UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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<td>Individually and on Behalf of All Others Similarly Situated,

Plaintiff,

v.

PAYSAFE LIMITED, BRUCE LOWTHERS, and JOHN CRAWFORD,

Defendants.</td>
<td>Case No.

CLASS ACTION COMPLAINT FOR VIOLATIONS OF THE FEDERAL SECURITIES LAWS

DEMAND FOR JURY TRIAL</td>
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Plaintiff (“Plaintiff”), individually and on behalf of all others similarly situated, by and through his attorneys, alleges the following upon information and belief, except as to those allegations concerning Plaintiff, which are alleged upon personal knowledge. Plaintiff’s information and belief is based upon, among other things, his counsel’s investigation, which includes without limitation: (a) review and analysis of regulatory filings made by Paysafe Limited (“Paysafe” or the “Company”) with the United States (“U.S.”) Securities and Exchange Commission (“SEC”); (b) review and analysis of press releases and media reports issued by and disseminated by Paysafe; and (c) review of other publicly available information concerning Paysafe.

NATURE OF THE ACTION AND OVERVIEW

1. This is a class action on behalf of persons and entities that purchased or otherwise acquired Paysafe securities between March 4, 2025 and November 12, 2025, inclusive (the “Class Period”). Plaintiff pursues claims against the Defendants under the Securities Exchange Act of 1934 (the “Exchange Act”).

2. Paysafe provides end-to-end payment solutions in the United States and internationally. The Company’s services allow consumers to purchase goods and services online without a bank account or credit card, or with alternative payment methods like cryptocurrencies. The Company maintains two reportable segments: Merchant Solutions and Digital Wallets. The Company’s Merchant Solutions segment represents services provided by processing credit and debit card transactions for merchants. The Company’s Digital Wallets segment represents the combination of its legacy alternative payment services and the sale of prepaid payment vouchers through other brands, sold directly to customers.

3. On November 13, 2025, before the market opened, Paysafe issued a press release announcing its financial condition and results of operations for the quarter ended September 30,

2025. The press release revealed the Company's third quarter financial results, including revenue of $433.8 million, which missed consensus estimates by $5.8 million. The press release further revealed a net loss of $87.7 million, a steep drop from the prior year period wherein the Company's net loss was only $12.98 million. The press release also disclosed a dramatic cut to the Company's guidance, slashing full year 2025 expected revenue to $17 million at the midpoint, and adjusted EPS $0.50 at the midpoint.

4. On the same date, the Company filed its Condensed Consolidated Financial Statements as of September 30, 2025 on a Form 6-K with the SEC. The report revealed that the Company's credit loss expense for the three months ended September 30, 2025 was $13,220 "***primarily [as] the result of a specific provision for expected chargebacks related to an individual merchant in the Merchant Solutions segment.***" The report further revealed write-offs for the three months ended September 30, 2025 was $9,924 "***driven by the write off of irrecoverable amounts receivable in the Merchant Solutions segment.***"

5. Finally, on the same date, the Company held an earnings call pursuant to these results. During the earnings call, the Company's Chief Executive Officer, Bruce Lowthers ("Lowthers") revealed the Company "had a last-minute client that had to shut down that caused several million-dollar write-down in Q3." Lowthers further revealed the Company is "***in kind of a lower-tier market, a lot of kind of travel or things that are more higher risk MCC*** [Merchant Category Codes] ***codes***." Lowthers explained "***those things sometimes are a little difficult to bank***" and "***sometimes the banks aren't open to the additional risk" "so, we've had a little bit of challenge with that with some of those MCC codes, and we're working our way through that.***"

6. On this news, Paysafe's stock price fell $2.80, or 27.6%, to close at $7.36 per share on November 13, 2025, on unusually heavy trading volume.

7. Throughout the Class Period, Defendants made materially false and/or misleading statements, as well as failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, Defendants failed to disclose to investors: (1) Paysafe's ecommerce business had significant exposure to a single high risk client; (2) as a result, the Company's credit loss reserves and/or write-offs were understated; (3) Paysafe had an undisclosed issue with higher risk Merchant Category Codes, making its client services difficult to bank; (4) the foregoing issues were likely to have a material negative impact on the Company's revenue growth and overall revenue mix; (5) as a result, Paysafe was unlikely to meet its own previously issued financial guidance for fiscal year 2025; and (6) that, as a result of the foregoing, Defendants' positive statements about the Company's business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

8. As a result of Defendants' wrongful acts and omissions, and the precipitous decline in the market value of the Company's securities, Plaintiff and other Class members have suffered significant losses and damages.

JURISDICTION AND VENUE

9. The claims asserted herein arise under Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5).

10. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1331 and Section 27 of the Exchange Act (15 U.S.C. § 78aa).

11. Venue is proper in this Judicial District pursuant to 28 U.S.C. § 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)). Substantial acts in furtherance of the alleged fraud or the effects of the fraud have occurred in this Judicial District. Many of the acts charged herein,

including the dissemination of materially false and/or misleading information, occurred in substantial part in this Judicial District.

12. In connection with the acts, transactions, and conduct alleged herein, Defendants directly and indirectly used the means and instrumentalities of interstate commerce, including the United States mail, interstate telephone communications, and the facilities of a national securities exchange.

PARTIES

13. Plaintiff as set forth in the accompanying certification, incorporated by reference herein, purchased Paysafe securities during the Class Period, and suffered damages as a result of the federal securities law violations and false and/or misleading statements and/or material omissions alleged herein.

14. Defendant Paysafe is incorporated under the laws of Bermuda with its principal executive offices located in London, United Kingdom. Paysafe's common shares trade on the New York Stock ("NYSE") exchange under the symbol "PSFE."

15. Defendant Bruce Lowthers ("Lowthers") was the Company's Chief Executive Officer ("CEO") at all relevant times.

16. Defendant John Crawford ("Crawford") was the Company's Chief Financial Officer ("CFO") at all relevant times.

17. Defendants Lowthers and Crawford (together, the "Individual Defendants"), because of their positions with the Company, possessed the power and authority to control the contents of the Company's reports to the SEC, press releases and presentations to securities analysts, money and portfolio managers and institutional investors, i.e., the market. The Individual Defendants were provided with copies of the Company's reports and press releases alleged herein to be misleading prior to, or shortly after, their issuance and had the ability and opportunity to

prevent their issuance or cause them to be corrected. Because of their positions and access to material non-public information available to them, the Individual Defendants knew that the adverse facts specified herein had not been disclosed to, and were being concealed from, the public, and that the positive representations which were being made were then materially false and/or misleading. The Individual Defendants are liable for the false statements pleaded herein.

SUBSTANTIVE ALLEGATIONS

Background

18. Paysafe provides end-to-end payment solutions in the United States and internationally. The Company's services allow consumers to purchase goods and services online without a bank account or credit card, or with alternative payment methods like cryptocurrencies. The Company maintains two reportable segments: Merchant Solutions and Digital Wallets. The Company's Merchant Solutions segment represents services provided by processing credit and debit card transactions for merchants. The Company's Digital Wallets segment represents the combination of its legacy alternative payment services and the sale of prepaid payment vouchers through other brands, sold directly to customers.

Materially False and Misleading Statements Issued During the Class Period

19. The Class Period begins on March 4, 2025.[1] On that day, Paysafe issued a press release announcing its financial condition and results of operations for the fourth quarter and full year 2024. The press release touted the Company's financial results and proffered Paysafe's purported full year 2025 financial guidance. Specifically, the press release stated as follows, in relevant part:

[1] Unless otherwise stated, all emphasis in bold and italics hereinafter is added, and all footnotes are omitted.

Full Year 2025 Financial Guidance

($ in millions) (unaudited)	Full Year 2025
Revenue	$1,710 - $1,734
Adjusted EBITDA	$463 - $478
Adjusted EPS	$2.21 - $2.51

Paysafe's 2025 outlook reflects reported revenue growth in the range of 0% to 2%, which includes the impact of the disposed business as well as a modest headwind from currency and interest revenue. Paysafe's outlook reflects organic revenue growth in the range of 6.5% to 8.0% and Adjusted EBITDA margin in the range of 27.1% to 27.6%, with Adjusted EBITDA growth in the mid-teens. Paysafe continues to expect to generate strong free cash flow and to reduce leverage, including the Company's goal to achieve 3.5x net leverage by the end of 2026.

* * *

Fourth Quarter and Full Year 2024 Summary of Consolidated Results

($ in thousands) (unaudited)	Three Months Ended December 31, 2024	Three Months Ended December 31, 2023	Year Ended December 31, 2024	Year Ended December 31, 2023
Revenue	$ 420,070	$ 414,541	$ 1,704,835	$ 1,601,138
Gross Profit (excluding depreciation and amortization)	$ 236,605	$ 240,959	$ 989,073	$ 937,926
Net income / (loss)	$ 33,511	$ (12,129)	$ 22,160	$ (20,251)
Adjusted EBITDA	$ 103,345	$ 121,741	$ 452,054	$ 458,663
Adjusted net income	$ 29,563	$ 40,862	$ 132,520	$ 143,888

20. On March 4, 2025, the Company submitted its annual report for the fiscal year ended December 31, 2024 on a Form 20-F filed with the SEC (the "FY24 20-F"). The FY24 20-F affirmed the previously reported financial results, further reported the factors and trends impacting the Company's revenue, and touted the Company's allegedly strong banking relationships, as follows in relevant part:

Revenue

Revenue increased by $103,697, or 6.5%, to $1,704,835 for the year ended December 31, 2024 from $1,601,138 for the year ended December 31, 2023. ***The increase was driven by $79,277, or 9.0%, additional revenue in our Merchant Solutions segment due to higher volumes and growth in e-commerce driven by initiatives to expand our sales capabilities and optimize the portfolio,*** offset partially by a decline in revenue from higher margin merchants, as well as an increase of $30,836 or 4.2%, in our Digital Wallets segment due to growth in Digital Assets, as well as product initiatives.

* * *

• ***Paysafe has a strong global banking infrastructure—Paysafe leverages a network of nearly 100 commercial banks across 34 countries. We work with top tier institutions such as J.P. Morgan Chase, Bank of America, and BBVA, BMO and PNC as well as employ a network of regional and domestic banks*** across the Americas, the EMEA region, and Asia to augment our reach and serve our markets locally. In addition, nine large corporate and investment banks provide us with liquidity for our foreign exchange activities, with sizeable trading capacity.

21. The FY24 20-F provided the Company's alleged sufficient reserves for expected credit allowances and write-offs as follows, in relevant part:

Allowance for credit losses

The Company has exposure to credit losses for financial assets including customer accounts and other restricted cash, settlement receivables, accounts receivable, and financial guarantee contracts to the extent that a chargeback claim is made against the Company directly or to the Company's merchants on card purchases.

The following table summarizes the expected credit allowance activity for customer accounts and other restricted cash; settlement receivables, net; accounts receivable, net; and financial guarantee contracts and other, for the years ended December 31, 2024 and 2023, and 2022:

	Accounts receivable, net	Settlement receivables, net [2]	Financial guarantee contracts and other	Total allowance for credit losses
Balance at December 31, 2022	**$ 10,558**	**$ 5,398**	**$ 12,066**	**$ 28,022**
Credit loss expense	16,840	4,945	(693)	21,092
Write-offs	(21,966)	(5,009)	(67)	(27,042)
Other [1]	(192)	(137)	344	15
Balance at December 31, 2023	**$ 5,240**	**$ 5,197**	**$ 11,650**	**$ 22,087**
Credit loss expense	40,019	2,675	3,720	46,414
Recoveries	2,906	3,052	—	5,958
Write-offs	(40,143)	(6,230)	(4,220)	(50,593)
Other [1]	(28)	(612)	(28)	(668)
Balance at December 31, 2024	**$ 7,994**	**$ 4,082**	**$ 11,122**	**$ 23,198**

22. The FY24 20-F purported to warn of risks which "***could***" or "***may***" negatively impact the Company's financial results, including those related to its merchant categories, as following, in relevant part:

Our success depends on our relationships with banks, payment card networks, issuers and financial institutions.

* * *

card scheme operating rules: we are subject to the operating rules and regulations of card schemes such as Visa and Mastercard and changes to those operating rules and regulations could have a material adverse effect on our business. If a merchant or an independent sales organization ("ISO") fails to comply with the applicable requirements of the card associations and networks, we or the merchant or ISO could be subject to a variety of fines or penalties that may be levied by the card associations or networks. If we cannot collect or pursue collection of such amounts from the applicable merchant or ISO, we may have to bear the cost of such fines or penalties, resulting in lower earnings for us. ***Policy changes could impact the merchant category code assignments to our business which can in turn impact our acceptance and authorization rates as well as our banking provider risk appetite assessment and costs.*** Policy changes can also impact our ability to acquire card transactions on a cross-border basis in particular markets, for example depending on the merchant country of registration;

*   *   *

Our revenues from the sale of services to merchants that accept Visa cards and Mastercard cards are dependent on our continued financial institution sponsorship.

*   *   *

Our sponsor banks also provide or supplement authorization, funding and settlement services in connection with our bankcard processing services. If our sponsorship agreements are terminated and we are unable to secure another sponsor bank, we will not be able to process Visa, Mastercard or other card scheme transactions, which would have a material adverse effect on results of operations, financial conditions and future prospects. ***A change in underwriting, credit policies, credit risk or reputational risk appetite of our sponsor banks may impact appetite for volume and/or merchant categories***. Further, there is a long lead time to secure new sponsor banks, as described above under "—Our success depends on our relationships with banks, payment card networks, issuers and financial institutions—new banking relationships."

23. On May 13, 2025, Paysafe issued a press release announcing its financial condition and results of operations for the quarter ended March 31, 2025. The press release touted the Company's financial results and affirmed the Company's alleged full year 2025 financial guidance. Specifically the press release stated as follows, in relevant part:

First Quarter of 2025 Summary of Consolidated Results

($ in thousands) (unaudited)	Three Months Ended March 31, 2025		Three Months Ended March 31, 2024	
Revenue	$	401,000	$	417,738
Gross Profit (excluding depreciation and amortization)	$	226,819	$	247,365
Net (loss) / income	$	(19,472)	$	3,056
Adjusted EBITDA	$	95,170	$	111,916
Adjusted net income	$	20,913	$	35,306

* * *

Full Year 2025 Financial Guidance

($ in millions, except per share amounts) (unaudited)	Full Year 2025
Revenue	$1,710 - $1,734
Adjusted EBITDA	$463 - $478
Adjusted EPS	$2.21 - $2.51

24. On May 13, 2025, the Company submitted its Consolidated Financial Statements as of March 31, 2025, including Management's Discussion and Analysis of Financial Condition and Results of Operations for the period presented therein, on a Form 6-K filed with the SEC. The report affirmed the previously reported financial results, and further provided the Company's alleged sufficient reserves for expected credit allowances and write-offs as follows, in relevant part:

	For the three months ended March 31, 2025		For the three months ended March 31, 2024	
Revenue	$	401,000	$	417,738
Cost of services (excluding depreciation and amortization)		174,181		170,373
Selling, general and administrative		139,790		144,808
Depreciation and amortization		68,269		68,310
Impairment expense on goodwill and other assets		1,282		653
Restructuring and other costs		7,785		452
(Gain) / loss on disposal of subsidiaries and other assets, net		(626)		177
Operating income		**10,319**		**32,965**
Other income, net		823		12,355
Interest expense, net		(33,673)		(34,965)
(Loss) / income before taxes		**(22,531)**		**10,355**
Income tax (benefit) / expense		(3,059)		7,299
Net (loss) / income	**$**	**(19,472)**	**$**	**3,056**
Net (loss) / income per share – basic	$	(0.33)	$	0.05
Net (loss) / income per share – diluted	$	(0.33)	$	0.05
Net (loss) / income	**$**	**(19,472)**	**$**	**3,056**
Other comprehensive income, net of tax of $0:				
Gain / (loss) on foreign currency translation		4,076		(7,612)
Total comprehensive loss	**$**	**(15,396)**	**$**	**(4,556)**

* * *

Allowance for credit losses

The Company has exposure to credit losses for financial assets, including settlement receivables, accounts receivable, and financial guarantee contracts to the extent that a chargeback claim is made against the Company directly or to the Company's merchants on card purchases.

The following table summarizes the expected credit allowance activity for settlement receivables, net; accounts receivable, net; and financial guarantee contracts and other, for the three months ended March 31, 2025:

	Accounts receivable, net	Settlement receivables, net [2]	Financial guarantee contracts and other	Total allowance for current expected credit losses
Balance as of December 31, 2024	**$ 7,994**	**$ 4,082**	**$ 11,122**	**$ 23,198**
Credit loss expense	7,493	1,372	(2,450)	6,415
Recoveries	579	980	-	1,559
Write-Offs	(11,665)	(1,690)	(43)	(13,398)
Other [1]	34	76	93	203
Balance as of March 31, 2025	**$ 4,435**	**$ 4,820**	**$ 8,722**	**$ 17,977**

25. On August 12, 2025, Paysafe issued a press release announcing its financial condition and results of operations for the quarter ended June 30, 2025. The press release touted the Company's financial results, and affirmed the Company's purported full year 2025 financial guidance. Specifically the press release stated as follows, in relevant part:

Second Quarter of 2025 Summary of Consolidated Results

	Three Months Ended June 30,		Six Months Ended June 30,	
($ in thousands) (unaudited)	2025	2024	2025	2024
Revenue	$ 428,218	$ 439,924	$ 829,218	$ 857,662
Gross Profit (excluding depreciation and amortization)	$ 238,038	$ 256,099	$ 464,857	$ 503,464
Net (loss) / income	$ (50,132)	$ (1,430)	$ (69,604)	$ 1,626
Adjusted EBITDA	$ 104,997	$ 119,006	$ 200,167	$ 230,922
Adjusted net income	$ 27,631	$ 36,279	$ 48,544	$ 71,585

* * *

Full Year 2025 Financial Guidance

($ in millions, except per share amounts) (unaudited)	Full Year 2025
Revenue	$1,710 - $1,734
Adjusted EBITDA	$463 - $478
Adjusted EPS	$2.21 - $2.51

26. On August 14, 2025, the Company submitted its Consolidated Financial Statements as of June 30, 2025, including Management's Discussion and Analysis of Financial Condition and

Results of Operations for the period presented therein, on a Form 6-K filed with the SEC. The report affirmed the previously reported financial results and further provided the Company's alleged sufficient reserves for expected credit allowances and write-offs as follows, in relevant part:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Revenue	$ 428,218	$ 439,924	$ 829,218	$ 857,662
Cost of services (excluding depreciation and amortization)	190,180	183,825	364,361	354,198
Selling, general and administrative	143,816	150,059	283,606	294,867
Depreciation and amortization	67,582	68,630	135,851	136,940
Impairment expense on goodwill and other assets	13	23	1,295	676
Restructuring and other costs	5,897	728	13,682	1,180
Loss / (gain) on disposal of subsidiaries and other assets, net	176	144	(450)	321
Operating income	**20,554**	**36,515**	**30,873**	**69,480**
Other (expense) / income, net	(6,714)	4,397	(5,891)	16,752
Interest expense, net	(34,549)	(37,135)	(68,222)	(72,100)
(Loss) / income before taxes	**(20,709)**	**3,777**	**(43,240)**	**14,132**
Income tax expense	29,423	5,207	26,364	12,506
Net (loss) / income	**$ (50,132)**	**$ (1,430)**	**$ (69,604)**	**$ 1,626**
Net (loss) / income per share – basic	$ (0.85)	$ (0.02)	$ (1.17)	$ 0.03
Net (loss) / income per share – diluted	$ (0.85)	$ (0.02)	$ (1.17)	$ 0.03
Net (loss) / income	**$ (50,132)**	**$ (1,430)**	**$ (69,604)**	**$ 1,626**
Other comprehensive income, net of tax of $0:				
Gain / (loss) on foreign currency translation	14,655	(6,055)	18,731	(13,667)
Total comprehensive loss	**$ (35,477)**	**$ (7,485)**	**$ (50,873)**	**$ (12,041)**

* * *

Allowance for credit losses

The Company has exposure to credit losses for financial assets, including settlement receivables, accounts receivable, and financial guarantee contracts to the extent that a chargeback claim is made against the Company directly or to the Company's merchants on card purchases.

The following table summarizes the expected credit allowance activity for settlement receivables, net; accounts receivable, net; and financial guarantee contracts and other, for the six months ended June 30, 2025:

	Accounts receivable, net	Settlement receivables, net [(2)]	Financial guarantee contracts and other	Total allowance for current expected credit losses
Balance as of December 31, 2024	**$ 7,994**	**$ 4,082**	**$ 11,122**	**$ 23,198**
Credit loss expense	12,975	2,660	(1,545)	14,090
Recoveries	1,064	2,397	-	3,461
Write-Offs	(18,056)	(4,306)	(43)	(22,405)
Other [(1)]	101	87	101	289
Balance as of June 30, 2025	**$ 4,078**	**$ 4,920**	**$ 9,635**	**$ 18,633**

27. The above statements identified in ¶¶19-26 were materially false and/or misleading, and failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, Defendants failed to disclose to investors: (1) Paysafe's ecommerce business had significant exposure to a single high risk client; (2) as a result, the Company's credit loss reserves and/or write-offs were understated; (3) Paysafe had an undisclosed issue with higher risk Merchant Category Codes, making its client services difficult to bank; (4) the foregoing issues were likely to have a material negative impact on the Company's revenue growth and overall revenue mix; (5) as a result, Paysafe was unlikely to meet its own previously issued financial guidance for fiscal year 2025; and (6) that, as a result of the foregoing, Defendants' positive statements about the Company's business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

Disclosures at the End of the Class Period

28. On November 13, 2025, before the market opened, Paysafe issued a press release announcing its financial condition and results of operations for the quarter ended September 30, 2025. The press release revealed the Company's third quarter financial results, including revenue of $433.8 million, which missed consensus estimates by $5.8 million. The press release further revealed a net loss of $87.7 million, a steep drop from the prior year period where the Company's net loss was $12.98 million. The press release further slashed the Company's guidance, cutting full year 2025 expected revenue $17 million at the midpoint and adjusted EPS $0.50 at the midpoint. Specifically, the press release stated as follows, in relevant part:

> **Third Quarter 2025 Summary**
>
> *(compared to the third quarter of 2024, unless noted)*
>
> • Revenue of $433.8m, net loss of $87.7m or ($1.52) per diluted share
> • Organic revenue increased 6%
> • Adjusted net income of $40.3m and $0.70 per diluted share, an increase of 37%

• Adjusted EBITDA of $126.6m, an increase of 7%

* * *

($ in thousands)	Three Months Ended September 30, 2025		Three Months Ended September 30, 2024	
Revenue	$	433,815	$	427,103
Cost of services (excluding depreciation and amortization)		183,045		178,099
Selling, general and administrative		130,065		143,907
Depreciation and amortization		68,771		70,088
Impairment expense on goodwill and other assets		—		119
Restructuring and other costs		12,738		340
Loss / (gain) on disposal of subsidiaries and other assets, net		196		187
Operating income		**39,000**		**34,363**
Other (expense) / income, net		(608)		(14,742)
Interest expense, net		(34,141)		(35,546)
Income / (loss) before taxes		**4,251**		**(15,925)**
Income tax expense / (benefit)		91,926		(2,948)
Net loss	**$**	**(87,675)**	**$**	**(12,977)**
Net loss per share – basic	$	(1.52)	$	(0.21)
Net loss per share – diluted	$	(1.52)	$	(0.21)
Net loss	**$**	**(87,675)**	**$**	**(12,977)**
Other comprehensive income / (loss), net of tax of $0:				
Gain on foreign currency translation		1,477		18,108
Total comprehensive (loss) / income	**$**	**(86,198)**	**$**	**5,131**

* * *

Full Year 2025 Financial Guidance

($ in millions, except per share amounts) (unaudited)	Full Year 2025 Prior	Full Year 2025 Updated
Revenue	$1,710 - $1,734	$1,700 - $1,710
Adjusted EBITDA	$463 - $478	$425 - $430
Adjusted EPS	$2.21 - $2.51	$1.83 - $1.88

29. On the same date, the Company filed its Condensed Consolidated Financial Statements as of September 30, 2025 on a Form 6-K with the SEC. The report revealed that the Company's credit loss expense for the three months ended September 30, 2025 was $13,220 "primarily [as] the result of a specific provision for expected chargebacks related to an individual merchant in the Merchant Solutions segment." The report further revealed write-offs for the three months ended September 30, 2025 was $9,924 "driven by the write off of irrecoverable amounts receivable in the Merchant Solutions segment." Specifically, the report stated as follows, in relevant part:

Allowance for credit losses

The Company has exposure to credit losses for financial assets, including settlement receivables, accounts receivable, and financial guarantee contracts to the extent that a chargeback claim is made against the Company directly or to the Company's merchants on card purchases.

The following table summarizes the expected credit allowance activity for settlement receivables, net; accounts receivable, net; and financial guarantee contracts and other, for the nine months ended September 30, 2025:

	Accounts receivable, net	Settlement receivables, net (2)	Financial guarantee contracts and other	Total allowance for current expected credit losses
Balance as of December 31, 2024	**$ 7,994**	**$ 4,082**	**$ 11,122**	**$ 23,198**
Credit loss expense	20,381	5,138	1,791	27,310
Recoveries	1,473	3,462	-	4,935
Write-Offs	(25,065)	(7,089)	(175)	(32,329)
Other (1)	92	(158)	135	69
Balance as of September 30, 2025	**$ 4,875**	**$ 5,435**	**$ 12,873**	**$ 23,183**

* * *

Credit loss expense for the three months ended September 30, 2025 and 2024 was $13,220 and $8,961, respectively, and for the nine months ended September 30, 2025 and 2024 was $27,310 and $23,687, respectively. The increase in credit loss expense from the three and nine months ended September 30, 2024 to the three and nine months ended September 30, 2025 was ***primarily the result of a specific provision for expected chargebacks related to an individual merchant in the Merchant Solutions segment***, offset partially by a decrease caused by a lower volume of transactions in the Merchant Solutions segment following the disposal of the direct marketing payment processing business line (Note 10). ***Write-offs for the three months ended September 30, 2025 and 2024 were $9,924*** and $8,446, respectively, and for the nine months ended September 30, 2025 and 2024 were $32,329 and $28,471, respectively. ***The increase was driven by the write off of irrecoverable amounts receivable in the Merchant Solutions segment.***

30. Finally, on the same date, the Company held an earnings call pursuant to these results. During the earnings call, the Company's CEO, Defendant Lowthers, revealed the Company "***had a last-minute client that had to shut down that caused several million-dollar write-down in Q3.***" Lowthers further revealed the Company is "***in kind of a lower-tier market, a lot of kind of travel or things that are more higher risk MCC codes***." Lowthers explained "those things sometimes are a little difficult to bank" and "sometimes the banks aren't open to the additional

risk" "***so, we've had a little bit of challenge with that with some of those MCC codes,*** and we're working our way through that." Specifically, during the earnings call, the following was stated, in relevant part:

> **Bruce Lowthers**
>
> Yes. So on the -- you're absolutely right. So I want to be very clear, the e-com iGaming piece is still rocking along north of 50% growth rate. It's really the noncore piece. And candidly, coming into even the last day of the quarter, we thought we were rocking along pretty well. ***We had a last-minute client that had to shut down that caused several million-dollar write-down in Q3***. So that business is one that is a little more interesting than the iGaming, the e-com core business. So this is -- for us, ***we're in kind of a lower-tier market, a lot of kind of travel or things that are more higher risk MCC codes. And so those things sometimes are a little difficult to bank. Even if you have existing clients that are with the bank as they try to expand, sometimes the banks aren't open to the additional risk and then you've got to find other places for them to bank. And so, we've had a little bit of challenge with that with some of those MCC codes, and we're working our way through that.*** The nice part is we continue to sell the deals. We've now got to figure out how to keep the deals once they start ramping up.

31. On this news, Paysafe's stock price fell $2.80, or 27.6%, to close at $7.36 per share on November 13, 2025, on unusually heavy trading volume.

CLASS ACTION ALLEGATIONS

32. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a class, consisting of all persons and entities that purchased or otherwise acquired Paysafe securities between March 4, 2025 and November 12, 2025, inclusive, and who were damaged thereby (the "Class"). Excluded from the Class are Defendants, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors, or assigns, and any entity in which Defendants have or had a controlling interest.

33. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Paysafe's shares actively traded on the NYSE. While

the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff believes that there are at least hundreds or thousands of members in the proposed Class. Millions of Paysafe shares were traded publicly during the Class Period on the NYSE. Record owners and other members of the Class may be identified from records maintained by Paysafe or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

34. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of federal law that is complained of herein.

35. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation.

36. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

(a) whether the federal securities laws were violated by Defendants' acts as alleged herein;

(b) whether statements made by Defendants to the investing public during the Class Period omitted and/or misrepresented material facts about the business, operations, and prospects of Paysafe; and

(c) to what extent the members of the Class have sustained damages and the proper measure of damages.

37. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the

damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation makes it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

UNDISCLOSED ADVERSE FACTS

38. The market for Paysafe's securities was open, well-developed and efficient at all relevant times. As a result of these materially false and/or misleading statements, and/or failures to disclose, Paysafe's securities traded at artificially inflated prices during the Class Period. Plaintiff and other members of the Class purchased or otherwise acquired Paysafe's securities relying upon the integrity of the market price of the Company's securities and market information relating to Paysafe, and have been damaged thereby.

39. During the Class Period, Defendants materially misled the investing public, thereby inflating the price of Paysafe's securities, by publicly issuing false and/or misleading statements and/or omitting to disclose material facts necessary to make Defendants' statements, as set forth herein, not false and/or misleading. The statements and omissions were materially false and/or misleading because they failed to disclose material adverse information and/or misrepresented the truth about Paysafe's business, operations, and prospects as alleged herein.

40. At all relevant times, the material misrepresentations and omissions particularized in this Complaint directly or proximately caused or were a substantial contributing cause of the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false and/or misleading statements about Paysafe's financial well-being and prospects. These material misstatements and/or omissions had the cause and effect of creating in the market an unrealistically positive assessment of the Company and its financial well-being and prospects, thus causing the Company's securities to be overvalued and artificially inflated at all relevant times. Defendants' materially

false and/or misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities at artificially inflated prices, thus causing the damages complained of herein when the truth was revealed.

LOSS CAUSATION

41. Defendants' wrongful conduct, as alleged herein, directly and proximately caused the economic loss suffered by Plaintiff and the Class.

42. During the Class Period, Plaintiff and the Class purchased Paysafe's securities at artificially inflated prices and were damaged thereby. The price of the Company's securities significantly declined when the misrepresentations made to the market, and/or the information alleged herein to have been concealed from the market, and/or the effects thereof, were revealed, causing investors' losses.

SCIENTER ALLEGATIONS

43. As alleged herein, Defendants acted with scienter since Defendants knew that the public documents and statements issued or disseminated in the name of the Company were materially false and/or misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the federal securities laws. As set forth elsewhere herein in detail, the Individual Defendants, by virtue of their receipt of information reflecting the true facts regarding Paysafe, their control over, and/or receipt and/or modification of Paysafe's allegedly materially misleading misstatements and/or their associations with the Company which made them privy to confidential proprietary information concerning Paysafe, participated in the fraudulent scheme alleged herein.

APPLICABILITY OF PRESUMPTION OF RELIANCE

(FRAUD-ON-THE-MARKET DOCTRINE)

44. The market for Paysafe's securities was open, well-developed and efficient at all relevant times. As a result of the materially false and/or misleading statements and/or failures to disclose, Paysafe's securities traded at artificially inflated prices during the Class Period. On March 24, 2025 the Company's share price closed at a Class Period high of $17.93 per share. Plaintiff and other members of the Class purchased or otherwise acquired the Company's securities relying upon the integrity of the market price of Paysafe's securities and market information relating to Paysafe, and have been damaged thereby.

45. During the Class Period, the artificial inflation of Paysafe's shares was caused by the material misrepresentations and/or omissions particularized in this Complaint causing the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false and/or misleading statements about Paysafe's business, prospects, and operations. These material misstatements and/or omissions created an unrealistically positive assessment of Paysafe and its business, operations, and prospects, thus causing the price of the Company's securities to be artificially inflated at all relevant times, and when disclosed, negatively affected the value of the Company shares. Defendants' materially false and/or misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities at such artificially inflated prices, and each of them has been damaged as a result.

46. At all relevant times, the market for Paysafe's securities was an efficient market for the following reasons, among others:

(a) Paysafe shares met the requirements for listing, and was listed and actively traded on the NYSE, a highly efficient and automated market;

(b) As a regulated issuer, Paysafe filed periodic public reports with the SEC and/or the NYSE;

(c) Paysafe regularly communicated with public investors via established market communication mechanisms, including through regular dissemination of press releases on the national circuits of major newswire services and through other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services; and/or

(d) Paysafe was followed by securities analysts employed by brokerage firms who wrote reports about the Company, and these reports were distributed to the sales force and certain customers of their respective brokerage firms. Each of these reports was publicly available and entered the public marketplace.

47. As a result of the foregoing, the market for Paysafe's securities promptly digested current information regarding Paysafe from all publicly available sources and reflected such information in Paysafe's share price. Under these circumstances, all purchasers of Paysafe's securities during the Class Period suffered similar injury through their purchase of Paysafe's securities at artificially inflated prices and a presumption of reliance applies.

48. A Class-wide presumption of reliance is also appropriate in this action under the Supreme Court's holding in *Affiliated Ute Citizens of Utah v. United States*, 406 U.S. 128 (1972), because the Class's claims are, in large part, grounded on Defendants' material misstatements and/or omissions. Because this action involves Defendants' failure to disclose material adverse information regarding the Company's business operations and financial prospects—information that Defendants were obligated to disclose—positive proof of reliance is not a prerequisite to recovery. All that is necessary is that the facts withheld be material in the sense that a reasonable investor might have considered them important in making investment decisions. Given the

importance of the Class Period material misstatements and omissions set forth above, that requirement is satisfied here.

NO SAFE HARBOR

49. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this Complaint. The statements alleged to be false and misleading herein all relate to then-existing facts and conditions. In addition, to the extent certain of the statements alleged to be false may be characterized as forward looking, they were not identified as "forward-looking statements" when made and there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. In the alternative, to the extent that the statutory safe harbor is determined to apply to any forward-looking statements pleaded herein, Defendants are liable for those false forward-looking statements because at the time each of those forward-looking statements was made, the speaker had actual knowledge that the forward-looking statement was materially false or misleading, and/or the forward-looking statement was authorized or approved by an executive officer of Paysafe who knew that the statement was false when made.

FIRST CLAIM

Violation of Section 10(b) of The Exchange Act and

Rule 10b-5 Promulgated Thereunder

Against All Defendants

50. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

51. During the Class Period, Defendants carried out a plan, scheme and course of conduct which was intended to and, throughout the Class Period, did: (i) deceive the investing

public, including Plaintiff and other Class members, as alleged herein; and (ii) cause Plaintiff and other members of the Class to purchase Paysafe's securities at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, Defendants, and each defendant, took the actions set forth herein.

52. Defendants (i) employed devices, schemes, and artifices to defraud; (ii) made untrue statements of material fact and/or omitted to state material facts necessary to make the statements not misleading; and (iii) engaged in acts, practices, and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities in an effort to maintain artificially high market prices for Paysafe's securities in violation of Section 10(b) of the Exchange Act and Rule 10b-5. All Defendants are sued either as primary participants in the wrongful and illegal conduct charged herein or as controlling persons as alleged below.

53. Defendants, individually and in concert, directly and indirectly, by the use, means or instrumentalities of interstate commerce and/or of the mails, engaged and participated in a continuous course of conduct to conceal adverse material information about Paysafe's financial well-being and prospects, as specified herein.

54. Defendants employed devices, schemes and artifices to defraud, while in possession of material adverse non-public information and engaged in acts, practices, and a course of conduct as alleged herein in an effort to assure investors of Paysafe's value and performance and continued substantial growth, which included the making of, or the participation in the making of, untrue statements of material facts and/or omitting to state material facts necessary in order to make the statements made about Paysafe and its business operations and future prospects in light of the circumstances under which they were made, not misleading, as set forth more particularly

herein, and engaged in transactions, practices and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities during the Class Period.

55. Each of the Individual Defendants' primary liability and controlling person liability arises from the following facts: (i) the Individual Defendants were high-level executives and/or directors at the Company during the Class Period and members of the Company's management team or had control thereof; (ii) each of these defendants, by virtue of their responsibilities and activities as a senior officer and/or director of the Company, was privy to and participated in the creation, development and reporting of the Company's internal budgets, plans, projections and/or reports; (iii) each of these defendants enjoyed significant personal contact and familiarity with the other defendants and was advised of, and had access to, other members of the Company's management team, internal reports and other data and information about the Company's finances, operations, and sales at all relevant times; and (iv) each of these defendants was aware of the Company's dissemination of information to the investing public which they knew and/or recklessly disregarded was materially false and misleading.

56. Defendants had actual knowledge of the misrepresentations and/or omissions of material facts set forth herein, or acted with reckless disregard for the truth in that they failed to ascertain and to disclose such facts, even though such facts were available to them. Such defendants' material misrepresentations and/or omissions were done knowingly or recklessly and for the purpose and effect of concealing Paysafe's financial well-being and prospects from the investing public and supporting the artificially inflated price of its securities. As demonstrated by Defendants' overstatements and/or misstatements of the Company's business, operations, financial well-being, and prospects throughout the Class Period, Defendants, if they did not have actual knowledge of the misrepresentations and/or omissions alleged, were reckless in failing to obtain

such knowledge by deliberately refraining from taking those steps necessary to discover whether those statements were false or misleading.

57. As a result of the dissemination of the materially false and/or misleading information and/or failure to disclose material facts, as set forth above, the market price of Paysafe's securities was artificially inflated during the Class Period. In ignorance of the fact that market prices of the Company's securities were artificially inflated, and relying directly or indirectly on the false and misleading statements made by Defendants, or upon the integrity of the market in which the securities trades, and/or in the absence of material adverse information that was known to or recklessly disregarded by Defendants, but not disclosed in public statements by Defendants during the Class Period, Plaintiff and the other members of the Class acquired Paysafe's securities during the Class Period at artificially high prices and were damaged thereby.

58. At the time of said misrepresentations and/or omissions, Plaintiff and other members of the Class were ignorant of their falsity, and believed them to be true. Had Plaintiff and the other members of the Class and the marketplace known the truth regarding the problems that Paysafe was experiencing, which were not disclosed by Defendants, Plaintiff and other members of the Class would not have purchased or otherwise acquired their Paysafe securities, or, if they had acquired such securities during the Class Period, they would not have done so at the artificially inflated prices which they paid.

59. By virtue of the foregoing, Defendants violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

60. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their respective purchases and sales of the Company's securities during the Class Period.

<u>**SECOND CLAIM**</u>

Violation of Section 20(a) of The Exchange Act

<u>**Against the Individual Defendants**</u>

61. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

62. Individual Defendants acted as controlling persons of Paysafe within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions and their ownership and contractual rights, participation in, and/or awareness of the Company's operations and intimate knowledge of the false financial statements filed by the Company with the SEC and disseminated to the investing public, Individual Defendants had the power to influence and control and did influence and control, directly or indirectly, the decision-making of the Company, including the content and dissemination of the various statements which Plaintiff contends are false and misleading. Individual Defendants were provided with or had unlimited access to copies of the Company's reports, press releases, public filings, and other statements alleged by Plaintiff to be misleading prior to and/or shortly after these statements were issued and had the ability to prevent the issuance of the statements or cause the statements to be corrected.

63. In particular, Individual Defendants had direct and supervisory involvement in the day-to-day operations of the Company and, therefore, had the power to control or influence the particular transactions giving rise to the securities violations as alleged herein, and exercised the same.

64. As set forth above, Paysafe and Individual Defendants each violated Section 10(b) and Rule 10b-5 by their acts and omissions as alleged in this Complaint. By virtue of their position as controlling persons, Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and other members

of the Class suffered damages in connection with their purchases of the Company's securities during the Class Period.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for relief and judgment, as follows:

(a) Determining that this action is a proper class action under Rule 23 of the Federal Rules of Civil Procedure;

(b) Awarding compensatory damages in favor of Plaintiff and the other Class members against all defendants, jointly and severally, for all damages sustained as a result of Defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;

(c) Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and

(d) Such other and further relief as the Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.