of approximately 173,000 restricted common stock shares, which vest in the first quarter of 2027, with no restrictions other than the passage of time. Certain of these awards may vest (i.e., vesting accelerates) upon the involuntary termination of employment, a change in control (as defined) and the subsequent involuntary termination of employment, or death.

We recorded stock-based compensation for the first quarters of 2026 and 2025 of \$6.8 million and \$8.4 million, respectively.

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

The information contained in this MD&A should be read in conjunction with the Financial Statements and Notes thereto included in this Form 10-Q and the audited consolidated financial statements and notes thereto in our 2025 10-K.

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. All statements, other than statements of historical fact, included in this Quarterly Report on Form 10-Q that address results or developments that we expect or anticipate will or may occur in the future are forward-looking statements. Forward-looking statements include, but are not limited to, statements relative to our future plans, our financial condition, and our expectations concerning our business and the industries we serve, and the Company's expectations, plans, intentions, strategies or prospects with respect to the proposed Merger. These statements are often identified by the use of words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "plan," "hope," "hopeful," "likely," "may," "optimistic," "possible," "potential," "preliminary," "project," "should," "will," "would" or the negative or plural of these words or similar expressions or variations. Forward-looking statements are made based upon management's current expectations and beliefs and are not guarantees of future performance. Such forward-looking statements are subject to a number of risks, uncertainties, assumptions and other factors that could cause actual results and the timing of certain events to differ materially from future results expressed or implied by the forward-looking statements. These factors include, but are not limited to the following: we derive a significant portion of our revenue from a limited number of customers, with approximately forty percent of our revenue from our two largest customers; fluctuations in credit market conditions, general global economic and political conditions, and foreign currency exchange rates; our ability to maintain a reliable, secure computing environment; continued market acceptance of our products and services; our ability to continuously develop and enhance products in a timely, cost-effective, technically advanced and competitive manner; our ability to deliver its solutions in a timely fashion within budget, particularly large and complex software implementations; our dependency on the global telecommunications industry, and in particular, the North American telecommunications industry; our ability to meet our financial expectations; increasing competition in our market from companies of greater size and with broader presence; our ability to successfully integrate and manage acquired businesses or assets to achieve expected strategic, operating and financial goals; our ability to protect its intellectual property rights; our ability to conduct business in the international marketplace; our ability to comply with applicable U.S. and international laws and regulations; the ability of the parties to the Merger to complete the proposed Merger on the anticipated terms and timing, or at all, the satisfaction or waiver of other conditions to the completion of the proposed Merger, including obtaining required regulatory approvals; the risk that our stock price may fluctuate during the pendency of the proposed Merger and may decline if the proposed Merger is not completed; potential litigation relating to the proposed Merger that could be instituted against us or our directors, managers or officers, including the delay, expense or other effects of any outcomes related thereto; the risk that disruptions from the proposed Merger will harm our business, including current plans and operations, including during the pendency of the proposed Merger; our ability to retain, motivate, and hire key personnel; the diversion of management's time and attention from ordinary course business operations to completion of the proposed Merger and integration matters; potential adverse reactions or changes to business relationships resulting from the announcement, pendency or completion of the proposed Merger; legislative, regulatory and economic developments; potential business uncertainty, including changes to existing business relationships, during the pendency of the proposed Merger that could affect our financial performance; certain restrictions during the pendency of the proposed Merger that may impact our ability to pursue certain business opportunities or strategic transactions; unpredictability and severity of catastrophic events, including but not limited to acts of terrorism, outbreaks of war or hostilities or global pandemics, as well as management's response to any of the aforementioned factors; the possibility that the proposed Merger may be more expensive to complete than anticipated, including as a result of unexpected factors or events; unexpected costs, liabilities or delays associated with the Merger; the response of competitors to the Merger; the occurrence of any event, change or other circumstance that could give rise to the termination of the proposed Merger, including in circumstances requiring us to pay a termination fee; the ability to realize the anticipated benefits of the Merger, including the expected synergies and cost saving, the possibility that competing or superior acquisition proposals for the Company will be made; and risks identified under the heading "Risk Factors," in our 2025 Form 10-K and in our subsequent filings with the SEC. You should not rely upon forward-looking statements as predictions of future events. Actual results and outcomes could differ materially from the results described in or implied by such forward looking statements. Forward-looking statements speak only as of the date hereof, and, except as required by law, we undertake no obligation to update or revise these forward-looking statements.

Company Overview

We are a purpose-driven SaaS platform company that enables global companies in a wide variety of industry verticals to simplify their complex customer engagement and how they monetize in the digital age. Our industry leading revenue management and digital monetization, customer experience, and payments solutions make ordinary customer experiences extraordinary. Our cloud-first architecture and customer-centric approach help companies around the world acquire, monetize, engage, and retain the B2B (business-to-business), B2C (business-to-consumer), and B2B2X (business-to-business-to-consumer) customers. As brands reimagine their engagement strategies in an increasingly connected world, we sit at the center of a complex, multi-sided business model ensuring monetization and customer engagement is handled at all levels of the ecosystem.

We leverage 40 years of experience to deliver innovative customer engagement solutions for every stage of the customer lifecycle so our customers can deliver an outstanding customer experience that adapts to their customers' rapidly changing demands. Our diverse, worldwide workforce draws from real-world knowledge and extensive expertise to design and implement business solutions that make our customers' hardest decisions simpler so that they can focus on delivering differentiated and real-time experiences to their customers. As a global technology leader, we aspire to envision, invent, and shape a better, more future-ready world.

We focus our research and development ("R&D") and acquisition investments on expanding our offerings in a timely and efficient manner to address the complex, transformative needs of our customers. Our scalable, modular, and flexible solutions combined with our domain expertise and our ability to effectively migrate customers to our solutions, provide the industry with proven solutions to improve their profitability and consumers' experiences. We have specifically architected our solutions to offer a phased, incremental approach to transforming our customers' businesses, thereby reducing the business interruption risk associated with this evolution.

As discussed in Note 3 to our Financial Statements, we generate a majority of our revenue from the global communications markets; however, we serve an expanding group of customers in other markets including retail, financial services, healthcare, insurance, and government entities.

We are a member of the S&P Small Cap 600 and Russell 2000 indices.

Plan of Merger

On October 29, 2025, we entered into a Merger Agreement with NEC and Merger Sub. Pursuant to the terms and subject to the conditions set forth in the Merger Agreement, Merger Sub will merge with and into CSG, with CSG continuing as the surviving corporation as a wholly owned subsidiary of NEC.

Our Board unanimously approved the Merger Agreement and the transactions contemplated thereby, including the Merger. On January 30, 2026, our stockholders approved the adoption of the Merger Agreement at the special meeting of our stockholders convened for such purpose. The closing of the Merger is expected to occur by the end of 2026, subject to the satisfaction of the remaining customary closing conditions and required regulatory approvals.

If the Merger is consummated, CSG shares will be delisted from the Nasdaq Global Select Market and deregistered under the Securities Exchange Act of 1934, as amended.

During the first quarter of 2026, in connection with the proposed Merger, we have recognized \$9.7 million of acquisition-related costs primarily within Selling, General and Administrative expenses ("SG&A") in our Income Statement. As of March 31, 2026, we have approximately \$19 million of acquisition-related expenses accrued, which will be paid upon closing. We expect to continue to incur additional costs relating to the proposed Merger, such as financial advisory, legal, accounting, and other professional services fees, along with retention bonuses. Future costs cannot be estimated at this time.

Information about the Merger Agreement and the Merger is set forth in our Definitive Proxy Statement on Schedule 14A filed with the SEC on December 16, 2025, as supplemented. See Note 2 to our Financial Statements for additional information.

Macroeconomic Outlook

Current geopolitical and economic uncertainties, including war, conflicts, inflation, tariffs and changes in trade policy, supply chain disruptions, and labor shortages, could adversely affect our business. The potential impact to our business could depend on multiple factors, including the duration, severity, and scope of these conditions, including the potential expansion of tariffs, retaliatory measures by impacted exporting countries, inflationary effects, and broader macroeconomic responses. Because we cannot predict the impact these events could have on current economic conditions or our business, there is no assurance that we will be able to fully mitigate the financial and competitive impacts related to such uncertainties, any of which could have a material adverse effect on our results of operations.

Management Overview of Quarterly Results

First Quarter Highlights. A summary of our results of operations for the first quarter of 2026, when compared to the first quarter of 2025, was as follows (in thousands, except per share amounts and percentages):

	Quarter Ended	
	March 31, 2026	March 31, 2025
Revenue	\$ 313,732	\$ 299,453
Transaction fees (1)	29,350	27,901
Operating results:		
Operating income	\$ 35,072	\$ 29,383
Operating margin percentage	11.2%	9.8%
Diluted EPS	\$ 0.83	\$ 0.57
Supplemental data:		
Restructuring and reorganization charges (2)	\$ 2,109	\$ 7,368
Acquisition-related costs:		
Amortization of acquired intangible assets	3,107	3,453
Earn-out compensation	-	2,559
Transaction-related costs	9,688	-
Stock-based compensation (2)	6,935	8,712
Loss on extinguishment of debt	-	453

(1) Transaction fees are primarily comprised of fees paid to third-party payment processors and financial institutions and interchange fees under our payment services contracts. Transaction fees are included in revenue on our Income Statement (and not netted against revenue) because we maintain control and act as the principal over the integrated service provided under our payment services customer contracts.

(2) Restructuring and reorganization charges include stock-based compensation, which is not included in the stock-based compensation line in the table above, and depreciation, which has not been recorded to the depreciation line on our Income Statement.

Revenue. Revenue for the first quarter of 2026 was \$313.7 million, a 4.8% increase when compared to revenue of \$299.5 million for the first quarter of 2025. The increase in revenue was primarily attributed to the continued growth of our SaaS and related solutions revenue.

Operating Results. Operating income for the first quarter of 2026 was \$35.1 million, or an 11.2% operating margin percentage, compared to \$29.4 million, or a 9.8% operating margin percentage for the first quarter of 2025. The increase in operating income was mainly attributed to higher revenue.

Diluted EPS. Diluted EPS for the first quarter of 2026 was \$0.83 compared to \$0.57 for the first quarter of 2025, with the increase mainly attributed to higher operating income and foreign currency movements.

Cash and Cash Flows. As of March 31, 2026, we had cash and cash equivalents of \$147.3 million, as compared to \$180.0 million as of December 31, 2025. Our cash flows used in operating activities for the first quarter of 2026 were (\$1.2) million. See the Liquidity section below for further discussion of our cash flows.

Significant Customer Relationships

A large percentage of our revenue is generated from a limited number of customers in the global communications industry, with our three largest customers being Charter Communications Inc. ("Charter"), Comcast Corporation ("Comcast"), and DISH Network L.L.C.

Customer Concentration. We have significant customer concentration, with the following two customers exceeding 10% of our revenue (in thousands, except percentages):

	Quarter Ended					
	March 31, 2026		December 31, 2025		March 31, 2025	
	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue
Charter	\$ 58,768	19%	\$ 61,781	19%	\$ 57,602	19%
Comcast	52,008	17%	52,248	16%	52,759	18%

The percentages of net billed accounts receivable balances attributable to these customers as of the dates indicated were as follows:

	March 31, 2026	As of December 31, 2025	March 31, 2025
Charter	17%	18%	20%
Comcast	15%	15%	17%

See our 2025 10-K for additional discussion of our business relationships and contractual terms with Charter and Comcast.

Risk of Customer Concentration. We expect to continue to generate a large percentage of our future revenue from our significant customers. There are inherent risks whenever a large percentage of total revenue is concentrated with a limited number of customers. Should a significant customer: (i) terminate or fail to renew their contracts with us, in whole or in part, for any reason; (ii) significantly reduce the number of customer accounts processed on our solutions, the price paid for our services, or the scope of services that we provide; or (iii) experience financial or operating difficulties, it could have a material adverse effect on our financial position and results of operations.

Contract Termination

It is customary for us to enter into software implementation projects with certain customers. These implementation projects range from relatively short and noncomplex projects to long and complex projects, ranging from several months to several years in duration depending on the specifics of the project.

On July 5, 2025, we terminated an MSA for one of our implementation projects in the Latin America region on the basis that the customer unlawfully renounced its obligations under the MSA. At this time, there is no work being performed on the project and we are pursuing any and all available remedies.

As of March 31, 2026, we had accounts receivable of \$18.1 million (\$1.3 million billed and \$16.8 million unbilled) related to this project. As of the date of this filing, we do not believe there has been an impairment to the carrying values of the assets and believe such amounts are recoverable per the terms of the MSA or as a matter of common law. However, if we are not successful in collecting the amount expected under the terms of the MSA or as a matter of common law, it is possible that an impairment of these assets could result.

Critical Accounting Policies and Estimates

The preparation of our Financial Statements in conformity with U.S. GAAP requires us to select appropriate accounting policies, and to make judgments and estimates affecting the application of those accounting policies. On an ongoing basis, we evaluate our estimates and assumptions. In applying our accounting policies and estimates, different business conditions or the use of different assumptions may result in materially different amounts reported in our Financial Statements.

We have identified the most critical accounting policies and estimates that affect our financial position and the results of our operations. Those critical accounting policies and estimates were determined by considering the accounting policies that involve the most complex or subjective decisions or assessments. The most critical accounting policies and estimates identified relate to the following items: (i) revenue recognition; (ii) income taxes; and (iii) loss contingencies. These critical accounting policies, as well as our other significant accounting policies, are discussed in our 2025 10-K.

Results of Operations

Revenue. Total revenue for the first quarter of 2026 was \$313.7 million, a 4.8% increase when compared to \$299.5 million for the first quarter of 2025.

Revenue by type for the first quarters of 2026 and 2025 was as follows (in thousands):

	March 31, 2026	Quarter Ended	
	March 31, 2026	March 31, 2025	March 31, 2025
SaaS and related solutions	\$ 286,670	\$ 269,940	\$ 269,940
Software and services	15,005	18,623	18,623
Maintenance	11,857	10,890	10,890
Total revenue	\$ 313,732	\$ 299,453	\$ 299,453

The increase in revenue was primarily due to the continued growth of our SaaS and related solutions revenue, which more than offset lower professional services revenue for the first quarter of 2026.

We use the location of the customer as the basis of attributing revenue to individual countries. Revenue by geographic region for the first quarters of 2026 and 2025 was as follows (in thousands):

	Quarter Ended	
	March 31, 2026	March 31, 2025
Americas (principally the U.S.)	\$ 269,816	\$ 259,347
Europe, Middle East, and Africa	28,694	27,035
Asia Pacific	15,222	13,071
Total revenue	\$ 313,732	\$ 299,453

Total Operating Expenses. Total operating expenses for the first quarter of 2026 were \$279.7 million, a 3.2% increase when compared to \$270.1 million for the first quarter of 2025. The increase in total operating expenses in the first quarter of 2026 is reflective of the increase in revenue between periods and was also impacted by the \$9.7 million of transaction-related acquisition costs recognized in the first quarter of 2026 related to the proposed Merger, partially offset by a \$5.3 million decrease in restructuring and reorganization charges and a \$2.6 million decrease in acquisition-related earn-out compensation.

The components of total operating expenses are discussed in more detail below.

Cost of Revenue (Exclusive of Depreciation). The cost of revenue for the first quarter of 2026 was \$161.8 million, a 4.7% increase when compared to \$154.5 million for the first quarter of 2025. The increase in cost of revenue is reflective of the increase in SaaS and related solutions revenue between periods. Additionally, the increase is also due to the completion or near completion of several SaaS implementation projects, resulting in lower deferred costs during the first quarter of 2026. Total cost of revenue as a percentage of revenue for the first quarters of 2026 and 2025 was 51.6% for each period.

R&D Expense (Exclusive of Depreciation). R&D expense for the first quarter of 2026 was \$43.0 million, a 5.1% increase when compared to \$40.9 million for the first quarter of 2025. The increase in R&D expense in the first quarter of 2026 is mainly attributed to the continued investment in the development of our SaaS platforms, as delivering future-ready solutions that have best-in-industry innovation (including new AI capabilities) is a key competitive advantage for us. As a percentage of total revenue, R&D expense for the first quarters of 2026 and 2025 was 13.7% for each period.

Selling, General, and Administrative ("SG&A") Expense (Exclusive of Depreciation). SG&A expense for the first quarter of 2026 was \$67.7 million, an 8.8% increase when compared to \$62.3 million for the first quarter of 2025. The increase in SG&A expense during the first quarter of 2026 is mainly attributed to acquisition-related costs as during the first quarter of 2026, we recognized approximately \$7 million of transaction-related costs related to the proposed Merger, which were partially offset by approximately \$2 million of earn-out compensation recognized in the first quarter of 2025. As a percentage of total revenue, SG&A expense for the first quarters of 2026 and 2025 was 21.6% and 20.8%, respectively.

Depreciation. Depreciation expense for the first quarter of 2026 was \$4.0 million, a \$1.0 million decrease when compared to \$5.0 million for the first quarter of 2025. This decrease can be primarily attributed to the decreased level of capital expenditures we have made over the past several years and to a lesser degree, the closure of our design and delivery center in Crawfordville, Florida in August 2025.

Restructuring and Reorganization Charges. Restructuring and reorganization charges for the first quarter of 2026 were \$2.1 million, a \$5.3 million decrease when compared to \$7.4 million for the first quarter of 2025. The restructuring and reorganization charges for the first quarter of 2026 relate mainly to continued cost efficiency actions to optimize our capacity and better align resources. See Note 8 to our Financial Statements for additional discussion.

Operating Income. Operating income for the first quarter of 2026 was \$35.1 million, or 11.2% of total revenue, compared to \$29.4 million, or 9.8% of total revenue for the first quarter of 2025. The increase in operating income is mainly attributed to higher revenue generated in the first quarter of 2026 and lower restructuring and reorganization charges between periods, which were partially offset by the increase in acquisition-related costs, discussed above.

Interest Income. Interest income for the first quarter of 2026 was \$1.2 million, a \$0.7 million decrease when compared to \$1.9 million for the first quarter of 2025. This decrease is primarily attributed to lower cash balances being swept into overnight money market accounts on a daily basis.

Loss on Extinguishment of Debt. In March 2025, we entered into the 2025 Credit Agreement, which replaced the 2021 Credit Agreement. As a result, we incurred a loss of \$0.5 million related to the write-off of debt issuance costs.

Other, net. Other, net for the first quarter of 2026 was \$2.8 million of other income, a \$5.0 million change from \$2.2 million of other expense for the first quarter of 2025, with the change primarily attributed to foreign currency movements.

Income Tax Provision. The effective income tax rates for the first quarters of 2026 and 2025 were 26% and 25%, respectively. Our estimated full year 2026 effective income tax rate is approximately 27%.

Liquidity

Cash and Liquidity. As of March 31, 2026, our principal sources of liquidity included cash and cash equivalents of \$147.3 million, compared to \$180.0 million as of December 31, 2025.

As part of our 2025 Credit Agreement, we have a \$600.0 million senior secured revolving loan facility with a syndicate of financial institutions that expires in March 2030, the 2025 Revolver. As of March 31, 2026, we had \$125.0 million outstanding leaving \$475.0 million available to us. The 2025 Credit Agreement contains customary affirmative, negative, and financial covenants. As of March 31, 2026, and the date of this filing, we believe we are in compliance with the provisions of the 2025 Credit Agreement.

Our cash and cash equivalents balances as of the end of the indicated periods were located in the following geographical regions (in thousands):

	March 31, 2026	December 31, 2025
Americas (principally the U.S.)	\$ 99,290	\$ 124,547
Europe, Middle East, and Africa	32,676	41,128
Asia Pacific	15,358	14,336
Total cash and cash equivalents	\$ 147,324	\$ 180,011

We generally have ready access to substantially all of our cash and cash equivalents, but may face limitations on moving cash out of certain foreign jurisdictions due to currency controls and potential negative economic consequences.

As of March 31, 2026 and December 31, 2025, we had \$1.9 million in each period, of cash restricted as to use primarily to collateralize guarantees included in our non-current asset balance. In addition, as of March 31, 2026 and December 31, 2025, we had \$329.9 million and \$350.4 million, respectively, of settlement and merchant reserve assets which are deemed restricted due to contractual restrictions with the merchants and restrictions arising from our policy and intention. It has historically been our policy to segregate settlement and merchant reserve assets from our operating cash balances, and we intend to continue to do so.

Cash Flows from Operating Activities. We calculate our cash flows from operating activities beginning with net income, adding back the impact of non-cash items or non-operating activity (e.g., depreciation, amortization, impairments, gain/loss on items such as investments, lease modifications, and debt extinguishments/conversions, unrealized foreign currency transactions gain/loss, deferred income taxes, stock-based compensation, etc.), and then factoring in the impact of changes in operating assets and liabilities. See our 2025 10-K for a description of the primary uses and sources of our cash flows from operating activities.

Our cash flows from operating activities, broken out between operations and changes in operating assets and liabilities, for the indicated quarterly periods are as follows (in thousands):

	Operations	Changes in Operating Asset and Liabilities	Net Cash Provided by (Used in) Operating Activities – Total
Cash Flows from Operating Activities:			
2026:			
March 31 (1)	\$ 51,726	\$ (52,889)	\$ (1,163)
2025:			
March 31 (2)	\$ 40,619	\$ (29,150)	\$ 11,469

(1) Cash flows from operating activities for the first quarter of 2026 were negatively impacted by unfavorable working capital changes, to include the impact of the payment of the 2025 year-end accrued employee incentive compensation and payment of the DGIT earnout compensation (See Note 7 to our Financial Statements).

(2) Cash flows from operating activities for the first quarter of 2025 reflect the impact of the payment of the 2024 year-end accrued employee incentive compensation.

Variations in our net cash provided by (used in) operating activities are generally related to the changes in our operating assets and liabilities (related mostly to fluctuations in timing of customer payments and changes in accrued expenses), and generally over longer periods of time, do not significantly impact our cash flows from operations.

Significant fluctuations in key operating assets and liabilities between 2026 and 2025 that impacted our cash flows from operating activities are as follows:

Billed Trade Accounts Receivable

Management of our billed trade accounts receivable is one of the primary factors in maintaining strong cash flows from operating activities. These balances include significant billings for several non-revenue items (primarily postage, sales tax, and deferred revenue items). As a result, we evaluate our performance in collecting our billed trade accounts receivable through our calculation of Days Billings Outstanding ("DBO") rather than a typical Days Sales Outstanding ("DSO") calculation.

Our gross and net billed trade accounts receivable and related allowance for expected losses ("Allowance") as of the end of the indicated quarterly periods, and the related DBOs for the quarters then ended, are as follows (in thousands, except DBOs):

Quarter Ended	Gross	Allowance	Net Billed	DBOs
2026				
March 31	\$ 294,415	\$ (2,468)	\$ 291,947	70
2025				
March 31	\$ 269,326	\$ (4,152)	\$ 265,174	66

As of each of March 31, 2026 and 2025, approximately 96% of our net billed trade accounts receivable balances were less than 60 days past due.

We may experience adverse impacts to our DBOs if and when customer payment delays occur. However, the recurring monthly payments that cross a reporting period-end do not raise collectability concerns, as payment is generally received subsequent to quarter-end. All other changes in our gross and net billed accounts receivable reflect the normal fluctuations in the timing of customer payments at quarter-end, as evidenced by our relatively consistent DBO metric.

As a global provider of solutions and services, a portion of our trade accounts receivable balance relates to international customers. This diversity in the geographic composition of our customer base may adversely impact our DBOs as longer billing cycles (i.e., billing terms and cash collection cycles) are an inherent characteristic of international software and professional services transactions. As a result, we may experience fluctuations in our trade accounts receivable balance as our ability to invoice and collect arrangement fees is dependent upon, among other things, (i) the completion of various customer administrative matters, local country billing protocols and processes (including local cultural differences), and non-customer administrative matters, (ii) meeting certain contractual invoicing milestones and dates, (iii) the overall project status in certain situations in which we act as a subcontractor to another vendor on a project, or (iv) currency controls in certain foreign jurisdictions.

Unbilled Trade Accounts Receivable

Unbilled trade accounts receivable (current and non-current) increased \$9.4 million to \$86.1 million as of March 31, 2026, from \$76.7 million as of December 31, 2025. These unbilled trade accounts receivable balances relate primarily to implementation projects where various milestone billing dates have not yet been reached or are delayed and to timing related to billing cutoff or contractual billing dates. As discussed in Contract Termination above, as of March 31, 2026, \$16.8 million of the unbilled trade accounts receivable balance is related to an implementation project for a contract that we terminated 2025. Unbilled trade accounts receivable are an inherent characteristic of certain software and services transactions and may fluctuate between quarters, as these types of transactions typically have scheduled invoicing terms over several quarters, as well as certain milestone billing events.

Accrued Employee Compensation

Accrued employee compensation decreased \$22.1 million to \$58.9 million as of March 31, 2026, from \$81.0 million as of December 31, 2025, due primarily to the payment of the 2025 employee incentive compensation during the first quarter of 2026 that was fully accrued at December 31, 2025.

Cash Flows from Investing Activities. Our typical investing activities consist of purchases of software, property, and equipment, which are discussed below.

Purchases of Software, Property, and Equipment

Our capital expenditures for the first quarters of 2026 and 2025 for software, property, and equipment were \$1.7 million and \$4.4 million, respectively, and consisted principally of investments in software and related equipment.

Cash Flows from Financing Activities. Our financing activities typically consist of activities with our common stock, various debt-related transactions, and settlement and merchant reserve activity.

Cash Dividends Paid on Common Stock

During the first quarters of 2026 and 2025, our Board approved dividends totaling \$9.7 million and \$9.4 million, respectively, and we made dividend payments of \$18.5 million and \$9.5 million, respectively, with the differences existing between the amounts approved and paid due to dividends being accrued on unvested incentive shares that are paid upon vesting. Additionally, in the first quarter 2026 we made two dividend payments, as our first quarter of 2026 dividend, made to shareholders on April 1, 2026, was paid to our transfer agent at the end of the quarter.

Repurchase of Common Stock

During the first quarter of 2026, we did not make any common stock repurchases under our Stock Repurchase Program. During the first quarter of 2025, we repurchased approximately 153,000 shares of our common stock under our Stock Repurchase Program for \$9.6 million.

Additionally, outside of our Stock Repurchase Program, during the first quarters of 2026 and 2025, we repurchased from our employees and then canceled approximately 49,000 and 204,000 shares of our common stock, respectively, for \$4.0 million and \$12.8 million, respectively, in connection with minimum tax withholding requirements resulting from the vesting of restricted stock under our stock incentive plans.

Through the first quarters of 2026 and 2025, we paid \$4.0 million and \$22.4 million, respectively, for our total repurchases of common stock, with any differences when compared to the amounts purchased attributed to the timing of the settlement and the excise tax imposed on share repurchases.

See Note 11 to our Financial Statements for additional discussion of our repurchases of common stock.

Long-Term Debt

During the first quarter of 2026, we did not make any repayments on the 2025 Revolver, and thus, still have an outstanding balance of \$125.0 million.

During the first quarter of 2025, we borrowed \$10.0 million from our revolver for general corporate purposes. In March 2025, we entered into the 2025 Credit Agreement and as a result, we borrowed \$140.6 million under the 2025 Revolver and repaid: (i) the outstanding 2021 Term Loan principal balance of \$125.6 million; (ii) the outstanding 2021 Revolver balance of \$10.0 million; and (iii) \$2.3 million of debt financing costs, with the remainder used for general corporate purposes. Prior to the end of the first quarter, we repaid \$15.0 million of the 2025 Revolver.

See Note 6 to our Financial Statements for additional discussion of our long-term debt.

Settlement and Merchant Reserve Activity

During the first quarters of 2026 and 2025, we had net settlement and merchant reserve activity of \$(21.4) million and \$(70.2) million, respectively, related to the cash collected, held on behalf, and paid to our merchants related to our payments services and the net change in deposits held on behalf of our merchants. These balances can significantly fluctuate between periods due to activity at the end of the period and the day in which the period ends.

See Note 3 to our Financial Statements for additional discussion of our settlement and merchant reserves.

Off-Balance Sheet Arrangements

Our off-balance sheet arrangements are mainly limited to money transmitter bonds and performance bonds. These arrangements do not have a material impact and are not reasonably likely to have a material future impact to our financial condition, results of operations, liquidity, capital expenditures, or capital resources. See Note 9 to our Financial Statements for additional information on these guarantees.

Capital Resources

The following are the key items to consider in assessing our sources and uses of capital resources:

Current Sources of Capital Resources. Below are the key items to consider in assessing our current sources of capital resources:

- **Cash and Cash Equivalents.** As of March 31, 2026, we had cash and cash equivalents of \$147.3 million, of which approximately 62% was in U.S. dollars and held in the U.S. For the remainder of the monies denominated in foreign currencies and/or located outside the U.S., we do not anticipate any material amounts being unavailable for use in funding our business, but may face limitations on moving cash out of certain foreign jurisdictions due to currency controls and potential negative economic consequences.
- **Operating Cash Flows.** As described in the Liquidity section above, we believe we have the ability to generate strong cash flows to fund our operating activities and act as a source of funds for our capital resource needs, although we may experience quarterly variations in our cash flows from operations related to the changes in our operating assets and liabilities.
- **Revolving Loan Facility.** As part of our 2025 Credit Agreement we have a \$600.0 million revolving loan facility, the 2025 Revolver. As of March 31, 2026, we had \$125.0 million outstanding on the 2025 Revolver, leaving \$475.0 million available to us. Our long-term debt obligations are discussed in more detail in Note 6 to our Financial Statements.

Uses/Potential Uses of Capital Resources. Below are the key items to consider in assessing our uses/potential uses of capital resources:

- **Common Stock Repurchases.** We have made repurchases of our common stock in the past under our Stock Repurchase Program. Upon the announcement of the Merger Agreement, we have ceased any further repurchases.
Under our Stock Repurchase Program, we may repurchase shares in the open market or in privately negotiated transactions, including through an accelerated stock repurchase plan or under a SEC Rule 10b5-1 plan. The actual timing and amount of share repurchases are dependent on the current market conditions and other business-related factors. Our common stock repurchases are discussed in more detail in Note 11 to our Financial Statements.
Outside of our Stock Repurchase Program, during the first quarter of 2026, we repurchased from our employees and then cancelled approximately 49,000 shares of our common stock for \$4.0 million in connection with minimum tax withholding requirements resulting from the vesting of restricted common stock under our stock incentive plans.
- **Cash Dividends.** During the first quarter of 2026, our Board declared dividends totaling \$9.7 million. Going forward, we expect to continue to pay cash dividends in the normal course, with the amount and timing subject to our Board's approval, as well as the consummation of the Merger.
- **Acquisitions.** As a result of our previous acquisition activity, there were provisions for potential future earn-out payments of up to approximately \$12 million for DGI and \$15.0 million for iCG tied to performance-based goals and a defined service period. The earn-out periods are through December 31, 2026 and June 3, 2027, respectively. During the first quarter of 2026, we made earn-out payments of \$10.9 million, which are included in our cash flows from operating activities. As of March 31, 2026, we have accrued \$4.8 million related to earn-out payments.
As part of our growth strategy, we are continually evaluating potential business and/or asset acquisitions and investments in market share expansion with our existing and potential new customers and expansion into verticals outside the global communications market.
- **Merger Activity.** As of March 31, 2026, we have accrued approximately \$19 million of acquisition-related costs related to the proposed Merger, discussed above, which will be paid upon the closing of the Merger. We expect to incur additional costs relating to the proposed Merger, such as financial advisory, legal, accounting, and other professional services fees, along with retention bonuses, however, these additional costs cannot be estimated at this time. If the Merger Agreement is terminated under certain specified circumstances, we will be required to pay NEC a termination fee of \$82.0 million.
- **Exit of Reseller Agreements.** During the first quarter of 2026, we paid the remaining \$1.2 million to exit a reseller agreement acquired with the 2018 acquisition of Forte Payment Systems, Inc.

- **Capital Expenditures.** During the first quarter of 2026, we spent \$1.7 million on capital expenditures.
- **Financing Agreements.** We have financing agreements for certain of our internal use software. As of March 31, 2026, we have \$9.0 million related to these financing agreements included in current and non-current liabilities on our Balance Sheet. During the first quarter of 2026, we made payments of \$2.3 million related to these financing agreements.
- **Long-Term Debt.** As of March 31, 2026, our long-term debt consisted of the following: (i) 2025 Credit Agreement Revolver borrowings of \$125.0 million; and (ii) 2023 Convertible Notes in the principal aggregate amount of \$425.0 million.
 - 2025 Credit Agreement. The mandatory payments under our 2025 Credit Agreement for the next twelve months are the cash interest expense (based upon then-current interest rates) for the 2025 Revolver (assuming no further amounts are borrowed, and the amount is not paid down) of \$6.5 million. Should the Merger, discussed above, be consummated, this would result in the outstanding loans under the 2025 Credit Agreement being repaid and commitments thereunder being terminated at the closing.
 - 2023 Convertible Notes. The 2023 Convertible Notes are convertible at the option of the note holders before June 15, 2028 upon the occurrence of certain events. Should the Merger, discussed above, be consummated, this would result in a conversion trigger for the note holders. The Capped Call Transactions entered into in connection with the pricing of the 2023 Convertible Notes are expected to be unwound if the Merger is consummated.

Our long-term debt obligations are discussed in more detail in Note 6 to our Financial Statements.

In summary, we expect to continue to have material needs for capital resources going forward, as noted above. We believe that our current cash and cash equivalents balances and our 2025 Revolver, together with cash expected to be generated in the future from our current operating activities, will be sufficient to meet our anticipated capital resource requirements for at least the next twelve months.

We have agreed to various covenants in the Merger Agreement, including, among others, to use commercially reasonable efforts to conduct our business in all material respects in the ordinary course between the execution of the Merger Agreement and the closing of the Merger. Outside of certain limited exceptions and subject to certain specified thresholds, we may not take certain actions without NEC's prior consent. We do not believe these restrictions will prevent us from meeting our liquidity and capital resource needs or requirements, including our ongoing costs of operations, working capital needs, or capital expenditures.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market risk is the potential loss arising from adverse changes in market rates and prices. As of March 31, 2026, we are exposed to various market risks, including changes in interest rates, fluctuations and changes in the market value of our cash equivalents and settlement and merchant reserve assets, and changes in foreign currency exchange rates. We have not historically entered into derivatives or other financial instruments for trading or speculative purposes.

Interest Rate Risk

Long-Term Debt. The interest rate on our 2023 Convertible Notes is fixed, and thus, as it relates to our convertible debt borrowings, we are not exposed to changes in interest rates.

The interest rates on our 2025 Credit Agreement are based upon an adjusted SOFR rate (including a 0.10% credit spread adjustment) plus an applicable margin, or an ABR plus an applicable margin. See Note 6 to our Financial Statements for further details related to our long-term debt.

A hypothetical adverse change of 10% in the March 31, 2026 adjusted SOFR rate would not have a material impact upon our results of operations.

Market Risk

Cash and Cash Equivalents. Our cash and cash equivalents as of March 31, 2026 and December 31, 2025 were \$147.3 million and \$180.0 million, respectively. Certain of our cash balances are swept into overnight money market accounts on a daily basis, and at times, excess funds may be invested in low-risk institutional instruments held at major banks. We have minimal market risk for our cash and cash equivalents due to the relatively short maturities of the instruments.

Settlement and Merchant Reserve Assets. We are exposed to market risk associated with cash held on behalf of our merchants related to our payment processing services. As of March 31, 2026 and December 31, 2025, we had \$329.9 million and \$350.4 million, respectively, of cash collected on behalf of our merchants. The cash is held in accounts with various major financial institutions in the U.S. and Canada in an amount equal to at least 100% of the aggregate amount owed to our merchants. These balances can significantly fluctuate between periods due to activity at the end of the period and the day in which the period ends. Certain settlement assets are swept into overnight money market accounts on a daily basis.

Long-Term Debt. The fair value of our convertible debt is exposed to market risk. We do not carry our convertible debt at fair value but present the fair value for disclosure purposes (see Note 3 to our Financial Statements). Generally, the fair value of our convertible debt is impacted by changes in interest rates and changes in the price and volatility of our common stock. As of March 31, 2026, the fair value of the 2023 Convertible Notes was estimated at \$517.4 million, using quoted market prices.

Foreign Currency Exchange Rate Risk

Due to foreign operations around the world, our financial statements are exposed to foreign currency exchange risk due to the fluctuations in the value of currencies in which we conduct business. Our principal currency exposures include the British Pound, Euro, Australian Dollar, Saudi Riyal, and South African Rand. While we attempt to maximize natural hedges by incurring expenses in the same currency in which we contract revenue, the related expenses for that revenue could be in one or more differing currencies than the revenue stream. In particular, if the U.S. Dollar were to strengthen it would reduce the reported amount of our foreign-denominated cash, cash equivalents, trade receivables, revenue, and expenses that we translate into U.S. Dollars and report in our consolidated financial statements for, and as of the end of, each reporting period.

During the first quarter of 2026, we generated approximately 88% of our revenue in U.S. dollars. We expect that, in the foreseeable future, we will continue to generate a very large percentage of our revenue in U.S. dollars.

We have analyzed our foreign currency exposure as of March 31, 2026. A hypothetical adverse change of 10% in the March 31, 2026 exchange rates would not have had a material impact upon our results of operations.

Item 4. Controls and Procedures

(a) Disclosure Controls and Procedures

As required by Rule 13a-15(b), our management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), conducted an evaluation as of the end of the period covered by this report of the effectiveness of our disclosure controls and procedures as defined in Rule 13a-15(e). Based on that evaluation, the CEO and CFO concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report.

(b) Internal Control Over Financial Reporting

As required by Rule 13a-15(d), our management, including the CEO and CFO, also conducted an evaluation of our internal control over financial reporting, as defined by Rule 13a-15(f), to determine whether any changes occurred during the quarter covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. Based on that evaluation, the CEO and CFO concluded that there has been no such change during the quarter covered by this report.

CSG SYSTEMS INTERNATIONAL, INC.
PART II. OTHER INFORMATION

Item 1. Legal Proceedings

From time-to-time, we are involved in litigation relating to claims arising out of our operations in the normal course of business. In the opinion of our management, we are not presently a party to any material pending legal proceedings.

Item 1A. Risk Factors

A discussion of our risk factors can be found in Item 1A. Risk Factors in our 2025 10-K. There were no material changes to the risk factors disclosed in our 2025 10-K during the first quarter of 2026. Reference is made to "Macroeconomic Outlook" in Item 2. Management Discussion and Analysis of Financial Condition and Results of Operations for additional potential risks and uncertainties.

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

The following table presents information with respect to purchases of our common stock made during the first quarter of 2026 by CSG Systems International, Inc. or any "affiliated purchaser" of CSG Systems International, Inc., as defined in Rule 10b-18(a)(3) under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Program	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plans or Program
January 1 - January 31	295	\$ 79.49	-	-
February 1 - February 28	537	79.72	-	-
March 1 - March 31	48,824	79.88	-	-
Total	49,656	\$ 79.88	-	-

(1) This column includes 49,656 shares that were not part of a publicly announced plan or program and that were purchased and cancelled in connection with minimum tax withholding requirements resulting from the vesting of restricted common stock under our stock incentive plans.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

(c) Rule 10b5-1 Trading Plans

During the first quarter of 2026, none of our directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted, modified, or terminated any contract, instruction, or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act or any "non-Rule 10b5-1 trading arrangement" as defined in Item 408(c) of Regulation S-K.

Item 6. Exhibits

The Exhibits filed or incorporated by reference herewith are as specified in the Exhibit Index.

CSG SYSTEMS INTERNATIONAL, INC.
EXHIBIT INDEX

Exhibit Number	Description
10.28N*	Thirteenth Amendment to the Consolidated CSG Master Subscriber Management System Agreement between CSG Systems, Inc. and Charter Communications Operating, LLC
10.28O*	Sixteenth Amendment to the Consolidated CSG Master Subscriber Management System Agreement between CSG Systems, Inc. and Charter Communications Operating, LLC
31.01	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.02	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.01**	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema with Embedded Linkbase Documents
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Portions of the exhibit have been omitted pursuant to SEC rules regarding confidential information.
** Furnished herewith.

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

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.

Dated: May 7, 2026

CSG SYSTEMS INTERNATIONAL, INC.

/s/ Brian A. Shepherd
Brian A. Shepherd
President and Chief Executive Officer
(Principal Executive Officer)

/s/ Hai Tran
Hai Tran
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

/s/ Lori J. Szwaneck
Lori J. Szwaneck
Chief Accounting Officer
(Principal Accounting Officer)

THIS DOCUMENT CONTAINS INFORMATION WHICH HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED. SUCH EXCLUDED INFORMATION IS IDENTIFIED BY BRACKETS AND MARKED WITH (***).

THIRTEENTH AMENDMENT
TO
AMENDED AND RESTATED
CSG MASTER SUBSCRIBER MANAGEMENT SYSTEM AGREEMENT
BETWEEN
CSG SYSTEMS, INC.
AND
CHARTER COMMUNICATIONS OPERATING, LLC

SCHEDULE AMENDMENT

This Thirteenth Amendment (the "Amendment") is made by and between CSG Systems, Inc., a Delaware corporation ("CSG"), and Charter Communications Operating, LLC, a Delaware limited liability company ("Customer"). CSG and Customer entered into that certain Amended and Restated CSG Master Subscriber Management System Agreement effective as of January 1, 2022 (CSG document no. 44754), as amended (the "Agreement"), and now desire to further amend the Agreement in accordance with the terms and conditions set forth in this Amendment. If the terms and conditions set forth in this Amendment shall be in conflict with the Agreement, the terms and conditions of this Amendment shall control. Any terms in initial capital letters or all capital letters used as a defined term but not defined in this Amendment shall have the meaning set forth in the Agreement. Upon execution of this Amendment by the parties, any subsequent reference to the Agreement between the parties shall mean the Agreement as amended by this Amendment. Except as amended by this Amendment, the terms and conditions set forth in the Agreement shall continue in full force and effect according to their terms. Upon execution by the Parties, the Effective Date of this Amendment is date last signed below (the "Amendment Effective Date").

WHEREAS, CSG and Customer acknowledge and agree CSG provides and Customer consumes Alternate Communication Delivery of CSG's Communication Builder Letters pursuant to the terms and conditions of the Agreement; and

WHEREAS, CSG and Customer agree to amend the fees to Alternate Communication Delivery Services;

WHEREAS, CSG and Customer acknowledge and agree CSG provides and Customer consumes DNA Key Performance Indicators ("KPI") Streaming Services and Dashboard Enhancement pursuant to the terms and conditions of the Agreement; and

WHEREAS, CSG and Customer agree to terminate the KPI Dashboard Enhancement and amend fees accordingly.

WHEREAS, CSG and Customer executed an amendment to the Agreement (CSG document no. 56341) ("Amendment 12") on September 4, 2025, and desire to correct numbering discrepancies within Amendment 12.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, CSG and Customer agree to the following as of the Amendment Effective Date (as defined above), each effective as of the dates specified below.

1. Effective [*****], sub-line item "c", "Alternate Communication Delivery Fees (per [*****])" to line item 4, "Letters Processing & Alternate Communication Delivery (Note 17)", to subsection A, "Direct Solutions (Print and Mail; Alternate Communication Delivery)" to Section III. Payment Procurement to Schedule E. "Fees," shall be deleted in its entirety and replaced, as follows:

	Frequency	Fee
c. Alternate Communication Delivery Fees		
(1) Fee for [*****] per [*****] with [**] attachments	[*****]	[*****]
(2) Fee for [*****] per [*****] with [**] attachments (Note 49)	[*****]	[*****]
(3) Fee for [*****] per [*****] with [***] (*) or more attachments (Note 50)	[*****]	[*****]

Note 49: Fee for each [*****] with [**] attachments.
 Note 50: Uplift fee of the fee specified in item "2" of the fee table above, per [*****], with [***] (*) or more attachments. For clarification, an [*****] with [****] (*) attachments will incur fees from item "2" in the fee table above plus [****] (*) times the amount specified in item "3" in the fee table above.

2. Effective [*****], line item "2.", "DNA Key Performance Indicators (KPIs) Streaming Service Support and Maintenance Fees" of subsection P, "DNA Key Performance Indicators (KPIs) Streaming Service," to Section X, "Custom Implementation Services," to Schedule E. "Fees," shall be deleted in its entirety and replaced, as follows:

3. DNA Key Performance Indicators (KPIs) Streaming Service Support and Maintenance Fees (Note 3) (Note 4)	[*****]	[*****]
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3. Section 12.19, "[*****]", subsection 12.19.3 of the Agreement is hereby amended to replace all internal references to "this Section 13" with "this Section 12.19.3". This change, to correct numbering discrepancies within Amendment 12, shall be deemed effective as of [*****].

CHARTER COMMUNICATIONS OPERATING, LLC ("CUSTOMER")

CSG SYSTEMS, INC. ("CSG")

By: Charter Communications, Inc., its Manager

By: /s/ Michael Woods

By: /s/ John D Osmanski

Name: Michael Woods

Name: John D Osmanski

Title: Executive Vice President

Title: Vice President Finance

Date: March 6, 2026

Date: March 6, 2026

THIS DOCUMENT CONTAINS INFORMATION WHICH HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED. SUCH EXCLUDED INFORMATION IS IDENTIFIED BY BRACKETS AND MARKED WITH (***).

SIXTEENTH AMENDMENT
TO
AMENDED AND RESTATED
CSG MASTER SUBSCRIBER MANAGEMENT SYSTEM AGREEMENT
BETWEEN
CSG SYSTEMS, INC.
AND
CHARTER COMMUNICATIONS OPERATING, LLC
[CSG document no. 44754.1]

SCHEDULE AMENDMENT

This Sixteenth Amendment (the "Amendment") is made by and between CSG Systems, Inc., a Delaware corporation ("CSG"), and Charter Communications Operating, LLC, a Delaware limited liability company ("Customer"). CSG and Customer entered into that certain Amended and Restated CSG Master Subscriber Management System Agreement effective as of January 1, 2022 (CSG document no. 44754), as amended (the "Agreement"), and now desire to further amend the Agreement in accordance with the terms and conditions set forth in this Amendment. If the terms and conditions set forth in this Amendment shall be in conflict with the Agreement, the terms and conditions of this Amendment shall control. Any terms in initial capital letters or all capital letters used as a defined term but not defined in this Amendment shall have the meaning set forth in the Agreement. Upon execution of this Amendment by the parties, any subsequent reference to the Agreement between the parties shall mean the Agreement as amended by this Amendment. Except as amended by this Amendment, the terms and conditions set forth in the Agreement shall continue in full force and effect according to their terms.

WHEREAS, CSG has agreed to provide, and Customer has agreed to utilize Bulk Billing Automated Unit Account Creation; and

WHEREAS, CSG and Customer agree, accordingly, to amend Schedule C, "Recurring Services," and Schedule E, "Fees";

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, CSG and Customer agree to the following as of the Amendment Effective Date (as defined below).

1. CSG agrees to provide, and Customer agrees to utilize Bulk Billing Automated Unit Account Creation. As a result, the following changes are hereby made to the Agreement:

a) Schedule C, "Recurring Services," section entitled "Recurring Services Description," of the Agreement shall be amended to add the following:

"Bulk Billing Automated Unit Account Creation. Bulk Billing Automated Unit Account Creation ("Unit Account Creation") provides an automated service to automatically create bulk unit accounts after orders for the tenant accounts are completed. Unit Account Creation utilizes CSG Event Notification Interface ("ENI") triggers to initiate the Unit Account Creation process."

b) As a result, Schedule E, "Fees," Section 1, "Processing," Subsection X, "Customer Implementation Services," of the Agreement, shall be amended to add a new subsection "S," entitled "Bulk Billing Automated Unit Account Creation," as follows:

S. Bulk Billing Automated Unit Account Creation

1	Description of Item/Unit of Measure	Frequency	Fee
	Implementation Fees (Note 1)	[*****]	[*****]
	Maintenance and Support Fees (Note 2) (Note 3)	[*****]	[*****]

Note 1: Implementation, Setup, and Configuration services shall be provided pursuant to the terms of that certain Statement of Work entitled "Implement Bulk Billing Automated Unit Account Creation" (CSG document no. 0722) to be executed by CSG and Customer.
 Note 2: [*****] Maintenance and Support Fees will begin in the [*****] following the production implementation and is limited to a total of four (4) hours per month (the "Support Hours"). For avoidance of doubt, the Support Hours are not cumulative on a [*****] basis, and any unused Support Hours shall be forfeited. Any support in excess of [*****] per [*****] shall be set forth in a separate Statement of Work.
 Note 3: CSG will host the Bulk Billing Automated Unit Account Creation on the CSG infrastructure used for the CRE services and hosting as described in Section X. C. of this Schedule "A," at [*****] additional hosting fee, provided, however, that in the event Customer discontinues use of such CRE services and hosting, CSG's continued hosting of the Bulk Billing Automated Unit Account Creation hereunder shall be subject to the parties mutually agreeing in writing to [*****] for such hosting services. In the event CSG and Customer are unable to mutually agree upon such [*****] within [*****] of Customer's discontinuance of the CRE services and hosting, CSG may discontinue the hosting and availability of the Bulk Billing Automated Unit Account Creation upon [*****] prior written notice to Customer.

THIS AMENDMENT is executed on the day and year last signed below (the "Amendment Effective Date").

CHARTER COMMUNICATIONS OPERATING, LLC ("CUSTOMER")

By: Charter Communications, Inc., its Manager

By: /s/ Philip Montsinger
 Name: Philip Montsinger
 Title: Group Vice President
 Date: February 24, 2026

CSG SYSTEMS, INC. ("CSG")

By: /s/ Michael J. Woods
 Name: Michael Woods
 Title: Executive Vice President
 Date: February 24, 2026

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

I, Brian A. Shepherd, certify that:

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

Date: May 7, 2026

/s/ Brian A. Shepherd
Brian A. Shepherd
President and Chief Executive Officer

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

I, Hai Tran, certify that:

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

Date: May 7, 2026

/s/ Hai Tran
Hai Tran
Executive Vice President and Chief Financial Officer

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

The certification set forth below is being submitted in connection with the Quarterly Report on Form 10-Q (the "Report") for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code.

Brian A. Shepherd, the Chief Executive Officer and Hai Tran, the Chief Financial Officer of CSG Systems International Inc., each certifies that, to the best of his knowledge:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of CSG Systems International, Inc.

May 7, 2026

/s/ Brian A. Shepherd

Brian A. Shepherd
President and Chief Executive Officer

May 7, 2026

/s/ Hai Tran

Hai Tran
Executive Vice President and Chief Financial Officer
