

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

FORM 10-Q

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

For the quarterly period ended June 30, 2024

OR

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

For the transition period from to .



**Payoneer Global Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation)

**001-40547**  
(Commission File Number)

**86-1778671**  
(I.R.S. Employer  
Identification Number)

**195 Broadway, 27<sup>th</sup> floor**  
**New York, New York, 10007**  
(Address of principal executive offices,  
including zip code)

**(212) 600-9272**  
Registrant's Telephone Number, Including Area Code

**N/A**  
(Former name or former address, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	PAYO	The Nasdaq Stock Market LLC
Warrants, each exercisable for one share of common stock, \$0.01 par value, at an exercise price of \$11.50 per share	PAYOW	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

As of July 31, 2024, the registrant had 381,817,684 shares of common stock outstanding.

**Payoneer Global Inc.**  
**Form 10-Q**  
**For the Period Ended June 30, 2024**

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## CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, including the information incorporated herein by reference, contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. Forward-looking statements are typically identified by words such as “anticipate,” “appear,” “approximate,” “believe,” “continue,” “could,” “estimate,” “expect,” “foresee,” “intends,” “may,” “might,” “plan,” “possible,” “potential,” “predict,” “project,” “seek,” “should,” “would” and other similar words and expressions (or the negative version of such words or expressions), but the absence of these words does not mean that a statement is not forward-looking.

The forward-looking statements are based on the current expectations of Payoneer’s management and are inherently subject to uncertainties and changes in circumstances and their potential effects and speak only as of the date of such statement. There can be no assurance that future developments will be those that have been anticipated. These forward-looking statements involve a number of risks, uncertainties or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to: (1) changes in applicable laws or regulations; (2) the possibility that Payoneer may be adversely affected by geopolitical events and conflicts, such as the current conflict between Israel and Hamas, and other economic, business and/or competitive factors; (3) changes in the assumptions underlying our financial estimates; (4) the outcome of any known and/or unknown legal or regulatory proceedings; and (5) other factors, described under the heading “Risk Factors” discussed and identified in public filings made with the U.S. Securities and Exchange Commission (the “SEC”) by Payoneer.

Should one or more of these risks or uncertainties materialize or should any of the assumptions made by the management of Payoneer prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements.

All subsequent written and oral forward-looking statements concerning the matters addressed in this Quarterly Report on Form 10-Q and attributable to Payoneer or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this Quarterly Report on Form 10-Q. Except to the extent required by applicable law or regulation, Payoneer undertakes no obligation to update these forward-looking statements to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q or to reflect the occurrence of unanticipated events.

**PART I. FINANCIAL INFORMATION**

**PAYONEER GLOBAL INC.**

QUARTERLY REPORT FOR THE PERIOD ENDED JUNE 30, 2024

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PAYONEER GLOBAL INC.

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)  
U.S. DOLLARS IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA

	June 30, 2024	December 31, 2023
<b>Assets:</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 575,730	\$ 617,022
Restricted cash	10,653	7,030
Customer funds	6,037,105	6,390,526
Accounts receivable (net of allowance of \$352 at June 30, 2024 and \$385 at December 31, 2023)	6,567	7,980
Capital advance receivables (net of allowance of \$5,445 at June 30, 2024 and \$5,059 at December 31, 2023)	49,478	45,493
Other current assets	53,400	40,672
<b>Total current assets</b>	<u>6,732,933</u>	<u>7,108,723</u>
<b>Non-current assets:</b>		
Property, equipment and software, net	14,522	15,499
Goodwill	19,889	19,889
Intangible assets, net	88,597	76,266
Restricted cash	6,018	5,780
Deferred taxes	19,051	15,291
Severance pay fund	818	840
Operating lease right-of-use assets	23,078	24,854
Other assets	15,406	15,977
<b>Total assets</b>	<u>\$ 6,920,312</u>	<u>\$ 7,283,119</u>
<b>Liabilities and shareholders' equity:</b>		
<b>Current liabilities:</b>		
Trade payables	\$ 38,974	\$ 33,941
Outstanding operating balances	6,037,105	6,390,526
Short-term debt from related party (refer to Notes 11 and 20 for further information)	14,984	—
Other payables	100,415	117,508
<b>Total current liabilities</b>	<u>6,191,478</u>	<u>6,541,975</u>
<b>Non-current liabilities:</b>		
Long-term debt from related party (refer to Notes 11 and 20 for further information)	—	18,411
Warrant liability	5,788	8,555
Other long-term liabilities	53,667	49,905
<b>Total liabilities</b>	<u>6,250,933</u>	<u>6,618,846</u>
<b>Commitments and contingencies (Note 14)</b>		
<b>Shareholders' equity:</b>		
Preferred stock, \$0.01 par value, 380,000,000 shares authorized; no shares were issued and outstanding at June 30, 2024 and December 31, 2023.	—	—
Common stock, \$0.01 par value, 3,800,000,000 and 3,800,000,000 shares authorized; 382,998,980 and 368,655,185 shares issued and 352,689,391 and 357,590,493 shares outstanding at June 30, 2024 and December 31, 2023, respectively.	3,830	3,687
Treasury stock at cost, 30,309,589 and 11,064,692 shares as of June 30, 2024 and December 31, 2023, respectively.	(154,692)	(56,936)
Additional paid-in capital	773,888	732,894
Accumulated other comprehensive income (loss)	150	(176)
Retained earnings (accumulated deficit)	46,203	(15,196)
<b>Total shareholders' equity</b>	<u>669,379</u>	<u>664,273</u>
<b>Total liabilities and shareholders' equity</b>	<u>\$ 6,920,312</u>	<u>\$ 7,283,119</u>

The accompanying notes are an integral part of the condensed consolidated financial statements (Unaudited).

**PAYONEER GLOBAL INC.**

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)**  
**U.S. DOLLARS IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA**

	Three months ended		Six months ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Revenues	\$ 239,520	\$ 206,734	\$ 467,703	\$ 398,748
Transaction costs (Exclusive of depreciation and amortization shown separately below and inclusive of \$375 and \$436 in interest expense and fees associated with related party transactions during the three months ended June 30, 2024 and 2023, and \$812 and \$857 during the six months ended June 30, 2024 and 2023 respectively; refer to Notes 11 and 20 for further information)	36,961	28,497	70,927	55,578
Other operating expenses	41,242	40,527	81,525	80,622
Research and development expenses	27,580	27,995	59,631	57,275
Sales and marketing expenses	50,614	48,402	100,504	96,228
General and administrative expenses	26,102	22,012	50,311	48,693
Depreciation and amortization	10,712	5,909	20,120	11,948
<b>Total operating expenses</b>	<b>193,211</b>	<b>173,342</b>	<b>383,018</b>	<b>350,344</b>
<b>Operating income</b>	<b>46,309</b>	<b>33,392</b>	<b>84,685</b>	<b>48,404</b>
<b>Financial income:</b>				
Gain from change in fair value of Warrants	1,006	13,586	2,767	13,334
Other financial income, net	976	4,318	3,723	6,668
<b>Financial income, net</b>	<b>1,982</b>	<b>17,904</b>	<b>6,490</b>	<b>20,002</b>
<b>Income before taxes on income</b>	<b>48,291</b>	<b>51,296</b>	<b>91,175</b>	<b>68,406</b>
<b>Taxes on income</b>	<b>15,866</b>	<b>5,747</b>	<b>29,776</b>	<b>14,919</b>
<b>Net income</b>	<b>\$ 32,425</b>	<b>\$ 45,549</b>	<b>\$ 61,399</b>	<b>\$ 53,487</b>
<b>Other comprehensive income (loss)</b>				
Unrealized gain on available-for-sale debt securities, net	872	-	871	-
Unrealized loss on cash flow hedges, net	(699)	-	(665)	-
Tax benefit on unrealized losses on cash flow hedges, net	126	-	120	-
<b>Other comprehensive income, net of tax</b>	<b>299</b>	<b>-</b>	<b>326</b>	<b>-</b>
<b>Comprehensive income</b>	<b>\$ 32,724</b>	<b>\$ 45,549</b>	<b>\$ 61,725</b>	<b>\$ 53,487</b>
<b>Per Share Data</b>				
Net income per share attributable to common stockholders — Basic earnings per share	\$ 0.09	\$ 0.12	\$ 0.17	\$ 0.15
— Diluted earnings per share	\$ 0.09	\$ 0.12	\$ 0.16	\$ 0.14
Weighted average common shares outstanding — Basic	356,315,658	365,000,974	357,795,857	364,260,883
Weighted average common shares outstanding — Diluted	373,368,383	387,623,679	376,727,575	392,572,475

**The accompanying notes are an integral part of the condensed consolidated financial statements (Unaudited).**

PAYONEER GLOBAL INC.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)  
U.S. DOLLARS IN THOUSANDS, EXCEPT SHARE DATA

	Common Stock		Treasury Stock		Additional paid-in capital	Accumulated other comprehensive income (loss)	Retained earnings (accumulated deficit)	Total
	Shares	Amount	Shares	Amount				
<b>Balance at March 31, 2024</b>	377,294,480	\$ 3,773	(21,598,626)	\$ (108,096)	\$ 752,236	\$ (149)	\$ 13,778	\$ 661,542
Exercise of options and vested RSUs, net of taxes paid related to settlement of equity awards	5,007,237	50	—	—	3,921	—	—	3,971
Stock-based compensation	—	—	—	—	14,482	—	—	14,482
ESPP shares issued	697,263	7	—	—	3,249	—	—	3,256
Common stock repurchased	—	—	(8,710,963)	(46,596)	—	—	—	(46,596)
Unrealized gain on available-for-sale debt securities, net	—	—	—	—	—	872	—	872
Unrealized loss on cash flow hedges, net	—	—	—	—	—	(699)	—	(699)
Tax benefit on unrealized losses on cash flow hedges, net	—	—	—	—	—	126	—	126
Net income	—	—	—	—	—	—	32,425	32,425
<b>Balance at June 30, 2024</b>	<u>382,998,980</u>	<u>\$ 3,830</u>	<u>(30,309,589)</u>	<u>\$ (154,692)</u>	<u>\$ 773,888</u>	<u>\$ 150</u>	<u>\$ 46,203</u>	<u>\$ 669,379</u>
<b>Balance at March 31, 2023</b>	359,202,123	\$ 3,592	—	\$ —	\$ 674,021	\$ (176)	\$ (100,591)	\$ 576,846
Exercise of options and vested RSUs	3,017,674	30	—	—	2,170	—	—	2,200
Stock-based compensation	—	—	—	—	17,051	—	—	17,051
ESPP shares issued	1,032,434	10	—	—	4,016	—	—	4,026
Common stock repurchased	—	—	(4,201,025)	(19,725)	—	—	—	(19,725)
Net income	—	—	—	—	—	—	45,549	45,549
<b>Balance at June 30, 2023</b>	<u>363,252,231</u>	<u>\$ 3,632</u>	<u>(4,201,025)</u>	<u>\$ (19,725)</u>	<u>\$ 697,258</u>	<u>\$ (176)</u>	<u>\$ (55,042)</u>	<u>\$ 625,947</u>

The accompanying notes are an integral part of the condensed consolidated financial statements (Unaudited).

**PAYONEER GLOBAL INC.**

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)  
U.S. DOLLARS IN THOUSANDS, EXCEPT SHARE DATA

	Common Stock		Treasury Stock		Additional paid-in capital	Accumulated other comprehensive income (loss)	Retained earnings (accumulated deficit)	Total
	Shares	Amount	Shares	Amount				
<b>Balance at December 31, 2023</b>	368,655,185	\$ 3,687	(11,064,692)	\$ (56,936)	\$ 732,894	\$ (176)	\$ (15,196)	\$ 664,273
Exercise of options and vested RSUs, net of taxes paid related to settlement of equity awards	13,646,532	136	—	—	7,267	—	—	7,403
Stock-based compensation	—	—	—	—	30,478	—	—	30,478
ESPP shares issued	697,263	7	—	—	3,249	—	—	3,256
Common stock repurchased	—	—	(19,244,897)	(97,756)	—	—	—	(97,756)
Unrealized gain on available-for-sale debt securities, net	—	—	—	—	—	871	—	871
Unrealized loss on cash flow hedges, net	—	—	—	—	—	(665)	—	(665)
Tax benefit on unrealized losses on cash flow hedges, net	—	—	—	—	—	120	—	120
Net income	—	—	—	—	—	—	61,399	61,399
<b>Balance at June 30, 2024</b>	<u>382,998,980</u>	<u>\$ 3,830</u>	<u>(30,309,589)</u>	<u>\$ (154,692)</u>	<u>\$ 773,888</u>	<u>\$ 150</u>	<u>\$ 46,203</u>	<u>\$ 669,379</u>
<b>Balance at December 31, 2022</b>	352,842,025	\$ 3,528	—	\$ —	\$ 650,433	\$ (176)	\$ (108,529)	\$ 545,256
Exercise of options, vested RSUs, and shares granted	9,377,772	94	—	—	8,358	—	—	8,452
Stock-based compensation	—	—	—	—	34,451	—	—	34,451
ESPP shares issued	1,032,434	10	—	—	4,016	—	—	4,026
Common stock repurchased	—	—	(4,201,025)	(19,725)	—	—	—	(19,725)
Net income	—	—	—	—	—	—	53,487	53,487
<b>Balance at June 30, 2023</b>	<u>363,252,231</u>	<u>\$ 3,632</u>	<u>(4,201,025)</u>	<u>\$ (19,725)</u>	<u>\$ 697,258</u>	<u>\$ (176)</u>	<u>\$ (55,042)</u>	<u>\$ 625,947</u>

**The accompanying notes are an integral part of the condensed consolidated financial statements (Unaudited).**

**PAYONEER GLOBAL INC.**

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)  
U.S. DOLLARS IN THOUSANDS

	Six months ended June 30,	
	2024	2023
<b>Cash Flows from Operating Activities</b>		
Net income	\$ 61,399	\$ 53,487
<b>Adjustment to reconcile net income to net cash provided by operating activities:</b>		
Depreciation and amortization	20,120	11,948
Deferred taxes	(3,640)	(9,833)
Stock-based compensation expenses	28,742	33,100
Gain from change in fair value of Warrants	(2,767)	(13,334)
Foreign currency re-measurement loss (gain)	2,311	(606)
<b>Changes in operating assets and liabilities:</b>		
Other current assets	(12,728)	(1,621)
Trade payables	4,606	(13,157)
Deferred revenue	273	407
Accounts receivable, net	1,413	1,618
Capital advance extended to customers	(154,357)	(138,900)
Capital advance collected from customers	150,372	135,835
Other payables	(17,664)	(5,259)
Other long-term liabilities	1,168	(1,066)
Operating lease right-of-use assets	4,370	5,053
Interest and amortization of discount on investments	(3,275)	—
Other assets	571	2,247
<b>Net cash provided by operating activities</b>	<b>80,914</b>	<b>59,919</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of property, equipment and software	(2,802)	(2,422)
Capitalization of internal use software	(27,345)	(12,921)
Severance pay fund distributions, net	22	125
Customer funds in transit, net	(988)	(54,188)
Purchases of investments in available-for-sale debt securities	(739,185)	—
Maturities and sales of investments in available-for-sale debt securities	105,000	—
Net cash inflow from acquisition of remaining interest in joint venture	—	5,953
<b>Net cash used in investing activities</b>	<b>(665,298)</b>	<b>(63,453)</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of common stock in connection with stock-based compensation plan, net of taxes paid related to settlement of equity awards and proceeds from employee equity transactions to be remitted to employees	12,027	12,091
Outstanding operating balances, net	(353,421)	(309,911)
Borrowings under related party facility (Refer to Notes 11 and 20 for further information)	11,920	14,015
Repayments under related party facility (Refer to Notes 11 and 20 for further information)	(15,347)	(14,514)
Common stock repurchased	(98,654)	(17,125)
<b>Net cash used in financing activities</b>	<b>(443,475)</b>	<b>(315,444)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(2,311)</b>	<b>705</b>
<b>Net change in cash, cash equivalents, restricted cash and customer funds</b>	<b>(1,030,170)</b>	<b>(318,273)</b>
<b>Cash, cash equivalents, restricted cash and customer funds at beginning of period</b>	<b>7,018,367</b>	<b>6,386,720</b>
<b>Cash, cash equivalents, restricted cash and customer funds at end of period</b>	<b>\$ 5,988,197</b>	<b>\$ 6,068,447</b>
<b>Supplemental information of investing and financing activities not involving cash flows:</b>		
Property, equipment, and software acquired but not paid	\$ 1,237	\$ 870
Internal use software capitalized but not paid	\$ 7,408	\$ 8,294
Common stock repurchased but not paid	\$ 602	\$ 2,600
Right of use assets obtained in exchange for new operating lease liabilities	\$ 2,594	\$ 2,474

**PAYONEER GLOBAL INC.****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED) (CONTINUED)**  
**U.S. DOLLARS IN THOUSANDS**

The below table reconciles cash, cash equivalents, restricted cash and customer funds as reported in the consolidated balance sheets to the total of the same amounts shown in the condensed consolidated statements of cash flows:

	<b>As of June 30,</b>	
	<b>2024</b>	<b>2023</b>
Cash and cash equivalents	\$ 575,730	\$ 581,053
Current restricted cash	10,653	9,710
Non-current restricted cash	6,018	6,092
Customer funds	6,037,105	5,528,701
Less: Customer funds in transit	(2,979)	(57,109)
Less: Customer funds invested in available-for-sale debt securities	(638,330)	—
Net customer funds shown in the condensed consolidated statements of cash flows	<u>5,395,796</u>	<u>5,471,592</u>
Total cash, cash equivalents, restricted cash and customer funds shown in the condensed consolidated statements of cash flows	<u>\$ 5,988,197</u>	<u>\$ 6,068,447</u>

**The accompanying notes are an integral part of the condensed consolidated financial statements (Unaudited).**

**PAYONEER GLOBAL INC.**

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)  
U.S. DOLLARS IN THOUSANDS (EXCEPT SHARE DATA)

**NOTE 1 – GENERAL OVERVIEW**

Unless otherwise noted herein, “we”, “us”, “our”, “Payoneer”, and the “Company” refer to Payoneer Global Inc.

Payoneer, incorporated in Delaware, empowers global commerce by connecting businesses, professionals, countries and currencies with its diversified cross-border payments platform. Payoneer enables small and medium-sized businesses (“SMB(s)”) around the globe to reach new audiences by reducing the complexity of cross-border trade, and facilitating seamless, cross-border payments. Payoneer offers its customers the flexibility to pay and get paid globally as easily as they do locally. The Company offers a suite of services that includes cross-border payments, physical and virtual Mastercard cards, working capital, risk management and other services. The fully-hosted service includes various payment options with minimal integration required, full back-office functions and customer support offered.

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES**

**a. Principles of consolidation, basis of presentation and accounting principles:**

The accompanying condensed consolidated financial statements are prepared in accordance with Generally Accepted Accounting Principles (“GAAP”) in the United States of America (hereafter – U.S. GAAP) and include the accounts of Payoneer Global Inc. and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

The consolidated interim financial information herein is unaudited; however, such information reflects all adjustments (consisting of normal, recurring adjustments), which are, in the opinion of management, necessary for a fair statement of results for the interim period. The results of operations for the three and six months ended June 30, 2024 are not necessarily indicative of the results to be expected for the full year. The year-end condensed balance sheet data was derived from audited financial statements for the year ended December 31, 2023, but does not include all disclosures required by accounting principles generally accepted in the United States of America. These unaudited financial statements should be read in conjunction with the audited consolidated financial statements and related notes thereto of Payoneer Global Inc. and its subsidiaries.

**b. Use of estimates in the preparation of financial statements:**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include, but are not limited to, allowance for capital advance receivables, income taxes, goodwill, revenue recognition, stock-based compensation, and loss contingencies.

**c. Customer funds and investments:**

Beginning in February 2024, the Company invested certain customer funds in available-for-sale debt securities. These securities are reported at fair value, net of any unamortized discount or premium, accrued interest, and unrealized gains and losses, within ‘Customer funds’ on the Company’s condensed consolidated balance sheets. Unrealized gains and losses are included as a component of other comprehensive income (loss) (“OCI”), net of related estimated tax provisions or benefits. Interest income, amortization of any discount or premium, and realized gains and losses on these securities are recognized within revenue from other sources. In the period of sale, any unrealized gain or loss previously recognized in accumulated other comprehensive income (“AOCI”) is reversed into net income.

The Company accounts for purchases and sales of securities on the trade date and recognizes any related cut-off asset or liability within Other current assets or Other payables, respectively.

Beginning in June 2024, the Company invested certain customer funds in term deposit instruments. These investments are accounted for as restricted cash, given that the Company’s ability to withdraw the balances is restricted during the term of the deposit agreement. Interest income is recognized within revenue from other sources on the condensed consolidated statements of comprehensive income, and the balances are included within customer funds on the condensed consolidated balance sheets.

**PAYONEER GLOBAL INC.**

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)  
U.S. DOLLARS IN THOUSANDS (EXCEPT SHARE DATA)

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued):**

**d. Derivatives and Hedging**

The Company is exposed to foreign currency risk due to operating expenses denominated in New Israeli Shekels. To reduce that risk, the Company enters into foreign currency forward contracts and net purchased options to hedge foreign currency risk related to its foreign operations in Israel. The company does not use derivative financial instruments for trading or speculative purposes.

The Company designates derivatives as hedges of forecasted transactions (“cash flow” hedges) or derivatives that do not qualify for hedge accounting. To qualify for hedge accounting treatment, a derivative must be highly effective in mitigating the designated risk of the hedged item. Effectiveness of the hedge is formally assessed at inception and throughout the life of the hedging relationship. The Company evaluates the effectiveness of derivative contracts on a quarterly basis by comparing the critical terms of the derivative instruments with the critical terms of the forecasted cash flows of the hedged item; if the critical terms are the same, the Company concludes the hedge will be perfectly effective. The Company does not exclude any component of the changes in fair value of the derivative instruments from the assessment of hedge effectiveness.

To the extent that derivatives qualify as cash flow hedges, changes in the fair value are recorded, net of applicable taxes, in OCI and subsequently reclassified into the same statement of comprehensive income line item as the hedged exposure when the underlying hedged item is recognized in earnings. The cash flows associated with derivatives designated as cash flow hedges are reported in cash flows from operating activities in the consolidated statements of cash flows.

Derivatives that are not designated hedges are adjusted to fair value into earnings through financial income or expense. The cash flows associated with these derivatives, if any, are reported in cash flows from investing activities.

**e. Recently issued accounting pronouncements:**

*FASB Standards issued, but not adopted as of June 30, 2024*

In 2023, the FASB issued guidance, ASU 2023-09, which modifies the rules on income tax disclosures to require entities to disclose (1) specific categories in the rate reconciliation, (2) the income or loss from continuing operations before income tax expense or benefit (separated between domestic and foreign) and (3) income tax expense or benefit from continuing operations (separated by federal, state and foreign). It also requires entities to disclose their income tax payments (net of refunds received) to international, federal, state and local jurisdictions, among other changes. The guidance is effective for annual periods beginning after December 15, 2024. The Company is currently evaluating the potential impact of adopting this new guidance on our consolidated financial statements and related disclosures.

In 2023, the FASB issued guidance, ASU 2023-07, that requires entities to report incremental information about significant segment expenses included in a segment’s profit or loss measure as well as the name and title of the chief operating decision maker. The guidance also requires interim disclosures related to reportable segment profit or loss and assets that had previously only been disclosed annually. The amendments also require entities with a single reportable segment to provide all disclosures required by these amendments, and all existing segment disclosures. The new standard is effective for annual periods beginning after December 15, 2023 and interim periods beginning after December 15, 2024 and must be applied retrospectively to all prior periods presented in the financial statements. The Company is currently evaluating the potential impact of adopting this new guidance on our consolidated financial statements and related disclosures.

**PAYONEER GLOBAL INC.**

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)  
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**NOTE 3 – CAPITAL ADVANCE (“CA”) RECEIVABLES**

The Company enters into transactions with pre-qualified sellers in which the Company purchases a designated amount of future receivables for an upfront cash purchase price.

During the six months ended June 30, 2024 and 2023, the Company has purchased and collected the following principal amounts associated with CA receivables, including foreign exchange adjustments:

	Six months ended	
	June 30,	
	2024	2023
Beginning CA receivables, gross	\$ 50,552	\$ 42,466
CA extended to customers	154,357	139,809
Change in revenue receivables	(44)	393
CA collected from customers	(147,654)	(134,925)
Charge-offs, net of recoveries	(2,288)	(2,958)
Ending CA receivables, gross	\$ 54,923	\$ 44,785
Allowance for CA losses	(5,445)	(4,565)
CA receivables, net	<u>\$ 49,478</u>	<u>\$ 40,220</u>

The outstanding gross balance at June 30, 2024 consists of the following current and overdue amounts:

	Total	Current	1-30 days overdue	30-60 overdue	60-90 overdue	Above 90 overdue
\$	54,923	52,174	1,572	462	477	238

The outstanding gross balance at December 31, 2023 consists of the following current and overdue amounts:

	Total	Current	1-30 days overdue	30-60 overdue	60-90 overdue	Above 90 overdue
\$	50,552	47,332	1,977	692	276	275

The following are current and overdue balances from above that are segregated into the timing of expected collections at June 30, 2024:

	Total	Overdue	Due in less than 30 days	Due in 30-60 days	Due in 60-90 days	Due in more than 90 days
\$	54,923	2,749	11,368	12,456	21,519	6,831

The following are current and overdue balances from above that are segregated into the timing of expected collections at December 31, 2023:

	Total	Overdue	Due in less than 30 days	Due in 30-60 days	Due in 60-90 days	Due in more than 90 days
\$	50,552	3,220	10,841	13,696	17,462	5,333

As of June 30, 2024 and December 31, 2023, the Company applied a range of loss rates to the CA portfolio of 1.58% to 1.85% for the allowance for CA losses.

**PAYONEER GLOBAL INC.**

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)  
U.S. DOLLARS IN THOUSANDS (EXCEPT SHARE DATA)

**NOTE 3 – CAPITAL ADVANCE (“CA”) RECEIVABLES (continued):**

Below is a rollforward for the allowance for CA losses (“ALCAL”):

	Six months ended	
	June 30,	
	2024	2023
Beginning balance	\$ 5,059	\$ 5,311
Provisions	2,676	2,472
Recoveries	(2)	(260)
Charge-offs	(2,288)	(2,958)
Ending balance	<u>\$ 5,445</u>	<u>\$ 4,565</u>

**NOTE 4 – CUSTOMER FUNDS AND INVESTMENTS**

The Company has invested certain customer funds in available-for-sale debt securities and term deposits. The following table summarizes the assets underlying customer funds as of June 30, 2024 and December 31, 2023:

	June 30, 2024	December 31, 2023
Customer funds:		
Cash and cash equivalents	\$ 5,098,775	\$ 6,390,526
Restricted cash	300,000	—
Available-for-sale debt securities	638,330	—
Total customer funds	<u>\$ 6,037,105</u>	<u>\$ 6,390,526</u>

As of June 30, 2024, the estimated fair value of the available-for-sale debt securities included \$1,011 in unrealized gains and \$140 in unrealized losses. As of June 30, 2024, \$140 of gross unrealized losses related to available-for-sale debt securities with an estimated fair value of \$296,391, and all of those securities had been in an unrealized loss position for less than twelve months and no allowance for credit losses was deemed necessary.

During the period ended June 30, 2024, the Company did not sell any available-for-sale debt securities or incur any realized gains or losses.

As of June 30, 2024, \$229,683 of the Company’s available-for-sale debt securities were due to mature within one year or less, and \$408,647 were due to mature between one and five years.

**NOTE 5 – DERIVATIVES AND HEDGING**

The table below summarizes the gross notional amount and fair value of outstanding derivative instruments at June 30, 2024. No derivative instruments were outstanding at December 31, 2023.

	Balance Sheet Location	June 30, 2024	
		Notional Amount	Fair Value
<b>Derivative liabilities designated as hedge accounting instruments:</b>			
Foreign currency forwards	Other payables	\$ 46,728	\$ 646
Foreign currency net purchased options	Other payables	8,024	19
<b>Total derivative liabilities</b>		<u>\$ 54,752</u>	<u>\$ 665</u>

**PAYONEER GLOBAL INC.**

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)  
U.S. DOLLARS IN THOUSANDS (EXCEPT SHARE DATA)

**NOTE 5 – DERIVATIVES AND HEDGING (continued):**

During the three and six months ended June 30, 2024, the Company recognized \$982 and \$773 in unrealized losses, net of tax, on derivative instruments designated as cash flow hedges in OCI, respectively.

As of June 30, 2024, the Company estimated that \$545 of unrealized losses related to cash flow hedges currently included in AOCI are expected to be reclassified into earnings within the next 12 months. As of June 30, 2024, the maximum length of time over which the Company is hedging its exposure to the variability in future cash flows for forecasted transactions is 6 months. During the three and six months ended June 30, 2024, the Company did not discontinue any cash flow hedges because it was probable that the original forecasted transaction would not occur and as such, did not reclassify any gains or losses to earnings prior to the occurrence of the hedged transaction.

**NOTE 6 – FAIR VALUE**

The following tables summarize the Company’s financial assets and liabilities measured at fair value on a recurring basis as of June 30, 2024 and December 31, 2023:

	June 30, 2024			
	Level 1	Level 2	Level 3	Total
U.S. Treasury Securities (included within Customer funds)	\$ 638,330	\$ —	\$ —	\$ 638,330
Derivative liabilities (included within Other payables)				
Foreign currency forwards	\$ —	\$ 646	\$ —	\$ 646
Foreign currency net purchased options	—	19	—	19
Total derivative liabilities	\$ —	\$ 665	\$ —	\$ 665
Warrant liability	\$ 5,788	\$ —	\$ —	\$ 5,788
Total financial liabilities	\$ 5,788	\$ 665	\$ —	\$ 6,453

  

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Warrant liability	\$ 8,555	\$ —	\$ —	\$ 8,555

The Company’s derivative instruments are valued using pricing models that take into account the contract terms and relevant currency rates.

As of June 30, 2024 and December 31, 2023, the fair values of the Company's cash, cash equivalents, customer funds (other than the portion consisting of available-for-sale debt securities), restricted cash, accounts receivable, capital advance receivables, accounts payable, outstanding operating balances, and short and long-term debt approximated the carrying values of these instruments presented in the Company's consolidated balance sheets because of their nature. The fair value of long-term debt, when carrying value does not approximate fair value, is determined using Level 3 unobservable inputs and assumptions by the Company.

**NOTE 7 - OTHER CURRENT ASSETS**

Composition of Other current assets, grouped by major classifications, is as follows:

	June 30, 2024	December 31, 2023
Prepaid expenses	\$ 22,749	\$ 16,656
Income receivable	12,632	12,844
Prepaid income taxes	14,681	8,136
Other	3,338	3,036
Total Other current assets	\$ 53,400	\$ 40,672

**PAYONEER GLOBAL INC.**

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)  
U.S. DOLLARS IN THOUSANDS (EXCEPT SHARE DATA)

**NOTE 8 – PROPERTY, EQUIPMENT AND SOFTWARE**

Composition of property, equipment and software, grouped by major classifications, is as follows:

	June 30, 2024	December 31, 2023
Computers, software and peripheral equipment	\$ 39,681	\$ 39,453
Leasehold improvements	10,442	9,678
Furniture and office equipment	6,189	5,674
Property, equipment and software	56,312	54,805
Accumulated depreciation	(41,790)	(39,306)
Property, equipment and software, net	<u>\$ 14,522</u>	<u>\$ 15,499</u>

Depreciation expense for the three months ended June 30, 2024 and 2023 was \$2,098 and \$1,864, respectively, and \$4,206 and \$3,976 for the six months ended June 30, 2024 and 2023, respectively.

During the three and six months ended June 30, 2024, the Company retired computers, software, and peripheral equipment with a cost of \$7 and \$1,718, respectively, that were fully depreciated. No such retirement was recognized in the three or six months ended June 30, 2023.

**NOTE 9 – INTANGIBLE ASSETS**

Composition of intangible assets, grouped by major classifications, is as follows:

	June 30, 2024			December 31, 2023		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Internal use software	\$ 150,227	\$ (68,665)	\$ 81,562	\$ 122,001	\$ (54,804)	\$ 67,197
Acquired developed technology	17,915	(10,880)	7,035	17,915	(8,846)	9,069
Intangible assets, net	<u>\$ 168,142</u>	<u>\$ (79,545)</u>	<u>\$ 88,597</u>	<u>\$ 139,916</u>	<u>\$ (63,650)</u>	<u>\$ 76,266</u>

Amortization expense for the three months ended June 30, 2024 and 2023 was \$8,614 and \$4,045, respectively, and \$15,914 and \$7,647 for the six months ended June 30, 2024 and 2023, respectively.

During the three and six months ended June 30, 2024, the Company recognized an insignificant amount of impairment related to intangible assets. During the six months ended June 30, 2023, the Company recognized \$293 in impairment of intangibles acquired through the acquisition of the remaining interest in a previous joint venture and an insignificant amount of additional impairment related to other intangible assets. The impairment is presented under Depreciation and amortization expenses in the condensed consolidated statements of comprehensive income.

Expected future intangible asset amortization as of June 30, 2024, excluding capitalized internal use software of \$21,319 not yet placed in service as of that date, was as follows:

Fiscal years		
2024 (Excluding the six months ended June 30, 2024)	\$	18,087
2025		29,994
2026		17,841
2027		1,356
2028 and thereafter		—
Total	<u>\$</u>	<u>67,278</u>

**PAYONEER GLOBAL INC.**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)  
U.S. DOLLARS IN THOUSANDS (EXCEPT SHARE DATA)**NOTE 10 - OTHER PAYABLES**

Composition of Other payables, grouped by major classifications, is as follows:

	June 30, 2024	December 31, 2023
Employee related compensation	\$ 56,869	\$ 67,837
Commissions payable	20,648	23,695
Accrued expenses	10,714	12,358
Lease liability	6,867	7,171
Income tax payable	991	2,410
Derivative liabilities	665	—
Other	3,661	4,037
Total Other payables	<u>\$ 100,415</u>	<u>\$ 117,508</u>

**NOTE 11 – DEBT**

On October 28, 2021, Payoneer Early Payments Inc. (“PEPI”), a wholly-owned second tier subsidiary of the Company and its subsidiary (the “Borrower”) entered into a Receivables and Loan Security Agreement (the “Warehouse Facility”) with Viola Credit VI, L.P. (currently known as Viola Credit ALF II, L.P.), Viola Credit Alternative Lending FNX SPV, L.P. (the “Lenders”) and Viola Credit Alternative Lending Management 2018 L.P. (collectively, the “Parties”) for the purpose of external financing of Capital Advance activity. The Company notes that the Lenders are related parties through the Company’s Board of Directors’ chairman’s ownership interest in the Lenders. Refer to Note 20 for further information regarding related party considerations.

In accordance with the Warehouse Facility agreement, the Lenders will make available to the Company an initial committed amount of \$25,000, which may be increased at the request of the Company, and with the consent of the Lenders, in \$25,000 increments up to \$100,000. The associated borrowings will be secured by the assets of the Borrower, which consist primarily of capital advance receivables as well as a pledge of the equity of the Borrower. The recourse under the Warehouse Facility agreement is limited to Borrower’s assets, and no other Payoneer entity guarantees repayment by the Borrower.

The Warehouse Facility agreement stipulates a borrowing base calculated at an advance rate of 80% out of the eligible portfolio outstanding receivables balance.

As of July 1, 2023, the Warehouse Facility bears interest at the sum of the Daily Simple SOFR and 0.26161% plus:

- 9.00% per annum if the commitment amount is \$25,000;
- 7.75% per annum if the commitment amount is \$50,000;
- 7.50% per annum if the commitment amount is \$75,000;
- 7.00% per annum if the commitment amount is \$100,000.

Prior to July 1, 2023, interest on the facility was calculated as the greater of 0.25% or LIBOR plus the additional percentage amounts per annum based on commitment amount noted above.

On June 8, 2022, the Warehouse Facility agreement was amended to create a condition that the total interest rate, calculated as the sum per above, shall not exceed 10.5% per annum for all outstanding balances.

The revolving period of the facility is 36 months from the closing date and the maturity date is 42 months from the date the Warehouse Facility agreement was entered into.

**PAYONEER GLOBAL INC.****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)**  
**U.S. DOLLARS IN THOUSANDS (EXCEPT SHARE DATA)****NOTE 11 – DEBT (continued):**

The Company recorded expenses, included in transaction costs, in the total amount of \$375 and \$436 for the three months ended June 30, 2024 and 2023, respectively, and \$812 and \$857 for the six months ended June 30, 2024 and 2023, respectively. As of June 30, 2024, the outstanding associated balance was \$14,984, included within short-term debt on the consolidated balance sheets, with \$126 of accrued expenses included in Other payables. The outstanding balance was reclassified from long-term to short-term debt as the facility and all related borrowings became due within one year as of June 30, 2024. As of December 31, 2023, the outstanding associated balance was \$18,411, included within long-term debt on the consolidated balance sheets, with \$168 of accrued expenses included in Other payables.

The Warehouse Facility agreement includes certain affirmative and negative covenants that must be maintained by the Company and includes certain financial measures such as minimum tangible equity and minimum unrestricted cash at the Company level. As of June 30, 2024 and December 31, 2023, the Company was in compliance with all applicable covenants.

As of June 30, 2024 and December 31, 2023, the fair value of the debt approximates the book value due to the short time span between initiation and balance sheet date with the outstanding balance classified as Level 3 in the fair value leveling hierarchy as the inputs into the valuation are not observable.

**NOTE 12 – OTHER LONG-TERM LIABILITIES**

Composition of other long-term liabilities, grouped by major classifications, is as follows:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Reserves for uncertain income tax positions	\$ 28,942	\$ 24,793
Long-term lease liabilities	16,923	17,836
Other tax provisions	5,802	5,202
Severance pay liabilities	2,000	2,056
Other	—	18
Total other long-term liabilities	<u>\$ 53,667</u>	<u>\$ 49,905</u>

**NOTE 13 – WARRANTS AND SHAREHOLDERS' EQUITY****Share Repurchase Program and Treasury Stock**

On May 7, 2023, the Company's Board of Directors authorized a stock repurchase program that provides for the repurchase of up to \$80,000 of its common stock, including any applicable excise tax. On December 7, 2023, the Board authorized an amendment to the program to increase the authorized amount of repurchases to an aggregate amount not to exceed \$250,000, including the amount that remained available as of December 7, 2023 to repurchase common stock under, but not any prior repurchases effected pursuant to, the previous authorization, and any applicable excise tax. The amended authorization expires December 31, 2025.

The program is intended to offset the impact of dilution from the issuance of new shares as part of employee compensation programs.

Any share repurchases under this stock repurchase program may be made through open market transactions, privately negotiated transactions or other means including in accordance with Rule 10b-18 and/or Rule 10b5-1 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The timing and total amount of repurchases is subject to business and market conditions and the Company's discretion.

During the three and six months ended June 30, 2024, the Company repurchased 8,710,963 and 19,244,897 shares of its common stock for approximately \$46,596 and \$97,756 at a weighted average cost of \$5.33 and \$5.06 per share, respectively. During the six months ended June 30, 2023, we repurchased approximately 4,201,025 shares of our common stock for approximately \$19,725 at a weighted average cost of \$4.68 per share. As of June 30, 2024, a total of approximately \$142,802 remained available for future repurchases of the Company's common stock under the program.

PAYONEER GLOBAL INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)  
U.S. DOLLARS IN THOUSANDS (EXCEPT SHARE DATA)

**NOTE 13 – WARRANTS AND SHAREHOLDERS' EQUITY (continued):**

**Warrants**

The Company has publicly traded warrants that are exercisable for shares of the Company's common stock. Warrants may only be exercised for a whole number of shares at an exercise price of \$11.50. These warrants expire on June 25, 2026, or earlier, if redeemed. At June 30, 2024, there were 25,158,086 warrants outstanding with a corresponding liability valued at \$5,788. The warrants are considered to be a Level 1 fair value measurement due to the observability of the inputs.

The warrants are accounted for as liabilities in accordance with ASC 815-40, *Derivatives and Hedging*, and are presented within warrant liabilities on the condensed consolidated balance sheets. The warrant liabilities are measured at fair value at inception and on a recurring basis, with changes in fair value presented within change in fair value of warrant liabilities in the condensed consolidated statements of comprehensive income. The following table presents the changes in the fair value of warrant liabilities (Level 1):

	Warrant Liability
Fair value as of December 31, 2023	\$ 8,555
Change in fair value	(2,767)
Fair value as of June 30, 2024	<u>\$ 5,788</u>
Fair value as of December 31, 2022	\$ 25,914
Change in fair value	(13,334)
Fair value as of June 30, 2023	<u>\$ 12,580</u>

**Accumulated Other Comprehensive Income (Loss)**

The changes in the balances of each component of accumulated other comprehensive income (loss), net of tax, for the three and six months ended June 30, 2024 were as follows. There were no changes in other comprehensive income (loss) in the three or six months ended June 30, 2023:

	Three Months Ended June 30, 2024			Total
	Foreign currency translation adjustments	Unrealized losses on available-for-sale debt securities	Unrealized gains on cash flow hedges	
Beginning balance	\$ (176)	\$ (1)	\$ 28	\$ (149)
Other comprehensive income (loss) before reclassifications	—	872	(982)	(110)
Amount of loss reclassified from AOCI	—	—	409	409
Net current period other comprehensive income (loss)	—	872	(573)	299
Ending balance	<u>\$ (176)</u>	<u>\$ 871</u>	<u>\$ (545)</u>	<u>\$ 150</u>

**PAYONEER GLOBAL INC.**

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)  
U.S. DOLLARS IN THOUSANDS (EXCEPT SHARE DATA)

**NOTE 13 – WARRANTS AND SHAREHOLDERS’ EQUITY (continued):**

	Six Months Ended June 30, 2024			
	Foreign currency translation adjustments	Unrealized losses on available-for-sale debt securities	Unrealized gains on cash flow hedges	Total
Beginning balance	\$ (176)	\$ —	\$ —	\$ (176)
Other comprehensive income (loss) before reclassifications	—	871	(773)	98
Amount of loss reclassified from AOCI	—	—	228	228
Net current period other comprehensive income (loss)	—	871	(545)	326
Ending balance	<u>\$ (176)</u>	<u>\$ 871</u>	<u>\$ (545)</u>	<u>\$ 150</u>

**NOTE 14 – COMMITMENTS AND CONTINGENCIES**

The Company’s business is subject to various laws and regulations in the United States and other countries from where the Company operates. Any regulatory action, tax or legal challenge against the Company for noncompliance with any regulatory or legal requirement could result in significant fines, penalties, or other enforcement actions, increased costs of doing business through adverse judgment or settlement, reputational harm, the diversion of significant amounts of management time and operational resources, and could require changes in compliance requirements or impose limits on the Company’s ability to expand its product offerings, or otherwise harm or have a material adverse effect on the Company’s business. From time to time, the Company incurs insignificant fines and penalties in the ordinary course of business.

On September 28, 2021, the National Banking and Securities Commission (CNBV) and the Bank of Mexico revoked the banking license of a banking entity utilized by the Company due to the banking entity not meeting applicable capital requirements. As a result, the Company is unable to withdraw funds from the banking entity. The Company has reserved \$2,250 for potential losses related to those funds above the recovered amount. The Company applied for and recovered the maximum statutory reimbursement through the deposit insurance provided by Mexican Institute for the Protection of Banking Services (IPAB), totaling \$140. The Company has filed a claim in liquidation for the remaining funds; however, the percentage of the deposit that will be recovered in liquidation is not known at this time.

On August 7, 2023, Payoneer (Guangzhou) Commerce Services Co., Ltd. (“Payoneer Guangzhou”), a wholly owned subsidiary of the Company, entered into an agreement with a non-bank payments institution (the “Licenseholder”), that offers pay-out and mobile payments solutions to merchants in the People’s Republic of China and holds a Payment Business License issued by the People’s Bank of China (the “PBoC”).

Pursuant to the terms of the agreement, Payoneer Guangzhou seeks to purchase the Licenseholder, and placed approximately \$4 million in escrow in October 2023, representing a small portion of the agreed upon consideration for the purchase. In the event of termination of the agreement, such escrow amount will be returned to Payoneer Guangzhou, and in the event of a successful transaction, it will be applied to the full purchase price. The closing of the acquisition is subject to customary closing conditions and termination provisions provided for in the agreement, as well as, governmental registrations and approvals, including the approval of the transaction by the PBoC, and timing is uncertain.

From time to time, the Company is involved in other disputes or regulatory inquiries that arise in the ordinary course of business. These may include suits by its customers alleging, among other things, acting unfairly and/or not in conformity regarding pricing, rules or agreements, improper disclosure of the Company’s prices, rules, or policies or that the Company’s practices, prices, rules, policies, or customer agreements violate applicable law.

**PAYONEER GLOBAL INC.**

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)  
U.S. DOLLARS IN THOUSANDS (EXCEPT SHARE DATA)

**NOTE 14 – COMMITMENTS AND CONTINGENCIES (continued):**

In addition to these types of disputes and regulatory inquiries, the operations of the Company are also subject to regulatory and/or legal review and/or challenges that tend to reflect the increasing global regulatory focus to which the industry in which the Company operates is subject and, when taken as a whole with other regulatory and legislative action, such actions could result in the imposition of costly new compliance burdens on the Company and may lead to increased costs and decreased transaction volume and revenue. Any claims or regulatory actions against the Company, whether meritorious or not, could be time consuming, result in costly litigation, settlement payments, damage awards (including statutory damages for certain causes of action in certain jurisdictions), fines, penalties, injunctive relief, or increased costs of doing business through adverse judgment or settlement, require the Company to change its business practices, require significant amounts of management time, result in the diversion of operational resources, or otherwise harm the business.

**NOTE 15 – REVENUE**

The following table presents revenue recognized from contracts with customers as well as revenue from other sources:

	<b>Three months ended June 30,</b>		<b>Six months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Revenue recognized at a point in time	\$ 170,751	\$ 141,231	\$ 330,547	\$ 273,123
Revenue recognized over time	492	7,884	1,154	15,728
Revenue from contracts with customers	\$ 171,243	\$ 149,115	\$ 331,701	\$ 288,851
Interest income on customer balances	\$ 65,821	\$ 55,293	\$ 131,089	\$ 105,351
Capital advance income	2,456	2,326	4,913	4,546
Revenue from other sources	\$ 68,277	\$ 57,619	\$ 136,002	\$ 109,897
<b>Total revenues</b>	<b>\$ 239,520</b>	<b>\$ 206,734</b>	<b>\$ 467,703</b>	<b>\$ 398,748</b>

Based on the information provided to and reviewed by the Company’s Chief Operating Decision Maker (“CODM”), the Company believes that the nature, amount, timing, and uncertainty of its revenue and cash flows and how they are affected by economic factors are most appropriately depicted through its primary regional markets. The following table presents the Company’s revenue disaggregated by primary regional market, with 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.

	<b>Three months ended June 30,</b>		<b>Six months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Primary regional markets</b>				
Greater China <sup>1</sup>	\$ 84,439	\$ 71,227	\$ 165,797	\$ 135,187
Europe <sup>2</sup>	45,609	41,699	89,064	80,320
Asia-Pacific <sup>2</sup>	36,225	27,385	69,590	52,766
North America <sup>3</sup>	22,798	26,041	45,808	51,577
South Asia, Middle East and North Africa <sup>2</sup>	25,914	21,711	49,839	41,656
Latin America <sup>2</sup>	24,535	18,671	47,605	37,242
<b>Total revenues</b>	<b>\$ 239,520</b>	<b>\$ 206,734</b>	<b>\$ 467,703</b>	<b>\$ 398,748</b>

- (1) Greater China is inclusive of mainland China, Hong Kong, Macao and Taiwan
- (2) No single country included in any of these regions generated more than 10% of total revenue
- (3) The United States is the Company’s country of domicile. Of North America revenues, the US represents \$21,645 and \$24,995 during the three months ended June 30, 2024 and 2023, respectively, and \$43,570 and \$49,571 during the six months ended June 30, 2024 and 2023, respectively.

**PAYONEER GLOBAL INC.**

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)  
U.S. DOLLARS IN THOUSANDS (EXCEPT SHARE DATA)

**NOTE 16 - TRANSACTION COSTS**

Composition of transaction costs, grouped by major classifications, is as follows:

	Three Months Ended		Six months ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Bank and processor fees	\$ 25,476	\$ 21,739	\$ 49,855	\$ 41,858
Network fees	5,680	3,730	10,716	7,997
Capital advance costs, net of recoveries	1,485	1,857	3,522	2,969
Chargebacks and operational losses	3,689	693	5,576	1,750
Card costs	587	404	1,106	872
Other	44	74	152	132
Total transaction costs	<u>\$ 36,961</u>	<u>\$ 28,497</u>	<u>\$ 70,927</u>	<u>\$ 55,578</u>

**NOTE 17 – STOCK-BASED COMPENSATION**

Stock Options and RSUs

The following table summarizes the options to purchase shares of common stock activity under the Company's equity incentive plans for the six months ended June 30, 2024:

	Options
Outstanding at December 31, 2023	27,788,279
Granted	1,070,000
Exercised	(8,266,635)
Forfeited	(278,483)
Outstanding at June 30, 2024	<u>20,313,161</u>
Exercisable at June 30, 2024	<u>18,407,799</u>

The weighted average exercise price of the options outstanding as of June 30, 2024 was \$2.48 per share.

The following table summarizes the RSUs activity under the Company's equity incentive plans as of June 30, 2024:

	Units
Outstanding December 31, 2023	30,743,366
Granted	11,170,258
Vested	(5,379,897)
Withhold to cover shares repurchased	(1,148,679)
Forfeited	(3,760,171)
Outstanding June 30, 2024	<u>31,624,877</u>

In the six months ended June 30, 2024, the Company granted 11,170,258 RSUs under the Company's Omnibus Stock Incentive Plan, which are subject to time-vesting and continued service conditions.

The Company withholds common stock shares associated with net share settlements to cover tax withholding obligations upon the vesting of restricted stock units under its employee equity incentive plans in the United States. During the three and six months ended June 30, 2024, the Company withheld 343,249 and 1,148,679 shares for \$2,117 and \$5,997, respectively. During the three and six months ended June 30, 2023, the Company withheld 351,960 shares for \$1,504. RSU vesting is shown net of this withholding on the condensed consolidated statements of shareholders' equity and cash flows.

**PAYONEER GLOBAL INC.****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)**  
**U.S. DOLLARS IN THOUSANDS (EXCEPT SHARE DATA)****NOTE 17 – STOCK-BASED COMPENSATION (continued):**

The Company collects cash from proceeds from certain international employees' sales of common stock. The amount is held in a Company bank account until it is remitted to the employees. Due to the restrictions on the use of the funds in the bank account, we have classified the amount as short-term restricted cash, and a corresponding liability is included in Other payables in the condensed consolidated balance sheets. As of June 30, 2024, \$1,367 of such funds were held.

**Employee Stock Purchase Plan**

As of June 30, 2024, approximately 4,072,744 shares were reserved for future issuance under the Company's Employee Stock Purchase Plan ("ESPP"). The fair value attributable to the ESPP was \$1,134 as of May 15, 2024, the beginning of the current offering period, and was measured using the Monte Carlo model. The current offering period is expected to close November 15, 2024.

The expense associated with the ESPP recognized during the three and six months ended June 30, 2024 was \$506 and \$1,112, respectively.

**Impact on Results of Operations**

The impact on the Company's results of operations of recording stock-based compensation expense under the Company's equity incentive plans, including the ESPP, were as follows:

	<b>Three Months Ended June 30,</b>		<b>Six months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Other operating expenses	\$ 2,963	\$ 3,243	\$ 5,770	\$ 6,042
Research and development expenses	1,329	3,599	4,469	6,982
Sales and marketing expenses	4,436	4,574	8,626	10,550
General and administrative expenses	4,939	4,757	9,877	9,526
<b>Total stock-based compensation</b>	<b>\$ 13,667</b>	<b>\$ 16,173</b>	<b>\$ 28,742</b>	<b>\$ 33,100</b>

Note that \$817 and \$878 in stock-based compensation awards were capitalized as part of internal-use software during the three months ended June 30, 2024 and 2023, respectively, and \$1,736 and \$1,740 were capitalized during the six months ended June 30, 2024 and 2023, respectively.

**NOTE 18 - INCOME TAXES**

The Company's provision for income taxes in the interim periods is determined using an estimated annual effective tax rate, adjusted for discrete items arising in the period.

The Company had an effective tax rate of 33% for the six months ended June 30, 2024, compared to an effective tax rate of 22% for the six months ended June 30, 2023. For the six months ended June 30, 2024, the difference between the Company's effective tax rate and the U.S. federal statutory rate of 21% was the result of an increase in the provision for uncertain tax positions as well as discrete tax adjustments, primarily related to stock-based compensation. For the six months ended June 30, 2023, the difference between the Company's effective tax rate and the U.S. federal statutory rate of 21% was the result of foreign income taxed at different rates, including the provision for uncertain tax positions, an increase in tax expense related to share-based compensation, and the release of the valuation allowance on deferred tax assets in the United States.

The Company maintains a valuation allowance in jurisdictions where it is more likely than not that all or a portion of a deferred tax asset may not be realized. In determining whether a valuation allowance is warranted, the Company evaluates factors such as prior earnings history, expected future earnings and the reversal of existing taxable temporary differences. As of June 30, 2024, the Company maintains a full valuation allowance on its deferred tax assets in Germany and maintains its previous conclusion that a valuation allowance on deferred tax assets in the United States and Israel is not necessary.

**PAYONEER GLOBAL INC.**

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)  
U.S. DOLLARS IN THOUSANDS (EXCEPT SHARE DATA)

**NOTE 19 – NET EARNINGS PER SHARE**

The Company’s basic net earnings per share is calculated by dividing net income attributable to common shareholders by the weighted-average number of shares of common stock outstanding for the period, without consideration of potentially dilutive securities. The diluted net earnings per share is calculated by giving effect to all potentially dilutive securities outstanding for the period using the treasury share method or the if-converted method based on the nature of such securities. Diluted net earnings per share is the same as basic net earnings per share in periods when the effects of potentially dilutive shares of common shares are anti-dilutive.

**NOTE 19 – NET EARNINGS PER SHARE (continued):**

Basic and diluted net earnings per share attributable to common stockholders were calculated as follows:

	Three Months Ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
	(In thousands, except share and per share data)			
<b>Numerator:</b>				
Net income	\$ 32,425	\$ 45,549	\$ 61,399	\$ 53,487
<b>Denominator:</b>				
Weighted average common shares outstanding —				
Basic	356,315,658	365,000,974	357,795,857	364,260,883
Add:				
Dilutive impact of RSUs, ESPP and options to purchase common stock	16,327,840	21,928,779	18,226,359	27,584,186
Dilutive impact of private Warrants	724,885	693,926	705,359	727,406
Weighted average common shares – diluted	373,368,383	387,623,679	376,727,575	392,572,475
Net income per share attributable to common stockholders — Basic earnings per share	\$ 0.09	\$ 0.12	\$ 0.17	\$ 0.15
Diluted earnings per share	\$ 0.09	\$ 0.12	\$ 0.16	\$ 0.14

Note that for both the three and six month periods ended June 30, 2024, 25,158,086 Public Warrants, 3,620,000 RSUs with market conditions, ESPP shares to be issued under the May 15, 2024 offering period, 15,000,000 Earn-Out Shares (as that term is defined in the Agreement and Plan of Reorganization dated February 3, 2021 (as amended) with FTAC Olympus Acquisition Corp.) and 2,043,479 options to purchase common stock have been excluded from the computation of diluted net earnings per share as their effect was antilutive, conditions were not met or they were not in the money as of the end of the reporting period. For the three and six month periods ended June 30, 2024, 2,208,513 and 11,018,581 RSUs, respectively, have been excluded for the same reason. In both the three and six months ended June 30, 2023, 25,158,086 Public Warrants, 30,000,000 Earn-Out Shares, 726,620 options to purchase common stock, 1,500,000 RSUs, and ESPP shares to be issued under the May 15, 2023 offering period were excluded for the same reason.

**PAYONEER GLOBAL INC.**

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)  
U.S. DOLLARS IN THOUSANDS (EXCEPT SHARE DATA)

**NOTE 20 – RELATED PARTY TRANSACTIONS**

*Warehouse Facility*

As indicated in Note 11, the Company entered into a Warehouse Facility agreement with Lenders where a member of the Board of Directors has an interest. The Company has evaluated the relationship and determined that the Warehouse Facility agreement represents a related party transaction that has been entered into in the ordinary course of business. As such, the Warehouse Facility agreement was reviewed and approved as a related party transaction in accordance with the related party transaction approval process implemented by the Company. The Company analyzed the terms of the Warehouse Facility agreement and concluded that the terms represent a transaction conducted at arm's length.

**NOTE 21 – SUBSEQUENT EVENTS**

On August 5, Payoneer acquired 100% of the outstanding equity of Skuad Pte. Ltd. (or "Skuad"), a global workforce and payroll management company. The acquisition accelerates Payoneer's strategy to deliver a comprehensive and integrated financial stack for SMBs that operate internationally.

The aggregate purchase price is subject to customary post-closing adjustments and escrows, and included cash consideration of \$61.4 million, funded with cash on hand, as well as up to \$9.7 million as an earn-out subject to meeting certain performance criteria within the first eighteen months of the acquisition date. Additionally, the Company committed to grant \$10.4 million in restricted stock units which are subject to vesting contingent on continued employment of key personnel.

Due to its insignificant size relative to the Company, we do not expect to provide supplemental pro forma financial information for the current and prior reporting periods.

**PAYONEER GLOBAL INC.**

**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

*Throughout this section, unless otherwise noted, "we", "us", "our", "Payoneer", and the "Company" refer to Payoneer Global Inc.*

*The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q. Some of the information contained in this discussion and analysis includes forward-looking statements that involve risks and uncertainties. You should review the sections titled "Cautionary Note on Forward-Looking Statements" and "Risk Factors" for a discussion of forward-looking statements and important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.*

**Overview**

Payoneer is a financial technology company purpose-built to enable the world's small and medium-sized businesses ("SMB(s)") to grow and operate their businesses around the world by reliably and securely connecting them to the global digital economy. Payoneer's financial stack makes it easier for millions of SMBs, particularly in emerging markets, to access global demand and supply, pay and get paid, and manage their cross border and other needs from a single platform. Our financial stack provides a full suite of cross-border accounts receivable (AR) and accounts payable (AP) capabilities, and includes services such as working capital and the provision of data-driven insights. Payoneer's core value proposition is that we remove the complexity and barriers of doing business across borders for our customers. With a multi-currency Payoneer Account, businesses around the world can serve and transact with their overseas customers, suppliers, vendors, and partners as if they were local.

We primarily generate revenues when Payoneer customers use the funds in their Payoneer account to make a payment, to make a purchase or to withdraw the funds locally. For our Business to Business ("B2B") and Direct to Consumer ("DTC") customers, we also in certain circumstances generate revenue on their AR, such as when they invoice a customer or collect payments via their webstore. Additionally, given the high interest rate environment, interest earned on customer funds held on our platform has been a significant source of revenue. Our long-term strategy is centered on growing the number of customers on our platform who fit our ideal customer profile, namely – those who are customers that have on average over \$500 a month in volume and were active over the trailing twelve-month period, and on increasing the revenue we earn from each customer. We believe that successful execution of this strategy will drive revenue growth as (i) adding new customers who meet our ideal customer profile, improving retention, and increasing our product offerings to capture more wallet share will drive greater ad valorem volume of transactions processed through the Payoneer platform; and (ii) introducing new products and services and increasing customer adoption of additional products and services will improve our monetization of customers over time. Volume is one of the primary drivers for our revenue growth. See "Key Metrics and Non-GAAP Financial Measures" for additional information.

Our customers have trusted the Payoneer platform to process \$18.7 billion and \$15.3 billion in volume in the three months ended June 30, 2024 and 2023, respectively, and \$37.2 billion and \$30.6 billion in volume in the six months ended June 30, 2024 and 2023, respectively.

Looking forward, we intend to continue to invest actively to enhance our global platform, deliver new products, extend our regulatory footprint, further automate our operations, increase new customer growth and make acquisitions to accelerate our ability to deliver more value to customers around the world.

## PAYONEER GLOBAL INC.

### Key Developments and Trends

#### *Impact of the war in Israel*

In October 2023, in response to Hamas' attack on Israel from the Gaza Strip, Israel declared war on Hamas. Concurrently, hostilities between Israel and Hezbollah ensued at the Israeli northern border. Despite the ongoing war, we have continued to operate our business and serve our customers around the world and, to date, our ability to support customers has not been materially impacted. We are monitoring the situation closely and benefit from our broad geographic footprint, partially outsourced operations model, and a robust business continuity plan. Additionally, our technology infrastructure has redundancy in place outside of Israel. Approximately 60% of our global employee base is located in Israel, including approximately 85% of our research and development resources. At this time, an insignificant portion of our Israeli workforce have been called to military reserve duty and we have contingencies in place to cover impacted roles and responsibilities.

The evolving conflict is likely to continue to impact economic activity in the region and could impact revenues from customers located in Israel. Our revenue derived from customers based in Israel was insignificant for the three and six months ended June 30, 2024 and is included within revenues from Europe in Note 15 to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

The situation in the region remains highly uncertain and there is the possibility that the conflict could worsen or expand which could, in turn, further impact economic conditions in Israel and in the broader region. At this time, it is difficult to assess the impact the war may have on our future results of operations. Any further escalation, expansion, or prolonged continuation of the ongoing conflict has the potential to impact our operations locally as well as to negatively impact the broader global economy and may have a material effect on our results of operations.

#### *Impact of the war in Ukraine*

During 2022, a geopolitical and armed conflict between Ukraine and Russia, which developed into an ongoing war, resulted in economic sanctions on Russia, Belarus, and certain territories in Ukraine. We provide services to customers in Ukraine and in jurisdictions that are or may be impacted by these economic sanctions. We have developed and implemented a robust transaction monitoring program designed to comply with imposed sanctions and to monitor the impact the conflict may have on our results of operations. During 2022, we ceased to provide services to customers in Russia and have limited our payment services to Belarus customers, while at the same time revenues in Ukraine have remained relatively stable. For the three and six months ended June 30, 2024, Ukraine and Belarus, combined, accounted for less than 10% of our revenue, of which Belarus accounted for less than 1% of our revenue. Further escalation of the conflict may have a material effect on our results of operations.

#### *Macroeconomic Conditions*

Macroeconomic conditions, including geopolitical and other global events, that impact consumer and business spending and behavior, such as, but not limited to, the interest rate environment, inflation, local political instability, global health crises, supply chain dislocations, regional and other conflicts, including the ongoing war in Ukraine and the Israel-Hamas war and disruptions and instability in the banking sector, may impact our customers, providers, banking partners and ultimately the amount of volume processed on our platform which may affect our results of operations. In 2023, we saw a significant increase in the interest income revenue we earn on our customer funds as the U.S. Federal Reserve raised the benchmark interest rate by 525 basis points since 2022. While there remains a great deal of uncertainty around the future timing and magnitude of interest rate cuts, we do expect to see a negative impact from declining interest rates over the medium-term.

**PAYONEER GLOBAL INC.**
**Results of Operations**

The period-to-period comparisons of our results of operations have been prepared using the historical periods in our condensed consolidated financial statements. The following discussion should be read in conjunction with the unaudited condensed consolidated financial statements and related Notes included within this Quarterly Report on Form 10-Q.

	Three months ended June 30,		Increase/ (Decrease) <small>(in thousands except percentages)</small>	Six months ended June 30,		Increase/ (Decrease)
	2024	2023		2024	2023	
Revenues	\$ 239,520	\$ 206,734	16 %	\$ 467,703	\$ 398,748	17 %
Transaction costs	36,961	28,497	30 %	70,927	55,578	28 %
Other operating expenses	41,242	40,527	2 %	81,525	80,622	1 %
Research and development expenses	27,580	27,995	(1)%	59,631	57,275	4 %
Sales and marketing expenses	50,614	48,402	5 %	100,504	96,228	4 %
General and administrative expenses	26,102	22,012	19 %	50,311	48,693	3 %
Depreciation and amortization	10,712	5,909	81 %	20,120	11,948	68 %
Total operating expenses	193,211	173,342	11 %	383,018	350,344	9 %
Operating income	46,309	33,392	39 %	84,685	48,404	75 %
Financial income:						
Gain from change in fair value of Warrants	1,006	13,586	(93)%	2,767	13,334	(79)%
Other financial income, net	976	4,318	(77)%	3,723	6,668	(44)%
Financial income, net	1,982	17,904	(89)%	6,490	20,002	(68)%
Income before taxes on income	48,291	51,296	(6)%	91,175	68,406	33 %
Taxes on income	15,866	5,747	176 %	29,776	14,919	100 %
Net income	\$ 32,425	\$ 45,549	(29)%	\$ 61,399	\$ 53,487	15 %

**Revenues**

Revenues were \$239.5 million and \$467.7 million for the three and six months ended June 30, 2024, an increase of \$32.8 million and \$69.0 million, or 16% and 17%, respectively, compared to the prior-year period, driven mainly by an increase of \$10.5 million and \$25.7 million, respectively, in interest income earned on customer balances resulting from rising interest rates and an increase in customer balances held on our platform compared to the prior-year period. The remaining increase was driven by a combination of continued adoption of our high value services, certain monetization initiatives, ongoing growth in high value regions, and growth in the number of customers on our platform.

**Transaction costs**

Transaction costs were \$37.0 million for the three months ended June 30, 2024, an increase of \$8.5 million, or 30%, compared to the prior-year period, partially due to an increase in chargebacks and other operational losses of \$3.0 million. Excluding the impact of these non-volume related costs, transaction costs increased by \$5.5m or 20%, while volume increased by 22% compared to the prior year period. Transaction costs grew at a lower rate than volume due to improved commercial terms, internal platform optimizations, and the scale benefits of increased transaction volumes.

Transaction costs were \$70.9 million for the six months ended June 30, 2024, an increase of \$15.3 million, or 28%, compared to the prior-year period, partially due to an increase in chargebacks and other operational losses of \$3.8 million. Excluding the impact of these non-volume related costs, the increase in transaction costs is broadly in line with the 21% increase in volume.

**Other operating expenses**

Other operating expenses were \$41.2 million for the three months ended June 30, 2024, an increase of \$0.7 million, or 2%, compared to the prior-year period, driven by an increase of \$3.4 million in information technology expenses offset by a decrease of \$2.7 million in employee compensation, benefits and other employee-related expenses primarily due to a decrease in employee headcount.

## PAYONEER GLOBAL INC.

Other operating expenses were \$81.5 million for the six months ended June 30, 2024, an increase of \$0.9 million, or 1%, compared to the prior-year period, driven by an increase of \$6.1 million in information technology expenses partially offset by a decrease of \$4.6 million in employee compensation, benefits and other employee-related expenses primarily due to a decrease in employee headcount.

### *Research and development expenses*

Research and development expenses were \$27.6 million for the three months ended June 30, 2024, a decrease of \$0.4 million, or 1%, compared to the prior-year period, driven by an increase of \$2.8 million in employee compensation costs capitalized as internal use software in connection with ongoing investments in our platform infrastructure, partially offset by an increase of \$1.5 million in employee compensation, benefits and other employee-related expenses in line with an increase in employee headcount and an increase of \$1.0 million in information technology expenses.

Research and development expenses were \$59.6 million for the six months ended June 30, 2024, an increase of \$2.4 million, or 4%, compared to the prior-year period, driven by an increase of \$7.9 million in employee compensation, benefits and other employee-related expenses in line with an increase in employee headcount and an increase of \$2.5 million in information technology expenses, partially offset by an increase of \$7.6 million in employee compensation costs capitalized as internal use software in connection with ongoing investments in our platform infrastructure.

### *Sales and marketing expenses*

Sales and marketing expenses were \$50.6 million for the three months ended June 30, 2024, an increase of \$2.2 million, or 5%, compared to the prior-year period, driven by an increase of \$2.5 million in spend on certain direct marketing efforts and an increase of \$1.0 million in information technology expenses, offset by a decrease of \$1.1 million in third-party contractor and consulting expenses.

Sales and marketing expenses were \$100.5 million for the six months ended June 30, 2024, an increase of \$4.3 million, or 4%, compared to the prior-year period, driven by an increase of \$5.1 million in spend on certain direct marketing efforts, \$1.8 million in marketplace partner commissions and an increase of \$1.0 million in information technology expenses, offset by a decrease of \$4.0 million in employee compensation, benefits and other employee-related expenses primarily due to a decrease in employee headcount.

### *General and administrative expenses*

General and administrative expenses were \$26.1 million for the three months ended June 30, 2024, an increase of \$4.1 million, or 19%, compared to the prior-year period, driven by an increase of \$1.8 million in M&A related expenses and an increase of \$1.6 million in third-party contractor and consulting expenses.

General and administrative expenses were \$50.3 million for the six months ended June 30, 2024, an increase of \$1.6 million, or 3%, compared to the prior-year period, driven by an increase of \$3.4 million in M&A related expenses and an increase of \$1.7 million in third-party contractor and consulting expenses, offset by a decrease of \$3.5 million in employee compensation, benefits and other employee-related expenses in line with a decrease in employee headcount.

### *Depreciation and amortization expenses*

Depreciation and amortization expenses were \$10.7 million and \$20.1 million for the three and six months ended June 30, 2024, an increase of \$4.8 million and \$8.2 million, or 81% and 68%, respectively, compared to the prior-year period, mainly driven by an increase in amortization of internal use of software.

### *Financial income and expense, net*

Financial income, net was \$2.0 million for the three months ended June 30, 2024, a decrease of \$15.9 million, or 89%, compared to the prior-year period, driven by a gain from the change in the fair value of warrants that was \$12.6 million lower than the gain recognized in the prior year period, as well as a \$5.1 million increase in loss on revaluation of foreign currency balances. These drivers were partially offset by an increase of \$1.8 million in interest income on corporate cash balances.

Financial income, net was \$6.5 million for the six months ended June 30, 2024, a decrease of \$13.5 million, or 68%, compared to the prior-year period, driven by a gain from the change in the fair value of warrants that was \$10.6 million lower than the gain recognized in the prior year period, as well as a \$6.3 million increase in loss on revaluation of foreign currency balances. These drivers were partially offset by an increase of \$3.4 million in interest income on corporate cash balances.

## PAYONEER GLOBAL INC.

### *Income tax*

Income tax expense was \$15.9 million for the three months ended June 30, 2024, an increase of \$10.1 million, or 176%, compared to the prior year period. This increase was primarily driven by a tax benefit of \$10.6 million in the three months ended June 30, 2023, related to the release of the valuation allowance on deferred tax assets in the United States, which did not recur in the current period.

Income tax expense was \$29.8 million for the six months ended June 30, 2024, an increase of \$14.9 million, or 100%, compared to the prior year period. This increase was primarily driven by a tax benefit of \$10.6 million in the six months ended June 30, 2023, related to the release of the valuation allowance on the deferred tax assets in the United States, which did not recur in the current period. Additionally, our US federal and state income tax expense increased by \$2.6 million, as compared to the prior-year period. This increase was driven primarily by an increase in non-deductible stock compensation. In addition, foreign income tax expense increased by \$1.2 million for the six months ended June 30, 2024, as compared to the prior-year period.

### **Liquidity and Capital Resources**

The following discussion of our liquidity and capital resources is based on the financial information derived from our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

We believe our existing cash and cash equivalents and cash flows from operating activities will be sufficient to meet our operating working capital, share repurchase and capital expenditure requirements for at least the next twelve months. Our future financing requirements will depend on many factors including our growth rate, the timing and extent of spending to support development of our platform and the ongoing expansion needs of sales and marketing activities. We have in the past and may in the future enter into agreements with third parties with respect to investments in, or acquisitions of, businesses or technologies, which could also require us to seek additional equity or debt financing.

### **Sources of Liquidity**

As of June 30, 2024, we had \$575.7 million of cash and cash equivalents.

On October 28, 2021, Payoneer Early Payments Inc. (“PEPI”), our wholly-owned second tier subsidiary and its subsidiary (the “Borrower”) entered into a multi-party Receivables Loan and Security Agreement (the “Warehouse Facility”) with, inter alia, affiliates of Viola Ventures. The objective was to provide access to external financing for our capital advance activity. See Note 11 and Note 20 to our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for more information.

Effective July 1, 2023, the Warehouse Facility interest rate was updated to the sum of the Daily Simple SOFR and 0.26161% plus 9% annually. The Warehouse Facility has a revolving maturity of 36 months from the commencement date with a payback period of an additional 6 months after the revolving maturity date. The initial borrowing commitment is \$25 million subject to increases at our request and the lender’s discretion up to \$100 million. Additional commitments will carry interest rates ranging from 7% to 7.75% in addition to the benchmark rate. In addition, pursuant to the Warehouse Facility, PEPI entered into an amendment on June 8, 2022, whereby creating a condition that the total interest rate shall not exceed 10.5% per annum for all outstanding balances.

The Warehouse Facility is secured by eligible capital advance receivables at an initial rate of 80% of the total value of the underlying capital advance receivable outstanding. We are subject to financial covenants including minimum tangible equity, solvency and unrestricted cash requirements that are assessed based on our condensed consolidated financial statements.

### *Current and Future Cash Requirements*

On May 7, 2023, our Board of Directors authorized a stock repurchase program that provides for the repurchase of up to \$80.0 million of our common stock, including any applicable excise tax. On December 7, 2023, the Board authorized an amendment to the program to increase the authorized amount of repurchases to an aggregate amount not to exceed \$250.0 million, including the amount that remained available as of December 7, 2023 to repurchase common stock under, but not any prior repurchases effected pursuant to, the previous authorization, and any applicable excise tax. The amended authorization expires December 31, 2025.

During the six months ended June 30, 2024, we repurchased 19,244,897 shares of our common stock for approximately \$97.8 million, of which \$0.6 million was not yet settled at period end. As of June 30, 2024, a total of approximately \$142.8 million remained available for future repurchases of our common stock under the program.

**PAYONEER GLOBAL INC.****Cash Flows**

The following table presents a summary of cash flows from operating, investing, and financing activities for the following comparative periods.

	<b>Six months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
	<b>(in thousands)</b>	
Net cash provided by operating activities	\$ 80,914	\$ 59,919
Net cash used in investing activities	(665,298)	(63,453)
Net cash used in financing activities	(443,475)	(315,444)
Effect of exchange rate changes on cash and cash equivalents	(2,311)	705
Change in cash, cash equivalents, restricted cash and customer funds	<u>\$ (1,030,170)</u>	<u>\$ (318,273)</u>

**Operating Activities**

Net cash provided by operating activities was \$80.9 million for the six months ended June 30, 2024, an increase of \$21.0 million compared to \$59.9 million for the six months ended June 30, 2023.

For the six months ended June 30, 2024, we had \$61.4 million of net income, which includes non-cash expenses of \$28.7 million related to stock-based compensation and \$20.1 million related to depreciation and amortization. Net income was also adjusted for changes in current assets and liabilities, including net outflows of \$17.7 million related to Other payables and \$12.7 million related to Other current assets.

For the six months ended June 30, 2023, we had \$53.5 million of net income, which includes non-cash expenses of \$33.1 million related to stock-based compensation and \$11.9 million related to depreciation and amortization, as well as non-cash gains of \$13.3 million related to change in fair value of warrants and non-cash deferred tax benefit of \$9.8 million, primarily related to the release of our valuation allowance in the United States. Net income was also adjusted for changes in current assets and liabilities, including outflows of \$13.2 million related to Trade payables, \$5.3 million related to Other payables, and \$3.1 million related to Capital advances. These outflows were offset by inflows of \$5.1 million related to operating lease right-of-use assets and \$1.0 million related to miscellaneous items.

**Investing Activities**

Net cash used in investing activities was \$665.3 million for the six months ended June 30, 2024, an increase of \$601.8 million compared to net cash used in investing activities of \$63.5 million for the six months ended June 30, 2023.

This change was predominantly related to the net purchase of \$634.2 million in investments of customer balances held on our platform in U.S. Treasury Securities.

**Financing Activities**

Net cash used in financing activities was \$443.5 million for the six months ended June 30, 2024, an increase of \$128.0 million compared to net cash used in financing activities of \$315.4 million for the six months ended June 30, 2023. Current period cash used in financing activities reflects the \$353.4 million decline in customer balances since the beginning of the period which was \$43.5 million higher than the \$309.9 million decline in the prior year period. Additionally, share repurchases were \$81.5 million higher than in the prior year period.

**Key Metrics and Non-GAAP Financial Measures**

Our management uses a variety of financial and operating metrics to evaluate our business, analyze our performance, and make strategic decisions. We believe these metrics and non-GAAP financial measures provide useful information to investors and others in understanding and evaluating our operating results in the same manner as management. However, certain of these measures are not financial measures calculated in accordance with GAAP and should not be considered as substitutes for financial measures that have been calculated in accordance with GAAP. We primarily review the following key performance indicators and non-GAAP measures when assessing our performance:

**PAYONEER GLOBAL INC.***Volume*

Volume refers to the total dollar value of transactions successfully completed or enabled by our platform, not including orchestration transactions. For a customer that both receives and later sends payments, we count the volume only once. Volume serves as a key metric for overall business activity, as growing volume is one of the primary drivers for our revenue growth.

	<u>Three months ended June 30,</u>		<u>Six months ended June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Volume	\$ 18,713	\$ 15,338	\$ 37,169	\$ 30,641

Note: as disclosed in the Company's Form 10-K filed with the SEC on February 28, 2024, we have updated our methodology to adjust for previously disclosed limited exceptions where both received and sent payments were counted in volumes, such that we count volume only once for a customer that both receives and later sends payments.

Volume grew 22% and 21% for the three and six months ended June 30, 2024 compared to the three and six months ended June 30, 2023, respectively, driven by a combination of continued growth in volumes from our largest digital commerce marketplaces, strong growth in B2B volumes, strong travel demand, and continued customer acquisition.

*Revenue*

We generate revenues mainly from transaction fees, which vary based on the type of service the customer utilizes. Transaction fee revenue principally consists of fees for withdrawals and usage. We also earn revenues in certain instances from volumes coming into the platform related to our B2B services and through our Checkout offering. We generate significant revenues from interest earned on customer funds held on our platform. In addition, we generate revenue from non-volume-based products and services which are based on a fixed fee. We believe that Revenue demonstrates our ability to monetize volume activity on our platform. Our revenues can be impacted by the following:

- (i) Mix in customer size, products, and services;
- (ii) Mix between domestic and cross-border transactions;
- (iii) Geographic region or country in which a transaction occurs; and
- (iv) Pricing and other market conditions including interest rates.

Management closely monitors volume and revenue to ensure that we continue to grow funds and business activity that enters into the platform, expanding our overall scale and the reach of our business.

*Adjusted EBITDA*

In addition to our financial results determined in accordance with GAAP, we believe Adjusted EBITDA, as a non-GAAP measure, is useful in evaluating our operating performance. We use Adjusted EBITDA to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that this non-GAAP financial measure, when taken together with the corresponding GAAP financial measures, provides meaningful supplemental information regarding our performance by excluding certain items that may not be indicative of our business, results of operations or outlook. In particular, we believe that the use of Adjusted EBITDA is helpful to our investors as it is a metric used by management in assessing our operating performance. However, non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. In addition, other companies, including companies in our industry, may calculate similarly titled non-GAAP measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measure as a tool for comparison. A reconciliation is provided below for our non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP. Investors are encouraged to review the related GAAP financial measure and the reconciliation of this non-GAAP financial measure to their most directly comparable GAAP financial measures, and not to rely on any single financial measure to evaluate our business.

**PAYONEER GLOBAL INC.**

*Adjusted EBITDA*

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
	(in thousands)			
<b>Net income</b>	<b>\$ 32,425</b>	<b>\$ 45,549</b>	<b>\$ 61,399</b>	<b>\$ 53,487</b>
Depreciation and amortization	10,712	5,909	20,120	11,948
Taxes on income	15,866	5,747	29,776	14,919
Other financial income, net	(976)	(4,318)	(3,723)	(6,668)
<b>EBITDA</b>	<b>58,027</b>	<b>52,887</b>	<b>107,572</b>	<b>73,686</b>
Stock based compensation expenses <sup>(1)</sup>	13,666	16,173	28,742	33,100
M&A related expense <sup>(2)</sup>	2,091	498	4,466	1,272
Gain from change in fair value of Warrants <sup>(3)</sup>	(1,006)	(13,586)	(2,767)	(13,334)
<b>Adjusted EBITDA</b>	<b>\$ 72,778</b>	<b>\$ 55,972</b>	<b>\$ 138,013</b>	<b>\$ 94,724</b>

<sup>(1)</sup> 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.

<sup>(2)</sup> Amounts relate to M&A-related third-party fees, including related legal, consulting and other expenditures.

<sup>(3)</sup> Changes in the estimated fair value of the warrants are recognized as gain or loss on the condensed consolidated statements of comprehensive income. The impact is removed from EBITDA as it represents market conditions that are not in our control.

**Critical Accounting Policies and Estimates**

For more information, see “Payoneer Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the Company’s Form 10-K filed with the SEC on February 28, 2024.

**Recent Accounting Pronouncements**

A description of recently issued accounting pronouncements that may potentially impact our financial position, result of operations or cash flows is disclosed in Note 2 to our unaudited condensed consolidated financial statement included elsewhere in this Quarterly Report on Form 10-Q.

**ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

We have operations both within the United States and globally, and we are exposed to market risks in the ordinary course of our business, including the effects of interest rate changes and foreign currency fluctuations. Information relating to quantitative and qualitative disclosures about these market risks is described below.

***Interest Rate Sensitivity***

Our cash and cash equivalents as well as customer funds as of June 30, 2024, were held in cash deposits, term deposits and money market funds, as well as U.S. Treasury Securities classified as available-for-sale debt securities. The fair value of our cash and cash equivalents as well as assets underlying customer funds would not be significantly affected by either an increase or decrease in interest rates due mainly to the short-term nature of these instruments. However, a hypothetical 1% increase or decrease in interest rates could have a material effect on our revenues and earnings.

Any future borrowings incurred under our Warehouse Facility would accrue interest at a floating rate based on a formula tied to certain market rates at the time of incurrence (as described above), not to exceed 10.5% per annum for all outstanding balances.

***Foreign Currency Risk***

While most of our revenue is earned in U.S. dollars, our foreign currency exposure includes currencies of the countries in which our operations are located, including operating expenses denominated in New Israeli Shekels. To reduce that risk, in January 2024, we began investing in foreign currency forward contracts and net purchased options, which are accounted for as cash flow hedges as described in Note 2d and Note 5 to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q. A hypothetical 10% strengthening or weakening of the U.S. dollar against the New Israeli Shekel would have had a material impact on unrealized gains (losses) recognized in AOCI at June 30, 2024.

## PAYONEER GLOBAL INC.

Our foreign currency exposure also includes currencies in which our customer funds are held and may be subject to fluctuations due to changes in foreign currency exchange rates, particularly changes in the Australian Dollar, Euro, Japanese Yen, British Pound, Chinese Yuan, Canadian Dollar, New Zealand Dollar, Thai Baht, New Israeli Shekel, Philippine Peso, Pakistani Rupee, Korean Won, Indian Rupee, Saudi Riyal, and Hong Kong Dollar. A hypothetical 10% increase or decrease in current exchange rates could have a material impact on our financial results.

In addition, some of our services include the opportunity for Payoneer to generate revenues from foreign exchange transactions as part of the payment delivery process. Our ability to generate such revenues is partially dependent on external factors such as market conditions, applicable regulations and our ability to negotiate with third party financial institutions. The impact of these efforts to optimize foreign exchange can be material to revenues and earnings.

### ITEM 4. CONTROLS AND PROCEDURES

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in company reports filed or submitted under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

As required by Rules 13a-15 and 15d-15 under the Exchange Act, our Chief Executive Officer and Chief Financial Officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of June 30, 2024. Based upon their evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were effective.

During the most recently completed fiscal quarter, there has been no change in our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

**PAYONEER GLOBAL INC.****PART II - OTHER INFORMATION****ITEM 1. LEGAL PROCEEDINGS**

From time to time we are a party to various litigation matters incidental to the conduct of our business. Refer to Note 14 (Commitments and Contingencies) to the condensed consolidated financial statements included in Part I, Item 1 of this Form 10-Q.

For more information on risks related to litigation, see the section titled “Risk Factors — General Risks Related to Payoneer — We may be subject to various legal proceedings which could materially adversely affect our business, financial condition or results of operations” in our Annual Report on Form 10-K, filed with the SEC on February 28, 2024.

**ITEM 1A. RISK FACTORS**

As of the date of this Quarterly Report on Form 10-Q, there have been no material changes to the risk factors disclosed in our Annual Report on Form 10-K, filed with the SEC on February 28, 2024. However, we may disclose changes to such factors or disclose additional factors from time to time in our future filings with the SEC.

**ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

No unregistered sales during the quarterly period ended June 30, 2024.

*Share Repurchase Activities*

The following table provides information with respect to repurchases made by the Company during the three months ended June 30, 2024. All repurchases listed below were made in the open market.

Period	Total Number of Shares Purchased <sup>1</sup>	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs <sup>2</sup>	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs <sup>2</sup>
April 1, 2024 - April 30, 2024	3,754,527	\$4.89	3,754,527	\$ 170,850,052
May 1, 2024 - May 31, 2024	2,430,630	\$5.65	2,430,630	\$ 157,124,234
June 1, 2024 - June 30, 2024	2,525,806	\$5.67	2,525,806	\$ 142,802,325
Total	8,710,963		8,710,963	

- (1) No shares were repurchased other than through a publicly announced plan or program.
- (2) On May 7, 2023, our Board of Directors authorized a stock repurchase program that provides for the repurchase of up to \$80 million of our common stock, including any applicable excise tax. On December 7, 2023, our Board of Directors authorized an amendment to the above program to increase the authorized amount of repurchases to an aggregate amount not to exceed \$250 million. The \$250 million authorization amended the previous repurchase authorization, and includes the amount that remains available as of December 7, 2023 to repurchase common stock under, but not any prior repurchases effected pursuant to, the previous authorization, and any applicable excise tax. The amended authorization expires December 31, 2025. These share repurchases may take place from time to time, in the open market, through privately negotiated transactions or other means, including in accordance with Rule 10b-18 and/or Rule 10b5-1 of the Securities Exchange Act of 1934. The timing and total amount of repurchases is subject to the Company’s discretion.

**ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

None.

**ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

**PAYONEER GLOBAL INC.****ITEM 5. OTHER INFORMATION***Rule 10b5-1 and Non-Rule 10b5-1 Trading Arrangements*

During the three months ended June 30, 2024, certain of our officers and directors took the following actions with respect to trading arrangements for the sale of shares of our common stock:

	Action	Date	Plans		Number of Shares to be Sold	Expiration
			Rule 10b5-1*	Non-Rule 10b5-1**		
Arnon Kraft, Chief Operating Officer <sup>(1)</sup>	Adoption	May 15, 2024	X		139,237	November 15, 2024
Scott Galit, Director	Adoption	May 29, 2024	X		300,000	October 1, 2024
Bea Ordenez, Chief Financial Officer	Adoption	June 4, 2024	X		85,000	September 30, 2025

\* Intended to satisfy the affirmative defense conditions of Rule 10b5-1(c)

\*\* Not intended to satisfy the affirmative defense conditions of Rule 10b5-1(c)

<sup>(1)</sup> Arnon Kraft departed as Chief Operating Officer of the Company on June 30, 2024.

*Reclassification of the Board and re-appointment of a Director to the Board.*

Pursuant to the terms of the Amended and Restated Certificate of Incorporation of the Company, the Company's board of directors (the "Board") is to be divided into three classes, with each class consisting, as nearly as may be practicable, of one-third of the total number of directors. In order to effect a rebalancing of the existing classes of the Company's Board, on August 2, 2024, Rich Williams, who currently serves as a Class II director, submitted his resignation as a director of the Company, subject to and effective upon the Board's agreement to reappoint Mr. Williams as a Class I director. On August 5, 2024, the Board reappointed him as a Class I director, with immediate effect. As a Class I director, Mr. Williams' term will continue until the Company's 2025 annual meeting of stockholders. Mr. Williams will continue to serve on the Company's Audit Committee and as chair of the Risk Committee. Mr. Williams' resignation was submitted solely to enable the Board to rebalance its three classes and not due to any disagreement between himself and the Company, its management, the Board, or any committee of the Board.

*Amendments to Bylaws.*

On August 5, 2024, the Board amended the bylaws of the Company (the bylaws, as so amended and restated, the "Amended and Restated Bylaws"), effective immediately. The Amended and Restated Bylaws, among other things:

- update the provisions relating to adjournment procedures to conform with amendments to the Delaware General Corporation Law;
- clarify certain procedural requirements with respect to director nominations by stockholders related to the delivery of notices;
- enhance the disclosure requirements to include additional information regarding the stockholder making the director nomination(s), the director nominee(s), and their associates and affiliates and that the information is updated and supplemented to be accurate and timely;
- require that any stockholder making director nominations pursuant to Rule 14a-19 include a representation that such stockholder will deliver a proxy statement and form of proxy to holders of at least 67% of the voting power of the Company's stock entitled to vote generally in the election of directors and provide reasonable evidence of compliance with Rule 14a-19 upon request;
- require any stockholder soliciting proxies from other stockholders to use a proxy card color other than white, with white proxy cards being reserved for exclusive use by the Board; and
- make various conforming, technical and non-substantive changes.

The foregoing summary of the amendments does not purport to be complete and is qualified in its entirety by reference to the complete text of the Amended and Restated Bylaws, a copy of which is attached to this Quarterly Report on Form 10-Q as Exhibit 3.1 and is incorporated herein by reference.

**PAYONEER GLOBAL INC.**

**ITEM 6. EXHIBITS**

The following exhibits are filed as part of, or incorporated by reference into, this Quarterly Report on Form 10-Q.

<b>Exhibit No.</b>	<b>Description of Exhibit</b>
3.1	<a href="#">Amended and Restated Bylaws of the Company.*</a>
10.1	<a href="#">Separation Agreement with Arnon Kraft.*</a>
10.2	<a href="#">Amendment to Transition Agreement with Scott Galit.*</a>
31.1	<a href="#">Certification of Chief Executive Officer pursuant to Rules 13a-14 and 15d-14 promulgated under the Securities Exchange Act of 1934.*</a>
31.2	<a href="#">Certification of Chief Financial Officer pursuant to Rules 13a-14 and 15d-14 promulgated under the Securities Exchange Act of 1934.*</a>
32.1	<a href="#">Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**</a>
32.2	<a href="#">Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**</a>
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

\* Filed herewith.

\*\* Furnished herewith.

† Schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The registrant hereby undertakes to furnish copies of any of the omitted schedules upon request by the Securities and Exchange Commission.

**PAYONEER GLOBAL INC.**

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**PAYONEER GLOBAL INC.**

(Registrant)

By: /s/ John Caplan

John Caplan

Chief Executive Officer

(Principle Executive Officer)

By: /s/ Bea Ordonez

Bea Ordonez

Chief Financial Officer

(Principle Financial Officer)

Date: August 7<sup>th</sup>, 2024

## AMENDED AND RESTATED

## BYLAWS

## OF

Payoneer Global Inc.

(the "Corporation")

\* \* \* \* \*

ARTICLE 1  
OFFICES

Section 1.01. *Registered Office.* The registered office of the Corporation shall be in the City of Wilmington, County of New Castle, State of Delaware.

Section 1.02. *Other Offices.* The Corporation may also have offices at such other places both within and without the State of Delaware as the Board of Directors of the Corporation (the "**Board of Directors**") may from time to time determine or the business of the Corporation may require.

Section 1.03. *Books.* The books of the Corporation may be kept within or without the State of Delaware as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE 2  
MEETINGS OF STOCKHOLDERS

Section 2.01. *Time and Place of Meetings.* All meetings of stockholders shall be held at such place, if any, either within or without the State of Delaware, on such date and at such time as may be determined from time to time by the Board of Directors (or the Chair of the Board of Directors in the absence of a designation by the Board of Directors).

Section 2.02. *Annual Meetings.* An annual meeting of stockholders shall be held for the election of directors and to transact such other business as may properly be brought before the meeting.

Section 2.03. *Special Meetings.* Subject to the rights of the holders of any outstanding class or series of preferred stock of the Corporation, special meetings

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of the stockholders may be called only by the Board of Directors acting pursuant to a resolution adopted by a majority of the Board of Directors.

Section 2.04. *Notice of Meetings and Adjourned Meetings; Waivers of Notice.* (a) Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given which shall state the place, if any, date and hour of the meeting, the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended (“**Delaware Law**”), the Certificate of Incorporation of the Corporation, as amended from time to time (the “**Certificate of Incorporation**”) or these Bylaws, such notice shall be given not less than 10 nor more than 60 days before the date of the meeting to each stockholder of record entitled to vote at such meeting. The Board of Directors or the chair of the meeting may adjourn the meeting to another time or place (whether or not a quorum is present), and notice need not be given of the adjourned meeting if the time, place, if any, and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, are announced at the meeting at which such adjournment is made or provided in any other manner permitted by Delaware Law. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days, or after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

(b) A written waiver of any such notice signed by the person entitled thereto, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

Section 2.05. *Quorum.* Unless otherwise provided under the Certificate of Incorporation or these Bylaws and subject to Delaware Law, the presence, in person or by proxy, of the holders of a majority of the total voting power of all outstanding securities of the Corporation generally entitled to vote at a meeting of stockholders shall constitute a quorum for the transaction of business. If, however, such quorum shall not be present or represented at any meeting of the

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stockholders, the chair of the meeting or a majority in voting interest of the stockholders present in person or represented by proxy may adjourn the meeting, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted that might have been transacted at the meeting as originally notified.

Section 2.06. *Voting.* (a) Unless otherwise provided in the Certificate of Incorporation and subject to Delaware Law, each stockholder shall be entitled to one vote for each outstanding share of capital stock of the Corporation held by such stockholder. Any share of capital stock of the Corporation held by the Corporation shall have no voting rights. Except as otherwise required by law, the Certificate of Incorporation or these Bylaws, in all matters other than the election of directors, the affirmative vote of the holders of a majority of the votes cast at the meeting on the subject matter shall be the act of the stockholders. Abstentions and broker non-votes shall not be counted as votes cast. Subject to the rights of the holders of any class or series of preferred stock to elect additional directors under specific circumstances, as may be set forth in the certificate of designations for such class or series of preferred stock, directors shall be elected by a plurality of the votes of the shares of capital stock of the Corporation present in person or represented by proxy at the meeting and entitled to vote on the election of directors.

(b) Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to a corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy, appointed by an instrument in writing, subscribed by such stockholder or by their attorney thereunto authorized, or by proxy sent by cable, telegram or by any means of electronic communication permitted by law, which results in a writing from such stockholder or by their attorney, and delivered to the secretary of the meeting. No proxy shall be voted after three years from its date, unless said proxy provides for a longer period.

Section 2.07. *Action by Consent.* Subject to the rights of the holders of any class or series of preferred stock then outstanding, as may be set forth in the certificate of designations for such class or series of preferred stock, any action required or permitted to be taken at any annual or special meeting of stockholders may be taken only upon the vote of stockholders at an annual or special meeting duly noticed and called in accordance with Delaware Law and may not be taken by written consent of stockholders without a meeting.

Section 2.08. *Organization.* At each meeting of stockholders, the Chair of the Board of Directors, if one shall have been elected, or in the Chair's absence or if one shall not have been elected, the director designated by the vote of the

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majority of the directors present at such meeting, shall act as chair of the meeting. The Secretary (or in the Secretary's absence or inability to act, the person whom the chair of the meeting shall appoint secretary of the meeting) shall act as secretary of the meeting and keep the minutes thereof.

Section 2.09. *Order of Business.* The order of business at all meetings of stockholders shall be as determined by the chair of the meeting.

Section 2.10. *Nomination of Directors and Proposal of Other Business.*

(a) *Annual Meetings of Stockholders.* (i) Nominations of persons for election to the Board of Directors or the proposal of other business to be transacted by the stockholders at an annual meeting of stockholders may be made only (A) pursuant to the Corporation's notice of meeting (or any supplement thereto), (B) by or at the direction of the Board of Directors or any committee thereof duly authorized, (C) as may be provided in the certificate of designations for any class or series of preferred stock or (D) by any stockholder of the Corporation who is a stockholder of record at the time of giving of notice provided for in paragraph (ii) of this Section 2.10(a) and at the time of the annual meeting, who shall be entitled to vote at the meeting and who complies with the procedures set forth in this Section 2.10(a), and, except as otherwise required by law, any failure to comply with these procedures shall result in the nullification of such nomination or proposal.

(ii) For nominations or other business to be properly brought before an annual meeting of stockholders by a stockholder pursuant to clause (D) of paragraph (i) of this Section 2.10(a), the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation and any such proposed business (other than the nominations of persons for election to the Board of Directors) must constitute a proper matter for stockholder action. To be timely, a stockholder's notice shall be delivered to, or mailed and received by, the Secretary of the Corporation at the principal executive offices of the Corporation not less than 120 days nor more than 150 days prior to the first anniversary of the preceding year's annual meeting of stockholders; *provided, however,* that in the event that the date of the annual meeting is advanced more than 30 days prior to such anniversary date or delayed more than 70 days after such anniversary date then to be timely such notice must be received by the Corporation no earlier than 120 days prior to such annual meeting and no later than the later of 70 days prior to the date of the meeting or the 10<sup>th</sup> day following the day on which public announcement of the date of the meeting was first made by the Corporation. The minimum timeliness requirements of this paragraph shall apply despite any different timeline described in Rule 14a-19 or elsewhere in Regulation 14A under the

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Securities Exchange Act of 1934 (as amended (together with the rules and regulations promulgated thereunder), the “Exchange Act”), including with respect to any statements or information required to be provided to the Corporation pursuant to Rule 14a-19 of the Exchange Act by a stockholder and not otherwise specified herein. In no event shall the adjournment, recess or postponement of any meeting, or any announcement thereof, commence a new time period (or extend any time period) for the giving of a stockholder’s notice as described above. The number of nominees a stockholder may nominate for election at the annual meeting on its own behalf (or in the case of a stockholder giving the notice on behalf of a beneficial owner, the number of nominees a stockholder may nominate for election at the annual meeting on behalf of such beneficial owner) shall not exceed the number of directors to be elected at such annual meeting.

Notwithstanding anything in this Section 2.10 to the contrary, in the event that the number of directors to be elected to the Board of Directors of the Corporation at an annual meeting of stockholders is increased effective after the time period for which nominations would otherwise be due under this Section 2.10 and there is no public announcement by the Corporation naming the nominees for the additional directorships or specifying the size of the increased Board of Directors at least 100 days prior to the first anniversary of the preceding year’s annual meeting of stockholders, a stockholder’s notice required by this Section 2.10 shall also be considered timely, but only with respect to nominees for any new directorships created by such increase, if it shall be delivered to, and received by, the Secretary at the principal executive offices of the Corporation not later than the 10th day following the day on which such public announcement is first made by the Corporation.

(iii) A stockholder’s notice to the Secretary shall set forth:

(A) as to each person whom the stockholder proposes to nominate for election or reelection as a director:

- (1) the name, age, business address and residence address of such person;
  - (2) the principal occupation or employment of such person;
  - (3) (i) for each class or series, the number of shares of capital stock of the Corporation that are held of record or are beneficially owned (and proof of any such beneficial ownership)
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by such person and any affiliates or associates (each within the meaning of Rule 12b-2 promulgated under the Exchange Act for purposes of these Bylaws) of such person, including any class or series of stock of the Corporation that such person, or any affiliates or associates of such person, has the right to acquire beneficial ownership of, (ii) the name of each nominee holder of shares of all stock of the Corporation owned beneficially (and proof of any such beneficial ownership) but not of record by such person or any affiliates or associates of such person, and number of such shares of each class or series of capital stock held by each such nominee holder, including any class or series of capital stock of the Corporation that such nominee holder has the right to acquire beneficial ownership of, (iii) any agreement, arrangement, relationship or understanding (whether written or oral) pursuant to which such person, or any affiliates or associates of such person, has a right to vote any shares of any security of the Corporation, (iv) a description of any agreement, arrangement or understanding (whether written or oral) (including, regardless of the form of settlement, any derivative, long or short positions, profit interests, forwards, futures, swaps, options, warrants, convertible securities, stock appreciation or similar rights, hedging transactions and borrowed or loaned shares) that has been entered into by or on behalf of, or any other agreement, arrangement or understanding (whether written or oral) that has been made, the effect or intent of which is to create or mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, such person, or any affiliates or associates of such person, with respect to the Corporation's securities, and (v) any direct or indirect interest of such person, or any affiliates or associates of such person, in any employment agreement, collective bargaining agreement or consulting agreement with the Corporation;

(4) all information relating to such person, or any affiliates or associates of such person, that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act;

(5) all completed and signed questionnaires in the same form as those questionnaires required of the Corporation's directors (which will be provided to such person within 5 business days following a request therefor);

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(6) a statement that such person has read the Corporation's Corporate Governance Guidelines, Code of Conduct and Ethics and any other Corporation policies and guidelines applicable to directors (which will be provided to such person within 5 business days following a request therefor), and a written agreement from such person to adhere to the foregoing codes, policies and guidelines, as amended from time to time, if he or she is elected as a director;

(7) an executed agreement by such person: (i) consenting to serve as a director if elected and (if applicable) to being named in a proxy statement and form of proxy relating to the meeting at which directors are to be elected, along with a representation that such person intends to serve a full term as a director if elected, and (ii) that such person is not and will not become a party to (x) any direct or indirect compensatory, payment or other financial agreement, arrangement or understanding (whether written or oral) with any other person or entity other than the Corporation, in each case in connection with candidacy or service as a director of the Corporation (a "**Third-Party Compensation Arrangement**") that has not been fully disclosed to the Corporation prior to, or concurrently with, the submission of the notice from the stockholder required by this Section 2.10, (y) any agreement, arrangement or understanding (whether written or oral), including the amount of any payment or payments received or receivable thereunder, with any other person or entity as to how such person would vote or act on any issue or question as a director (a "**Voting Commitment**") that has not been fully disclosed to the Corporation prior to, or concurrently with, the submission of the notice from the stockholder required by this Section 2.10 or (z) any Voting Commitment that could limit or interfere with such person's ability to comply, if elected as a director of the Corporation, with such person's fiduciary duties under applicable law; and

(8) such other information reasonably requested by the Corporation to determine whether such person is qualified under the Certificate of Incorporation, these Bylaws, the rules or regulations of any stock exchange applicable to the Corporation, or any law or regulation applicable to the Corporation to serve as a director and/or independent director of the Corporation;

(B) as to any other business that the stockholder proposes to bring before the meeting: (1) a brief description of the business desired to be

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brought before the meeting, (2) the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend these Bylaws, the text of the proposed amendment); (3) the reasons for conducting such business; and (4) and any substantial interest (within the meaning of Item 5 of Schedule 14A under the Exchange Act) in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made;

(C) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made:

(1) the name and address of such stockholder (as they appear on the Corporation's books) and any such beneficial owner;

(2) a representation as to whether such stockholder or such beneficial owner has complied with all applicable legal requirements in connection with its acquisition of shares or other securities of the Corporation;

(3) a written agreement from such stockholder that it is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or through a qualified representative (which means a person who has delivered to the Corporation before the meeting written evidence that they are authorized by a writing executed by such stockholder to act for such stockholder as proxy at the meeting of stockholders) to make such nomination or proposal;

(4) in the case of a nomination, a written agreement from such stockholder (and such beneficial owner, if any) that it (or they) will not submit any substitute nominations unless they are made within the time periods set forth in this Section 2.10 and the stockholder and the substitute nominees will otherwise comply with this Section 2.10;

(5) in the case of a nomination, a written agreement from such stockholder (and such beneficial owner, if any) that it (or they) has not, and shall not, nominate a number of nominees (inclusive of substitutes)

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that exceeds the number of directors to be elected at the annual meeting; and

(6) a written agreement that such stockholder (and such beneficial owner, if any) shall (i) update and supplement the notice required by this Section 2.10, if necessary, so that the information provided or required in such notice shall be true and correct as of the record date for determining the stockholders entitled to receive notice of the annual meeting, and as of the date that is 10 days prior to the meeting or any adjournment or postponement thereof and (ii) deliver such update and supplement so that it is received by the Secretary at the principal office of the Corporation not later than the later of (x) 5 business days after the record date for determining the stockholders entitled to receive notice of the annual meeting or (y) 5 business days after the first public announcement of such record date, in the case of any update and supplement required to be made as of the record date, and not later than 5 business days before the meeting or any adjournment or postponement thereof, in the case of any update and supplement required to be made as of the date that is 10 days prior to the meeting or any adjournment or postponement thereof. For the avoidance of doubt, the obligation to update and supplement as set forth in this Section 2.10 or any other section of these Bylaws shall not limit the Corporation's rights with respect to any deficiencies in any stockholder's notice, extend any applicable deadlines under these Bylaws or enable or be deemed to permit a stockholder who has previously submitted a stockholder's notice under these Bylaws to amend or update any proposal or to submit any new proposal, including by changing or adding nominees, matters, business and/or resolutions proposed to be brought before a meeting of stockholders;

(D) as to the stockholder giving the notice, the beneficial owner, if any, on whose behalf the nomination or proposal is made, and, if such stockholder or beneficial owner is an entity, each person controlling, controlled by or under common control with such stockholder or beneficial owner (any such individual or control person, a "**Control Person**" and each person or entity contemplated by this clause (D), a "**Proposing Party**");

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(1) for each class or series, the number of shares of capital stock of the Corporation that are held of record or are beneficially owned (and proof of any such beneficial ownership) by such Proposing Party, or any associates (within the meaning of Rule 12b-2 promulgated under the Exchange Act for purposes of these Bylaws) of such Proposing Party, including any class or series of capital stock of the Corporation that such Proposing Party, or any associates of such Proposing Party, has the right to acquire beneficial ownership of;

(2) the name of each nominee holder of each class or series of capital stock of the Corporation that are owned beneficially (and proof of any such beneficial ownership) but not of record by such Proposing Party, or any associates of such Proposing Party, and the number of such shares of each class or series of capital stock of the Corporation held by each such nominee holder, including any class or series of capital stock of the Corporation that such nominee holder has the right to acquire beneficial ownership of; a description of any agreement, arrangement, relationship or understanding (whether written or oral) pursuant to which such Proposing Party, or any associates of such Proposing Party, has a right to vote any shares of any security of the Corporation;

(3) a description of (i) any plans or proposals which any such Proposing Party may have with respect to securities of the Corporation that would be required to be disclosed pursuant to Item 4 of Exchange Act Schedule 13D (regardless of whether the requirement to file a Schedule 13D is applicable) and (ii) any agreement, arrangement or understanding (whether written or oral) (including the identity of the parties thereto) with respect to the nomination or other business between or among such Proposing Parties and any other parties, including without limitation any agreements that would be required to be disclosed pursuant to Item 5 or Item 6 of Exchange Act Schedule 13D (regardless of whether the requirement to file a Schedule 13D is applicable), in each case as of the date the notice required by this Section 2.10 is delivered to the Corporation by the stockholder, or beneficial owner in such business, if any, presenting the nomination or other proposal;

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(4) a description of any agreement, arrangement or understanding (whether written or oral) (including, regardless of the form of settlement, any derivative, long or short positions, profit interests, forwards, futures, swaps, options, warrants, convertible securities, stock appreciation or similar rights, hedging transactions and borrowed or loaned shares) that has been entered into by or on behalf of, or any other agreement, arrangement or understanding (whether written or oral) that has been made, the effect or intent of which is to create or mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, such Proposing Party, or any associates of such Proposing Party, with respect to the Corporation's securities;

(5) a written representation as to whether any Proposing Party, or any other participant as defined in Item 4 of Schedule 14A under the Exchange Act, will engage in a solicitation with respect to such nomination or other business and, if so, whether such solicitation will be conducted as an exempt solicitation under Rule 14a-2(b) of the Exchange Act, the name of each participant in such solicitation and the amount of the cost of solicitation that has been and will be borne, directly or indirectly, by each participant in such solicitation and (x) in the case of a proposal of business other than nominations, whether such person or group intends to deliver a proxy statement and form of proxy to holders of at least the percentage of the Corporation's voting shares required under applicable law to carry the proposal, (y) in the case of any solicitation that is subject to Rule 14a-19 of the Exchange Act, confirming that such person or group will deliver, through means satisfying each of the conditions that would be applicable to the Corporation under either Exchange Act Rule 14a-16(a) or Exchange Act Rule 14a-16(n), a proxy statement and form of proxy to holders of at least sixty-seven percent (67%) of the voting power of the Corporation's stock entitled to vote generally in the election of directors and/or (z) whether such person or group intends to otherwise solicit proxies or votes from holders in support of such proposal or nomination (for purposes of this clause (5), the term "holders" shall include, in addition to stockholders of record, any

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beneficial owners pursuant to Rule 14b-1 and Rule 14b-2 of the Exchange Act);

(6) a representation that promptly after any Proposing Party solicits the holders of the Corporation's stock referred to in the representation required under the preceding clause, and in any event no later than the 10th day before the annual meeting, such Proposing Party will provide the Corporation with documents, which may take the form of a certified statement and documentation from a proxy solicitor, specifically demonstrating that the necessary steps have been taken to deliver a proxy statement and form of proxy to holders of such percentage of the Corporation's stock;

(7) any direct or indirect interest of such Proposing Party, or any associates of such Proposing Party, in any contract (including, in any such case, any employment agreement, collective bargaining agreement or consulting agreement) with the Corporation, or any affiliate of the Corporation; and

(8) any other information relating to such Proposing Party, or any associates of such Proposing Party, that would be required to be disclosed in a proxy statement or other filing required to be made in connection with the solicitation of proxies in support of such nominee or proposal pursuant to Section 14 of the Exchange Act.

(b) *Special Meetings of Stockholders.* If the election of directors is included as business to be brought before a special meeting in the Corporation's notice of meeting, then nominations of persons for election to the Board of Directors at a special meeting of stockholders may be made by any stockholder who is a stockholder of record at the time of giving of notice provided for in this Section 2.10(b) and at the time of the special meeting, who shall be entitled to vote at the meeting and who complies with the procedures set forth in this Section 2.10(b); provided that the number of nominees a stockholder may nominate for election at the special meeting on its own behalf (or in the case of a stockholder giving the notice on behalf of a beneficial owner, the number of nominees a stockholder may nominate for election at the special meeting on behalf of such beneficial owner) shall not exceed the number of directors to be elected at such special meeting. For nominations to be properly brought by a stockholder before a special meeting of stockholders pursuant to this Section 2.10(b), the stockholder

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must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a stockholder's notice shall be delivered to or mailed and received at the principal executive offices of the Corporation (A) not earlier than 150 days prior to the date of the special meeting nor (B) later than the later of 120 days prior to the date of the special meeting and the 10<sup>th</sup> day following the day on which public announcement of the date of the special meeting was first made by the Corporation. A stockholder's notice to the Secretary shall comply with the notice requirements of Section 2.10(a)(iii). The minimum timeliness requirements of this paragraph shall apply despite any different timeline described in Rule 14a-19 or elsewhere in Regulation 14A under the Exchange Act, including with respect to any statements or information required to be provided to the Corporation pursuant to Rule 14a-19 of the Exchange Act by a stockholder and not otherwise specified herein. In no event shall the adjournment, recess or postponement of a special meeting, or any announcement thereof, commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. Such notice of a stockholder shall include the same information, representations, certifications and agreements that would be required if the stockholder were to make a nomination in connection with an annual meeting of stockholders pursuant to the preceding provisions of this Section 2.10, and such stockholder shall be obligated to provide the same supplemental or additional information in connection with a special meeting of stockholders as required pursuant to the preceding provisions of this Section 2.10 in connection with an annual meeting of stockholders.

(c) *General.* (i) No person shall be eligible to be nominated by a stockholder to be elected or reelected at any meeting of stockholders to serve as a director of the Corporation unless nominated in accordance with the procedures set forth in this Section 2.10. No business proposed by a stockholder shall be conducted at a stockholder meeting except in accordance with this Section 2.10.

(ii) Without limiting any remedy available to the Corporation, and unless otherwise determined by the Board of Directors, the Chair of the Board of Directors or the chair of the meeting, a stockholder may not present nominations for director or business proposals at an annual or special meeting of stockholders (and any such nominee shall be disqualified from standing for election), notwithstanding proxies or votes may have been solicited and/or received with respect thereto, if such stockholder, any beneficial owner, any Proposing Party or any nominee or substitute nominee for director: (A) acted contrary to any representation, statement, certification or agreement required by the applicable provisions of these Bylaws; (B) otherwise failed to comply with these Bylaws or with any law, rule or regulation identified in these Bylaws, including all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 2.10;

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*provided*, however, that any references in these Bylaws to the Exchange Act or the rules and regulations promulgated thereunder are not intended to and shall not limit any requirements applicable to nominations or proposals as to any other business to be considered pursuant to this Section 2.10; or (C) provided information to the Corporation (whether required by these Bylaws or otherwise) that is false, misleading, inaccurate or incomplete in any material respect.

Notwithstanding anything to the contrary in these Bylaws, unless otherwise required by law, if any Proposing Party (i) provides notice pursuant to Rule 14a-19(b) promulgated under the Exchange Act with respect to any proposed nominee for election as a director of the Corporation and (ii) subsequently fails to comply with the requirements of Rule 14a-19(a)(2) or Rule 14a-19(a)(3) promulgated under the Exchange Act (or fails to timely provide reasonable evidence sufficient to satisfy the Corporation that such stockholder has met the requirements of Rule 14a-19(a)(3) promulgated under the Exchange Act in accordance with the following sentence), then the nomination of each such proposed nominee shall be disregarded, notwithstanding that the nominee is included as a nominee in the Corporation's proxy statement, notice of meeting or other proxy materials for any meeting (or any supplement thereto) and notwithstanding that proxies or votes in respect of the election of such proposed nominees may have been received by the Corporation (which proxies and votes shall be disregarded). Upon request by the Corporation, if any Proposing Party provides notice pursuant to Rule 14a-19(b) promulgated under the Exchange Act, such Proposing Party shall deliver to the Corporation, no later than 5 business days prior to the applicable meeting, reasonable evidence that it has met the requirements of Rule 14a-19(a)(3) promulgated under the Exchange Act.

(iii) Compliance with paragraphs (a) and (b) of this Section 2.10 shall be the exclusive means for a stockholder to make nominations or submit other business (other than as provided in Section 2.10(c)(iv)).

(iv) Notwithstanding anything to the contrary, the notice requirements set forth herein with respect to the proposal of any business pursuant to this Section 2.10 shall be deemed satisfied by a stockholder if such stockholder has submitted a proposal to the Corporation in compliance with Rule 14a-8 under the Exchange Act, and such stockholder's proposal has been included in a proxy statement that has been prepared by the Corporation to solicit proxies for the meeting of stockholders.

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(v) Any stockholder directly or indirectly soliciting proxies from other stockholders in connection with any annual or special meeting of stockholders must use a proxy card color other than white, which shall be reserved for the exclusive use for solicitation by or on behalf of the Board of Directors.

(vi) For purposes of these Bylaws, “business day” means any day other than Saturday, Sunday or a day on which banks are closed in New York City, New York; and “close of business” means 5:00 p.m. local time at the principal executive offices of the Corporation on any calendar day, whether or not the day is a business day.

### ARTICLE 3 DIRECTORS

Section 3.01. *General Powers.* Except as otherwise provided in Delaware Law or the Certificate of Incorporation, the business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

Section 3.02. *Number, Election and Term of Office.* The Board of Directors shall consist of not less than seven nor more than nine directors, with the exact number of directors to be determined from time to time solely by resolution adopted by the affirmative vote of a majority of the Board. As set forth in Article 6 of the Certificate of Incorporation, the directors shall be divided into three classes, designated Class I, Class II and Class III. Each class shall consist, as nearly as may be practicable, of one-third of the total number of directors constituting the entire Board of Directors. Except as otherwise provided in the Certificate of Incorporation, each director shall serve for a term ending on the date of the third annual meeting of stockholders next following the annual meeting at which such director was elected. Notwithstanding the foregoing, each director shall hold office until such director’s successor shall have been duly elected and qualified or until such director’s earlier death, resignation or removal. Directors need not be stockholders.

Section 3.03. *Quorum and Manner of Acting.* Unless the Certificate of Incorporation or these Bylaws require a greater number, a majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors and, except as otherwise expressly required by law or by the Certificate of Incorporation, the act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. When a meeting is adjourned to another time or place (whether or not a quorum is present), notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Board of Directors may transact any

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business which might have been transacted at the original meeting. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat shall adjourn the meeting, from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 3.04. *Time and Place of Meetings.* The Board of Directors shall hold its meetings at such place, if any, either within or without the State of Delaware, and at such time as may be determined from time to time by the Board of Directors (or the Chair of the Board of Directors in the absence of a determination by the Board of Directors).

Section 3.05. *Annual Meeting.* The Board of Directors may meet for the purpose of organization, the election of officers and the transaction of other business, as soon as practicable after each annual meeting of stockholders. Notice of such meeting need not be given. In the event such annual meeting is not so held, the annual meeting of the Board of Directors may be held at such place, if any, either within or without the State of Delaware, on such date and at such time as shall be specified in a notice thereof given as hereinafter provided in Section 3.07 herein or in a waiver of notice thereof signed by any director who chooses to waive the requirement of notice.

Section 3.06. *Regular Meetings.* After the place, if any, and time of regular meetings of the Board of Directors shall have been determined and notice thereof shall have been once given to each member of the Board of Directors, regular meetings may be held without further notice being given.

Section 3.07. *Special Meetings.* Special meetings of the Board of Directors may be called by the Chair of the Board of Directors or the Chief Executive Officer and shall be called by the Chair of the Board of Directors, Chief Executive Officer or the Secretary, on the written request of three directors. Notice of special meetings of the Board of Directors shall be given to each director at least 48 hours before the date of the meeting in such manner as is determined by the Board of Directors.

Section 3.08. *Committees.* The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board of Directors,

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shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to the following matters: (a) approving or adopting, or recommending to the stockholders, any action or matter expressly required by Delaware Law to be submitted to the stockholders for approval or (b) adopting, amending or repealing any Bylaw of the Corporation. Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors when required.

Section 3.09. *Action by Consent.* Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board of Directors or committee, as the case may be, consent thereto in writing or by electronic transmission and any consent may be documented, signed and delivered in any manner permitted by Section 116 of Delaware Law. After an action is taken, the consent or consents relating thereto shall be filed with the minutes of proceedings of the Board of Directors or committee in the same paper or electronic form as the minutes are maintained.

Section 3.10. *Telephonic Meetings.* Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors, or such committee, as the case may be, by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

Section 3.11. *Resignation.* Any director may resign from the Board of Directors at any time by giving notice to the Board of Directors or to the Secretary of the Corporation. Any such notice must be in writing or by electronic transmission to the Board of Directors or to the Secretary of the Corporation. The resignation of any director shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 3.12. *Vacancies.* Unless otherwise provided in the Certificate of Incorporation, vacancies on the Board of Directors resulting from death, resignation, removal or otherwise and newly created directorships resulting from any increase in the number of directors shall, except as otherwise required by law, be filled solely by a majority of the directors then in office (although less than a quorum) or by the sole remaining director, and each director so elected shall hold

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office for a term that shall coincide with the term of the Class to which such director shall have been elected. If there are no directors in office, then an election of directors may be held in accordance with Delaware Law. Unless otherwise provided in the Certificate of Incorporation, when one or more directors shall resign from the Board of Directors, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have the power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each director so chosen shall hold office as provided in the filling of the other vacancies.

Section 3.13. *Removal.* No director may be removed from office by the stockholders except for cause with the affirmative vote of the holders of not less than a majority of the total voting power of all outstanding securities of the corporation generally entitled to vote in the election of directors, voting together as a single class.

Section 3.14. *Compensation.* Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, the Board of Directors shall have authority to fix the compensation of directors, including fees and reimbursement of expenses.

Section 3.15. *Preferred Stock Directors.* Notwithstanding anything else contained herein, whenever the holders of one or more classes or series of preferred stock shall have the right, voting separately as a class or series, to elect directors, the election, term of office, filling of vacancies, removal and other features of such directorships shall be governed by the terms of the resolutions applicable thereto adopted by the Board of Directors pursuant to the Certificate of Incorporation, and such directors so elected shall not be subject to the provisions of Sections 3.02, 3.12 and 3.13 of this Article 3 unless otherwise provided therein.

#### ARTICLE 4 OFFICERS

Section 4.01. *Principal Officers.* The principal officers of the Corporation shall be a Chief Executive Officer and a Secretary who shall have the duty, among other things, to record the proceedings of the meetings of stockholders and directors in a book, electronic or otherwise, kept for that purpose. The Corporation may also have such other principal officers as the Board of Directors may in its discretion appoint from time to time as it deems necessary or desirable. One person may hold the offices and perform the duties of any two or more of said offices.

Section 4.02. *Appointment, Term of Office and Remuneration.* The principal officers of the Corporation shall be appointed by the Board of Directors

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in the manner determined by the Board of Directors. Each such officer shall hold office until their successor is appointed, or until their earlier death, resignation or removal. The remuneration of all officers of the Corporation shall be fixed by the Board of Directors. Any vacancy in any office shall be filled in such manner as the Board of Directors shall determine.

Section 4.03. *Subordinate Officers.* In addition to the principal officers enumerated in Section 4.01 herein, the Corporation may have such other subordinate officers, agents and employees as the Board of Directors may deem necessary, each of whom shall hold office for such period as the Board of Directors may from time to time determine. The Board of Directors may delegate to any principal officer the power to appoint and to remove any such subordinate officers, agents or employees.

Section 4.04. *Removal.* Any principal officer may be removed, with or without cause, at any time, by the Board of Directors.

Section 4.05. *Resignations.* Any officer may resign at any time by giving notice to the Board of Directors (or to a principal officer if the Board of Directors has delegated to such principal officer the power to appoint and to remove such officer). Any such notice must be in writing. The resignation of any officer shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 4.06. *Powers and Duties.* The officers of the Corporation shall have such powers and perform such duties incident to each of their respective offices and such other duties as may from time to time be conferred upon or assigned to them by the Board of Directors.

## ARTICLE 5 CAPITAL STOCK

Section 5.01. *Certificates for Stock; Uncertificated Shares.* The shares of the Corporation shall be represented by certificates, provided that the Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares or a combination of certificated and uncertificated shares. Any such resolution that shares of a class or series will only be uncertificated shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Except as otherwise required by law, the rights and obligations of the holders of uncertificated shares and the rights and obligations of the holders of shares represented by certificates of the same class and series shall be identical. Every holder of stock represented by certificates shall be entitled to have a certificate

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signed by, or in the name of the Corporation by the Chair or Vice Chair of the Board of Directors, or the Chief Executive Officer, or the Secretary or an Assistant Secretary of such Corporation representing the number of shares registered in certificate form. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar at the date of issue. A Corporation shall not have power to issue a certificate in bearer form.

Section 5.02. *Transfer of Shares.* Shares of the stock of the Corporation may be transferred on the record of stockholders of the Corporation by the holder thereof or by such holder's duly authorized attorney upon surrender of a certificate therefor properly endorsed or upon receipt of proper transfer instructions from the registered holder of uncertificated shares or by such holder's duly authorized attorney and upon compliance with appropriate procedures for transferring shares in uncertificated form, unless waived by the Corporation.

Section 5.03. *Authority for Additional Rules Regarding Transfer.* The Board of Directors shall have the power and authority to make all such rules and regulations as they may deem expedient concerning the issue, transfer and registration of certificated or uncertificated shares of the stock of the Corporation, as well as for the issuance of new certificates in lieu of those which may be lost or destroyed, and may require of any stockholder requesting replacement of lost or destroyed certificates, bond in such amount and in such form as they may deem expedient to indemnify the Corporation, and/or the transfer agents, and/or the registrars of its stock against any claims arising in connection therewith.

## ARTICLE 6 INDEMNIFICATION

Section 6.01. *Limited Liability.* A director of the Corporation shall not be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director to the fullest extent permitted by applicable law.

Section 6.02. *Right to Indemnification.* (a) Each person (and the heirs, executors or administrators of such person) who was or is a party or is threatened to be made a party to, or is involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a director or officer of the Corporation or while an officer or director of the Corporation is or was serving at the request of the Corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified and held

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harmless by the Corporation to the fullest extent permitted by applicable law. The right to indemnification conferred in this Article 6 shall also include the right to be paid by the Corporation the expenses incurred in connection with any such proceeding in advance of its final disposition to the fullest extent authorized by applicable law. The right to indemnification conferred in this Article 6 shall be a contract right, *provided, however*; that, except with respect to proceedings to enforce rights to indemnification or advancement of expenses or with respect to any compulsory counterclaim brought by such indemnitee, the Corporation shall indemnify any such indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by the Board of Directors.

(b) The Corporation may, by action of its Board of Directors, provide indemnification to such of the employees and agents of the Corporation to such extent and to such effect as the Board of Directors shall determine to be appropriate and authorized by applicable law.

Section 6.03. *Insurance.* The Corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss incurred by such person in any such capacity or arising out of such person's status as such, whether or not the Corporation would have the power to indemnify such person against such liability under applicable law.

Section 6.04. *Nonexclusivity of Rights.* The rights and authority conferred in this Article 6 shall not be exclusive of any other right that any person may otherwise have or hereafter acquire.

Section 6.05. *Preservation of Rights.* Neither the amendment nor repeal of this Article 6, nor the adoption of any provision of the Certificate of Incorporation or these Bylaws, nor, to the fullest extent permitted by applicable law, any modification of law, shall adversely affect any right or protection of any person granted pursuant hereto existing at, or arising out of or related to any event, act or omission that occurred prior to, the time of such amendment, repeal, adoption or modification (regardless of when any proceeding (or part thereof) relating to such event, act or omission arises or is first threatened, commenced or completed).

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ARTICLE 7  
GENERAL PROVISIONS

Section 7.01. *Fixing the Record Date.* (a) In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing such record date is adopted by the Board of Directors, and which record date shall not be more than 60 nor less than 10 days before the date of such meeting. If the Board of Directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board of Directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided* that the Board of Directors may in its discretion or as required by law fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall fix the same date or an earlier date as the record date for stockholders entitled to notice of such adjourned meeting.

(b) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

Section 7.02. *Dividends.* Subject to limitations contained in Delaware Law and the Certificate of Incorporation, the Board of Directors may declare and pay dividends upon the shares of capital stock of the Corporation, which dividends may be paid either in cash, in property or in shares of the capital stock of the Corporation.

Section 7.03. *Year:* The fiscal year of the Corporation shall commence on January 1 and end on December 31 of each year.

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Section 7.04. *Corporate Seal.* The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal, Delaware". The seal may be used by causing it or a facsimile thereof to be impressed, affixed or otherwise reproduced.

Section 7.05. *Voting of Stock Owned by the Corporation.* The Board of Directors may authorize any person, on behalf of the Corporation, to attend, vote at and grant proxies to be used at any meeting of stockholders of any corporation (except this Corporation) in which the Corporation may hold stock.

Section 7.06. *Amendments.* These Bylaws or any of them, may be altered, amended or repealed, or new Bylaws may be made, by the stockholders entitled to vote thereon at any annual or special meeting thereof or by the Board of Directors. Unless a higher percentage is required by the Certificate of Incorporation as to any matter that is the subject of these Bylaws, all such amendments must be approved by the affirmative vote of the holders of not less than 66 2/3% of the total voting power of all outstanding securities of the Corporation, generally entitled to vote in the election of directors, voting together as a single class, or by a majority of the Board of Directors.

Section 7.07. *Forum Selection.* Unless the Corporation consents in writing to the selection of an alternative forum, (A) (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer, other employee or stockholder of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim arising pursuant to any provision of the General Corporation Law of the State of Delaware, the Certificate of Incorporation or these Bylaws (as either may be amended or restated) or as to which the General Corporation Law of the State of Delaware confers jurisdiction on the Court of Chancery of the State of Delaware or (iv) any action asserting a claim governed by the internal affairs doctrine of the law of the State of Delaware shall, to the fullest extent permitted by law, be exclusively brought in the Court of Chancery of the State of Delaware or, if such court does not have subject matter jurisdiction thereof, the federal district court of the State of Delaware; and (B) the federal district courts of the United States shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the federal securities laws of the United States of America, including the applicable rules and regulations promulgated thereunder. To the fullest extent permitted by law, any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Section 7.07.

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SEPARATION AGREEMENT

This Separation Agreement (the “**Agreement**”) is entered into on May 28, 2024 (the “**Effective Date**”), by and between Payoneer Research and Development Ltd. (the “**Company**”), registration number 513742130, having its place of business at 13 Hayetzira St. Petach Tikva, Israel on one side; and Arnon Kraft, Israeli ID [\*\*\*] (the “**Employee**” or “**Arnon**”), of [\*\*\*] on the other side.

**WHEREAS:** the Employee commenced his employment with the Company on March 29, 2021, pursuant to an employment agreement dated February 23, 2021, as amended from time to time (the “**Employment Agreement**”);

**WHEREAS:** the parties have mutually agreed that the employment between the Company and Employee shall come to an end on March 31, 2025 (the “**Departure Date**”); and

**WHEREAS:** the Parties wish to fully and finally settle all matters between them, directly or indirectly connected to and/or arising from the employment relationship between the Employee and the Company and/or the termination thereof, all subject to the terms herein.

**NOW THEREFORE,** the parties agree as follows:

1. The preface and appendices to this Agreement constitute an integral part hereof.
  2. For the purposes of this Agreement “**Group**” “**Payoneer Group**” means the Company, its subsidiaries, the parent company, Payoneer Global Inc. (the “**Parent**”) and related companies and/or affiliates thereof today or anytime in the future (all jointly and severally).
  3. Arnon’s active duties and holding office as the Group’s COO will cease on June 30, 2024 (the “**Transition Date**”) and thereafter he will not perform any functions in such capacity, and accordingly will no longer be an officer for purposes of Section 16 of the US Securities Exchange Act of 1934. Commencing as of the Transition Date and until the Departure Date (the “**Transition Period**”), the Employee will be employed in a non-executive position and the following shall apply: (i) during the initial three (3) months of the Transition Period, the Employee will support transition activities related to his role as COO and/or the Operations department teams and will be reasonably available from time to time to respond to questions related to same, and (ii) during the remainder of the Transition Period the Employee will not be required to report to the Company’s offices or regularly perform work for or on behalf of the Company, will not have access to Group systems, but will be reasonably available from time to time to respond to questions of Group team members in matters relating to areas of his work.
  4. The Employee will be entitled to his full salary during the Transition Period, with all benefits that Employee participated in prior to the Transition Date. Employee will be entitled to a pro rata annual bonus with respect to 2024 equal to 75% of his 2024 target annual bonus. There will be no entitlement to annual bonus with respect to 2025.
  5. On or around the Departure Date, a final settlement of account will be carried out with the Employee in the framework of which he will receive from the Company the outstanding amount due to him as redemption of unused vacation days, as shall be stated in the Employee's last pay
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slip. The Employee agrees to utilize during the Transition Period any vacation days that accrue during the Transition Period and shall therefore not be entitled to redemption payment for such vacation days.

Furthermore, on or around the Departure Date, the Company will send letters of release to the relevant insurers releasing to Employee all amounts accrued in his pension arrangements, including in the severance pay component, and the Study Fund.

6. In addition, subject to the Employee's fulfillment and compliance with the terms of the Employment Agreement and the terms of this Agreement, the Employee will be entitled to the continuation of the vesting of the equity awards held by the Employee as of the Transition Date and granted pursuant to the applicable equity incentive plan(s) of Parent (or of Payoneer Inc. that were transitioned to the Parent) (collectively, the "**Incentive Plans**") according to their original vesting schedule up until and including the Departure Date.

The Employee acknowledges that any options vested and exercisable prior to or as of the Departure Date, may be exercised by Employee during the period ending 90 (ninety) days from the Departure Date (the "**Last Exercise Date**"). The Employee further confirms that during the Transition Period (i) he shall continue to be subject to and abide by the Parent's Insider Trading Policy as an employee of the Company, and (ii) Parent may enforce its Insider Trading Policy on Employee and his equity in any way it deems reasonably fit for such purpose. Accordingly, any trading in Parent's stock, including among other things, any sale of Employee's Parent stock during the Transition Period and/or any sale to cover payment for the exercise price and/or taxes thereof may only be effected during a Window (as defined therein). In any event, if the Employee has material inside information, he may not trade even during a Window. Notwithstanding the aforesaid, the Employee agrees that during the 90 (ninety) days commencing on the Transition Date he is not allowed to trade even in an open Window. For avoidance of doubt, the foregoing is not intended to prohibit trades pursuant to any existing 10b5-1 plan adopted prior to the Transition Date. As a Section 16 officer up until the Transition Date, Employee confirms that (i) he has informed the Parent of any trades that he has engaged in during the six-month period prior to the Transition Date and (ii) agrees that he will inform the Parent of any trades that he intends to make in Parent stock at any time during the 6-month period immediately following the Transition Date prior to making such a trade.

8. During the Transition Period, the Employee will be required to inform the Company of any potential new employment and such new employment shall be subject to the prior written consent of the Company, with such consent not to be unreasonably withheld, conditioned or delayed.
  9. Subject to the Protected Rights (as defined below), the payment of the amounts and benefits detailed in Sections 4, 5 and 6 above shall constitute full and final settlement of everything owed to the Employee and/or anyone on his behalf by the Company and/or the Group according to any law and/or agreement (including the Employment Agreement) and/or any other source, in writing or otherwise, in the present or in the future, including (but not limited to) with respect to salary, severance pay, annual leave, redemption of annual leave, overtime, sick leave, recuperation pay, travel expenses, car, prior notice, payment in lieu of prior notice, social contributions of all kinds (including to pension arrangement and Study Fund), bonuses (annual or other), commissions, incentives, options, awards, reimbursement of expenses, benefit plans or programs and every other payment or social benefit whatsoever connected to or arising out of
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the Employee's employment with the Company, its termination and/or the separation process and its circumstances.

10. Subject to the Protected Rights, he Employee hereby declares and undertakes that upon the release and the receipt of the amounts and benefits detailed in Sections 4, 5 and 6 above, neither he nor anyone on his behalf have or will have any claim or demand of any kind whatsoever against the Company, any member of the Group, their directors, officers, managers, employees, agents, shareholders, partners, predecessors, successors, affiliates, assigns, or against anyone acting on their behalf, connected to or arising out of his employment with the Company, its termination or its separation process.
11. Subject to the Protected Rights, by no later than the Departure Date the Employee shall return to the Company all Company equipment in his possession or control, (including car, cellular telephone, and personal badge), as well as all documents, information and any other Group-related material (whether electronic or otherwise) in the Employee's possession or control or prepared by him in connection with his employment, including all copies thereof. Subject to the Protected Rights, the Employee undertakes to delete all Group related material and information that is in his possession or control (including from his personal computer and personal email account).

The Employee hereby expressly and voluntarily agrees that after the departure of his employment with the Company, the Company or any other relevant member of the Group shall have access to all information (including files) located on computers and on email inboxes which were placed at his disposal by the Company during the course of his engagement with the Company, for the purpose of ensuring the continuity of the Company business activities after the Departure Date.

12. Subject to the Protected Rights, the Employee warrants and undertakes to continue to fully comply with the obligations of non-competition, non-solicitation, confidentiality and assignment of intellectual property, according to any law or agreement, including Appendix B of his Employment Agreement. In addition, the Employee agrees and confirms that in consideration of the benefits set forth in paragraphs 4, 5 and 6 herein, he will not, directly or indirectly, during the Transition Period and : (A) for the six (6) months immediately following the Departure Date, maintain or hold an interest in any company, venture, entity or other business (other than a minority interest in a publicly traded company) that directly or indirectly competes with the products or services of the Payoneer Group (a "**Competing Business**") (including, without limitation, as a shareholder); (B) for the six (6) months immediately following the Departure Date, act as a consultant or employee or officer or in any managerial capacity in a Competing Business or supply services in direct competition with the Payoneer Group to any person who, to his knowledge, was provided with services by Payoneer Group any time during the twelve (12) months immediately prior to the Departure Date; (C) for the twelve (12) months immediately following the Departure Date, solicit, canvass or approach or endeavor to solicit, canvass or approach any person who, to his knowledge, was provided with services by the Payoneer Group at any time during the twelve (12) months immediately prior to the Departure Date, for the purpose of offering services or products which directly compete with the services or products supplied by the Payoneer Group as of the Departure Date; or (D) for the twelve (12) months immediately following the Departure Date, employ, solicit or entice away or endeavor to solicit or entice away from the Payoneer Group any person employed by the Payoneer Group any time during the twelve (12) months immediately prior the Departure Date with a view to
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inducing that person to leave such employment and to act for another employer.

13. Subject to the Protected Rights, the Employee shall not, and the Company shall use reasonable endeavors to ensure that its employees and officers shall not, make or knowingly cause to be made any adverse or derogatory comment about each other or do anything which shall, or may, bring the Company, the Payoneer Group or any of their directors, officers or employees, or the Employee into disrepute or disparagement. In addition, subject to the Protected Rights, Employee agrees not to make any statement or communication, written or oral, with the intention of damaging the business or reputation of the Company or the Payoneer Group, or of interfering with, impairing or disrupting the normal operations of the Company or the Payoneer Group. The foregoing shall not be violated by the Employee making or publishing truthful statements (A) when required by law, subpoena, or court order, (B) in the course of any legal, arbitral, or regulatory proceeding, (C) to any governmental authority, regulatory agency or self-regulatory organization, including as set forth in Section 14 of this Agreement, (D) in connection with any investigation by the Group or (E) where a prohibition or limitation on such communication is unlawful.
  14. Notwithstanding the foregoing, you hereby acknowledge and agree that nothing in this Agreement, the Employment Agreement or otherwise precludes your ability to (i) communicate directly with and provide information, including documents, not otherwise protected from disclosure by any applicable law or privilege to the U.S. Securities and Exchange Commission (the “SEC”), any other federal, state or local governmental agency or commission (“**Government Agency**”) or self-regulatory organization regarding possible legal violations, without disclosure to any member of the Group, or (ii) disclose information which is required to be disclosed by applicable law, regulation, or order or requirement (including without limitation, by deposition, interrogatory, requests for documents, subpoena, civil investigative demand or similar process) of courts, administrative agencies, the SEC, any Government Agency or self-regulatory organizations provided that you provide the Company with prior notice of the contemplated disclosure and cooperate at the Company’s expense in seeking a protective order or other appropriate protection of such information (collectively, the “**Protected Rights**”). No member of the Group may retaliate against you for any of these activities, and you are not required to waive any monetary award or other payment that you might become entitled to from the SEC or any other Government Agency or self-regulatory organization. Pursuant to the Defend Trade Secrets Act of 2016, you will not have criminal or civil liability under any federal or state trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, and without limiting the preceding sentence, if you file a lawsuit for retaliation by any member of the Group for reporting a suspected violation of law, you may disclose the trade secret to your attorney and may use the trade secret information in the court proceeding, if you (x) file any document containing the trade secret under seal and (y) do not disclose the trade secret, except pursuant to court order.
  15. This Agreement shall be deemed, a settlement and an admission of payment for the purposes of Section 29 of the Israeli Severance Pay Law – 1963.
  16. The Employee agrees to cooperate fully with the Company and any Payoneer Group company
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concerning reasonable requests for information about the business of the Company or any Group company or the Employee's involvement and participation therein or the defense or prosecution of any claims or actions of which the Employee may have knowledge by reason of her employment with the Company. The Employee's full cooperation shall include, but not be limited to, being available to meet and speak with officers or employees of the Company, the Group and/or its counsel at reasonable times and locations, executing accurate and truthful documents and taking such other actions as may reasonably be requested by of the Company, the Group and/or its counsel to effectuate the foregoing.

17. The Employee hereby acknowledges that the Company's willingness to grant him the benefits described herein is based upon his agreement to be bound by the terms of the Employment Agreement and this Agreement and to his compliance with all of their terms, including the continued employment throughout the Transition Period and the release of claims.
  18. Subject to the Protected Rights, the Employee agrees that should he breach any of his obligations or representations herein (in whole or in part), then the Employee shall immediately repay the Company the pro-rated value of any received benefit together with linkage differentials and interest in accordance with applicable law, all in addition to any other remedies or causes of action which the Company may otherwise have under any law or agreement.
  19. Subject to the Protected Rights, the Employee undertakes to keep the contents of this Agreement (including the fact of its existence) absolutely confidential, and not to present it or disclose it to any third party unless and until it has been publicly disclosed by the Parent.
  20. All payments and benefits referred to herein are gross amounts and the Company will deduct from such payments all taxes, social security, health insurance and all other deductions, which are mandatory under applicable law. Without derogating from the generality of the foregoing, the Employee acknowledges and agrees that he shall be liable to pay any and all tax obligations arising in connection with this Agreement, and that any such benefits may be subject to regular income tax and not capital gains tax, which the Company shall be entitled to deduct from any payment to which the Employee may be entitled hereunder or otherwise unless the Employee shall present the Company with a valid Tax Withholding Certificate (פטור מיכוי מס במקור) or any other applicable approval from the Israeli Tax Authority.
  21. This Agreement represents the complete agreement between the parties with respect to the subject matter hereof.
  22. The Employee declares that he is fully aware of his rights according to law and that this Agreement is signed by him of her own free will after having checked all accounts with the Company and after having investigated all rights against the Group.
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IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first above written.

\_\_\_\_/s/ Arnon Kraft\_\_\_\_  
Arnon Kraft

\_\_\_\_/s/ Heather Cassar\_\_\_\_  
Payoneer Research and Development Ltd.  
By: Heather Cassar  
Title: VP, HR Strategy and Talent Acquisition





August 5, 2024

Scott Galit

[\*\*\*]

Dear Scott,

Re: **Amendment No. 1 to Transition Agreement**

THIS AMENDMENT NO. 1 (this "Amendment") to the Transition Agreement entered into by you and Payoneer Inc., a Delaware limited liability company (the "Company"), dated as of April 14, 2024 (the "Original Agreement"), is entered into by and between the Company and you as of the date hereof.

WHEREAS, you and the Company desire to amend the Original Agreement as provided herein; and

WHEREAS, you and the Company desire that the amendments set forth herein be considered to have taken effect on July 1, 2024.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree to modify the Original Agreement as set forth below. Defined terms used herein and not otherwise defined in their context have the meanings set forth in the Original Agreement.

1. AMENDMENT TO THE ORIGINAL AGREEMENT.

- 1.1. The words "During the period through the Separation Date (the "Transition Period") [...]" in the second row of Section 1(a) are hereby replaced with the following language in order to clarify and reflect the original intention of the parties hereto: "During the period commencing on January 1, 2024 through the Separation Date (the "Transition Period") [...]"
- 1.2. The words "Last Date" in the last row of Section 2(a) are hereby replaced with the words "Separation Date" in order to clarify and reflect the original intention of the parties hereto.
- 1.3. The following language is hereby added to Section 2(a) of the Original Agreement immediately following the end of such section:

"Notwithstanding the foregoing, you will continue to serve on the Board of Directors of the Subsidiary, Payoneer Europe Limited ("PEL"), during the third and fourth calendar quarters of 2024, for a quarterly fee of \$13,600 (thirteen thousand six hundred USD), plus any other reasonable costs or expenses as shall be pre-approved in writing by PEL in accordance with PEL's expense policy; it being agreed that either you or the Company may shorten such term by advance written notice of 60 days.

In addition, until no later than December 31, 2024 (i) you will continue to serve as member of the Board of Directors and Legal Representative of Payoneer (Guangzhou) Commerce Services Co., Ltd ("PGZ") at no additional cost, provided that the work load during such extended period does not substantially exceed your current work load in connection therewith, and (ii) you will continue to serve as Payoneer Inc.'s Designated Partner Representative in Payoneer India Commerce LLP, Chairman and Legal Representative in Payoneer (Vietnam) Company Limited,

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Managing Director in Payoneer Germany GmbH and member of the Board of Directors of PYNR Services Limited at no additional cost, in each of the above cases for the purpose of satisfying regulatory and/or corporate needs in relation to said Subsidiaries.”

2. RATIFICATION AS AMENDED. Except as amended by this Amendment, the terms and conditions of the Original Agreement are confirmed in all other respects, and the Original Agreement, as amended by this Amendment, shall continue in full force and effect. Any reference to the Agreement in the Original Agreement as amended by this Amendment shall mean the Original Agreement as amended by this Amendment. In the event of any inconsistency between the terms of the Original Agreement and the terms of this Amendment, the terms of this Amendment shall control to the extent necessary to resolve the inconsistency.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to the Original Agreement to be executed as of the day and year first above written.

Payoneer Inc.

/s/ John Caplan

By: John Caplan

Title: Chief Executive Officer

Agreed to and Accepted:

/s/ Scott Galit

Scott H. Galit

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**CERTIFICATION PURSUANT TO RULES 13A-14 AND 15D-14(A) UNDER THE SECURITIES  
EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY  
ACT OF 2002**

I, John Caplan, certify that:

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

Date: August 7, 2024

By:           /s/ John Caplan            
Name: John Caplan  
Title: Chief Executive Officer

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**CERTIFICATION PURSUANT TO RULES 13A-14 AND 15D-14(A) UNDER THE SECURITIES  
EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY  
ACT OF 2002**

I, Bea Ordonez, certify that:

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

Date: August 7, 2024

By:           /s/ Bea Ordonez            
Name: Bea Ordonez  
Title: Chief Financial Officer

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

In connection with the Quarterly Report of Payoneer Global Inc. (the "Company") on Form 10-Q for the period ending June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John Caplan, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 7, 2024

By: /s/ John Caplan  
Name: John Caplan  
Title: Chief Executive Officer

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

In connection with the Quarterly Report of Payoneer Global Inc. (the "Company") on Form 10-Q for the period ending June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Bea Ordonez, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 7, 2024

By: /s/ Bea Ordonez  
Name: Bea Ordonez  
Title: Chief Financial Officer

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