



## Payoneer Announces Second Quarter 2021 Financial Results

August 11, 2021

*Strong Revenue Growth of 42% Demonstrates Continued Momentum*

*Full-Year 2021 Revenue Guidance Raised*

*Expect Positive Adjusted EBITDA in 2021*

NEW YORK--(BUSINESS WIRE)-- Payoneer Global Inc. ("Payoneer") (NASDAQ: PAYO), the commerce technology company powering payments and growth for the new global economy, today reported financial results for its second quarter ended June 30, 2021.

### **Financial Highlights**

#### **Second Quarter 2021 versus Second Quarter 2020**

- Revenue increased 42% to \$110.9 million as compared to \$78.4 million in 2020.
  - Volume increased 29% to \$13.6 billion as compared to \$10.5 billion in 2020.
  - Revenue as a percentage of volume ("Take Rate") increased to 82 basis points from 75 basis points in 2020.
- Transaction costs improved to 26% of revenue compared to 30% of revenue in 2020.
- Net loss of \$12.4 million compared to a net loss of \$6.7 million in 2020.
- Adjusted EBITDA of \$0.7 million compared to \$1.4 million in 2020.

"We delivered strong results in our first quarter as a public company. The momentum that we have been building over the past year continued as we delivered revenues well ahead of our internal targets. Given our strong performance we are raising the full-year revenue outlook and expect to generate positive adjusted EBITDA in 2021," said Scott Galit, Chief Executive Officer of Payoneer.

"We continue to execute on our long-term strategy to be the world's go-to-partner for digital commerce everywhere. By driving growth as a trusted partner for marketplace ecosystems and investing to deliver even more value for more customers with B2B AP/AR, Merchant Services, Working Capital and Commercial Cards, we believe we are well-positioned to benefit for many years to come from the strong tailwinds provided by digitalization trends globally. The unique platform, team, network effects, compliance capabilities and global footprint we have built provides a strong underpinning for the future. We achieved a significant milestone in June by becoming a public company, and I'm excited for the whole Payoneer team, our customers, and investors to begin this next phase of our growth together," concluded Galit.

#### **2021 Guidance**

"We are raising guidance for full year 2021 revenues to grow approximately 28%-30% over 2020, up from our previous guidance of 25% growth. The increase in revenue guidance reflects higher take rate expectations that will more than offset lower than expected volume growth. We have also updated our transaction costs guidance to reflect improved performance. Finally, while we continue to invest aggressively in our platform and products for future growth, our better-than-expected first half allows us to forecast positive adjusted EBITDA for full year 2021," said Michael Levine, Chief Financial Officer of Payoneer.

2021 guidance as follows:

|                                  | <b>2021</b>                   |
|----------------------------------|-------------------------------|
| Volume                           | \$57 billion - \$60 billion   |
| Revenue                          | \$442 million - \$448 million |
| Transaction costs <sup>(1)</sup> | \$112 million - \$113 million |
| Adjusted EBITDA <sup>(2)</sup>   | \$1 million - \$3 million     |

(1) Based on using 25.3% as % of revenue.

(2) Please refer to "Financial Information; Non-GAAP Financial Measures" below.

#### **Webcast**

Payoneer will host a live webcast of its earnings conference call with the investment community beginning at 5:30 p.m. ET Wednesday, August 11, 2021. To access the webcast, go to the investor relations section of the Company's website at <https://investor.payoneer.com>. A replay will be available on the investor relations website following the call.

## About Payoneer

Payoneer (NASDAQ: PAYO) is the world's go-to partner for digital commerce, everywhere. From borderless payments to boundless growth, Payoneer promises any business, in any market, the technology, connections and confidence to participate and flourish in the new global economy.

Since 2005, Payoneer has been imagining and engineering a truly global ecosystem so the entire world can realize its potential. Powering growth for customers ranging from aspiring entrepreneurs in emerging markets to the world's leading digital brands like Airbnb, Amazon, Google, Upwork and Walmart, Payoneer offers a universe of opportunities, open to you.

[www.payoneer.com](http://www.payoneer.com)

## Forward-Looking Statements

This press release includes, and oral statements made from time to time by representatives of Payoneer, may be considered "forward-looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements generally relate to future events or Payoneer's future financial or operating performance. For example, projections of future volume, revenue, transaction cost and adjusted EBITDA are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "should," "expect," "intend," "will," "estimate," "anticipate," "believe," "predict," "potential" or "continue," or the negatives of these terms or variations of them or similar terminology. Such forward-looking statements are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from those expressed or implied by such forward looking statements. These forward-looking statements are based upon estimates and assumptions that, while considered reasonable by Payoneer and its management, as the case may be, are inherently uncertain. Factors that may cause actual results to differ materially from current expectations include, but are not limited to: (1) the outcome of any legal proceedings, including following the announcement of the business combination with FTAC Olympus Acquisition Corp. (the "Reorganization") and any definitive agreements with respect thereto; (2) the ongoing ability to meet the Nasdaq's listing standards following the consummation of the Reorganization; (3) the risk that the Reorganization disrupts current plans and operations of Payoneer; (4) the ability to recognize the anticipated benefits of the Reorganization, which may be affected by, among other things, competition, the ability of Payoneer to grow and manage growth profitably, maintain relationships with customers and suppliers and retain its management and key employees; (5) costs related to the Reorganization; (6) changes in applicable laws or regulations; (7) the possibility that Payoneer may be adversely affected by other economic, business and/or competitive factors; (8) Payoneer's estimates of its financial performance; and (9) other risks and uncertainties set forth in Payoneer's prospectus, and its Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2021, filed with the Securities and Exchange Commission. Nothing in this press release should be regarded as a representation by any person that the forward-looking statements set forth herein will be achieved or that any of the contemplated results of such forward-looking statements will be achieved. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. Payoneer does not undertake any duty to update these forward-looking statements.

## Financial Information; Non-GAAP Financial Measures

Some of the financial information and data contained in this press release, 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 were included in the above prospectus and 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: Reorganization related expenses, M&A related expenses, stock-based compensation 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.

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 "2021 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.

**TABLE - 1**  
**PAYONEER GLOBAL INC.**  
**CONSOLIDATED STATEMENTS OF LOSS (UNAUDITED)**  
(U.S. dollars in thousands, except share and per share data)

|  | Three Months Ended<br>June 30, |                   | Six Months Ended<br>June 30, |                    |
|--|--------------------------------|-------------------|------------------------------|--------------------|
|  | 2021                           | 2020              | 2021                         | 2020               |
| Revenues   | \$ 110,927                     | \$ 78,389         | \$ 211,533                   | \$ 160,348         |
| Transaction costs  | 28,521                         | 23,782            | 48,676                       | 48,575             |
| Other operating expenses   | 32,010                         | 19,643            | 58,624                       | 39,495             |
| Research and development expenses  | 18,541                         | 11,150            | 35,194                       | 21,724             |
| Sales and marketing expenses   | 27,702                         | 17,108            | 50,841                       | 34,937             |
| General and administrative expenses  | 18,163                         | 8,307             | 28,681                       | 16,133             |
| Depreciation and amortization  | 4,351                          | 4,130             | 9,028                        | 8,296              |
| Total operating expenses   | <u>129,288</u>                 | <u>84,120</u>     | <u>231,043</u>               | <u>169,160</u>     |
| Operating loss   | (18,361)                       | (5,731)           | (19,510)                     | (8,812)            |
| Financial income (expense):  |                                |                   |                              |                    |
| Gain from change in fair value of Warrants   | 12,076                         | -                 | 12,076                       | -                  |
| Other financial income (expense), net  | (2,937)                        | 1,381             | (3,559)                      | (422)              |
| Financial income (expense), net  | <u>9,139</u>                   | <u>1,381</u>      | <u>8,517</u>                 | <u>(422)</u>       |
| Loss before income taxes on income   | (9,222)                        | (4,350)           | (10,993)                     | (9,234)            |
| Taxes on income  | 3,197                          | 2,227             | 4,928                        | 4,800              |
| Share in losses (gain) of associated company   | (5)                            | 83                | 1                            | 105                |
| Net Loss   | <u>\$ (12,414)</u>             | <u>\$ (6,660)</u> | <u>\$ (15,922)</u>           | <u>\$ (14,139)</u> |
| Net loss per share attributable to common stockholders – basic and diluted             | <u>\$ (0.63)</u>               | <u>\$ (0.22)</u>  | <u>\$ (0.84)</u>             | <u>\$ (0.47)</u>   |
| Weighted average number of shares used in computing loss per share - basic and diluted | <u>66,744,348</u>              | <u>44,474,388</u> | <u>58,702,320</u>            | <u>43,023,819</u>  |

**TABLE - 2**  
**PAYONEER GLOBAL INC.**  
**RECONCILIATION OF NET LOSS TO ADJUSTED EBITDA (UNAUDITED)**  
(U.S. dollars in thousands)

|                                       | Three Months Ended<br>June 30, |                | Six Months Ended<br>June 30, |              |
|---------------------------------------|--------------------------------|----------------|------------------------------|--------------|
|                                       | 2021                           | 2020           | 2021                         | 2020         |
| Net loss                              | \$ (12,414)                    | \$ (6,660)     | \$ (15,922)                  | \$ (14,139)  |
| Depreciation and amortization         | 4,351                          | 4,130          | 9,028                        | 8,296        |
| Taxes on income                       | 3,197                          | 2,227          | 4,928                        | 4,800        |
| Other financial expense (income), net | 2,937                          | (1,381)        | 3,559                        | 422          |
| <b>Non-GAAP EBITDA</b>                | <b>(1,929)</b>                 | <b>(1,684)</b> | <b>1,593</b>                 | <b>(621)</b> |

|   |               |                 |                 |                 |
|---|---------------|-----------------|-----------------|-----------------|
| Stock based compensation expenses <sup>(1)</sup>          | 10,671        | 2,982           | 14,968          | 5,160           |
| Reorganization related expenses <sup>(2)</sup>            | 5,087         | -               | 5,087           | -               |
| Share in losses (gain) of associated company              | (5)           | 83              | 1               | 105             |
| M&A related expenses <sup>(3)</sup>                       | (1,074)       | -               | (1,074)         | -               |
| Gain from change in fair value of Warrants <sup>(4)</sup> | (12,076)      | -               | (12,076)        | -               |
| <b>Non-GAAP Adjusted EBITDA</b>                           | <b>\$ 674</b> | <b>\$ 1,381</b> | <b>\$ 8,499</b> | <b>\$ 4,644</b> |

- (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) Represents the non-recurring reorganizational costs that were not recorded as a reduction of additional paid in capital. The amounts relate to legal and professional services associated with the Reorganization.
- (3) Represents non-recurring fair value adjustment of a liability related to our 2020 acquisition of Optile.
- (4) Changes in the estimated fair value of the warrants are recognized as gain or loss on the statements of operations. The impact is removed from EBITDA as it represents market conditions that are not in control of the Company.

**TABLE - 3**  
**PAYONEER GLOBAL INC.**  
**RECONCILIATION OF LOSS PER SHARE TO ADJUSTED LOSS PER SHARE (UNAUDITED)**  
(U.S. dollars in thousands)

|  | <u>Three Months Ended</u><br><u>June 30,</u> |                   | <u>Six Months Ended</u><br><u>June 30,</u> |                    |
|--|--|-------------------|--|--------------------|
|  | <u>2021</u>                                  | <u>2020</u>       | <u>2021</u>                                | <u>2020</u>        |
| Numerator:   |  |                   |  |                    |
| Net loss   | (12,414)                                     | (6,660)           | (15,922)                                   | (14,139)           |
| Less dividends attributable to redeemable convertible preferred stock      | 29,611                                       | 2,990             | 33,632                                     | 5,904              |
| Net loss attributable to common stockholders                               | <b>\$ (42,025)</b>                           | <b>\$ (9,650)</b> | <b>\$ (49,554)</b>                         | <b>\$ (20,043)</b> |
| Denominator:   |  |                   |  |                    |
| Weighted average common shares outstanding – basic and diluted             | 66,744,348                                   | 44,474,388        | 58,702,320                                 | 43,023,819         |
| Net loss per share attributable to common stockholders – basic and diluted | <b>(\$0.63)</b>                              | <b>(\$0.22)</b>   | <b>(\$0.84)</b>                            | <b>(\$0.47)</b>    |

**TABLE - 4**  
**PAYONEER GLOBAL INC.**  
**CONSOLIDATED BALANCE SHEETS (UNAUDITED)**  
(U.S. dollars in thousands)

|                             | <u>June 30,</u><br><u>2021</u> | <u>December</u><br><u>31,</u><br><u>2020</u> |
|-----------------------------|--------------------------------|--|
| <b>Assets:</b>              |                                |  |
| <b>Current assets:</b>      |                                |  |
| Cash and cash equivalents   | \$ 498,706                     | \$ 102,988                                   |
| Restricted cash             | 2,716                          | 26,394                                       |
| Customer funds              | 3,634,211                      | 3,346,722                                    |
| Accounts receivables, net   | 12,247                         | 17,843                                       |
| CA receivables, net         | 49,226                         | 66,095                                       |
| Other current assets        | 18,833                         | 10,417                                       |
| <b>Total current assets</b> | <b>4,215,939</b>               | <b>3,570,459</b>                             |

|                                       |                    |                    |
|---------------------------------------|--------------------|--------------------|
| <b>Non-current assets:</b>            |                    |                    |
| Property, equipment and software, net | 11,318             | 12,694             |
| Goodwill                              | 22,031             | 22,541             |
| Intangible assets, net                | 35,231             | 34,415             |
| Restricted cash                       | 5,017              | 5,199              |
| Deferred taxes                        | 3,340              | 3,684              |
| Investment in associated company      | 6,846              | 6,858              |
| Severance pay fund                    | 2,047              | 1,624              |
| ROU Assets                            | 15,747             | -                  |
| Other assets                          | 15,978             | 12,210             |
| <b>Total assets</b>                   | <b>\$4,333,494</b> | <b>\$3,669,684</b> |

**Liabilities, Redeemable and Redeemable Convertible Preferred Stock and Shareholders' Equity:**

|                                      |                  |                  |
|--------------------------------------|------------------|------------------|
| <b>Current Liabilities:</b>          |                  |                  |
| Trade payables                       | \$ 16,892        | \$ 17,245        |
| Outstanding operating balances       | 3,634,211        | 3,346,722        |
| Current portion of long-term debt    | -                | 13,500           |
| Redeemable preferred stock liability | 39,804           | -                |
| Other payables                       | 81,428           | 63,455           |
| <b>Total current liabilities</b>     | <b>3,772,335</b> | <b>3,440,922</b> |

**Non-Current Liabilities:**

|                             |                  |                  |
|-----------------------------|------------------|------------------|
| Long-term debt              | -                | 26,525           |
| Warrant liability           | 59,625           | -                |
| Other long term liabilities | 19,751           | 12,403           |
| <b>Total liabilities</b>    | <b>3,851,711</b> | <b>3,479,850</b> |

**Commitments and contingencies**

Redeemable convertible preferred stock, \$0.01 par value, 209,529,798 shares authorized; 209,529,798 shares issued and outstanding; aggregate liquidation preference of \$213,484 at December 31, 2020.

- 154,800

Redeemable preferred stock, \$0.01 par value, 3,500 shares authorized; 3,500 shares issued and outstanding; aggregate liquidation preference of \$36,520 at December 31, 2020.

- 10,735

**Shareholders' equity:**

Preferred stock, \$0.01 par value, 380,000,000 shares authorized; no shares were issued and outstanding at June 30, 2021. Common stock, \$0.01 par value, 3,800,000,000 and 320,115,953 shares authorized; 338,351,977 and 48,608,176 shares issued and outstanding at June 30, 2021 and December 31, 2020, respectively.

3,384 486

Additional paid-in capital 550,952 79,706  
Accumulated other comprehensive income 3,436 4,174  
Accumulated deficit (75,989) (60,067)

**Total shareholders' equity** 481,783 24,299

**Total liabilities redeemable preferred stock, redeemable convertible preferred stock and shareholders' equity** \$4,333,494 \$3,669,684

TABLE - 5

**PAYONEER GLOBAL INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)**  
(U.S. dollars in thousands)

|  | <b>Six Months Ended</b> |                  |
|--|-------------------------|------------------|
|  | <b>June 30,</b>         |                  |
|  | <b>2021</b>             | <b>2020</b>      |
| <b>Cash flows from operating activities</b>  |                         |                  |
| Net Loss   | \$ (15,922)             | \$ (14,139)      |
| Adjustments to reconcile net loss to net cash provided by operating activities:              |                         |                  |
| Depreciation and amortization  | 9,028                   | 8,296            |
| Deferred taxes   | 344                     | 1,458            |
| Stock-based compensation expenses  | 15,128                  | 5,280            |
| Share in losses of associated company  | 1                       | 104              |
| Gain from change in fair value of Warrants   | (12,076)                | -                |
| Transaction costs allocated to Warrants  | 5,087                   | -                |
| Foreign currency re-measurement (gain) loss  | 861                     | (97)             |
| Changes in operating assets and liabilities, net of business acquired:                       |                         |                  |
| Other current assets   | (8,311)                 | 2,638            |
| Trade payables   | (468)                   | (5,583)          |
| Deferred revenue   | 1,862                   | (6)              |
| Accounts receivables   | 5,560                   | 3,167            |
| CA extended to customers   | (189,927)               | (97,660)         |
| CA collected from customers  | 206,796                 | 122,257          |
| Other payables   | 1,407                   | (12,547)         |
| Other long-term liabilities  | (3,582)                 | 310              |
| Operating lease right-of-use lease assets  | 4,676                   | -                |
| Other assets   | (3,768)                 | (2,193)          |
|  | <u>16,696</u>           | <u>11,285</u>    |
| Net cash provided by operating activities  |                         |                  |
| <b>Cash flows from investing activities</b>  |                         |                  |
| Purchase of property, equipment and software   | (2,044)                 | (3,240)          |
| Capitalization of internal use software  | (6,646)                 | (4,666)          |
| Change in severance pay fund   | (423)                   | 145              |
| Change in customer funds in transit  | 9,396                   | (15,082)         |
| Acquisition of Optile, net of cash acquired  | -                       | (15,482)         |
| Net cash provided by (used) in investing activities  | <u>283</u>              | <u>(38,325)</u>  |
| <b>Cash flows from financing activities</b>  |                         |                  |
| Exercise of options  | 16,346                  | 300              |
| Outstanding operating balances   | 287,486                 | 238,271          |
| Proceeds from Reverse Recapitalization, net  | 108,643                 | -                |
| Proceeds from PIPE financing, net  | 280,185                 | -                |
| Repayment of outstanding debt  | (40,025)                | -                |
| Net cash provided by financing activities  | <u>652,635</u>          | <u>238,571</u>   |
| Effect of exchange rate changes on cash and cash equivalents                                 | (871)                   | 97               |
| <b>Net change in cash, cash equivalents, restricted cash and customer funds</b>              | <b>668,743</b>          | <b>211,628</b>   |
| <b>Cash, cash equivalents, restricted cash and customer funds at beginning of the period</b> | <b>3,413,289</b>        | <b>1,796,517</b> |

|  |                    |                    |
|--|--------------------|--------------------|
| <b>Cash, cash equivalents, restricted cash and customer funds at end of the period</b> | <u>\$4,082,032</u> | <u>\$2,008,145</u> |
|--|--------------------|--------------------|

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