



Q2'23 Earnings Supplement

Nasdaq: PAYO

August 8, 2023

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

Non-GAAP measures include the following item:

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

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

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

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

Industry and Market Data

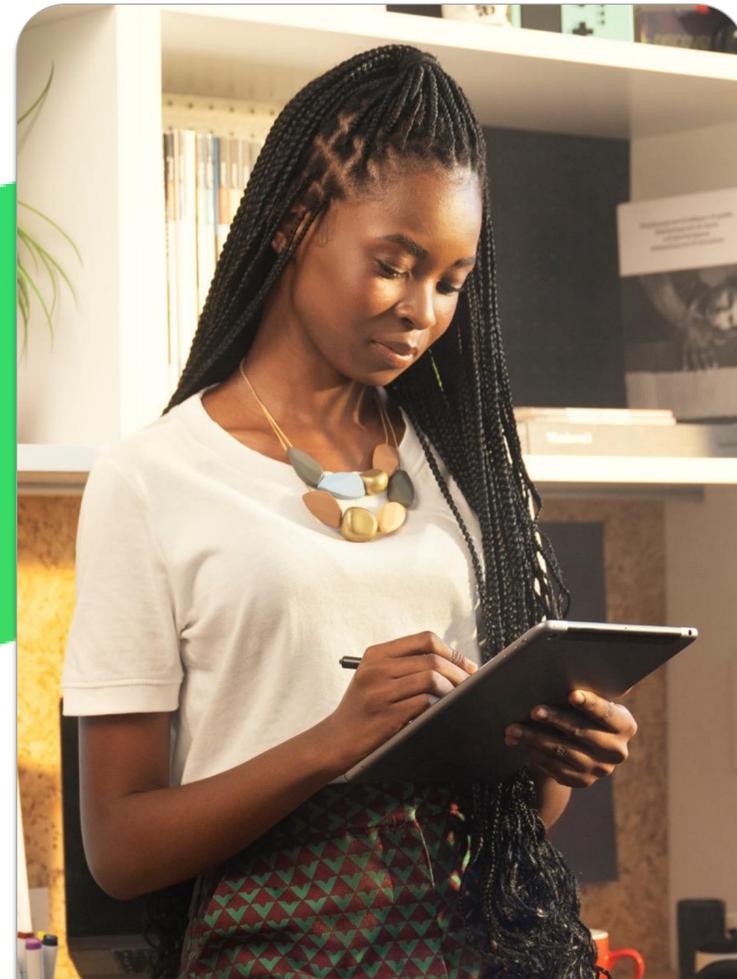
In this presentation, Payoneer relies on and refers to certain information and statistics obtained from third-party sources which it believes to be reliable, including reports by market research firms. Payoneer has not independently verified the accuracy or completeness of any such third-party information.

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Payoneer makes it easy for cross-border **SMBs** to manage their **global financial activity**



Business process outsourcing in the Philippines



Remote software developer in Argentina



B2B goods wholesaler in the UAE



Omnichannel home accessory seller in China



Payoneer helps SMBs in the fastest growing markets do business globally



Delivering strong growth and increasing profitability

495K Active Ideal Customer Profiles (ICPs) ¹ , +6% year-over-year	190+ customer countries and territories	\$64B of LTM volume, highlighting scale of the platform
\$741M of LTM revenue, +36% year-over-year	Increasing profitability, with expanding adjusted EBITDA margins	\$581M of corporate cash on hand, providing strategic flexibility

Note: Data as of 6/30/23 unless noted otherwise. LTM represents the last twelve months (7/1/22-6/30/23).
1. Active ICPs are defined as customers with a Payoneer Account that have on average over \$500 a month in volume and were active over the trailing twelve-month period.

Payoneer's competitive advantages



Strong trusted **brand** drives penetration with SMBs, particularly in **emerging markets**



Broad **global** footprint with **localized** go-to-market approach and presence



Network-based business model and end-to-end suite of products drives customer loyalty and **retention**



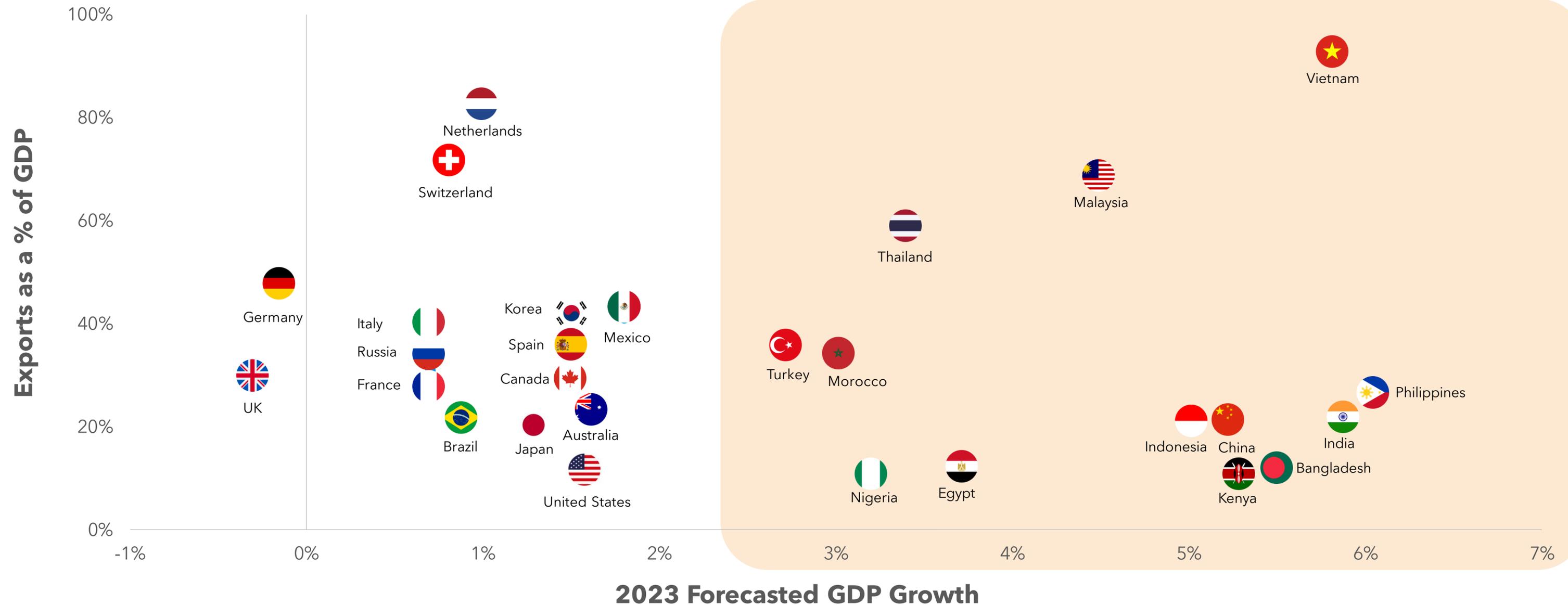
Scaled **infrastructure, banking** relationships, and regulatory **license** network



18 years of expertise in **highly regulated** industry with **rigorous compliance** requirements

Positioned to win in the fastest growing economies around the world

Payoneer is in the highest growth emerging markets



Payoneer's ecosystem and infrastructure: a growing competitive advantage

Select partner examples

<p>Marketplaces</p> <p>We have relationships with many of the largest marketplaces globally that aggregate consumer demand for our SMB customers</p>	<p>ecommerce</p> 	<p>Freelance</p> 	<p>Content creation</p> 	<p>Travel</p> 
<p>Ecosystem relationships</p> <p>We work with a range of companies to offer our customers better services and outcomes</p>			 (Mastercard)	
<p>Local bank and digital wallet partnerships</p> <p>We partner with local banks and digital wallets to integrate Payoneer and local accounts</p>				
<p>Global banking infrastructure</p> <p>We use leading banks to send payments globally at scale and hold customer funds</p>	<p>We use more than 10 Global Systemically Important Banks</p>			
<p>Global regulatory licenses</p> <p>We are regulated in key markets and serve customers from our licensed locations</p>	 <p>Online Payment Gateway Service Provider</p>			

2Q'23 financial results

Revenue

\$207M

+40% YoY

Volume

\$15.8B

+8% YoY

Adjusted EBITDA

\$56.0M

27% margin
(>1,700 bps margin expansion YoY)

Net Income

\$45.5M

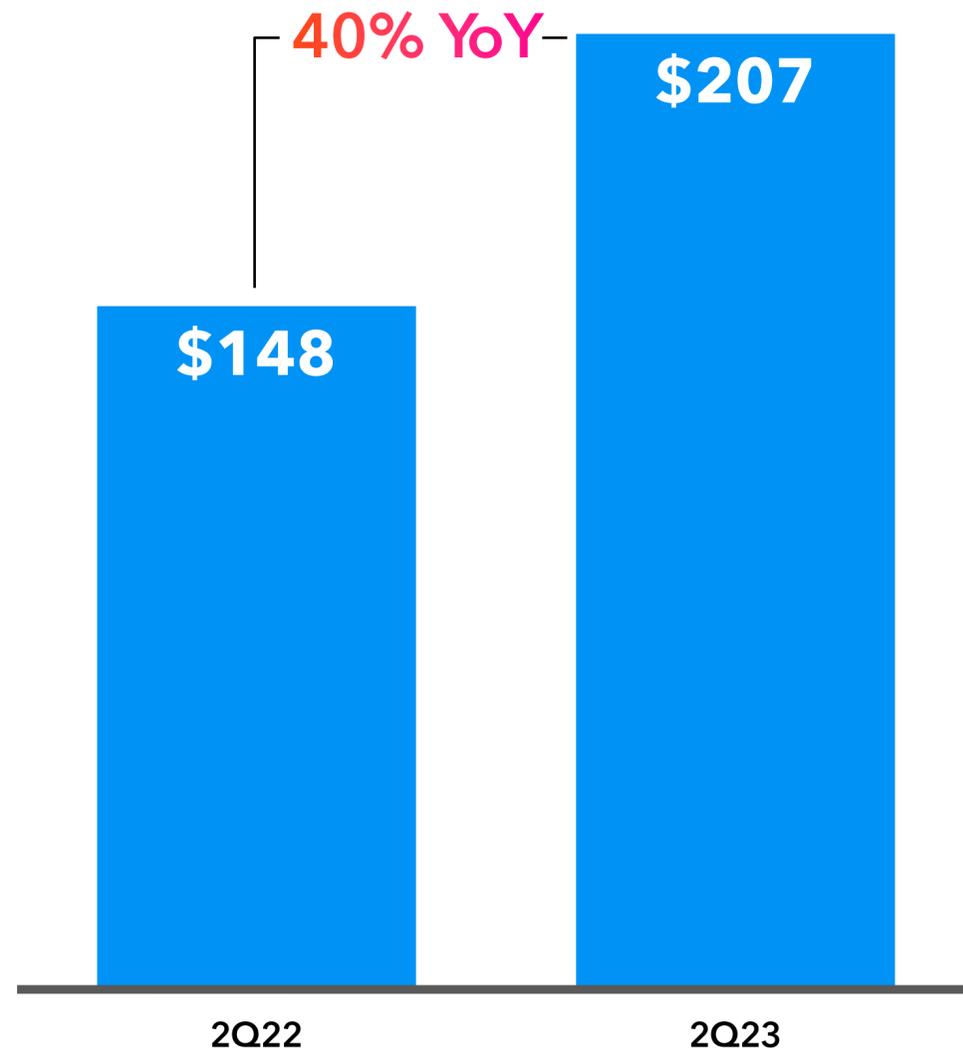
>10x Increase YoY

Data as of 6/30/23.

Please refer to the appendix of this presentation for the reconciliation from net income (loss) to adjusted EBITDA.

Strong revenue growth

Revenues (\$M)



Drivers of Q2'23 revenue growth YoY

- **\$52M** increase in interest income driven by a \$388M increase in customer funds and rising interest rates
- **8%** volume growth driven by recovery in travel and growth in ecommerce
- **25%+** revenue growth in every region
- **6%** increase in active ICPs¹

Priority initiatives underway to accelerate future revenue growth

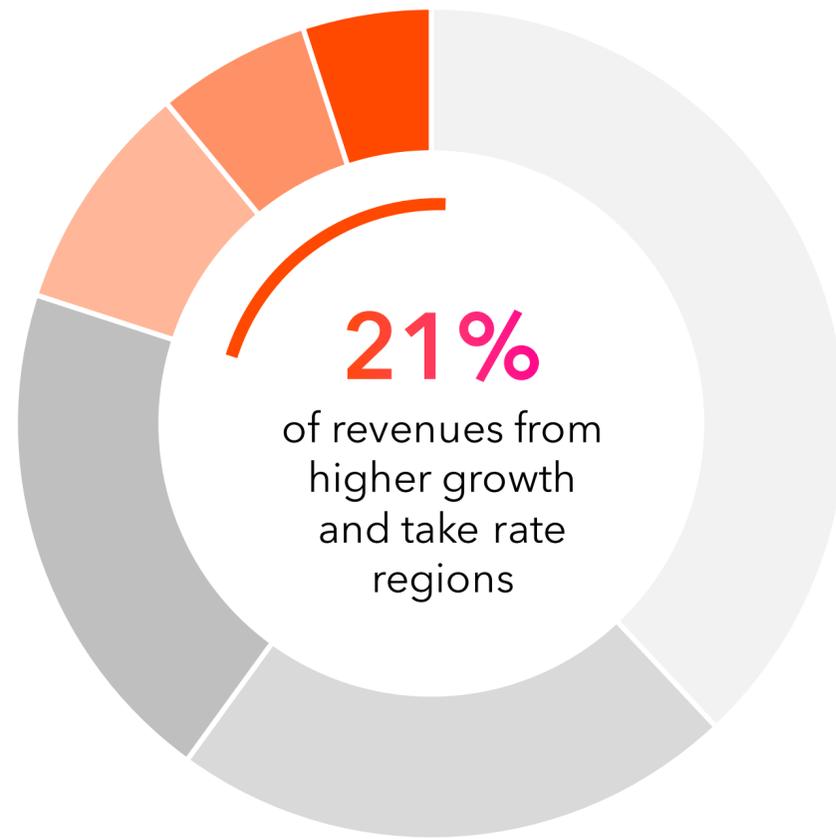
- **Re-align GTM** to priority countries and customer segments
- Expand **B2B** product offering
- Increase **adoption** of higher take rate products
- Improve **monetization** of non-ICPs
- **Expand ecosystem** of partnerships

Note: Data as of 6/30/23.

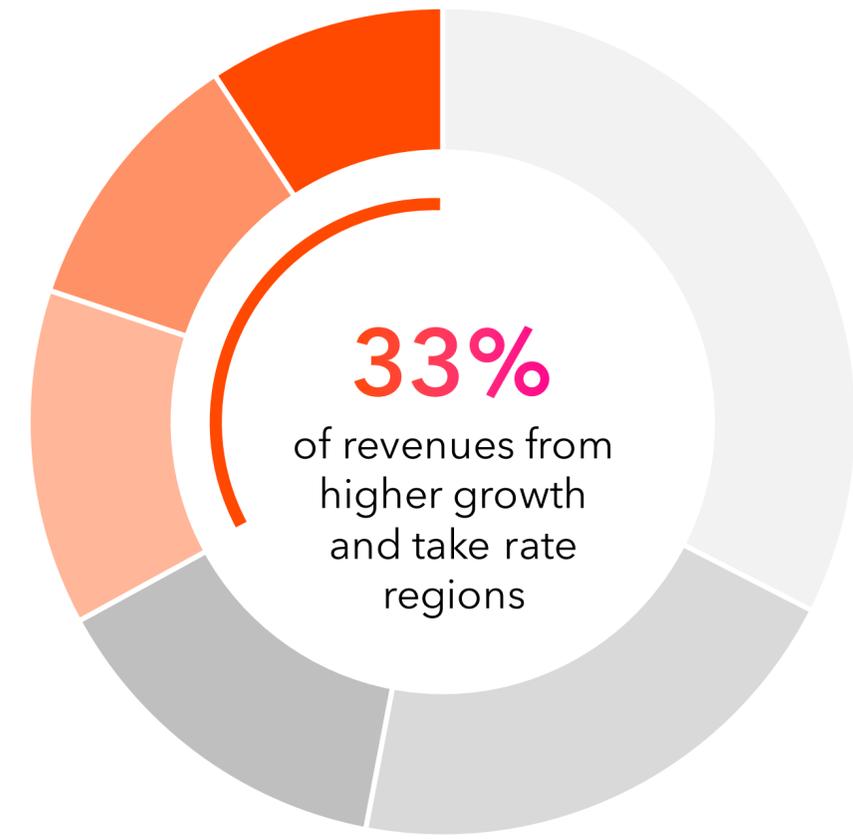
1. Active ICPs are defined as customers with a Payoneer Account that have on average over \$500 a month in volume and were active over the trailing twelve-month period.

Continued geographic diversification

Revenues by geography



2018



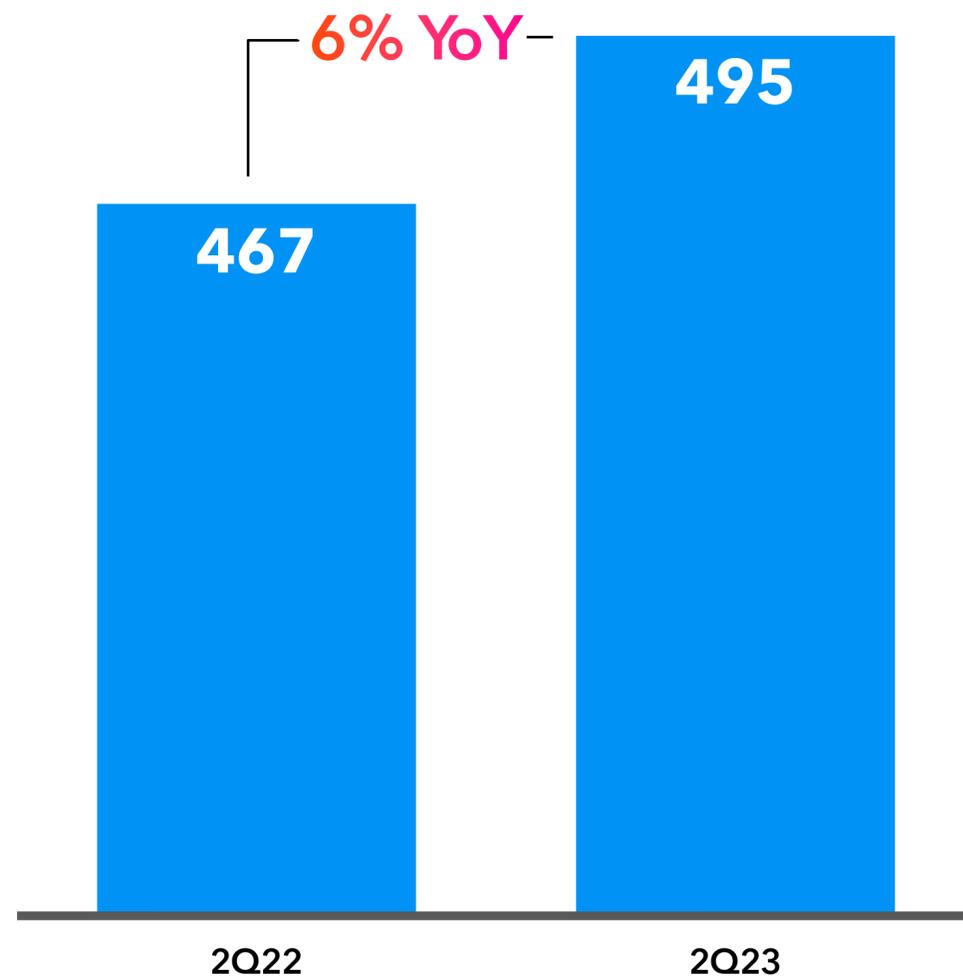
2Q'23 LTM

■ Greater China ■ Europe ■ North America ■ Asia Pacific ■ South Asia, Middle East & Africa ■ Latin America

Note: Disaggregation based on \$260M of revenue in 2018 and \$741M of revenue over the last twelve months (7/1/22-6/30/23).

Focusing on Ideal Customer Profiles

Active ICPs¹ ('000s)



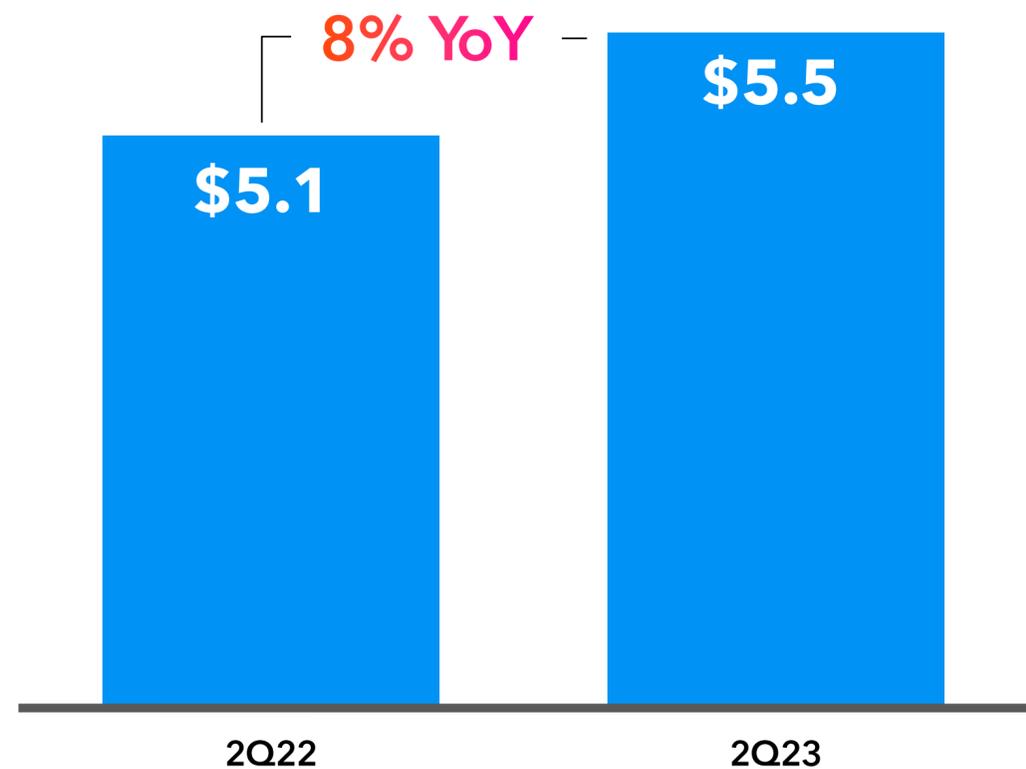
- Shifting acquisition and service model towards active **Ideal Customer Profiles (ICPs)**¹
- **12%** YoY growth in ICPs excluding Europe, where growth is impacted year-over-year by the ongoing war in Ukraine
- Strong ICP growth in higher-take rate regions: **LATAM, APAC, and SAMEA**
 - LATAM: **13%**
 - APAC: **13%**
 - SAMEA: **13%**
- Focusing on larger active ICPs, those that do on average \$10,000 or more in volume per month
 - **Second consecutive quarter of 18%** year-over-year growth in larger active ICPs, **3x** the growth rate of all active ICPs

Note: Data as of 6/30/23.

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

Customers trust Payoneer

Customer funds (\$B)



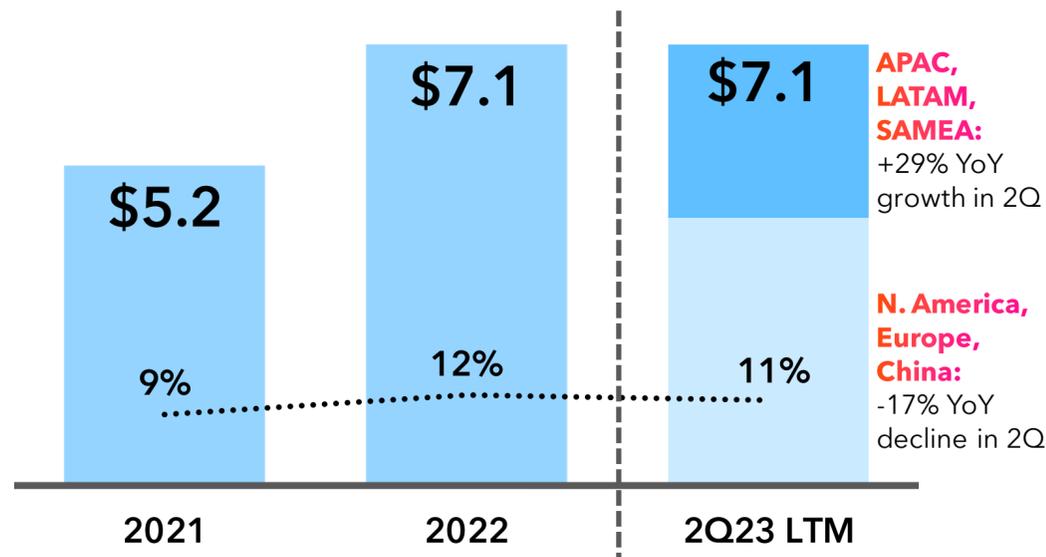
- **80%+** of customer funds are interest-bearing
- **~75%** of customer funds are held with U.S. domestic financial institutions
- **~77%** of customer funds are denominated in U.S. dollars
- **100%** of balances are currently held in cash deposits

Data as of 6/30/23.

Scaling new customer segments and products

Money In

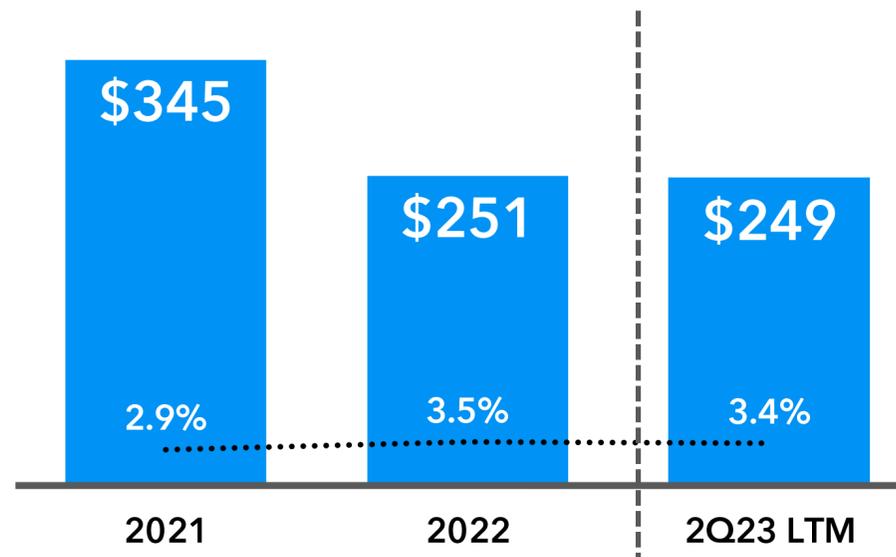
B2B seeing strong growth in services-oriented markets



■ B2B Volume (\$B)
⋯ % of Total Volume

Manage funds and liquidity

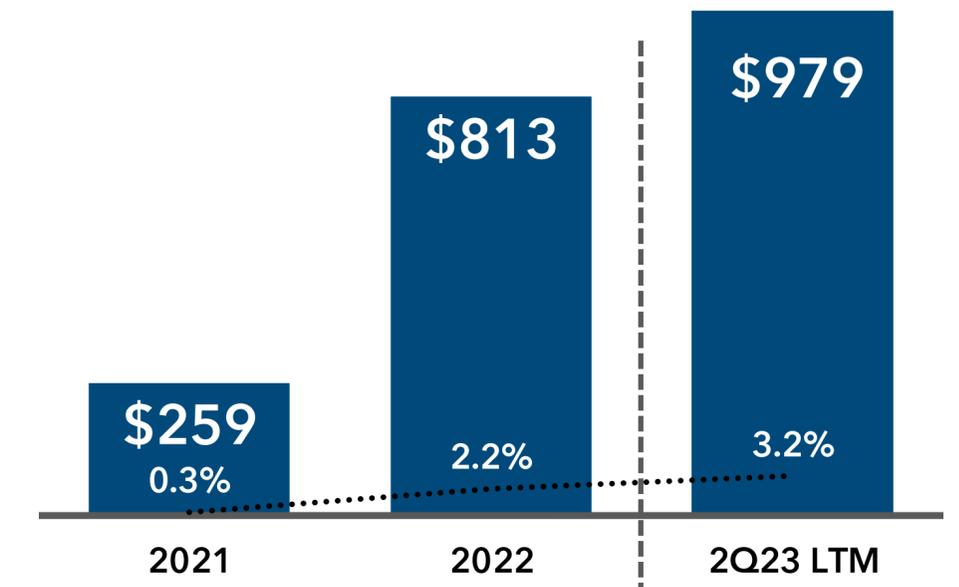
Working Capital stable even as we lower risk tolerance due to macro uncertainty



■ Originations (\$M)
⋯ Yield

Money Out

Virtual Commercial Card driving strong, higher take rate, growth

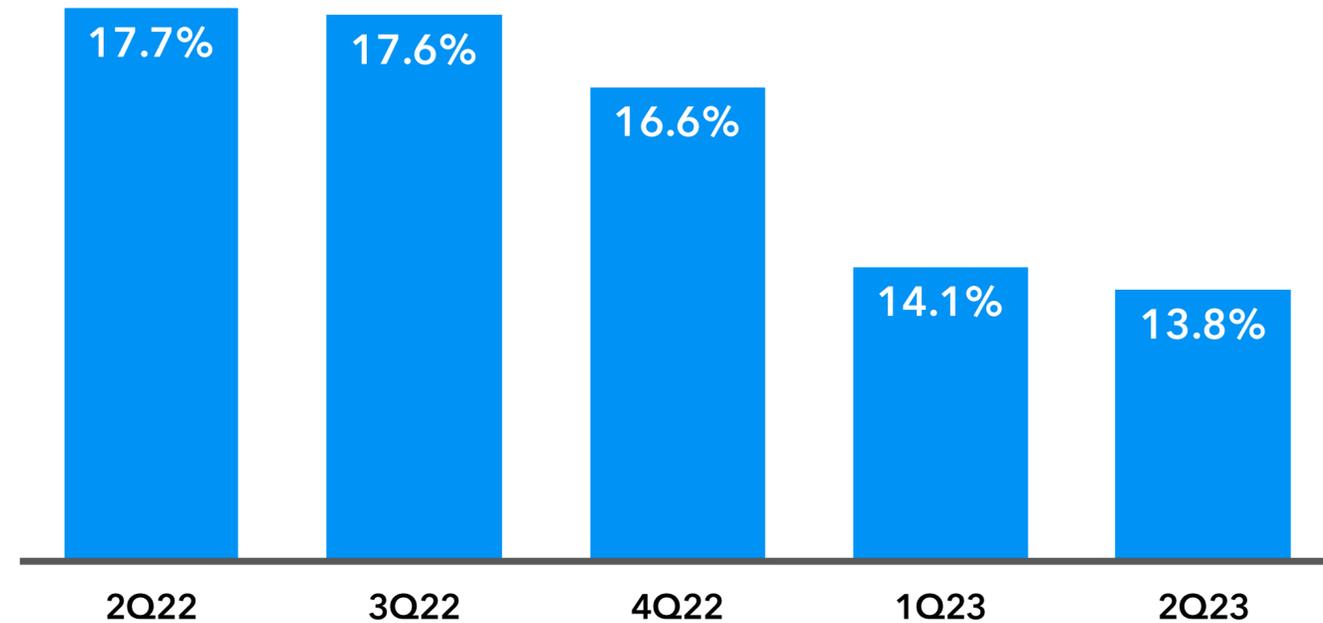


■ Virtual Commercial Card Usage (\$M)
⋯ Customer penetration (as a % of total active customers)

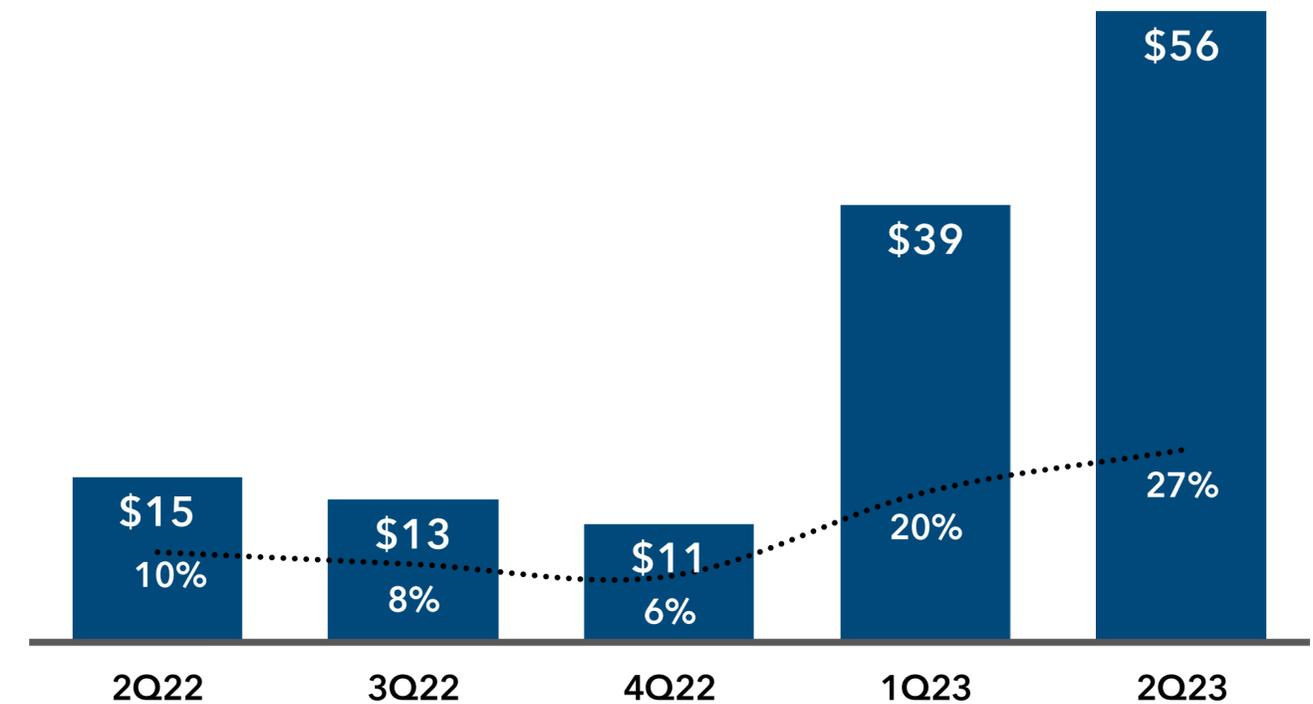
2Q23 LTM represents the last twelve months (7/1/22-6/30/23).

Increasing profitability and focus on driving further operating efficiencies

Transaction cost as a percentage of revenue



Adjusted EBITDA (\$M)



..... Adjusted EBITDA Margin

Note: Please refer to the appendix of this presentation for the reconciliation from net income (loss) to adjusted EBITDA.

Strong net capital position: Payoneer deploys capital to maximize long-term value

Strong capital position

- **\$581M** of cash and cash equivalents
- **Small debt exposure** related to working capital solution for customers¹
- Positive **free cash flow** generation²

Priorities for capital allocation

- **Data driven** approach to capital allocation and efficiency
- Actively building capabilities while exploring **inorganic opportunities** to grow revenues and accelerate our product roadmap
- Recently announced agreements to **acquire** a licensed China-based payment services provider and an Israeli-based real-time data platform, Spott

Note: Data as of 6/30/23.

1. \$16M of long-term debt from related party on the balance sheet is related to the Working Capital business.

2. For the last twelve months (7/1/22 - 6/30/23).

2023 full year guidance

2023 Guidance as of August 8, 2023:

\$820-830M

Revenue

~15.5%

Transaction costs as a
% of revenue

\$160-170M

Adjusted EBITDA¹

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

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

Long-term target business model

Illustrative long-term targets

20%+

Revenue growth

20%+

Adjusted EBITDA margin

Appendix

Reconciliation of net income (loss) to adjusted EBITDA

	Three months ended,				
	June 30, 2022	Sept. 30, 2022	Dec. 31, 2022	Mar. 31, 2023	June 30, 2023
Net income (loss)	\$ 4,422	\$ (26,452)	\$ (10,151)	\$ 7,938	\$ 45,549
Depreciation & amortization	5,171	5,899	5,333	6,039	5,909
Taxes on income	1,374	2,635	7,610	9,172	5,747
Other financial (income) expense, net	4,824	3,617	(1,005)	(2,350)	(4,318)
EBITDA	15,791	(14,301)	1,787	20,799	52,887
Stock based compensation expenses ¹	11,890	13,525	13,827	16,927	16,173
Share in losses of associated company	7	2	13	—	—
M&A related expense (income) ²	(116)	(1,588)	—	774	498
Loss (gain) from change in fair value of Warrants ³	(12,831)	15,095	(5,031)	252	(13,586)
Adjusted EBITDA	\$ 14,741	\$ 12,733	\$ 10,596	\$ 38,752	\$ 55,972

1. Represents non-cash charges associated with stock-based compensation expense, which has been, and will continue to be for the foreseeable future, a significant recurring expense in our business and an important part of our compensation strategy.
2. Amounts for the three months ended June 30, 2023 relate to M&A-related third-party fees, including related legal, consulting and other expenditures. Amounts for the three months ended June 30, 2022 relate to a non-recurring fair value adjustment of a liability related to our 2020 acquisition of optile.
3. Changes in the estimated fair value of the warrants are recognized as gain or loss on the condensed consolidated statements of comprehensive income. The impact is removed from EBITDA as it represents market conditions that are not in control of the Company.



Thank you.

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