



# Investor Presentation

Nasdaq: PAYO

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*Co-CEO*

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Some of the financial information and data contained in this presentation, such as Adjusted EBITDA, have not been prepared in accordance with United States generally accepted accounting principles ("GAAP"). Payoneer defines Adjusted EBITDA as net income (loss) adjusted to exclude: M&A related income, stock-based compensation expenses, reorganization related expenses, share in losses (gain) of associated company, gain from change in fair value of warrants, other non-recurring items, other financial expense (income), net, taxes on income, and depreciation and amortization.

Payoneer uses these non-GAAP measures to compare Payoneer's performance to that of prior periods for budgeting and planning purposes. Payoneer believes these non-GAAP measures of financial results provide useful information to management and investors regarding certain financial and business trends relating to Payoneer's results of operations. Payoneer's method of determining these non-GAAP measures may be different from other companies' methods and, therefore, may not be comparable to those used by other companies and Payoneer does not recommend the sole use of these non-GAAP measures to assess its financial performance. Payoneer management does not consider these non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with GAAP. The principal limitation of these non-GAAP financial measures is that they exclude significant expenses and income that are required by GAAP to be recorded in Payoneer's financial statements. In addition, they are subject to inherent limitations as they reflect the exercise of judgments by management about which expense and income are excluded or included in determining these non-GAAP financial measures. In order to compensate for these limitations, management presents non-GAAP financial measures in connection with GAAP results. You should review Payoneer's financial statements, which are included in Payoneer's Annual Report on Form 10-K for the year ended

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Other companies may calculate Adjusted EBITDA differently, and therefore Payoneer's Adjusted EBITDA may not be directly comparable to similarly titled measures of other companies.

See the Appendix for a reconciliation of the historic measures to Payoneer's most comparable GAAP financial measures.

In addition, guidance for fiscal year, where adjusted, is provided on a non-GAAP basis, which Payoneer will continue to identify as it reports its future financial results. The Company cannot reconcile its expected adjusted EBITDA to expected net income under "2022 Guidance" without unreasonable effort because certain items that impact net income and other reconciling metrics are out of the Company's control and/or cannot be reasonably predicted at this time, which unavailable information could have a significant impact on the Company's GAAP financial results.

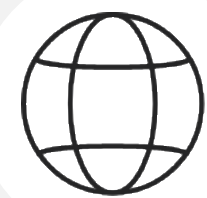
In this presentation, we reference volume, which is an operational metric. Volume refers to the total dollar value of transactions successfully completed or enabled by our platform, not including orchestration transactions. For a customer that both receives and later sends payments, we count the volume only once, with certain limited exceptions where both received and sent payment are counted.

## Industry and Market Data

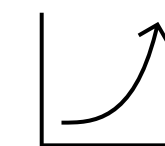
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# Payoneer makes it easy for the world's emerging market SMBs to do business globally



Small and medium size businesses (SMBs) represent **90%** of all businesses globally<sup>1</sup>



Emerging markets are forecasted to grow **3x** the rate of developed markets over the next 5-years<sup>2</sup>

1. The World Bank, <https://www.worldbank.org/en/topic/smefinance>.

2. World Economic Outlook Database, [www.imf.org](http://www.imf.org).

# The challenge for emerging market SMBs

Managing a cross-border business is difficult

**Mostly analog**  
(wires and checks via banks)

**Speed of payments**

**FX fluctuations**

**Operational complexities**



**Time-consuming, complex and expensive**

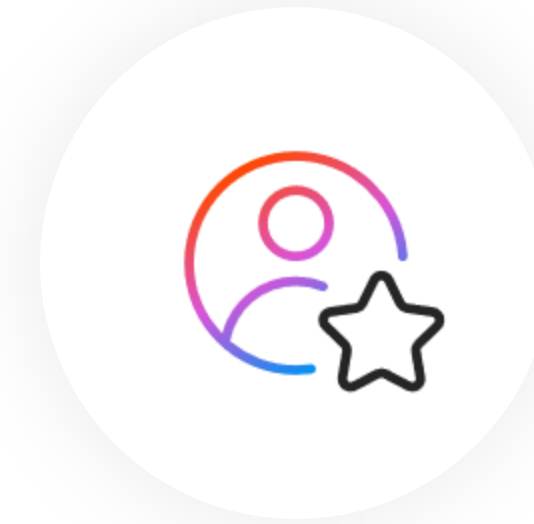
# Payoneer makes it easier for SMBs to get paid, manage funds, and send their money where they need it to go



B2B payment and financial services

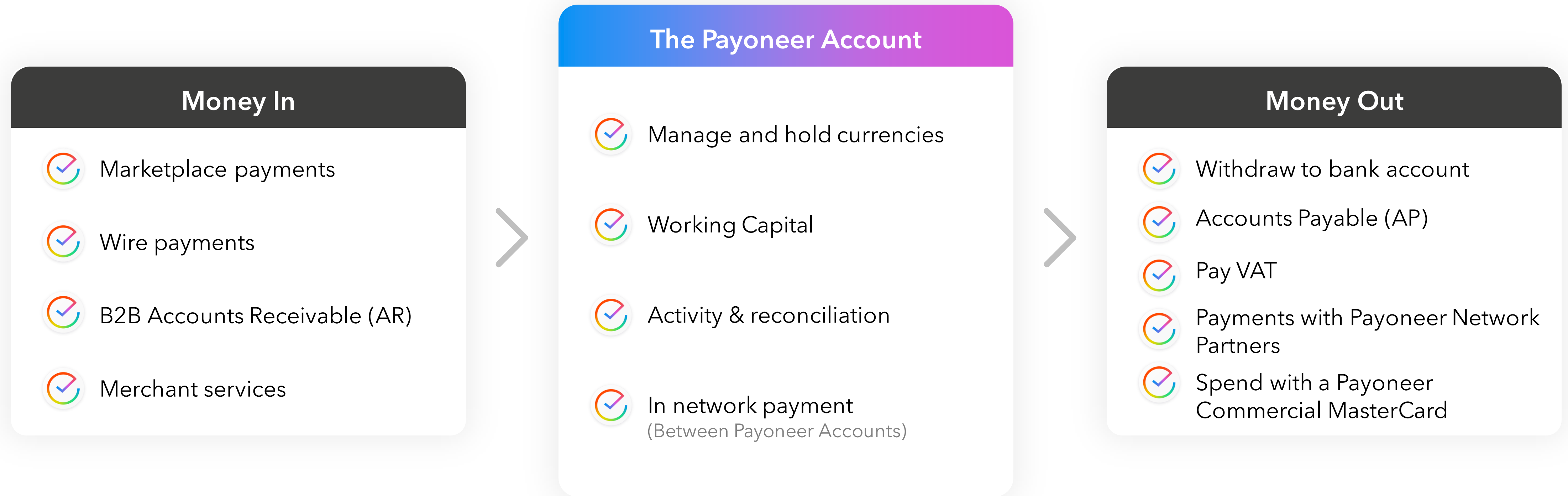


Global network



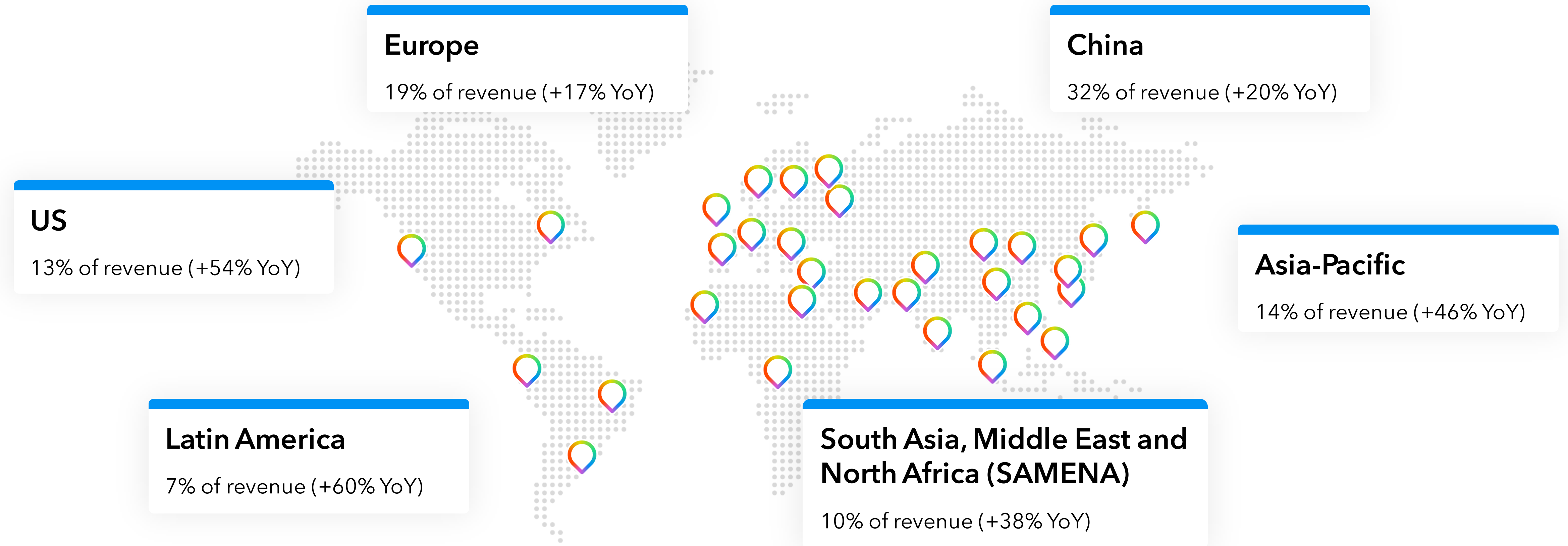
Localized expertise

# The value of the Payoneer Account



# Our customers, teams, and growth are global

\$444M of Revenue YTD | Customers in 190+ countries and territories | Employees in 20+ offices



# SMBs value their Payoneer account

We enable them to focus on what matters most: growing their business

## eCommerce marketplace seller



D'Moksha Homes is a family-run home décor manufacturer and seller based in India.

- **Monthly volume:** \$50K+
- **Selling on:** Amazon, Walmart, Wayfair in the US, Canada, and UK
- **Challenges:** Speed and security of payments, global compliance
- **Payoneer solution:** Receiving marketplace payments, making B2B vendor payments, working capital

*"Starting your own business is never easy, and **we found a trustworthy and reliable partner in Payoneer**, whose hands-on-support have significantly simplified our expansion plans." - Manav and Nimisha Dhandu*

## B2B software development firm



AgileEngine is a team of 1,000+ software developers in the US, Latin America, Europe, and India.

- **Monthly volume:** \$1M+
- **Customer need:** Paying contractors in 35+ countries
- **Challenges:** Needed a single, scaled payment platform to pay contractors globally
- **Payoneer solution:** Sending bulk payments to contractors and managing currencies

*"In incredibly challenging times, it is critical to have a partner as flexible as we are. Our work force is mobile, and **Payoneer offers a single platform for us to pay our contractors reliably and easily**, no matter where they are." - Yulia Shandybina*

# We engage with customers around the world

We provide insights and network value for customers and drive greater retention for Payoneer

Driving **low customer acquisition** cost



Capturing the **growth opportunities** from digitization and globalization

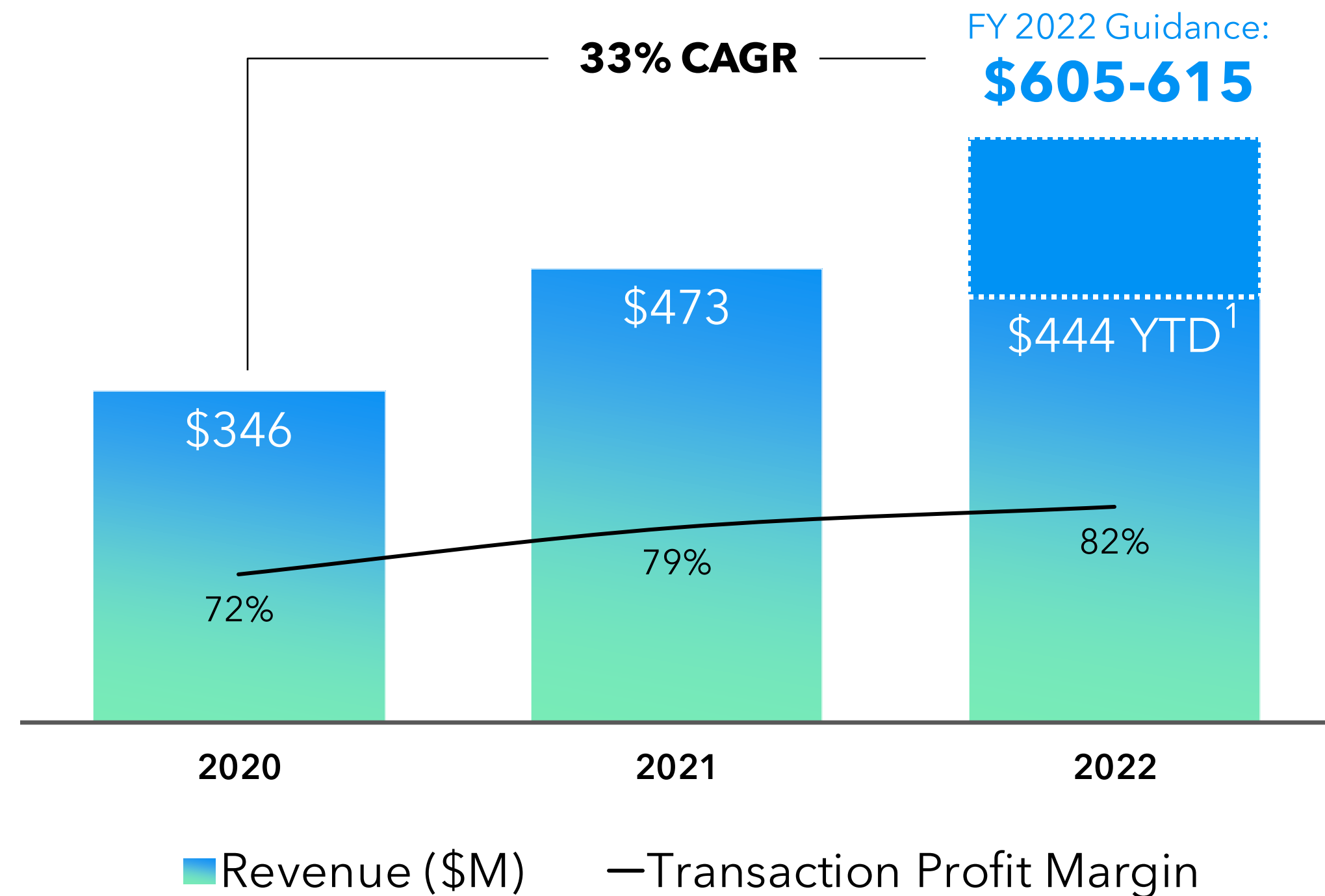


Cultivating the **network effects** of the Payoneer platform

# We have a proven track record for delivering financial results

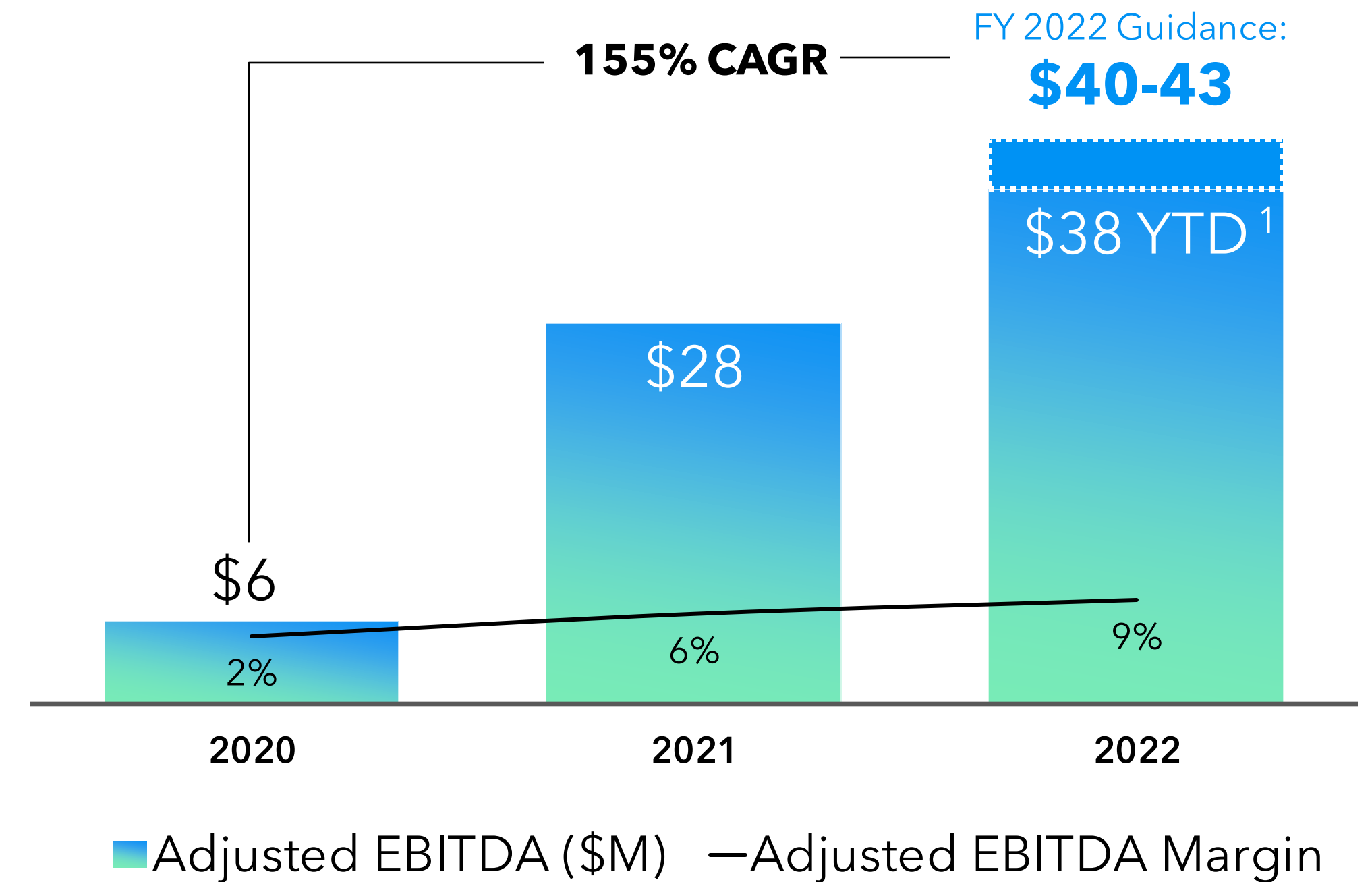
## Revenue

Continued customer acquisition and product innovation



## Adjusted EBITDA

Leveraging the benefits of scale and growing adjusted EBITDA



# B2B AP/AR highlights our ability to extend the platform

Focused on delivering more value for our customers and accessing new growth opportunities

With B2B AP/AR, Payoneer enables our customers to **get paid and pay other businesses directly.**

Customers range from:



## Freelancers

Contractors or remote employees providing services.



## Service Providers

Companies such as software development firms, marketing agencies, or business process outsourcing (BPOs).

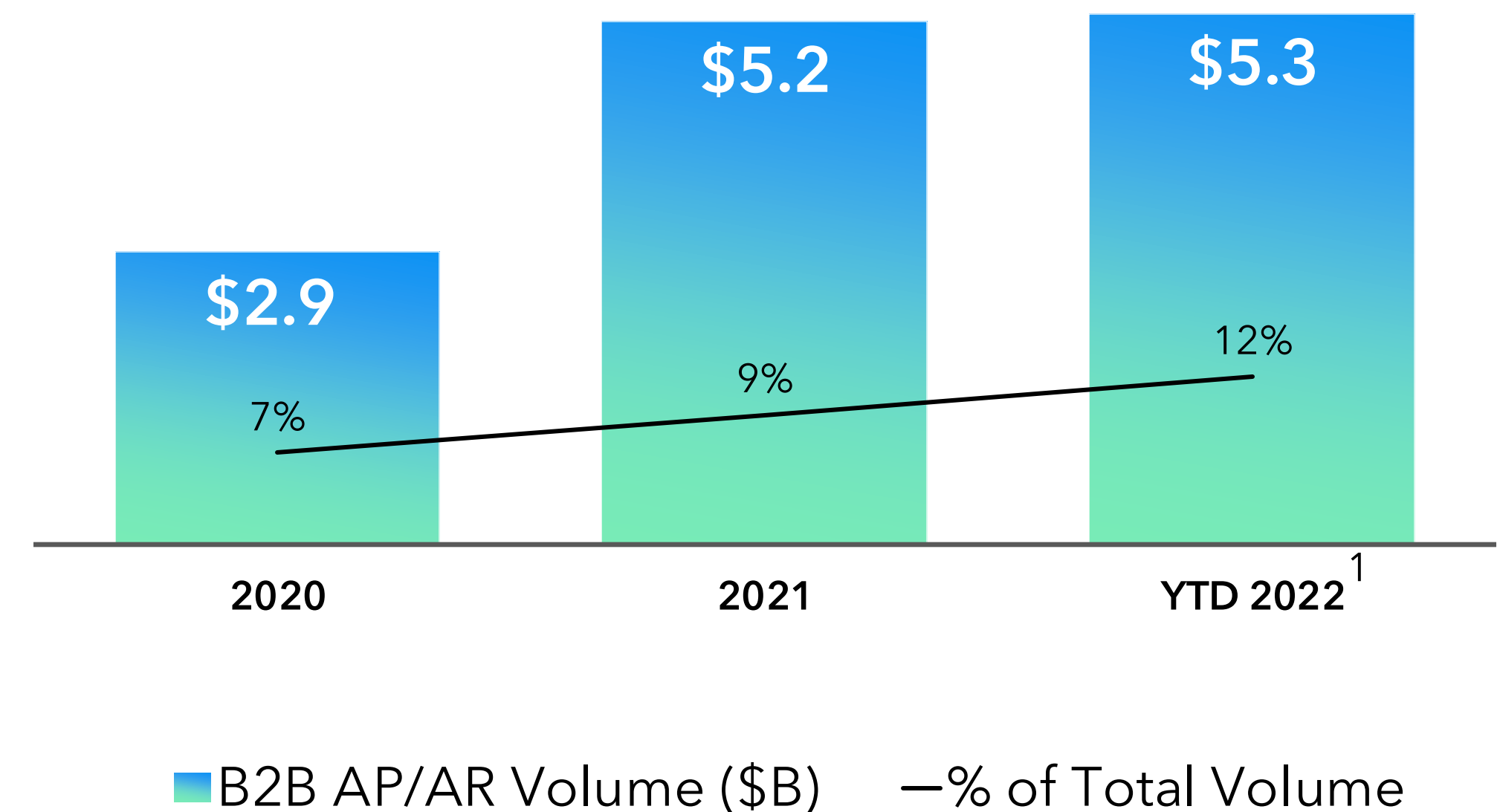


## Goods Suppliers

Suppliers of toys, electronics, apparel, etc., who sell to retailers & ecommerce stores.

## B2B AP/AR Volume ("Money In")

B2B AP/AR volumes from the first 9 months of 2022 have **already exceeded** full year 2021 volumes



# Well-positioned for future growth

Our strategy is supported by our competitive advantages



## 1 Global connectivity with localized capabilities

Customers in 190+ countries and territories

## 2 Comprehensive solutions

Trusted partner for payment, financial, and commerce-enablement services

## 3 Robust compliance infrastructure

Fully compliant, leading infrastructure platform built over 17+ years

## 4 Trusted global brand

Hundreds of thousands of prospective customer applications monthly

## 5 Powerful network effects

Billions of dollars of unmonetized in-network payments between Payoneer customers

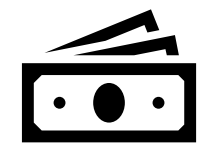
## 6 Scalable business model

Expect 29% revenue growth and 47% adjusted EBITDA growth year-over-year in 2022<sup>2</sup>

# Strong net capital position provides strategic flexibility

We will deploy our capital to maximize long-term value

## Strong capital position



**\$508M** of cash and cash equivalents



**Small debt exposure** related to working capital solution for customers<sup>1</sup>



**Positive** free cash flow generation<sup>2</sup>

## Priorities for capital allocation



**Maintain strong balance sheet**



**Organic Growth**

- Sales & marketing to drive customer acquisition
- Further enhance our platform for continued product innovation, efficiency, and scale



**Inorganic Investment**

- Continue to explore potential acquisitions and build vs. buy decisions

# Long-term target business model

## Illustrative long-term targets

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**20%+**

Revenue growth

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**20%+**

Adjusted EBITDA margin

# Appendix

# Reconciliation of Net Income (Loss) to Adjusted EBITDA

	Twelve months ended,		Nine months ended,
	Dec. 31, 2020	Dec. 31, 2021	Sept. 30, 2022
		(in thousands)	
<b>Net income (loss)</b>	\$ (23,746)	\$ (33,987)	\$ (1,819)
Depreciation & amortization	17,095	17,997	15,525
Taxes on income	8,320	8,711	5,976
Other financial expenses (income), net	(2,012)	6,854	11,136
<b>EBITDA</b>	<b>(343)</b>	<b>(425)</b>	<b>30,818</b>
Stock based compensation expenses(1)	10,892	37,012	38,323
Reorganization related expenses(2)	—	5,087	—
Share in losses (gain) of associated company	143	37	(11)
Other non-recurring items(3)	(4,304)	—	—
M&A related income(4)	—	(1,721)	(2,323)
Loss (gain) from change in fair value of Warrants(5)	—	(11,824)	(28,932)
<b>Adjusted EBITDA</b>	<b>\$ 6,388</b>	<b>\$ 28,166</b>	<b>\$ 37,875</b>

- (1) Represents non-cash charges associated with stock-based compensation expense, which has been, and will continue to be for the foreseeable future, a significant recurring expense in our business and an important part of our compensation strategy.
- (2) Represents the non-recurring reorganizational costs that were not recorded as a reduction of additional paid in capital. The amounts relate to legal and professional services associated with the Reorganization.
- (3) Consists primarily of a non-recurring allowance outside of normal course of business due to recovery of previously written off amount relating to one of our bank providers and non-recurring provision in connection with executive separation.
- (4) Represents non-recurring fair value adjustment of a liability related to our 2020 acquisition of optile.
- (5) Changes in the estimated fair value of the warrants are recognized as gain or loss on the statements of operations. The impact is removed from EBITDA as it represents market conditions that are not in control of the Company.



**Thank you.**

[payoneer.com](https://payoneer.com)