



3Q 2023 Earnings Supplement

Nasdaq: PAYO

November 8, 2023

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Non-GAAP Financial Measures

Some of the financial information and data contained in this presentation, such as adjusted EBITDA, have not been prepared in accordance with United States generally accepted accounting principles (“GAAP”). Payoneer uses these non-GAAP measures to compare Payoneer’s performance to that of prior periods for budgeting and planning purposes. Payoneer believes these non-GAAP measures of financial results provide useful information to management and investors regarding certain financial and business trends relating to Payoneer’s results of operations. Payoneer’s method of determining these non-GAAP measures may be different from other companies’ methods and, therefore, may not be comparable to those used by other companies and Payoneer does not recommend the sole use of these non-GAAP measures to assess its financial performance. Payoneer management does not consider these non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with GAAP. The principal limitation of these non-GAAP financial measures is that they exclude significant expenses and income that are required by GAAP to be recorded in Payoneer’s financial statements. In addition, they are subject to inherent limitations as they reflect the exercise of judgments by management about which expense and income are excluded or included in determining these non-GAAP financial measures. In order to compensate for these limitations, management presents non-GAAP financial measures in connection with GAAP results. You should review Payoneer’s financial statements, which are included in Payoneer’s Annual Report on Form 10-K for the year ended December 31, 2022 and its subsequent Quarterly Reports on Form 10-Q, and not rely on any single financial measure to evaluate Payoneer’s business.

Non-GAAP measures include the following item:

Adjusted EBITDA: We provide adjusted EBITDA, a non-GAAP financial measure that represents our net income (loss) adjusted to exclude: M&A related expense (income), stock-based compensation expenses, restructuring expenses, share in losses (gain) of associated company, gain from change in fair value of warrants, other financial expense (income), net, taxes on income, and depreciation and amortization.

Other companies may calculate the above measure differently, and therefore Payoneer’s measures may not be directly comparable to similarly titled measures of other companies.

See the appendix of this presentation for a reconciliation of the historic measures to Payoneer’s most comparable GAAP financial measures.

In addition, guidance for fiscal year, where adjusted, is provided on a non-GAAP basis, which Payoneer will continue to identify as it reports its future financial results. The Company cannot reconcile its expected adjusted EBITDA to expected net income under “2023 Guidance” without unreasonable effort because certain items that impact net income and other reconciling metrics are out of the Company’s control and/or cannot be reasonably predicted at this time, which unavailable information could have a significant impact on the Company’s GAAP financial results.

Industry and Market Data

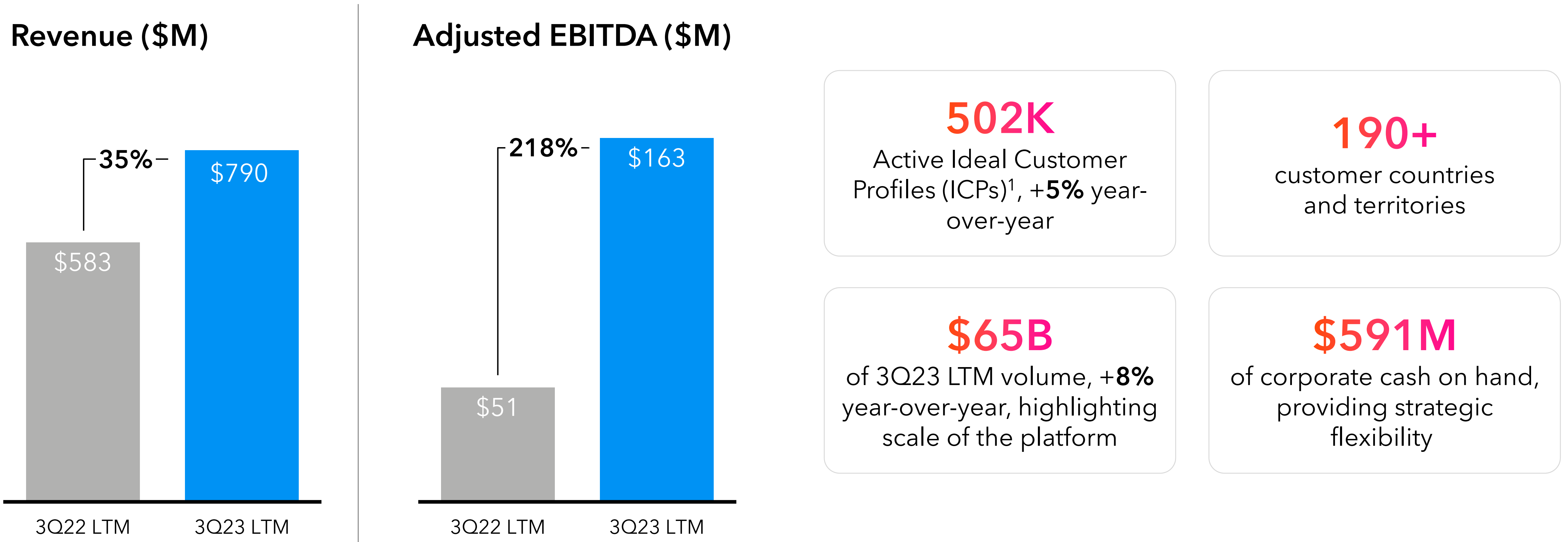
In this presentation, Payoneer relies on and refers to certain information and statistics obtained from third-party sources which it believes to be reliable, including reports by market research firms. Payoneer has not independently verified the accuracy or completeness of any such third-party information.

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Payoneer's mission:

**Connect the world's underserved
businesses to a rising, global economy**

Payoneer at a glance: strong growth and increasing profitability



Data as of 9/30/23. Please refer to the appendix of this presentation for the reconciliation from net income (loss) to adjusted EBITDA. Note: LTM represents the last twelve months for the period through 9/30/22 and 9/30/23, respectively.
1. Active ICPs are defined as customers with a Payoneer Account that have on average over \$500 a month in volume and were active over the trailing twelve-month period.

Global expansion is essential for today's SMBs but transacting across borders is complex



Can't get paid

Why does international money transfer take 3-4 business days?

Why am I paying 5% - 8% in "banking fees" when working internationally?



Can't pay

How can I use my card for global advertising without it being rejected?



Can't get capital

Why don't local lenders underwrite international businesses?





80M underserved SMBs

Need cross-border,
B2B financial solutions
designed for small
businesses



Global banks
Underserve small businesses



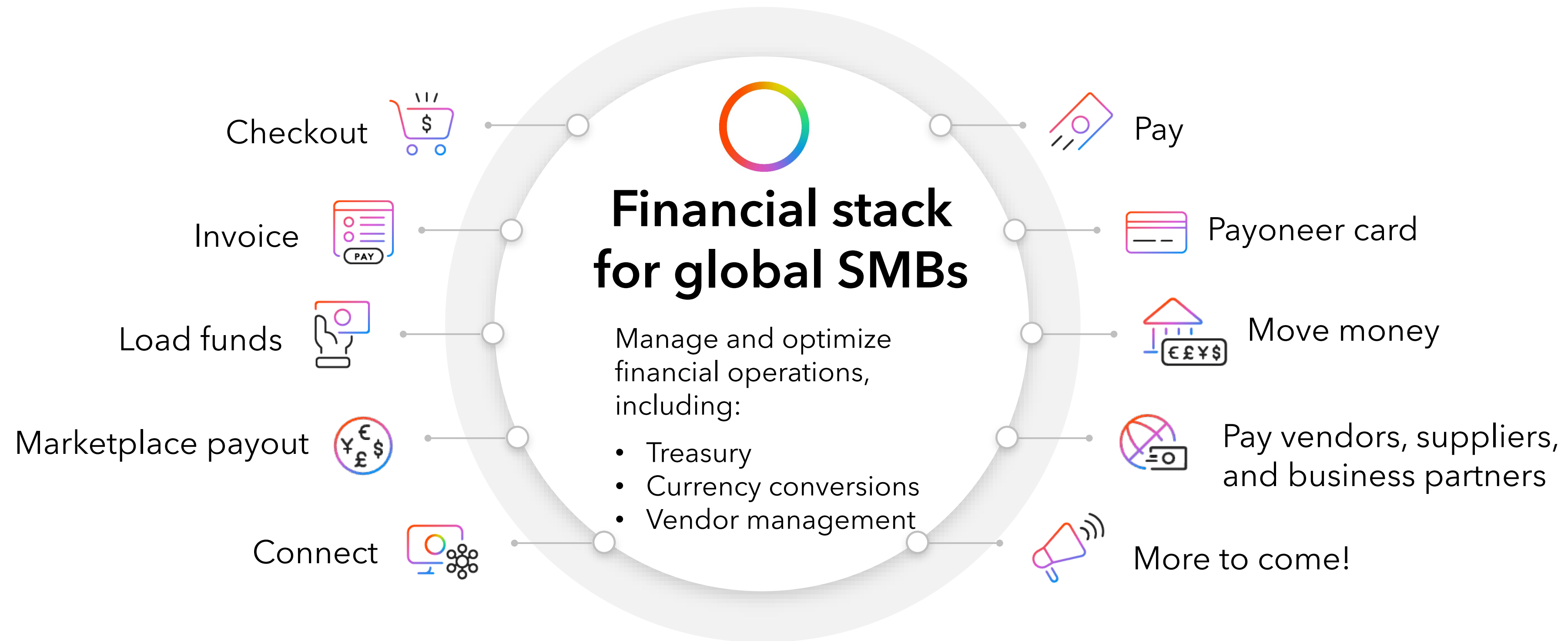
Fintech
Primarily for P2P, and
with limited geographies



Local banks
Underserve cross-border needs

Source: McKinsey.

Payoneer is the multi-currency financial stack optimized for the global SMB



Ease

All-in-one

Trust

Connection

We have unique assets and infrastructure...

Scaled platform

- Financial services institution regulated across key markets, including US, Europe, Hong Kong, Japan, Australia, Singapore, UK
- Ability to onboard customers from 190+ countries and territories
- 100+ banking providers and payment service providers (PSPs)
- Partnership with major global marketplaces

Localized experience

- Virtual account so customers are always local, no matter where they are and who they do business with
- Smart routing system that enables global payments in the most economical way possible
- Same day & real time settlement with highest reliability in 150+ countries
- 500+ customer success managers in 36 countries, speaking 40 languages

Strong brand

- ~2M active customers, including 502K active Ideal Customer Profiles (ICPs)¹
- \$5.4B in customer balances
- Global awareness level among digital payment providers second only to PayPal²

Note: Data as of 9/30/23.

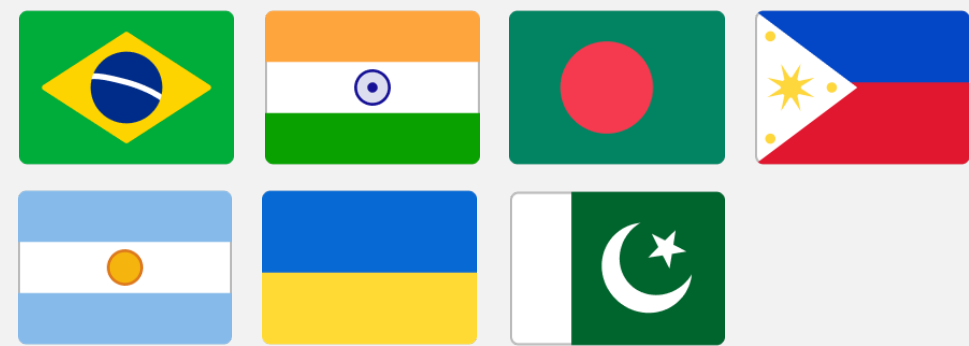
1. Active ICPs are defined as customers with a Payoneer Account that have on average over \$500 a month in volume and were active over the trailing twelve-month period.

2. Source: Payoneer Global Brand Tracker, 2022.

...and serve diverse customer types and use cases



Contractors and freelancers



Contractors and freelancers paid by **marketplaces** (Upwork, Fiverr) and **direct clients**

Top-3 global player



Consumer goods sellers

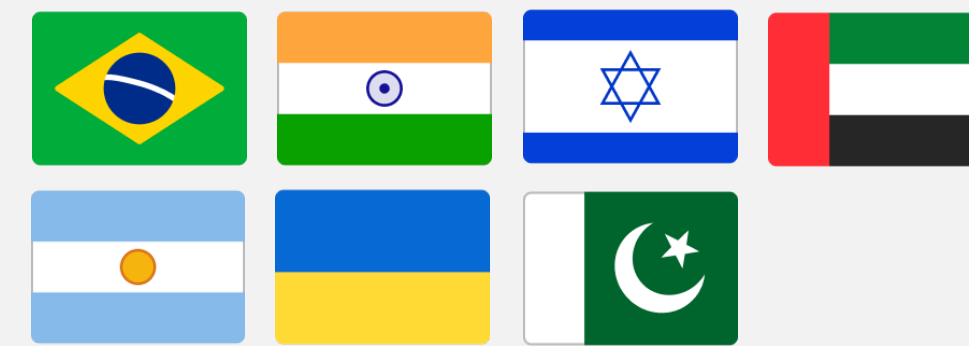


B2C sellers selling on **marketplaces** (Amazon, eBay, etc.) and **DTC stores**

The #1 global leader



Service providers

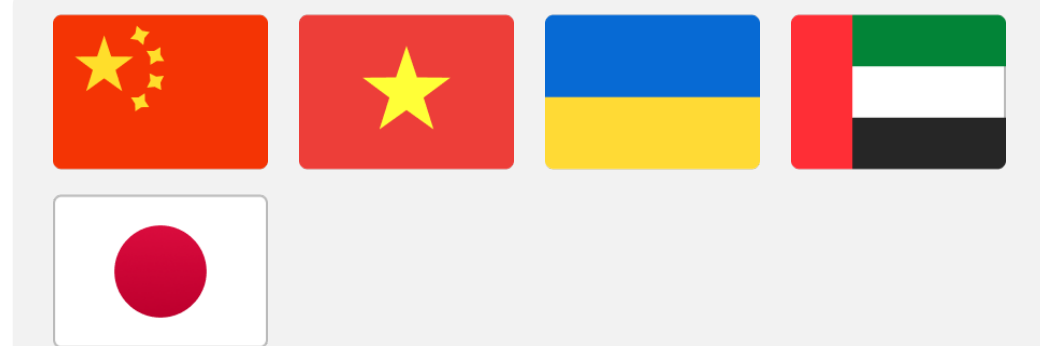


Service SMBs in IT, business process outsourcing, etc.

Early stages (<1% volume market share), clear product market fit in key markets



Goods traders and manufacturers



SMB exporters of electronics, auto-parts, textiles, agriculture, etc.

Initial signs of potential value and product market fit

Source: McKinsey. Industry data and Payoneer volume market share as of 2022.

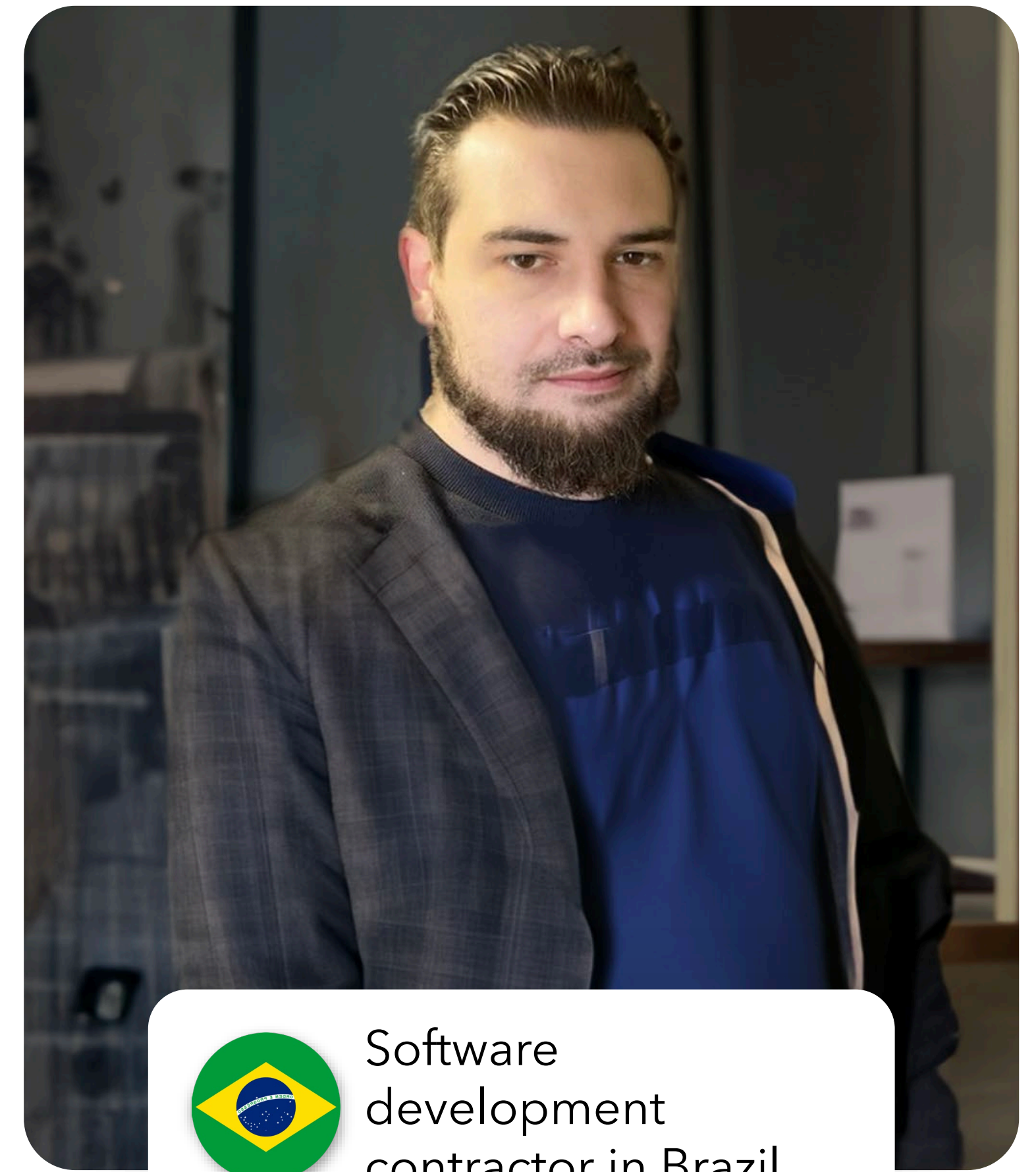
Payoneer helps SMBs in the fastest growing markets do business globally



Producer and seller of 3D printers in China

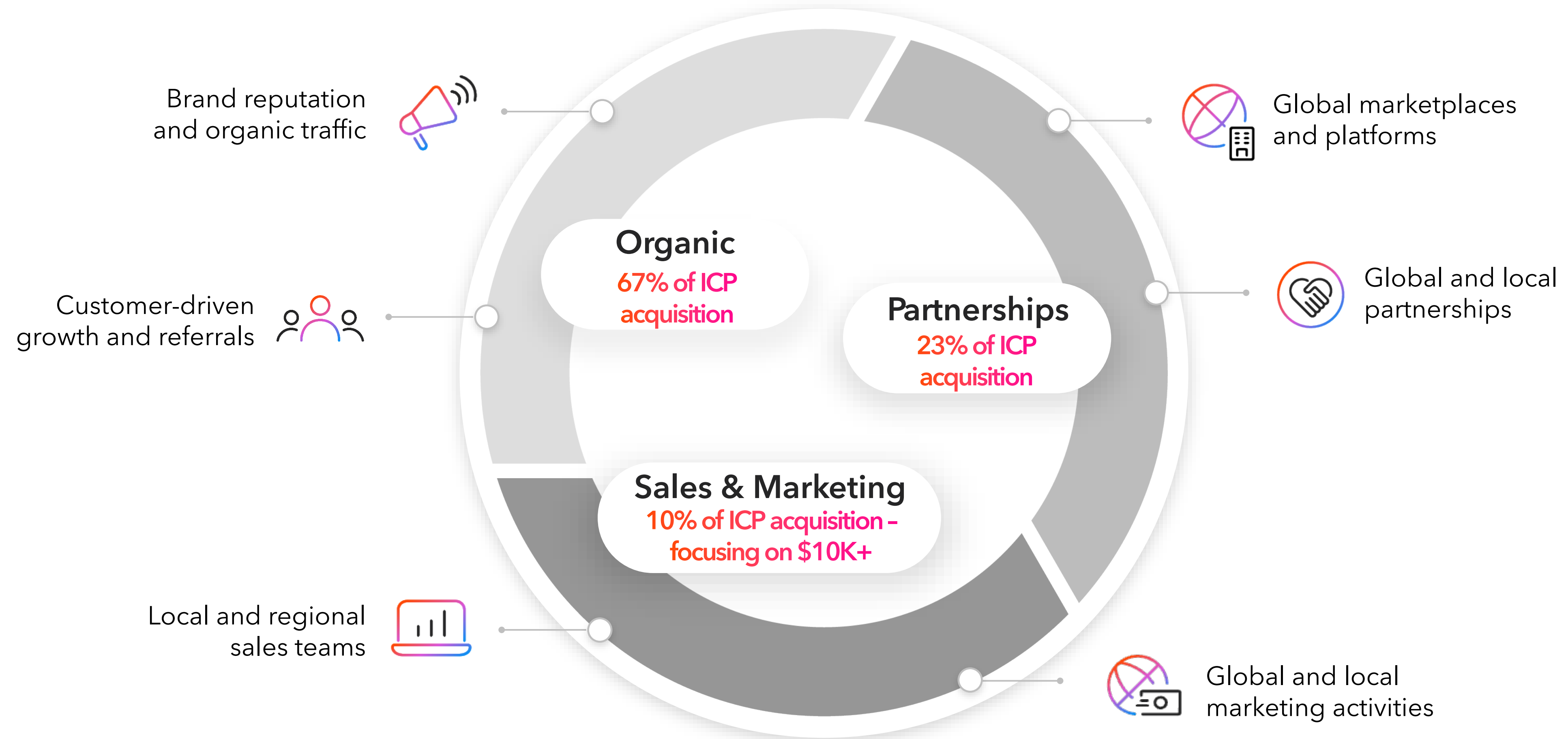


Business process outsourcing in the Philippines



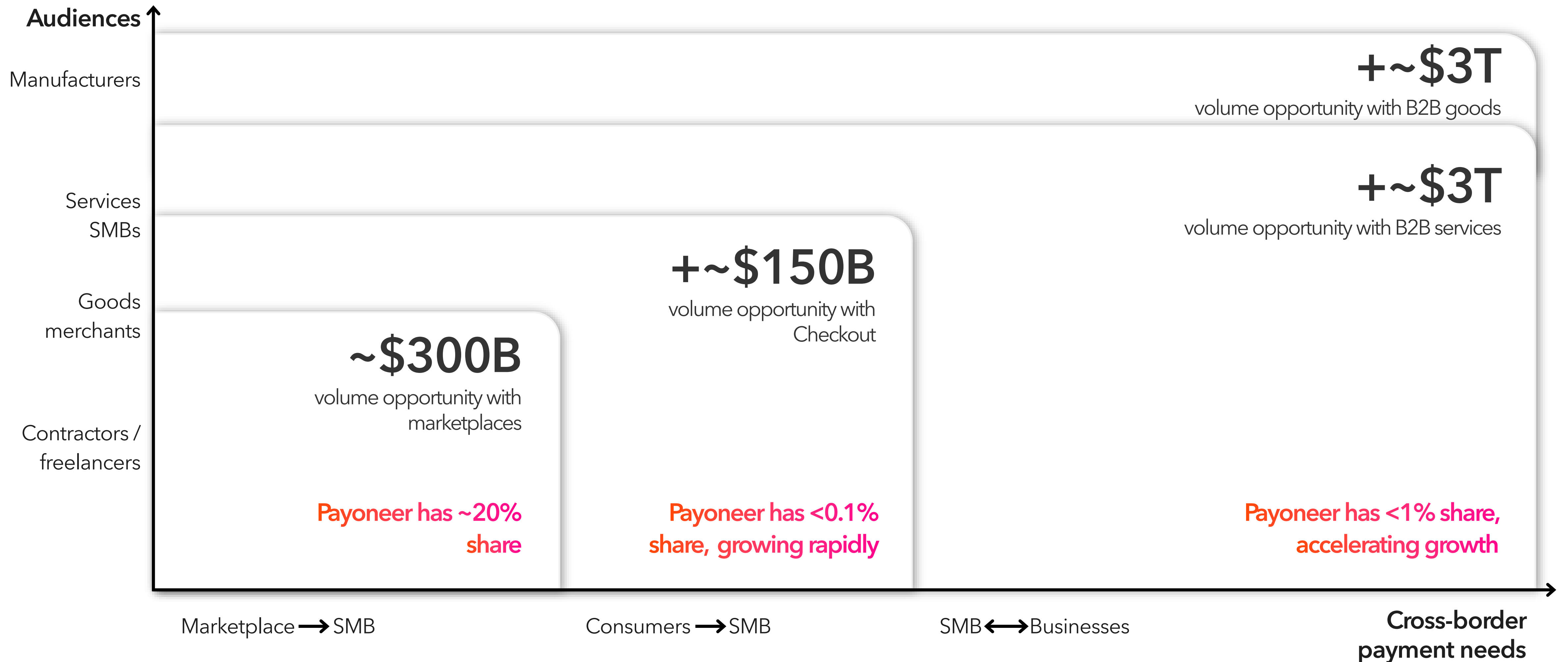
Software development contractor in Brazil

Our efficient, effective acquisition and growth engine



Note: % of ICP acquisition represents 7/1/22-6/30/23.

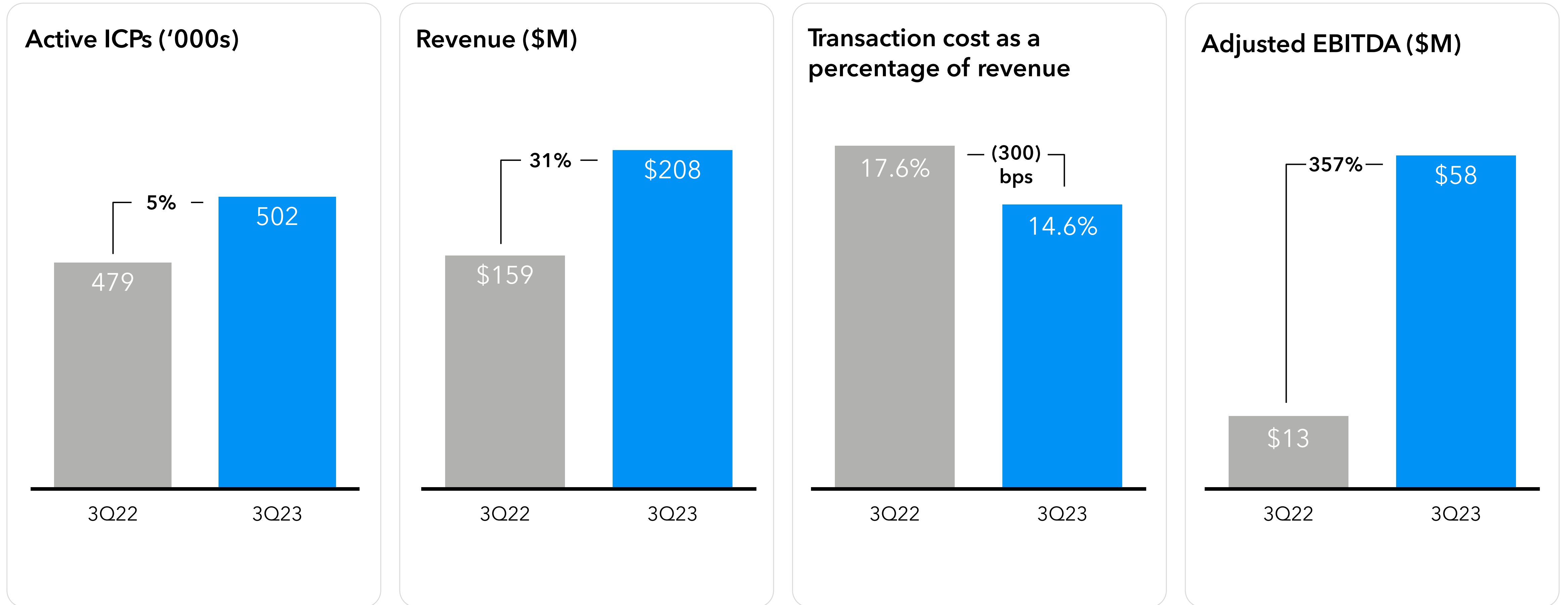
We are pursuing a \$6 trillion opportunity



Source: McKinsey. Industry data and Payoneer volume market share as of 2022.

3Q 2023 business and financial highlights

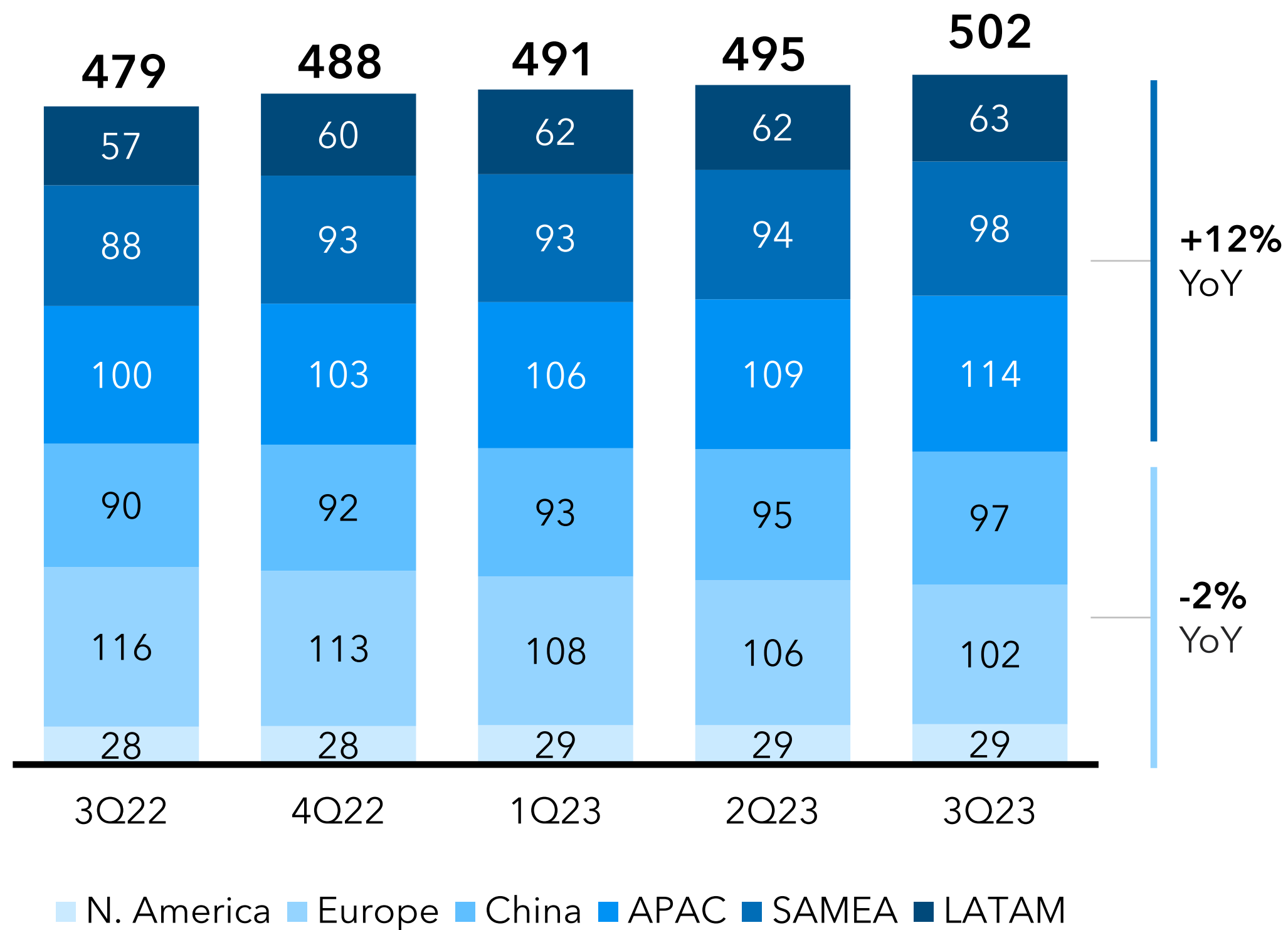
3Q 2023: Continued execution driving results



Note: Data as of 9/30/23. Please refer to the appendix of this presentation for the reconciliation from net income (loss) to adjusted EBITDA. Active ICPs are defined as customers with a Payoneer Account that have on average over \$500 a month in volume and were active over the trailing twelve-month period.

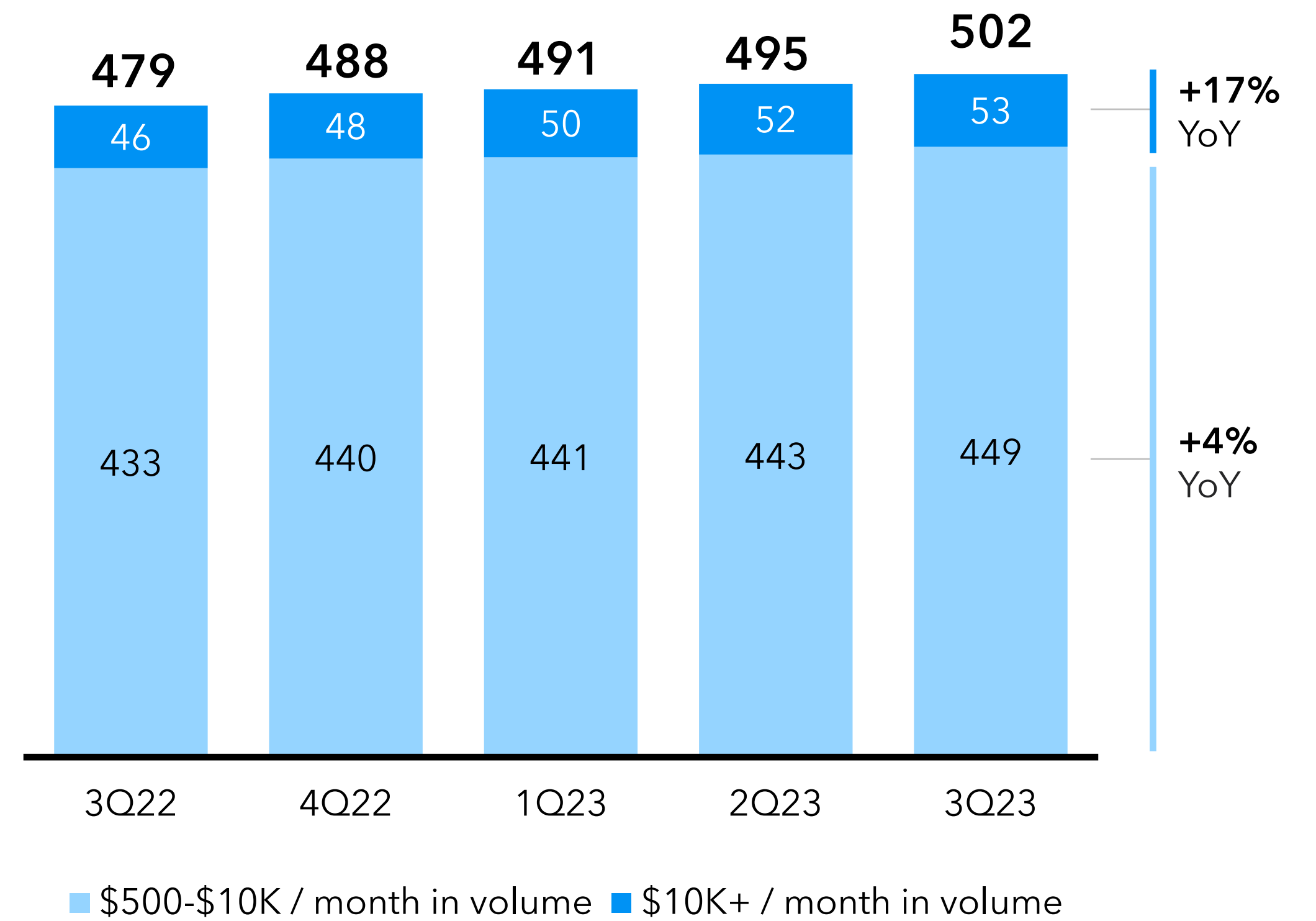
Steadily growing ICPs

Active ICPs by region ('000s)



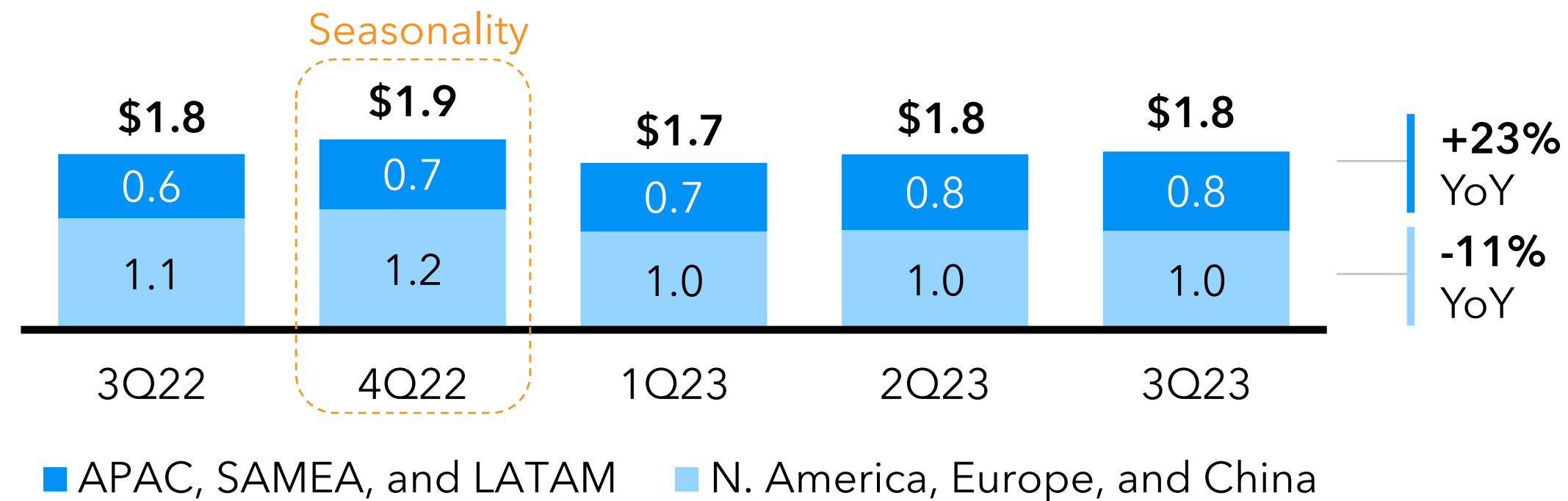
Higher take rate regions

Active ICPs by size ('000s)

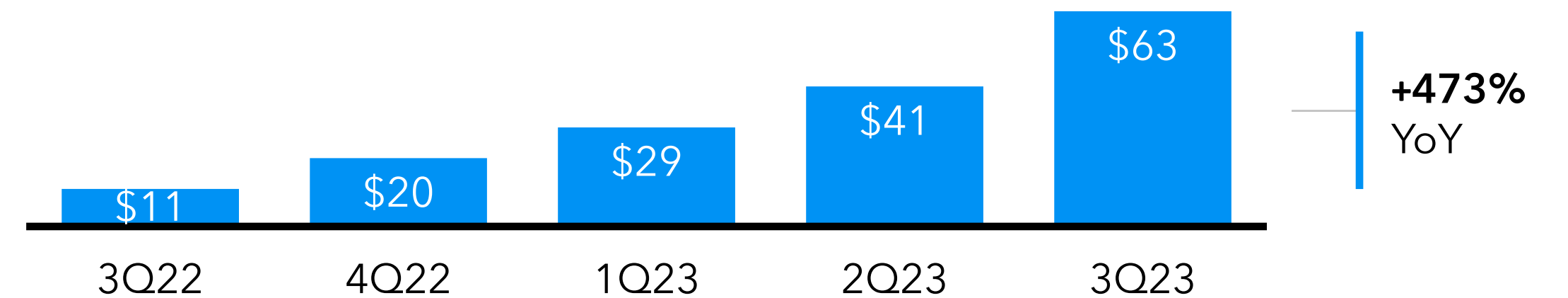


Accelerating penetration into new TAMs and effectively cross-selling more products

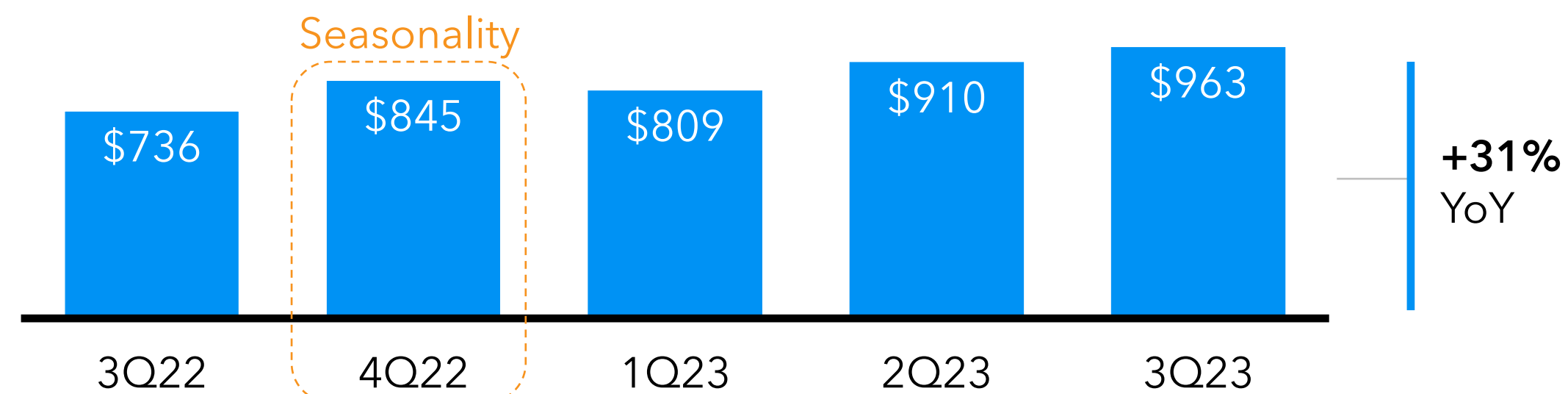
B2B volume (\$B): ~1.5% effective take rate



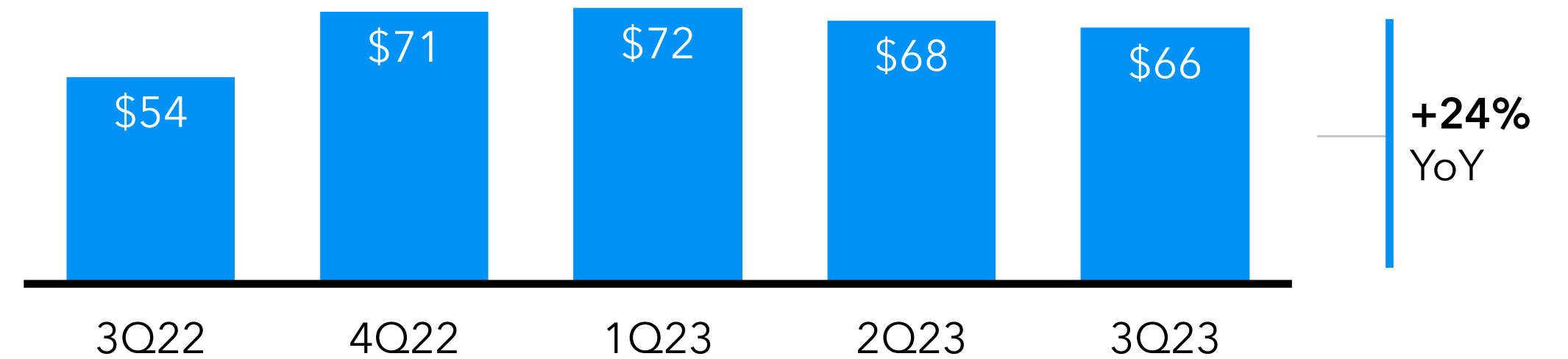
Checkout volume (\$M): ~4% effective take rate



Total card usage (\$M): ~3% effective gross yield



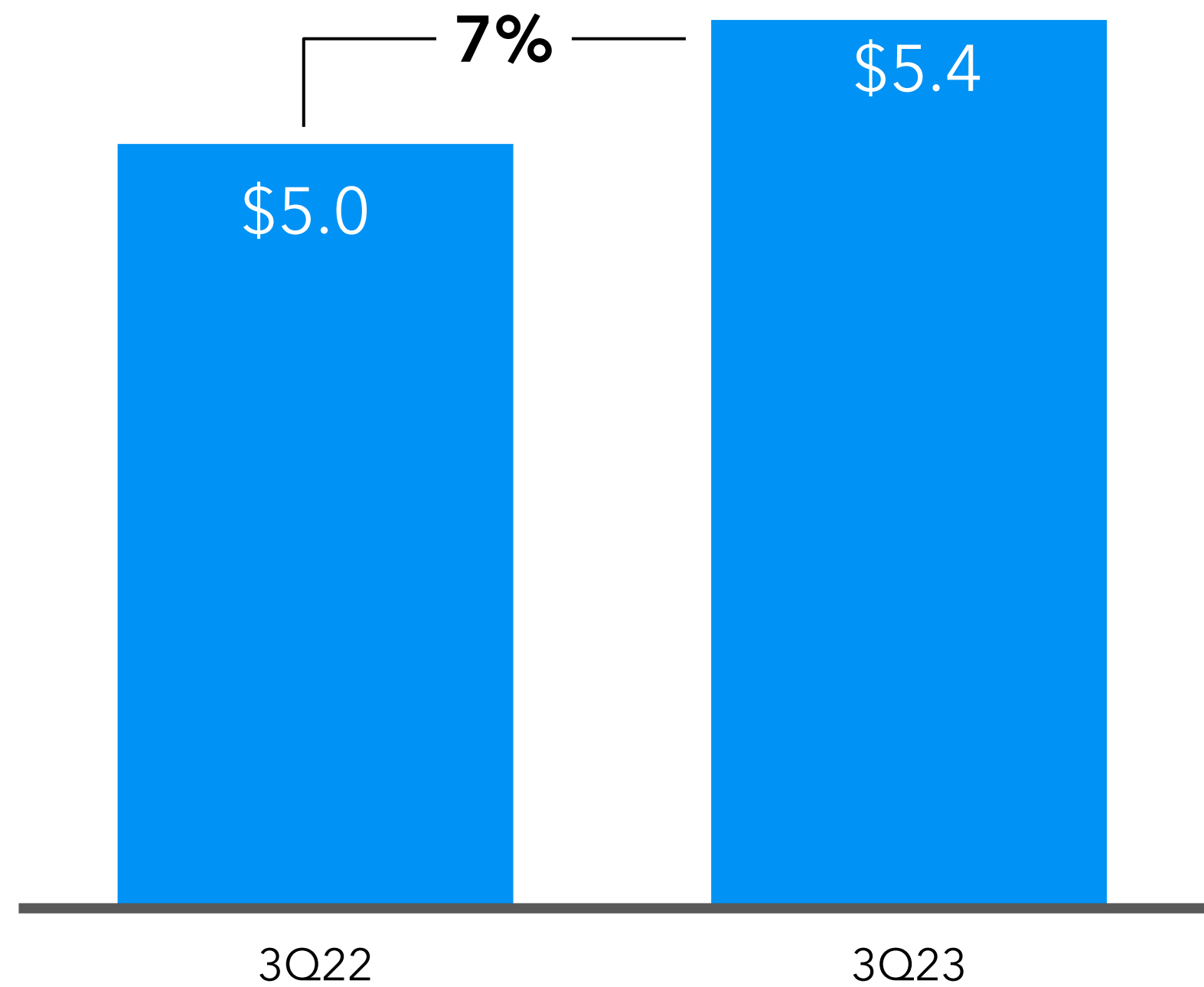
Working capital originations (\$M): ~3.5% wtd. average yield



Data as of 9/30/23.

Customers trust Payoneer

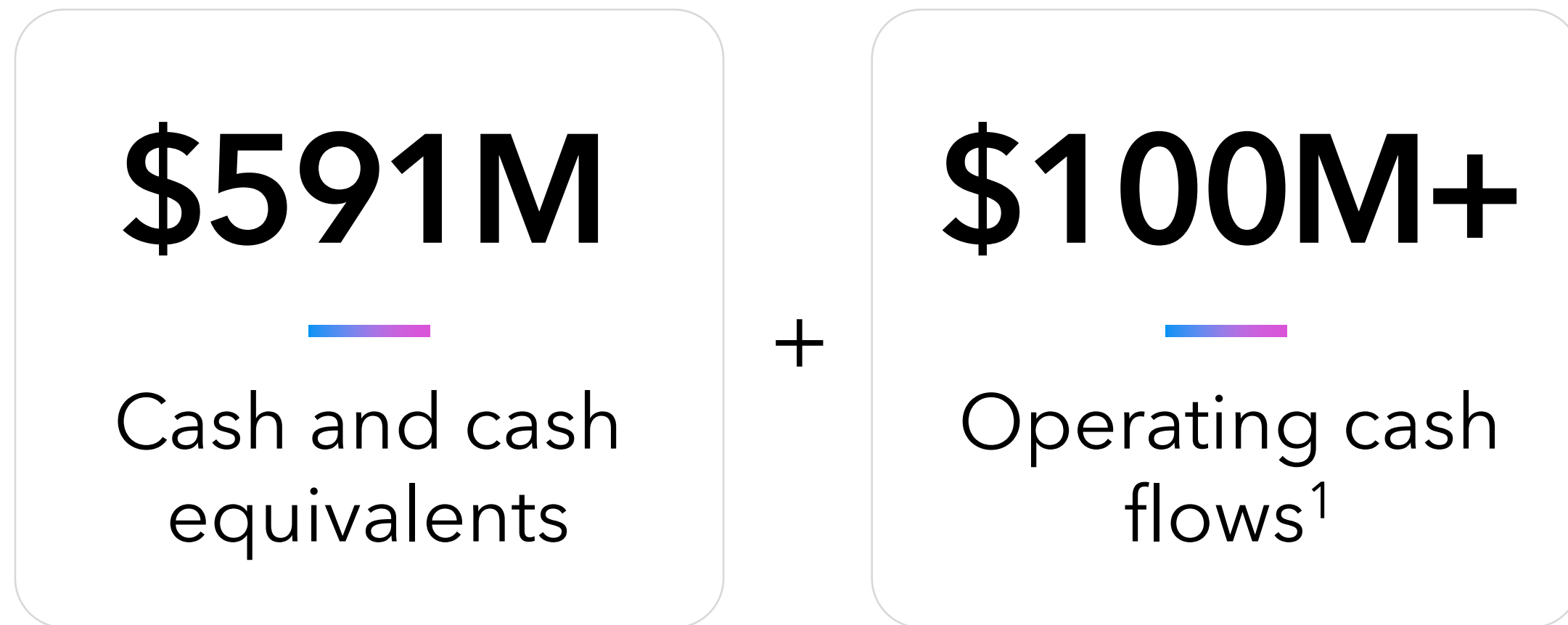
Customer funds (\$B)



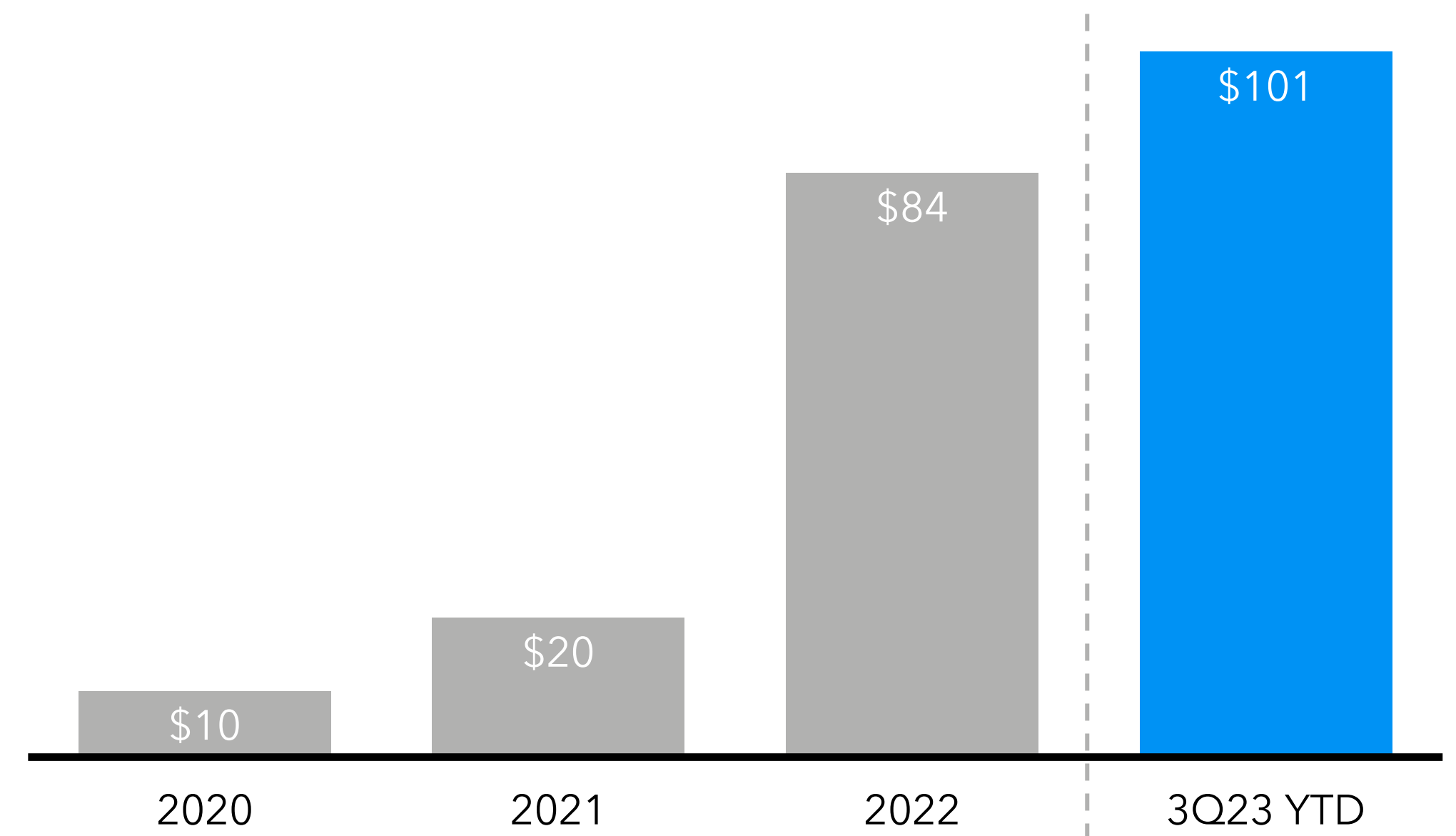
- **80%+** of customer funds are interest-bearing
- **~75%** of customer funds are held with U.S. domestic financial institutions
- **~76%** of customer funds are denominated in U.S. dollars
- **100%** of balances are currently held in cash deposits

Data as of 9/30/23.

Strong cash flow generation and significant cash on hand are a strategic advantage



Operating cash flows (\$M)



Note: data as of 9/30/23.
1. For the period 1/1/23-9/30/23.

2023 full year guidance as of November 8, 2023

\$820-830M

Revenue

~14.5%

Transaction costs as a %
of revenue

\$195-205M

Adjusted EBITDA¹

Guidance for fiscal year, where adjusted, is provided on a non-GAAP basis, which Payoneer will continue to identify as it reports its future financial results. The Company cannot reconcile its expected adjusted EBITDA to expected net income under "2023 Guidance" without unreasonable effort because certain items that impact net income and other reconciling metrics are out of the Company's control and/or cannot be reasonably predicted at this time, which unavailable information could have a significant impact on the Company's GAAP financial results.

1. Please refer to "Non-GAAP Financial Measures" in slide 2 of this presentation.

Our roadmap to profitable growth



Medium-term
(1-3 years)

Mid-teens
revenue growth

25%
Adjusted EBITDA margin



Long-term
(3+ years)

20%+
revenue growth

25%+
Adjusted EBITDA margin

Appendix

ICP and revenue historical trends

	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	YoY	QoQ
Active ICPs ('000s)									
By size:									
\$500-\$10K/month	410	423	433	440	441	443	449	4%	1%
\$10K+/month	43	44	46	48	50	52	53	17%	4%
Total	453	467	479	488	491	495	502	5%	2%
By primary regional market:									
APAC	92	97	100	103	106	109	114	13%	4%
Europe	119	119	116	113	108	106	102	-13%	-4%
SAMEA	78	84	88	93	93	94	98	11%	4%
China	86	87	90	92	93	95	97	8%	1%
LATAM	52	54	57	60	62	62	63	10%	2%
N. America	27	26	28	28	29	29	29	7%	3%
Total	453	467	479	488	491	495	502	5%	2%
Revenue (\$M)									
By primary regional market:									
China	43	47	50	56	64	71	73	45%	2%
Europe	28	31	33	38	39	42	42	28%	2%
APAC	19	20	22	24	25	27	29	35%	6%
N. America	20	21	22	29	26	26	22	2%	-14%
SAMEA	15	17	18	19	20	22	22	25%	2%
LATAM	11	13	15	17	19	19	19	34%	4%
Total	\$137	\$148	\$159	\$184	\$192	\$207	\$208	31%	1%
By source:									
Revenue recognized at a point in time	126	135	134	138	132	141	145	8%	2%
Revenue recognized over time	10	10	9	10	10	10	3	-69%	-71%
Revenue from other sources	1	3	15	36	50	55	60	302%	9%
Total	\$137	\$148	\$159	\$184	\$192	\$207	\$208	31%	1%

Note: Revenue disaggregated by primary regional market represents revenues being attributed to the country (in the region) in which the billing address of the transacting customer is located, with the exception of global bank transfer revenues, where revenues are disaggregated based on the billing address of the transaction funds source. Revenue by source represents revenue recognized from contracts with customers as well as revenue from other sources, which consists of interest income.

Reconciliation of net income (loss) to adjusted EBITDA

(\$ in thousands)	Twelve months ended,		Three months ended,	
	Sept. 30, 2022	Sept. 30, 2023	Sept. 30, 2022	Sept. 30, 2023
Net income (loss)	\$ (20,721)	\$ 56,161	\$ (26,452)	\$ 12,825
Depreciation & amortization	20,059	24,397	5,899	7,116
Taxes on income	9,097	32,541	2,635	10,012
Other financial (income) expense, net	11,125	(8,810)	3,617	(1,137)
EBITDA	19,560	104,289	(14,301)	28,816
Stock based compensation expenses ¹	51,778	62,257	13,525	15,330
Share in losses of associated company	15	13	2	—
M&A related expense (income) ²	(2,580)	3,017	(1,588)	1,745
Loss (gain) from change in fair value of Warrants ³	(17,359)	(10,566)	15,095	7,799
Restructuring charges ⁴	—	4,488	—	4,488
Adjusted EBITDA	\$ 51,414	\$ 163,498	\$ 12,733	\$ 58,178

1. Represents non-cash charges associated with stock-based compensation expense, which has been, and will continue to be for the foreseeable future, a significant recurring expense in our business and an important part of our compensation strategy.
2. Amounts for the three and twelve months ended September 30, 2023 relate to M&A-related third-party fees, including related legal, consulting and other expenditures. Amounts for the three and twelve months ended September 30, 2022 relate to a non-recurring fair value adjustment of a liability related to our 2020 acquisition of Optile.
3. Changes in the estimated fair value of the warrants are recognized as gain or loss on the condensed consolidated statements of comprehensive income (loss). The impact is removed from EBITDA as it represents market conditions that are not in our control.
4. The Company initiated a plan to reduce its workforce during the three and twelve months ending September 30, 2023 and had non-recurring costs related to severance and other employee termination benefits. Please refer to Note 10 of the Company's third quarter 10-Q filing for additional information.



Thank you.

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