

3Q 2024 Investor Presentation

NASDAQ:PAYO | November 5, 2024

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Non-GAAP Financial Measures

Some of the financial information and data contained in this presentation, such as adjusted EBITDA, have not been prepared in accordance with United States generally accepted accounting principles (“GAAP”). Payoneer uses these non-GAAP measures to compare Payoneer’s performance to that of prior periods for budgeting and planning purposes. Payoneer believes these non-GAAP measures of financial results provide useful information to management and investors regarding certain financial and business trends relating to Payoneer’s results of operations. Payoneer’s method of determining these non-GAAP measures may be different from other companies’ methods and, therefore, may not be comparable to those used by other companies and Payoneer does not recommend the sole use of these non-GAAP measures to assess its financial performance. Payoneer management does not consider these non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with GAAP. The principal limitation of these non-GAAP financial measures is that they exclude significant expenses and income that are required by GAAP to be recorded in Payoneer’s financial statements. In addition, they are subject to inherent limitations as they reflect the exercise of judgments by management about which expense and income are excluded or included in determining these non-GAAP financial measures. In order to compensate for these limitations, management presents non-GAAP financial measures in connection with GAAP results. You should review Payoneer’s financial statements, which are included in Payoneer’s Annual Report on Form 10-K for the year ended December 31, 2023 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, as applicable: M&A related expense (income), stock-based compensation expenses, restructuring charges, share in losses (gain) of associated company, loss (gain) from change in fair value of warrants and warrant repurchase/redemption, other financial expense (income), net, taxes on income, and depreciation and amortization.

Adjusted EBITDA margin represents Adjusted EBITDA divided by revenue for the applicable period.

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 “2024 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. We also reference ARPU. ARPU (Average Revenue Per User) is defined as the Revenue from Active Customers divided by the number of Active Customers over the period in which the Revenue was earned. Active Customers for these purposes are defined as Payoneer accountholders with at least 1 financial transaction over the period. Revenue from Active Customers represents revenue attributed to Active Customers based on their use of the Payoneer platform, including interest income earned from their balances, and excluding revenues unrelated to their activities.

Industry and Market Data

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

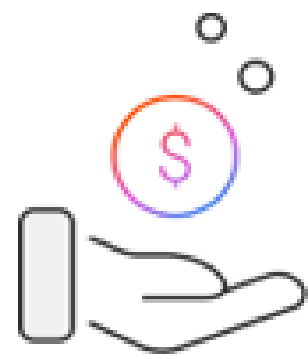
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Payoneer's mission:

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

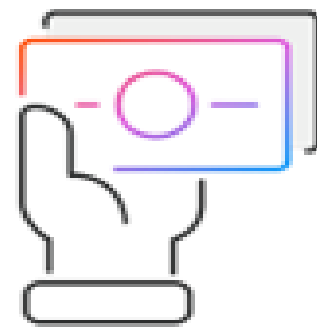


SMBs want to grow globally but transacting across borders is complex, especially from emerging markets



Can't get paid

- ⚠️ My U.S. customers don't want to send an international money transfer to pay me, but I **can't open a U.S. bank account** to collect payments locally
- ⚠️ Why does it take **3-4 business days** to receive an international money transfer and why does it cost 5-8% in fees?
- ⚠️ I want to expand my business to **more countries** but its too difficult to collect payments across multiple markets



Can't pay

- ⚠️ I want to match the currencies of my revenue with my liabilities, so I don't get hit with **FX conversion fees** twice
- ⚠️ I need to pay contractors and suppliers in different countries, and they all want to get **paid in USD**
- ⚠️ I want to use my local card to pay for global advertising and logistics expenses, but it keeps getting **rejected**



Can't get capital

- ⚠️ Why don't local lenders **underwrite** international businesses?
- ⚠️ Why aren't there global platforms that will provide **funding** to SMBs?

80 million underserved SMBs

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



Global Banks

Underserve small businesses



Fintech

Primarily for P2P, and with limited geographies



Local banks

Underserve cross-border needs

Source: Third-party research.

Payoneer serves diverse customer types and helps SMBs in the fastest growing markets do business globally



Contractors and freelancers



Pedro, Contractor
Brazil

- Software development



Consumer goods sellers



Kevin, Elegoo
China

- Seller of 3D printers
- ~200 employees



Service providers



Hannah, Accentline
Philippines

- Business process outsourcing
- ~100 employees



Goods traders and manufacturers



Serhii, Ukragroenergyinvest
Ukraine

- Agricultural trading company
- 10s employees

We have unique assets and infrastructure

Scaled platform

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

Localized Experience

- Virtual account so customers are always local, no matter where they are and who they do business with
- Smart routing system that enables global payments in the most economical way possible
- Same day & real time settlement with highest reliability in 150+ countries
- 100+ customer success managers in 35 countries, speaking over 20 languages

Strong brand

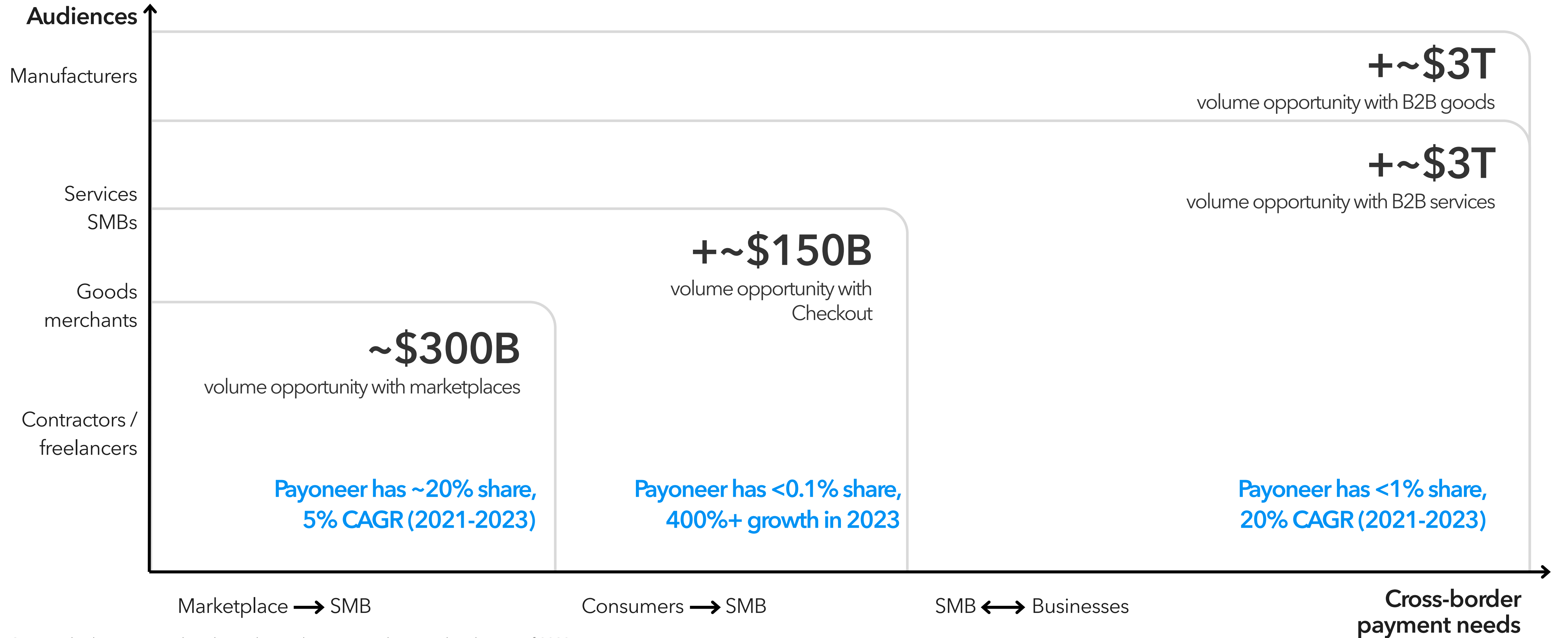
- 1.99M active customers, including 557K active Ideal Customer Profiles (ICPs)¹
- \$6.1B in customer balances
- Global awareness level among cross-border business payment companies second only to PayPal²

Note: Data as of September 30, 2024.

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

2. Source: Payoneer Global Brand Tracker, 2024.

We are pursuing a \$6 trillion opportunity



Source: Third-party research. Industry data and Payoneer volume market share as of 2022.

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

Collect accounts receivable

Access opportunity globally

Manage accounts payable



Ease

All-in-one

Trust

Connection

~2M customers use our cross-border accounts receivable, cash management, and accounts payable solutions

Accounts Receivable



B2B invoice



B2B load funds



Marketplace payout



Merchant services

\$66B of volume into the Payoneer network in 2023

Cash Management



Treasury



Currency management



Intranetwork payments

\$6.1B of customer funds as of September 30, 2024

Accounts Payable



Payoneer card



Withdraw to bank account



Pay vendors, suppliers, & business partners



Pay contractors

\$66B of usage from Payoneer Accounts and enterprise payouts in 2023

25% volume growth in 3Q 2024 driven by the diverse channels our customers sell through

SMB customer volume into Payoneer Accounts

Marketplace:

Defend our market leading position

B2B:

Accelerate growth in a massive market

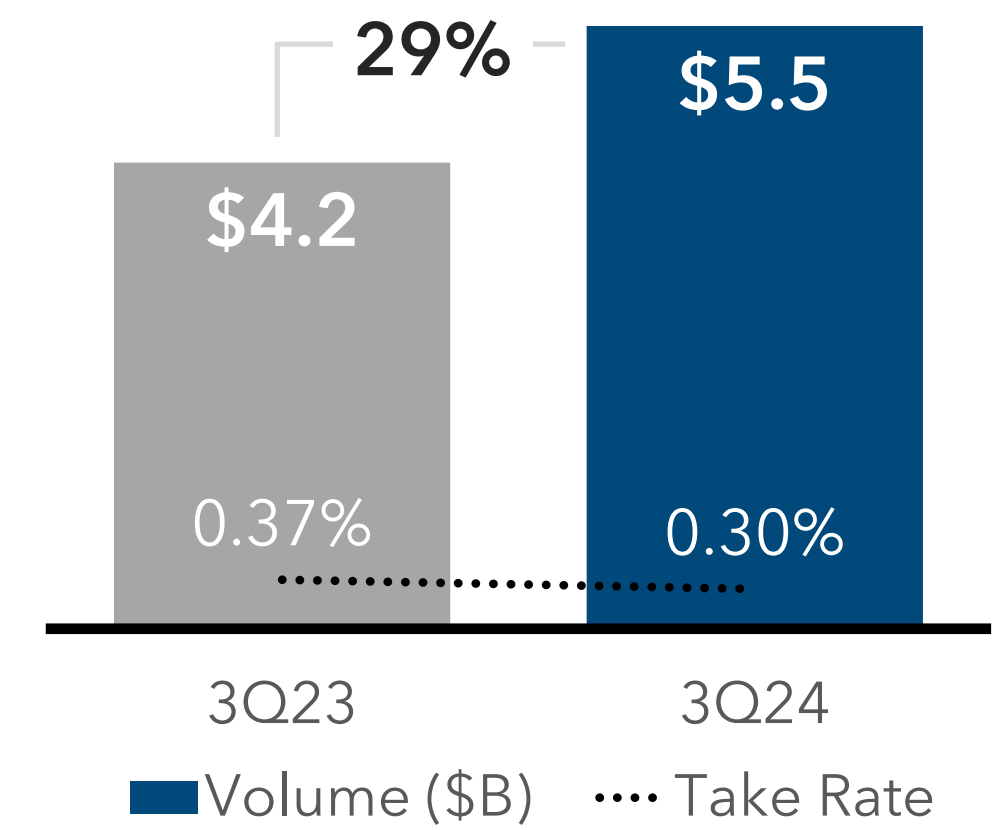
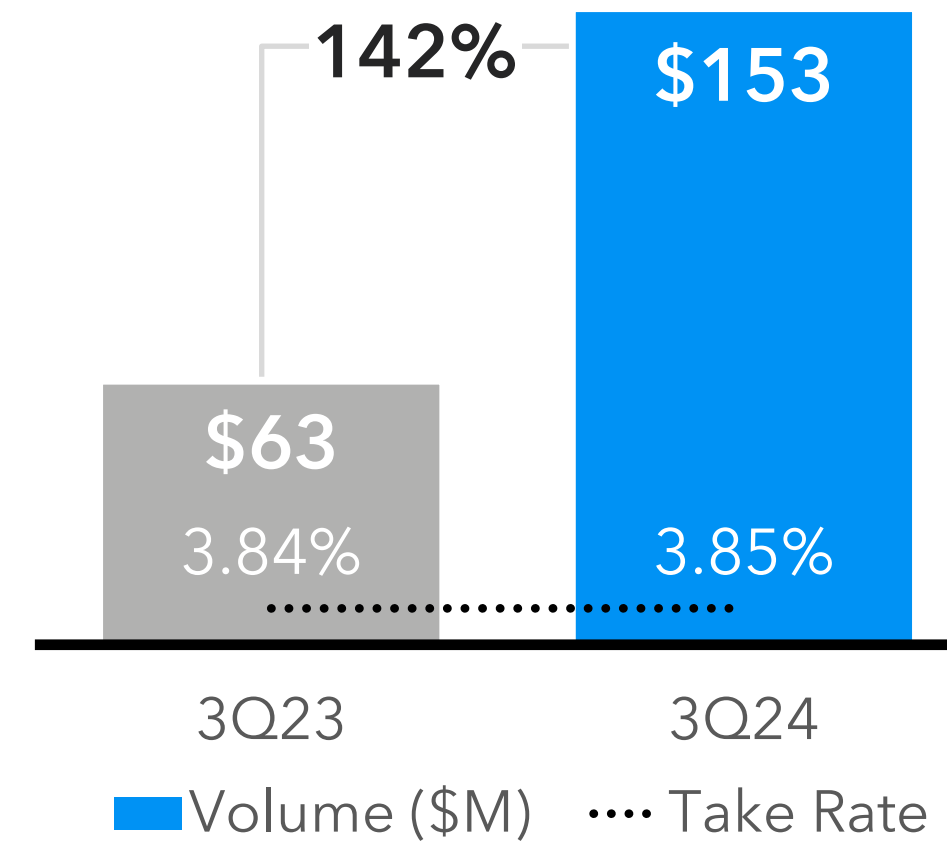
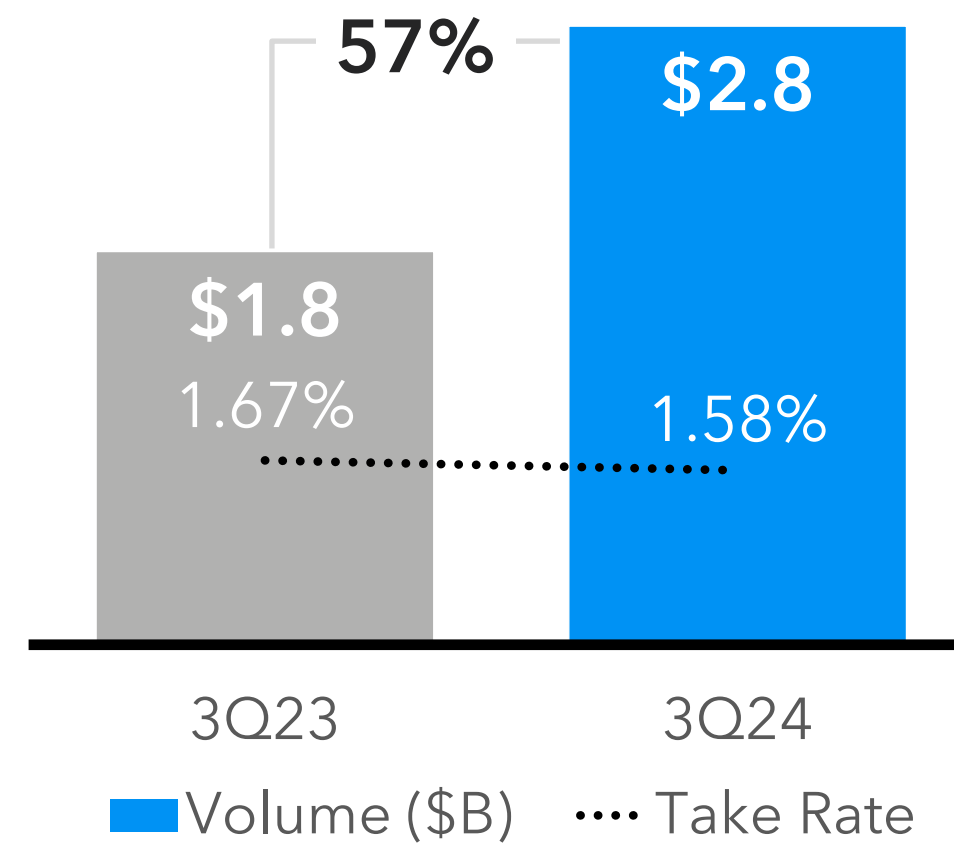
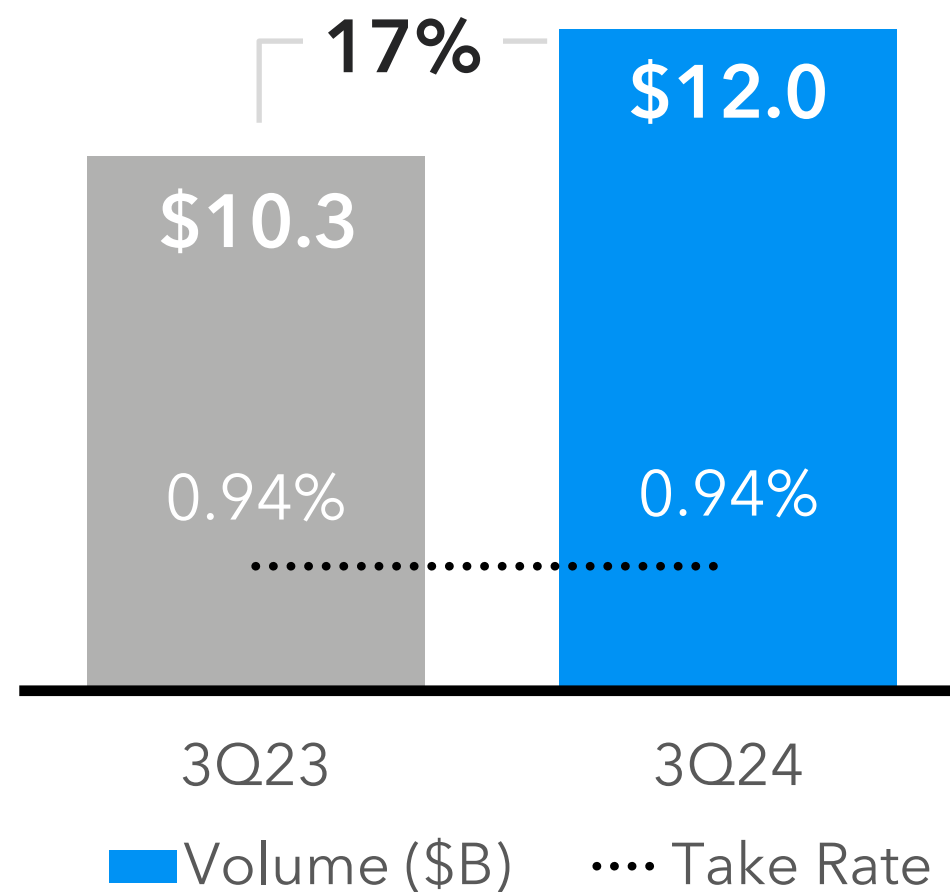
Merchant services (Checkout):

Expand into a fast-growing market

Enterprise volume direct to bank account

Enterprise payouts:

Drive continued scaled, efficient growth



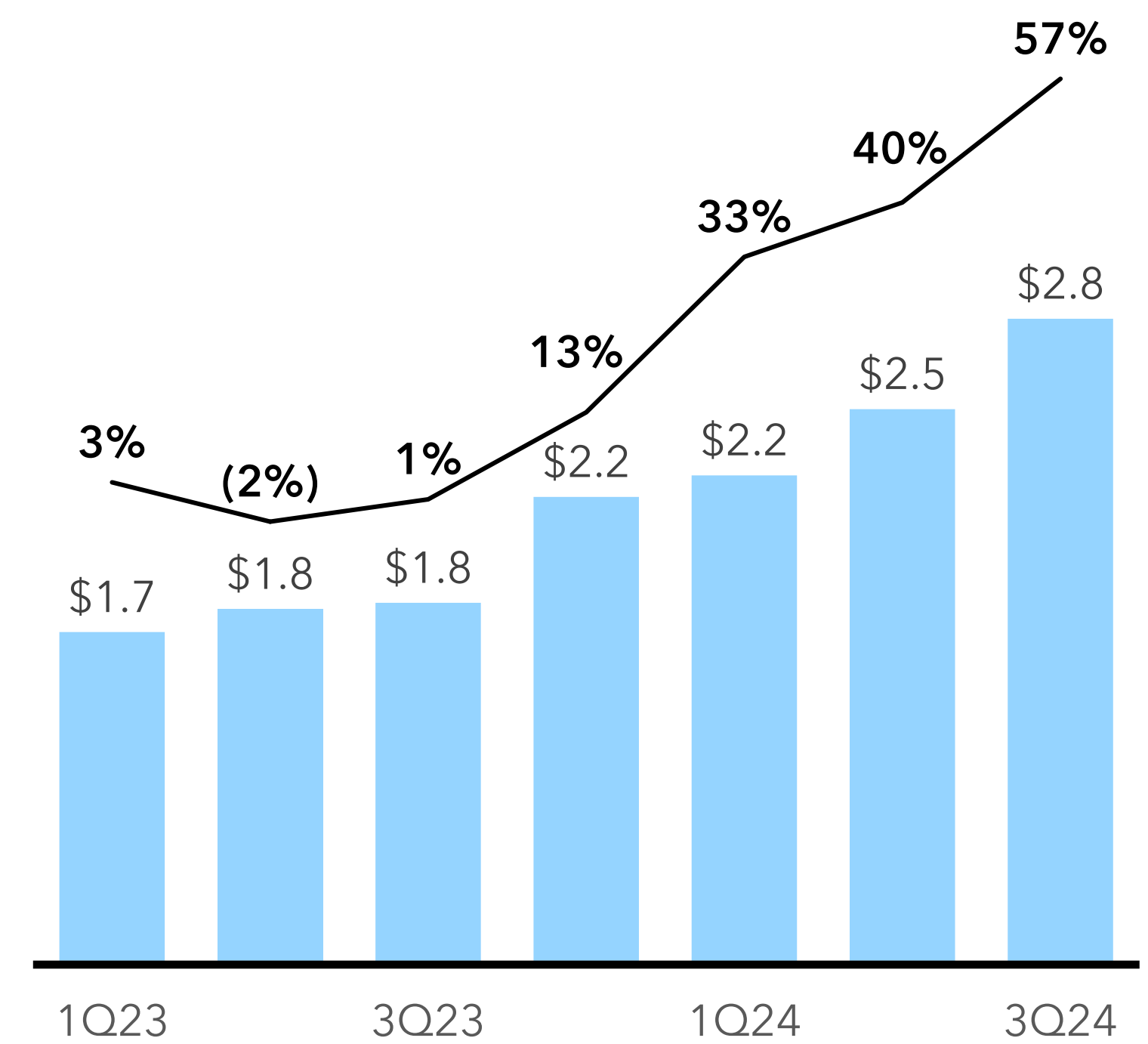
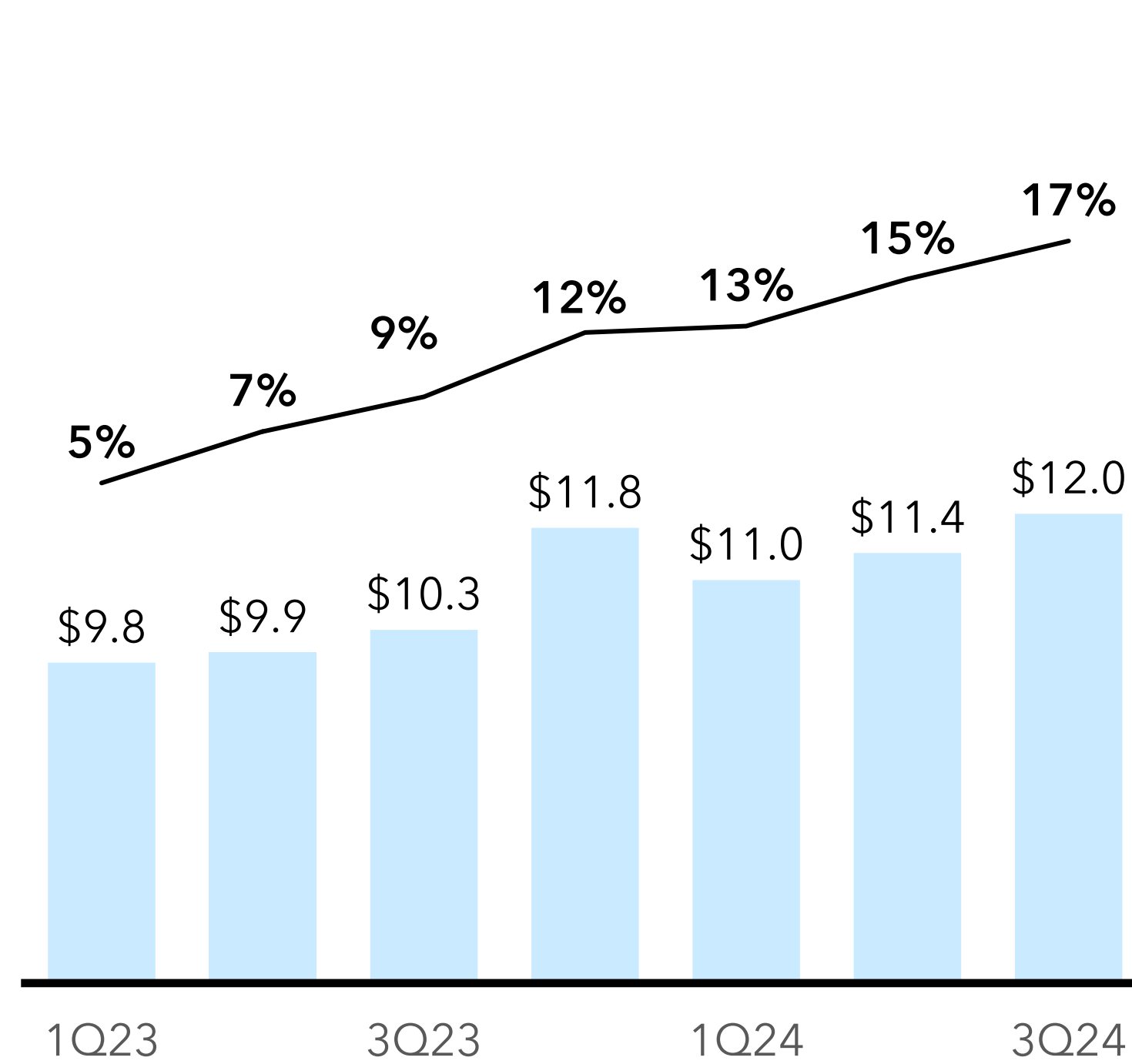
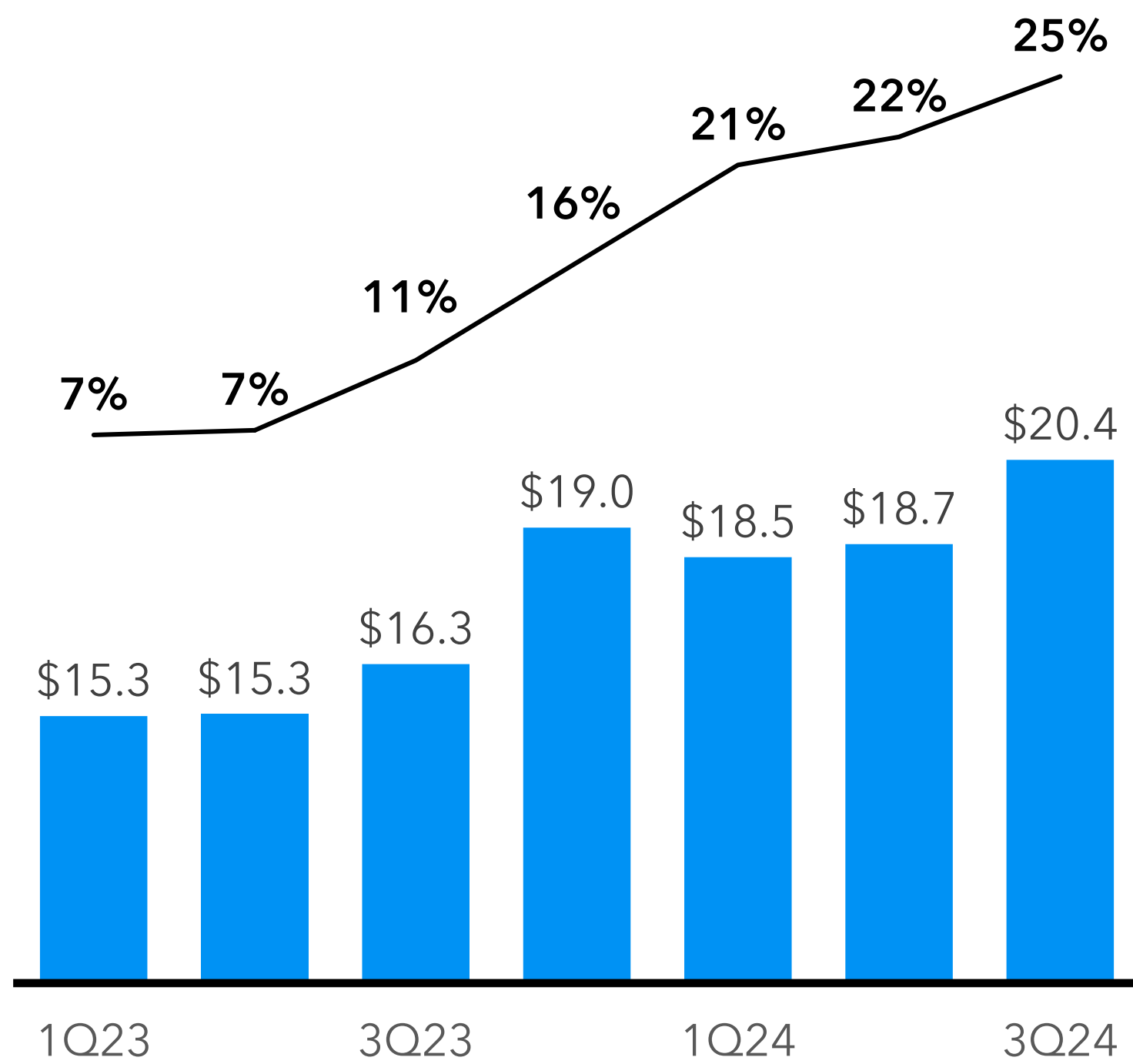
Note: Take rates shown above include associated monetization from usage of funds based on the channel the volume came from. Take rates shown above do not include interest income revenue.

We are driving significant volume acceleration with both SMBs that sell on marketplaces and B2B

Total volume

SMBs that sell on marketplaces volume

B2B volume



■ Volume (\$B) — Year-over-year growth

■ Volume (\$B) — Year-over-year growth

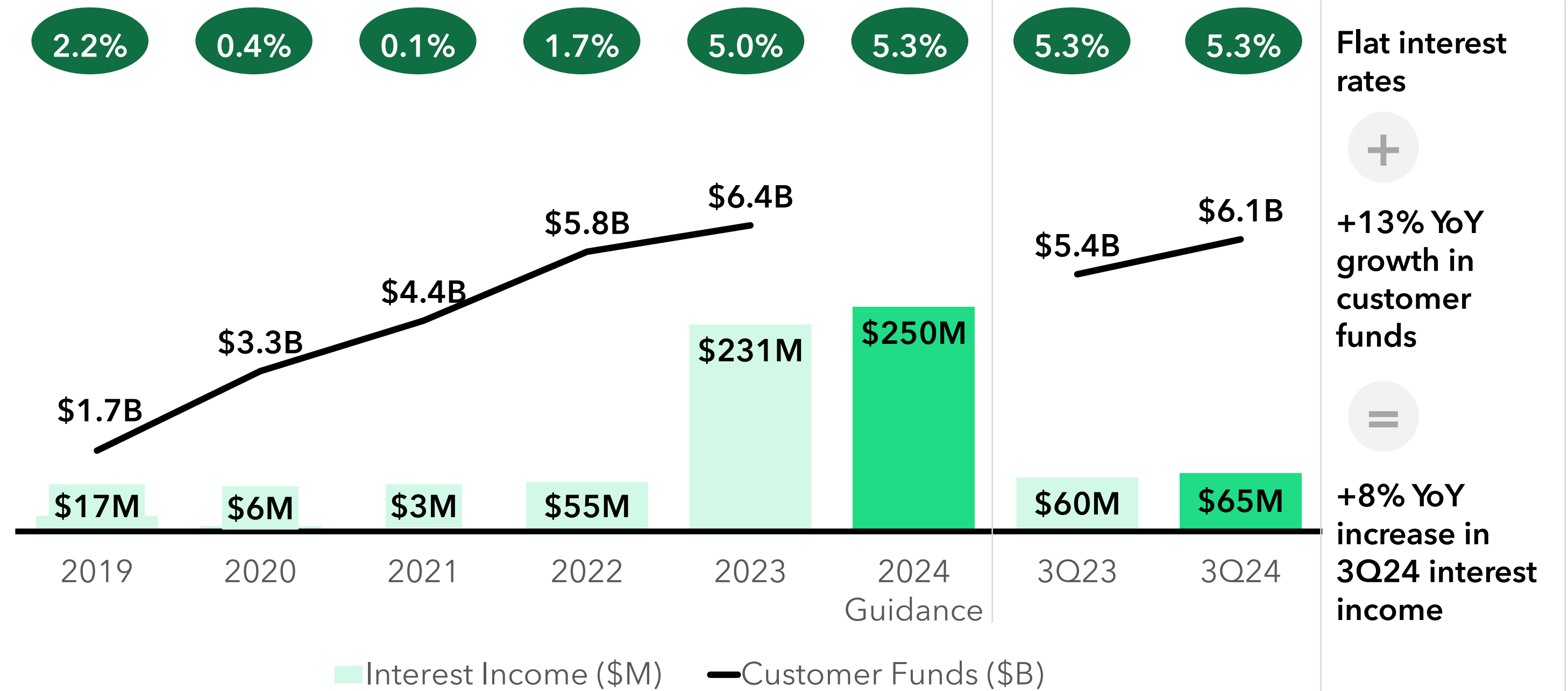
■ Volume (\$B) — Year-over-year growth

We are trusted and have significantly increased our customer funds and the interest income we earn on it

- **\$231M** of interest income earned on customer funds in FY 2023 and **\$196M** earned YTD '24
- **80%+** of customer funds are interest-bearing
- **75%** of customer funds are held with U.S. domestic financial institutions
- **75%** of customer funds are denominated in U.S. dollars
- We are extending the duration of our customer funds to reduce future sensitivity to interest rate fluctuations with **\$1.7B** of customer funds invested in US treasury securities and term-based deposits as of September 30, 2024

Interest Income Earned on Customer Funds

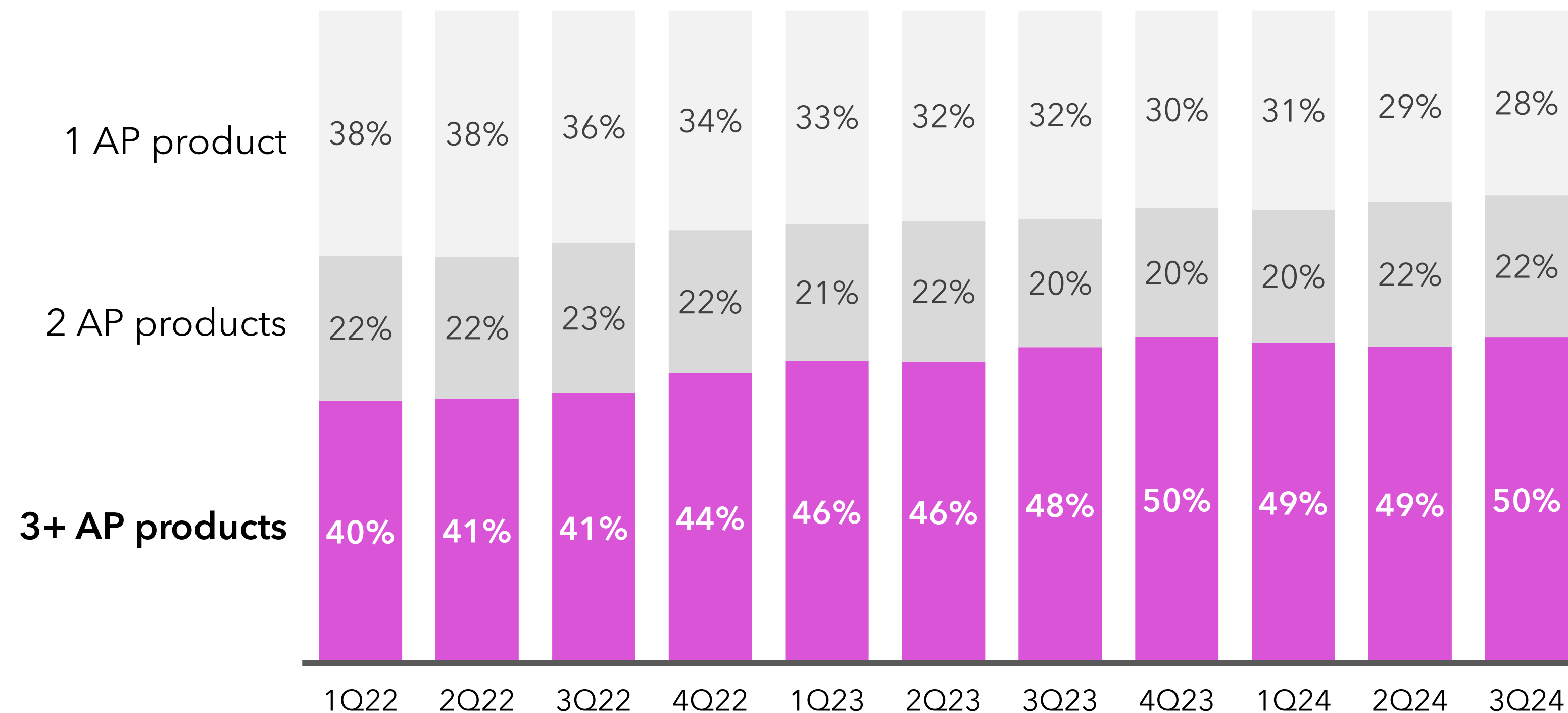
Average Effective Federal Funds Rate:



Data as of September 30, 2024. Customer fund balances reflect ending period balances.

Proven track record of cross-selling our accounts payable (AP) capabilities

Usage by number of products used by a customer

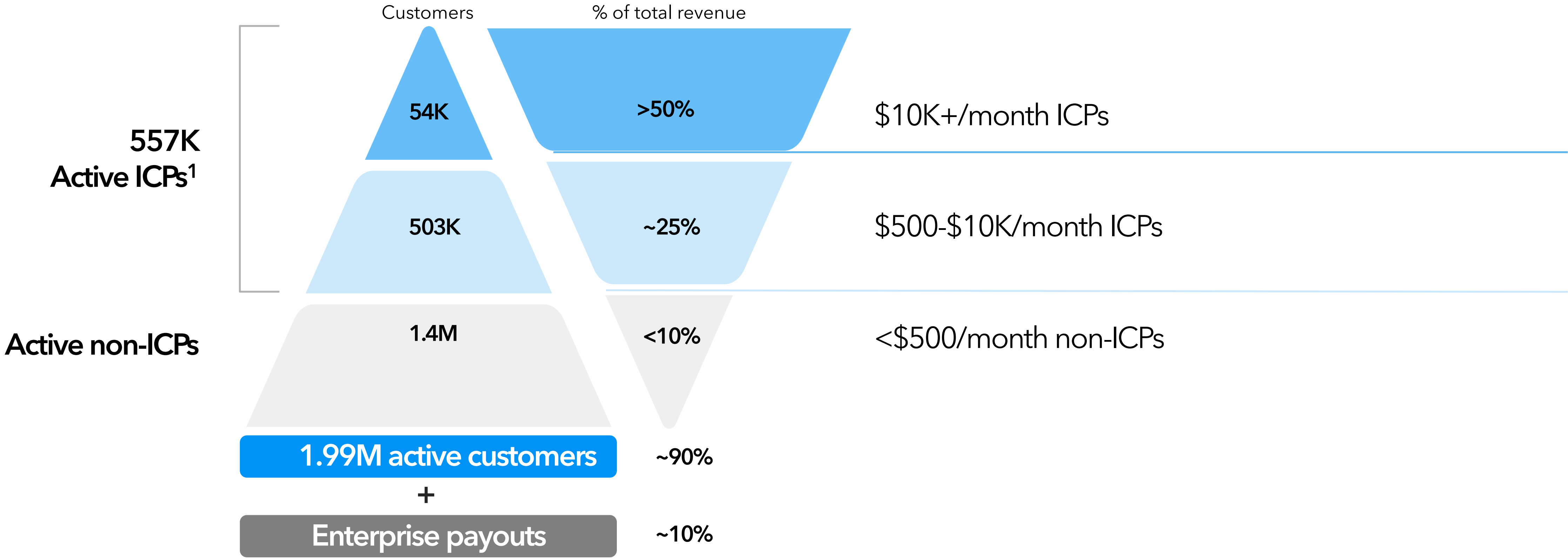


Larger SMBs have more complex AP needs.

As we **enhance our product capabilities** to capture more of their diversified AP needs, we can **drive greater retention, stickiness, and lifetime value.**

Usage products include withdraw to bank account, card, pay others, banking partnerships, partner charge, and other.

We are focused on our Ideal Customer Profiles (ICPs) because they represent the vast majority our revenue

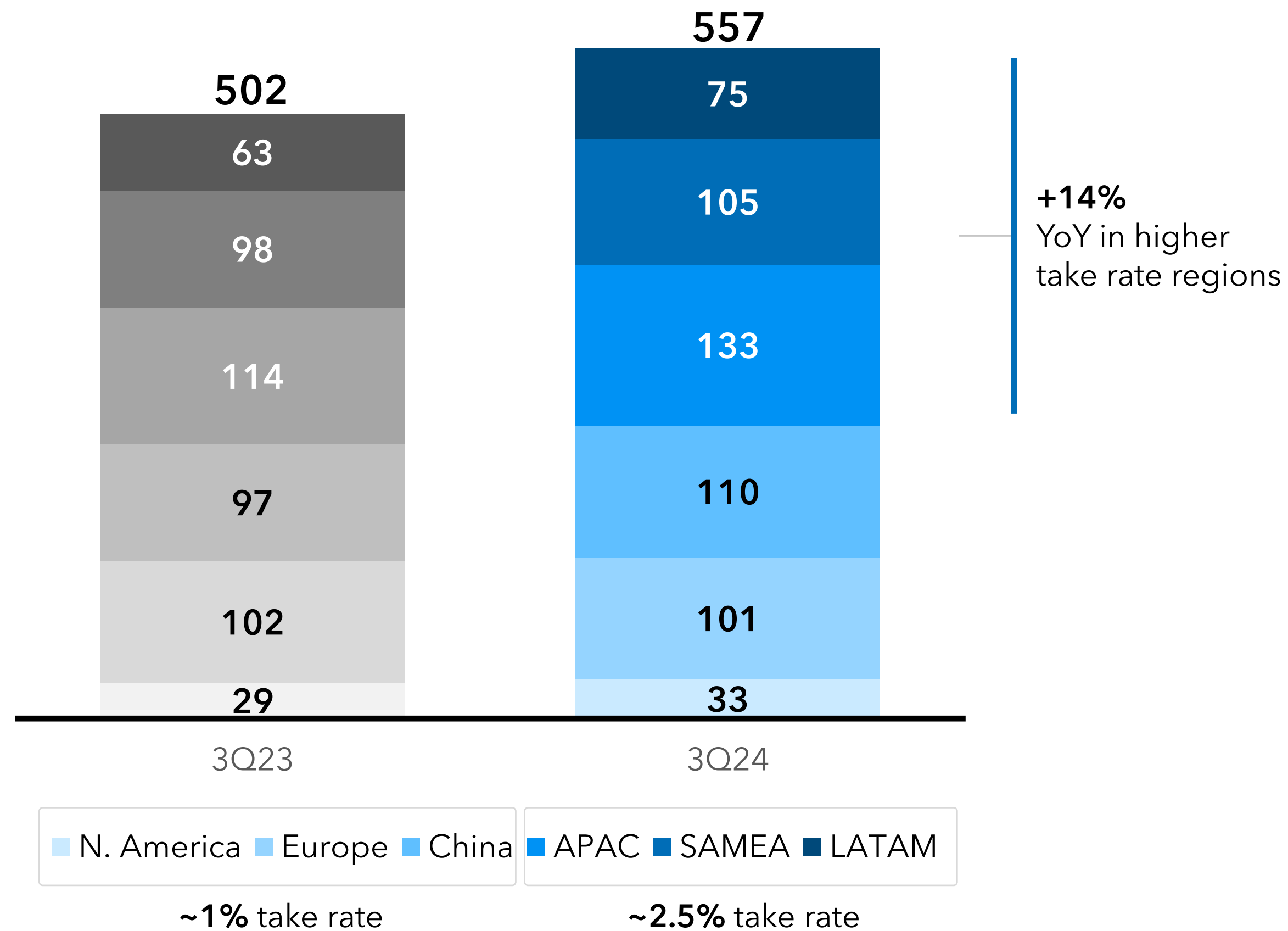


Customer data as of September 30, 2024. % of total revenue based on 3Q24 LTM (10/1/23-9/30/24) revenue and includes allocated interest income attributable to each category.

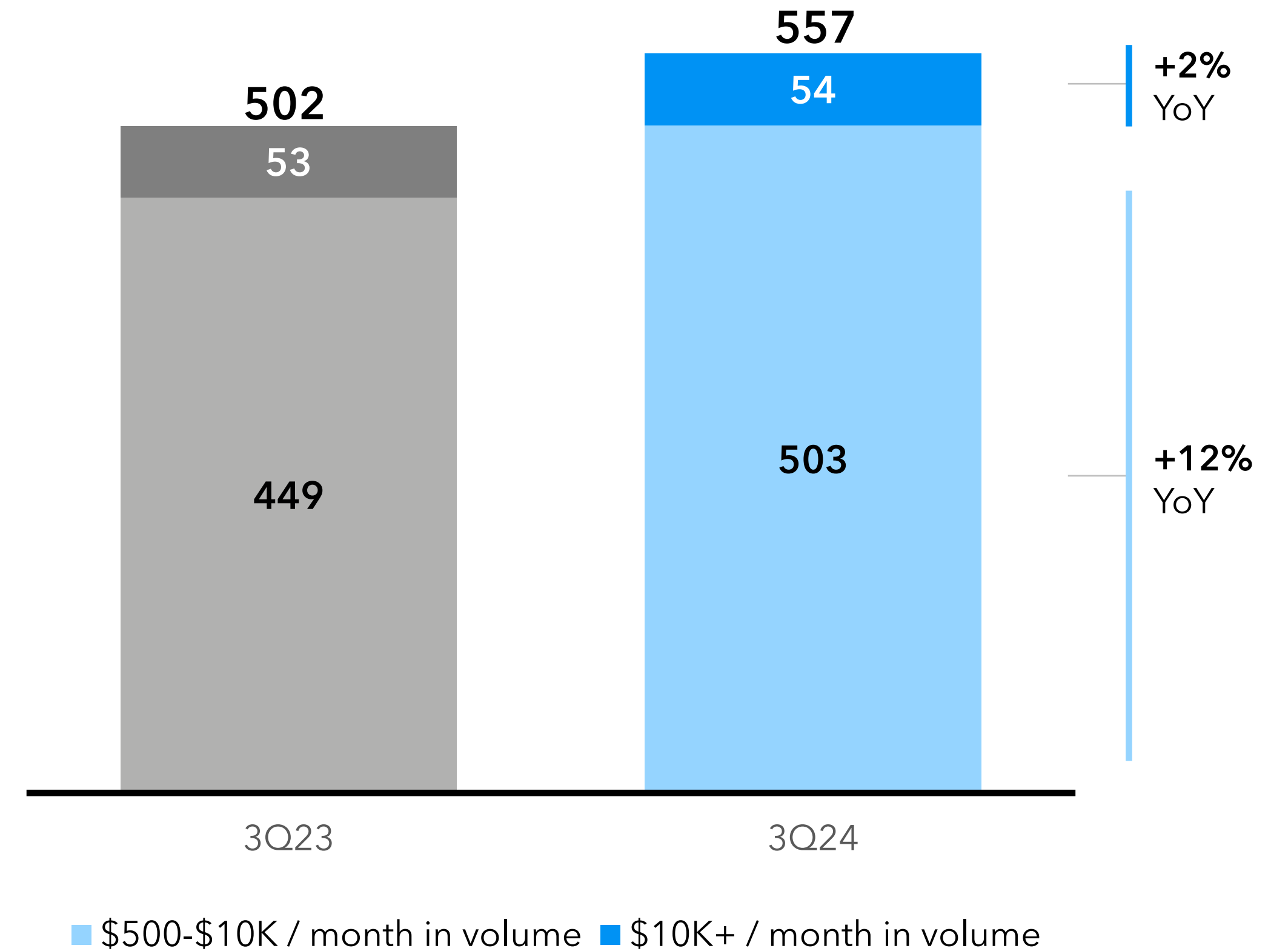
1. Active ICPs are defined as customers with a Payoneer Account that have on average over \$500 per month in volume and were active over the trailing twelve-month period.

Our ICP growth is diversified across regions and by size

Active ICPs by region ('000s)

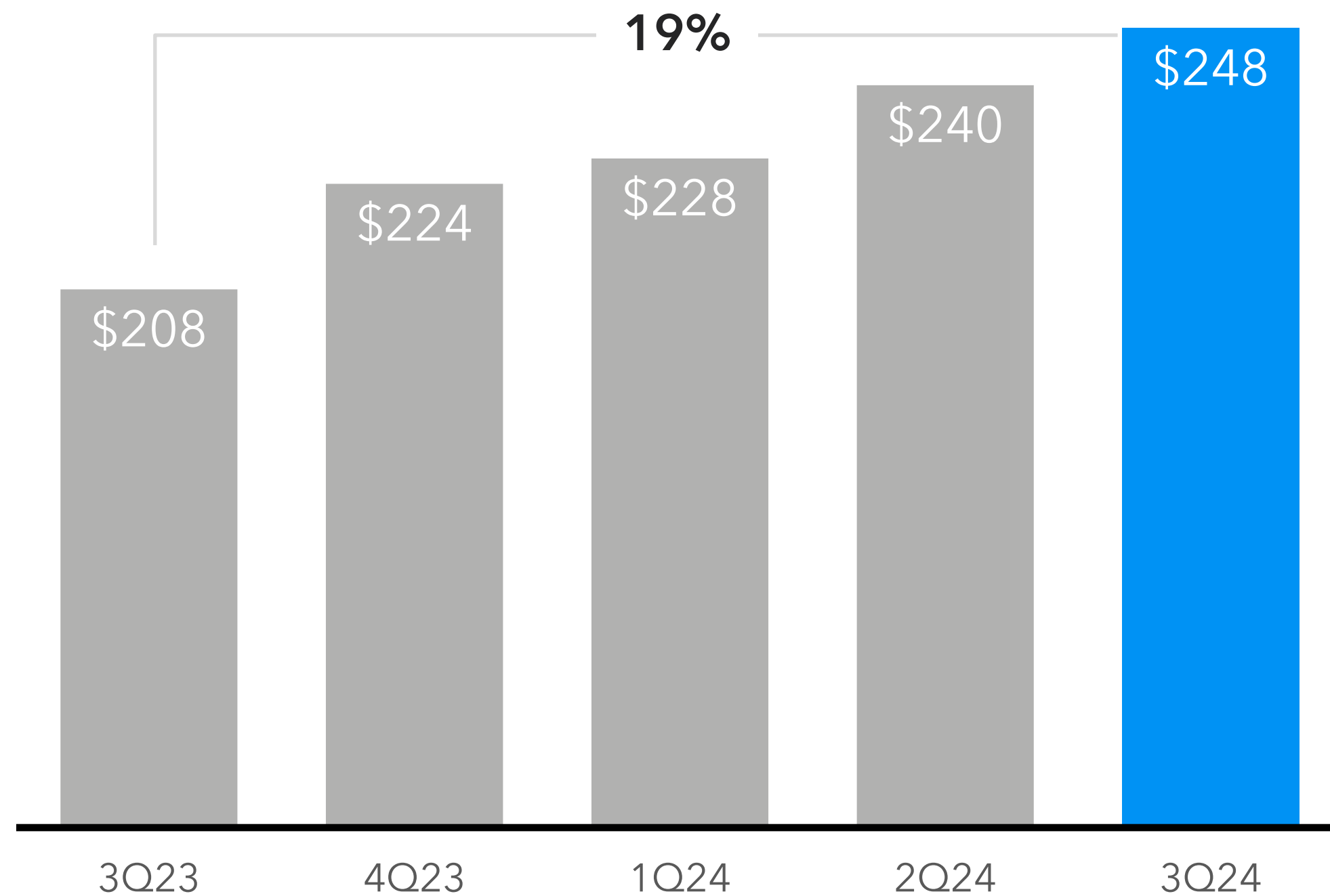


Active ICPs by size ('000s)

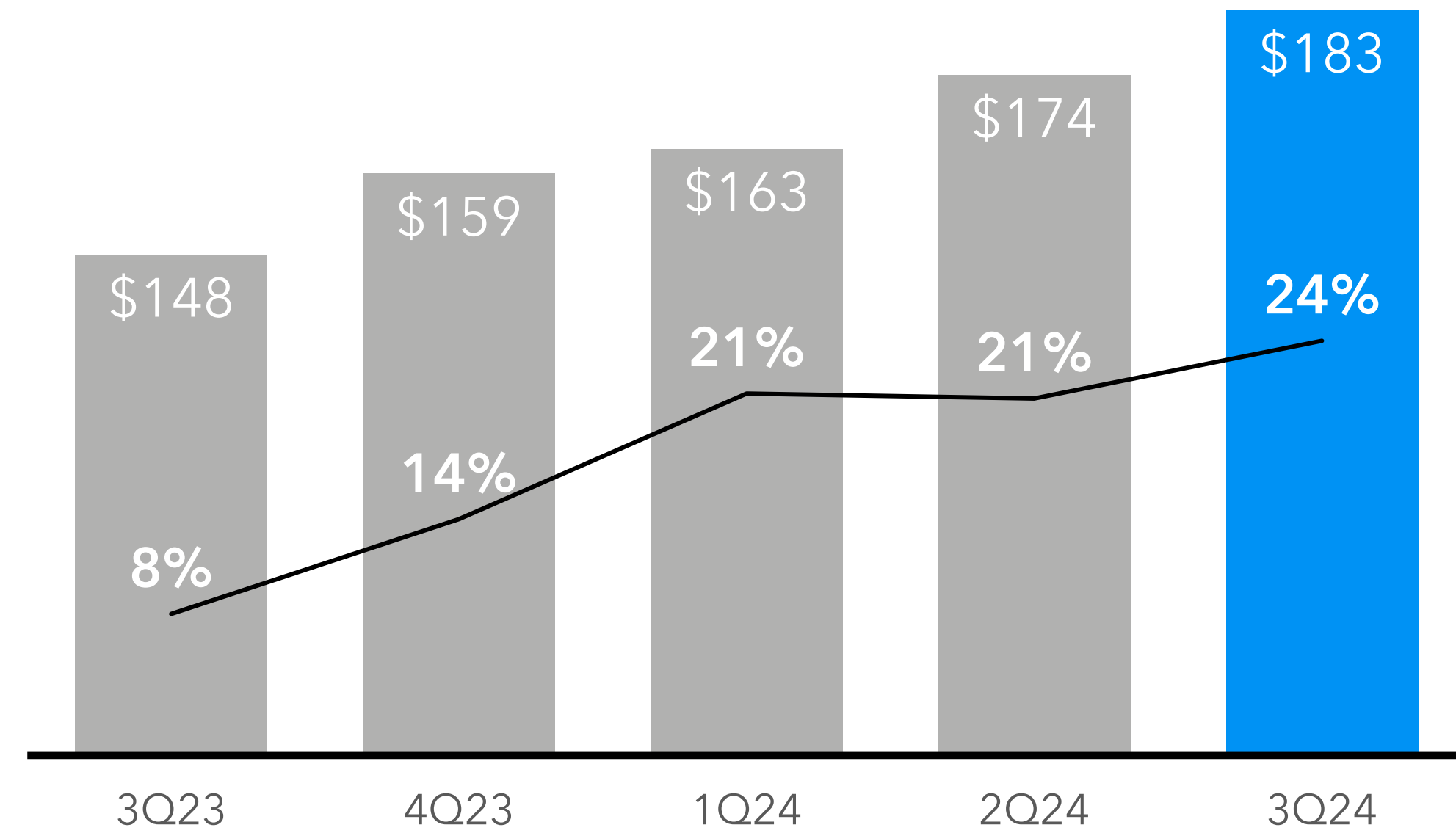


Revenue growth reflects accelerating momentum

Total Revenue (\$M)



Revenue excluding interest income and onboarding fees from an enterprise client¹ (\$M)

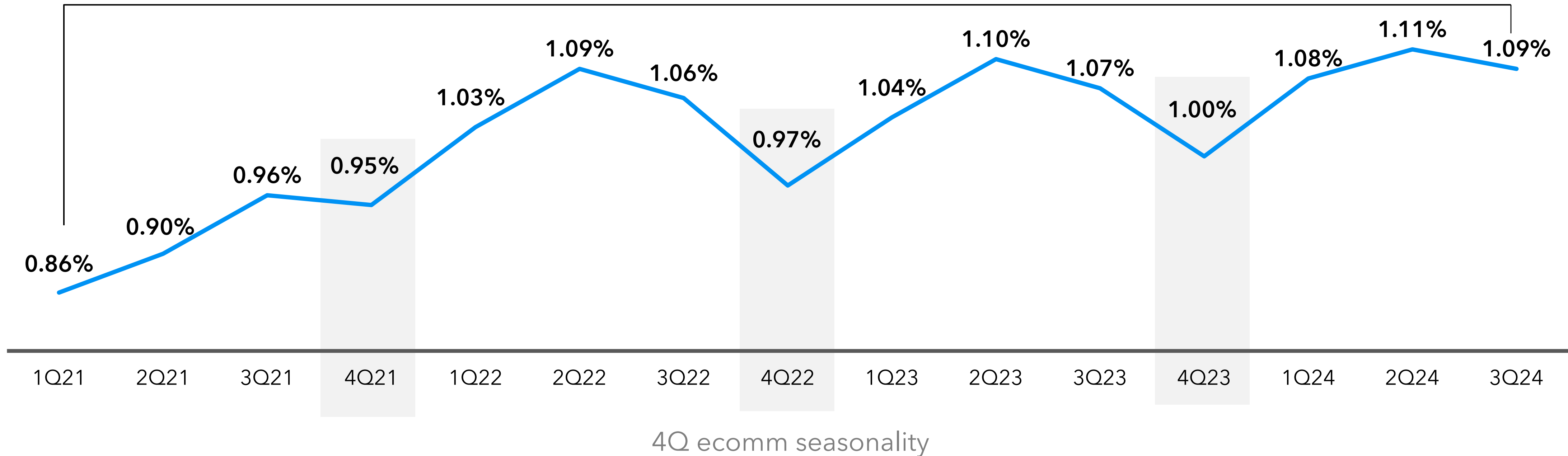


—Year-over-year growth rate

1. Excludes \$7.5M of quarterly revenue earned for onboarding services for a certain enterprise client for the periods 3Q22-3Q23 (inclusive) in the revenues shown above and in the prior year period for growth rate calculations.

Consistently expanding our SMB take rate, driven by monetization initiatives and mix shift toward higher take rate products and regions

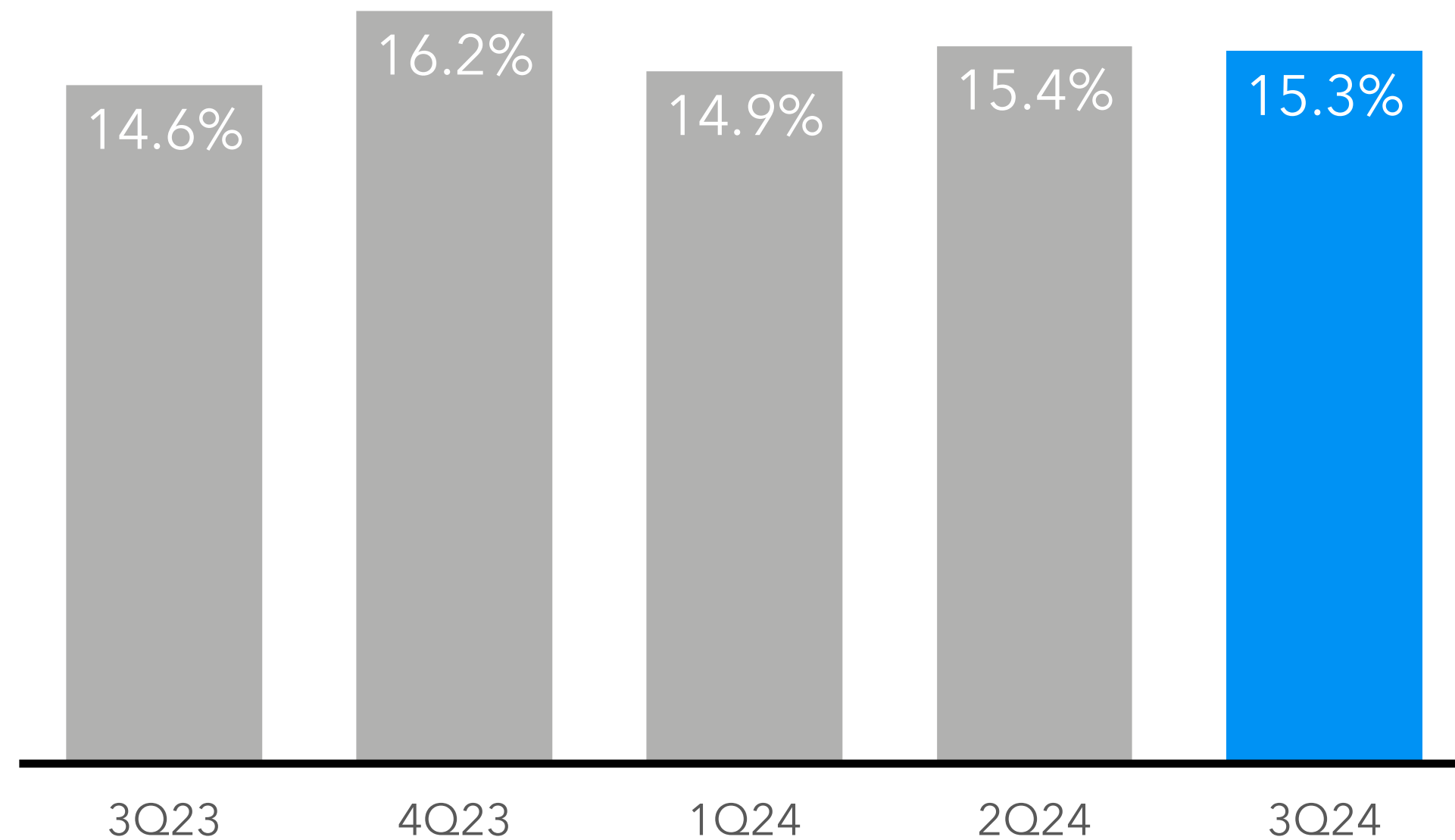
23 bps expansion of SMB customer take rate since 2021



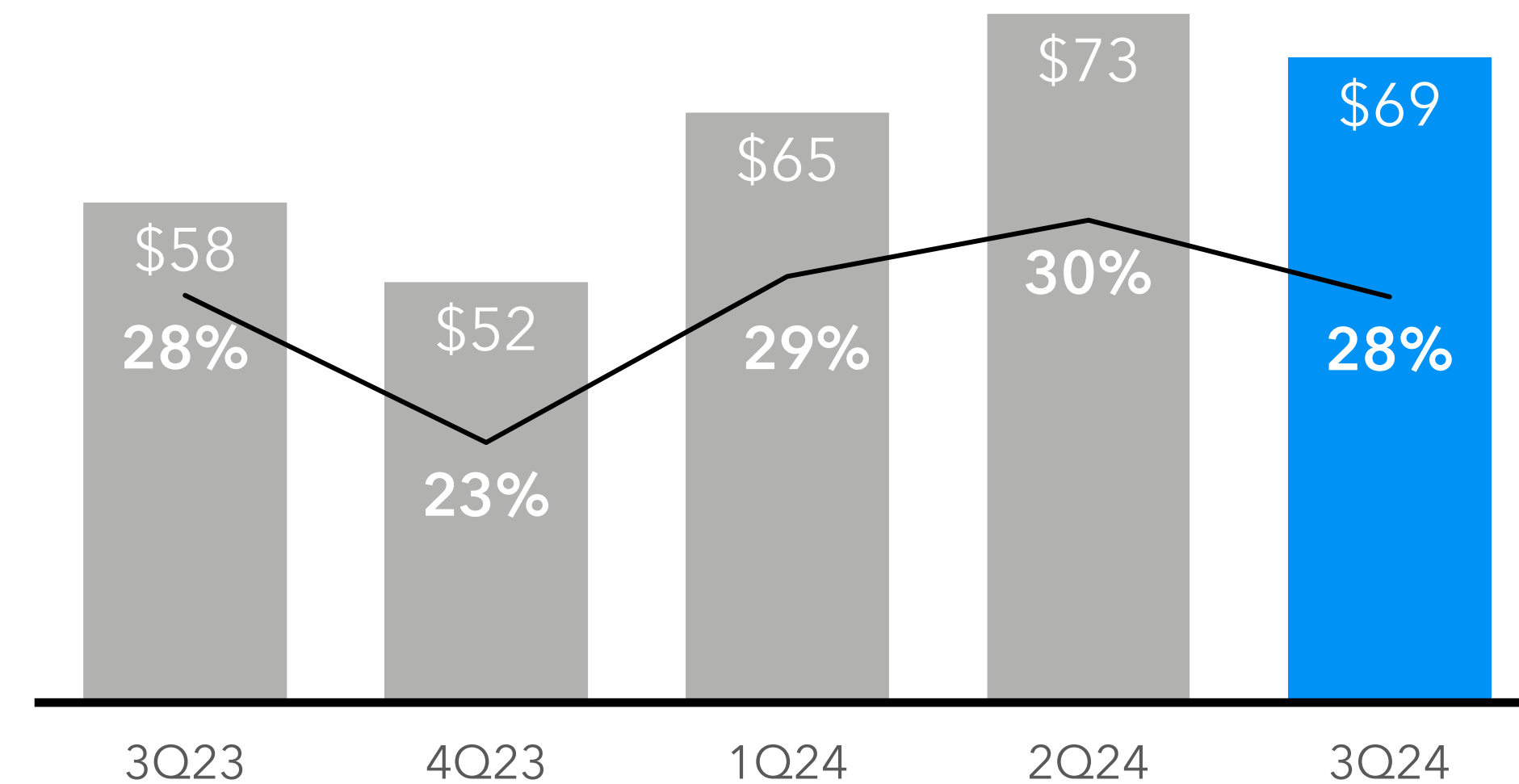
Note: SMB take rate represents volume from SMB customers (SMBs that sell on marketplaces, B2B, and Merchant Services) divided by revenue from SMB customers.

We are delivering operating leverage even as transaction costs increase due to business mix shift

Transaction cost as a percentage of revenue



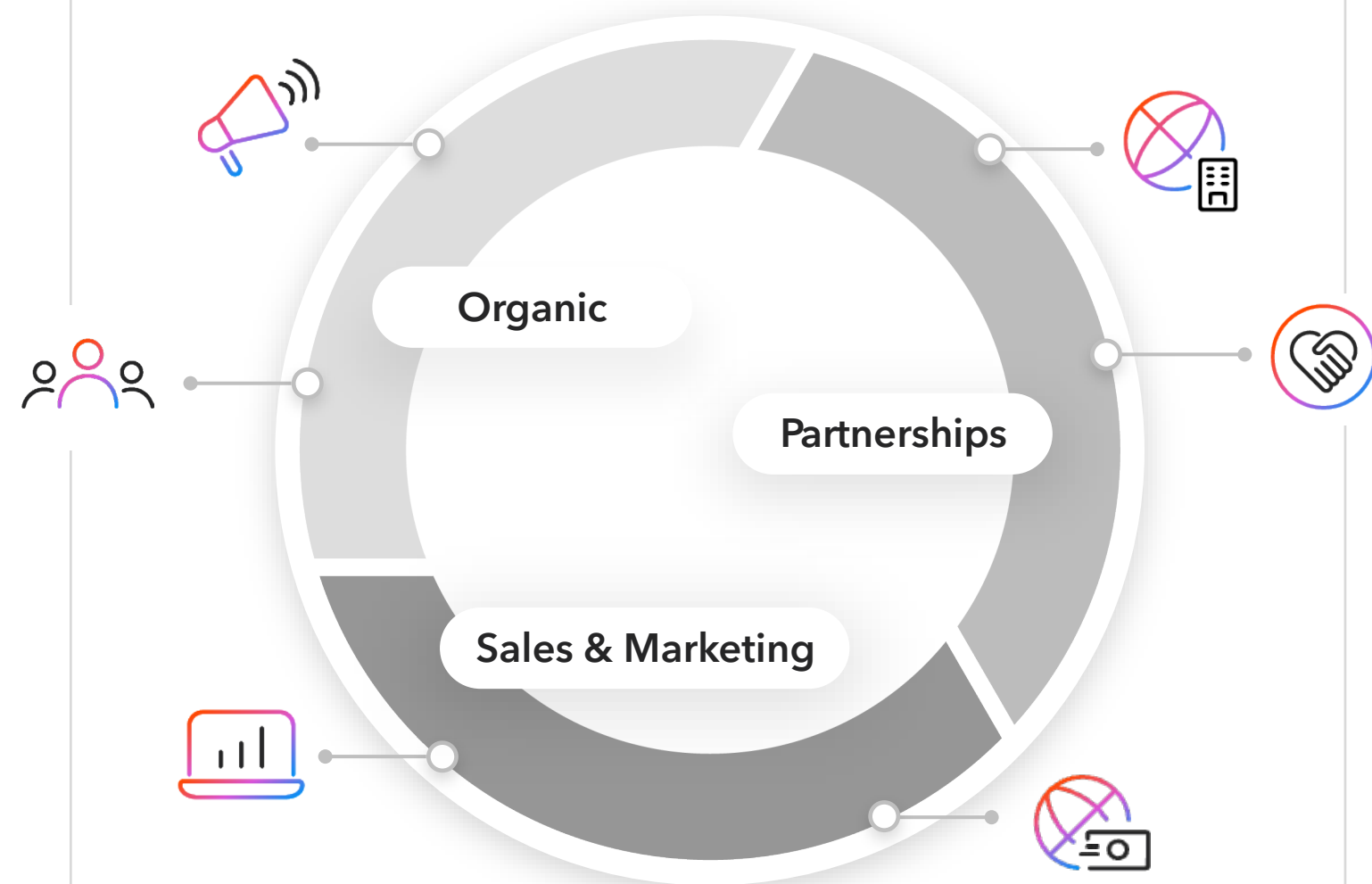
Adj. EBITDA (\$M) and adj. EBITDA margin (%)



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

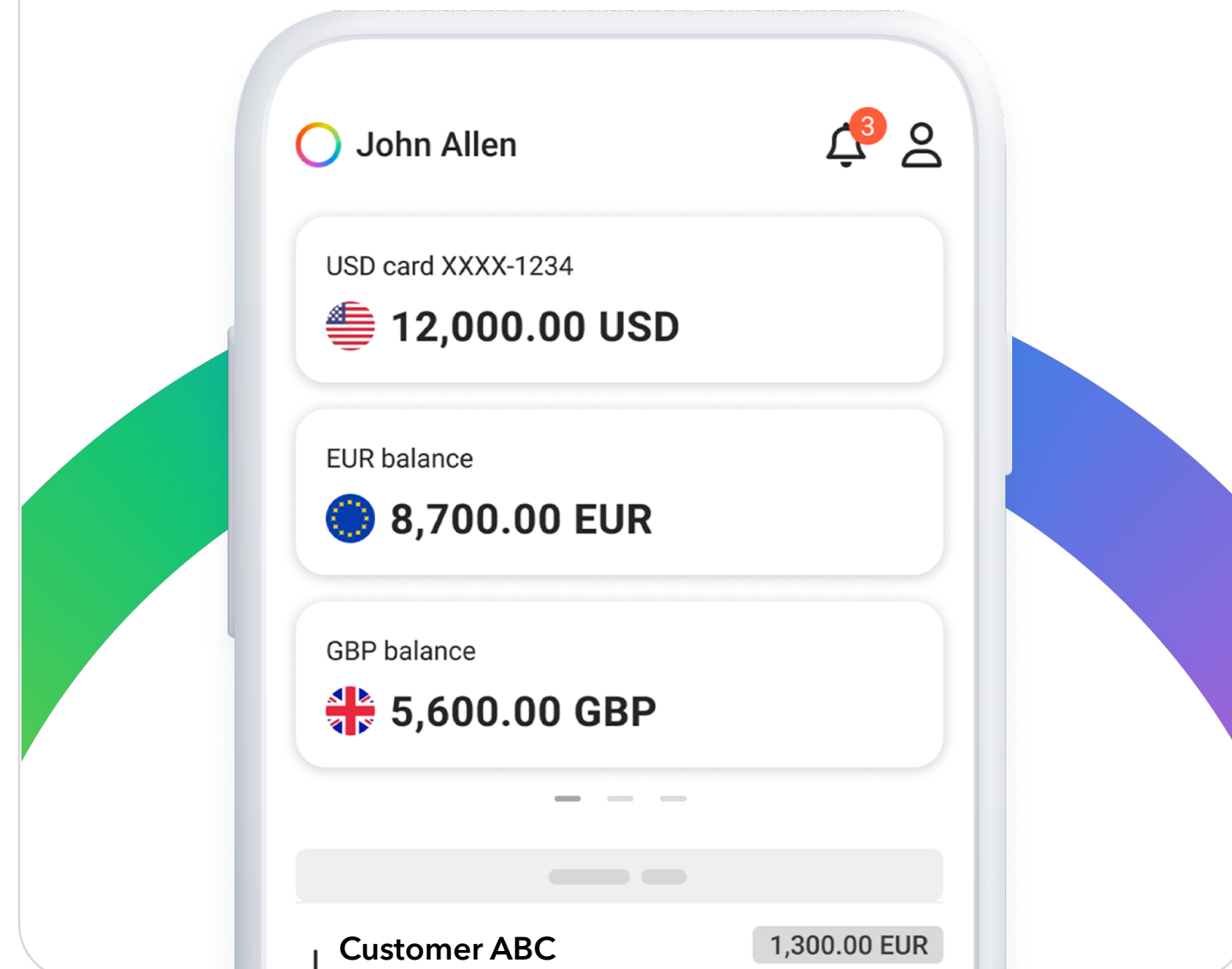
Our strategy for profitable growth

Efficient go-to-market approach for ICP acquisition and retention



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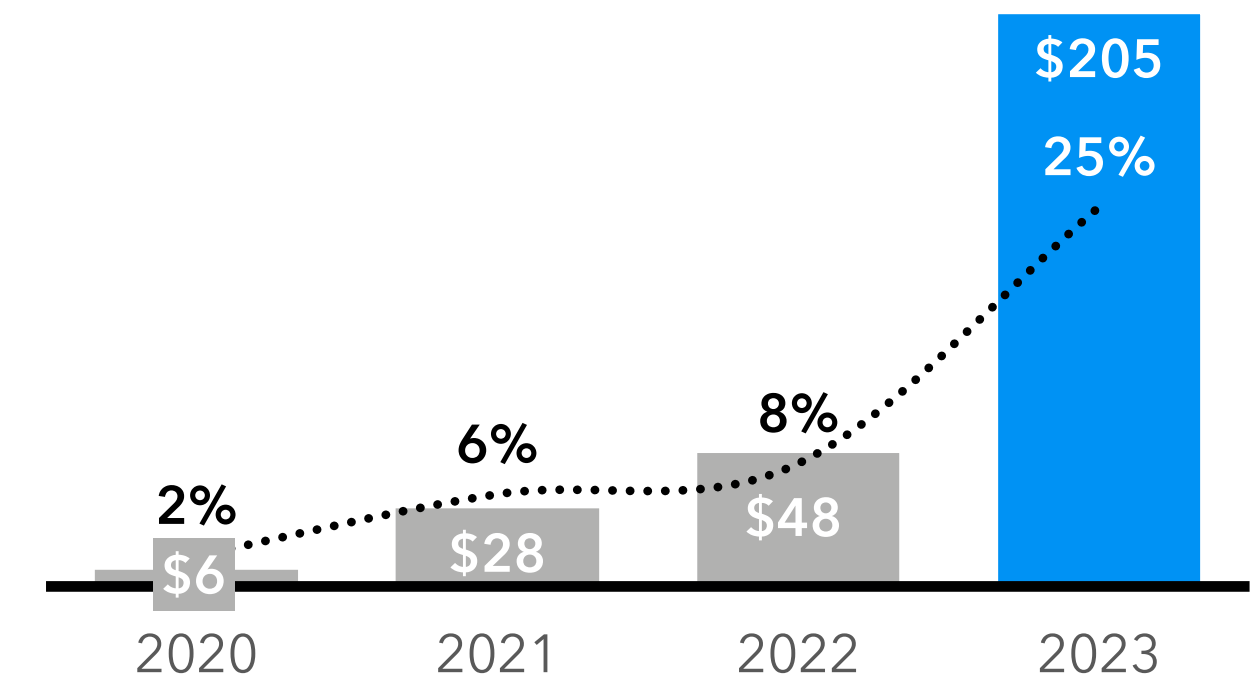
Comprehensive financial stack for ARPU growth and TAM capture



+

Optimized operations and capital allocation

Adj. EBITDA (\$M) and adj. EBITDA margin (%)



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

Our strong cash flow generation enables us to return capital to shareholders and maintain strategic flexibility

\$131M

Operating cash flows¹

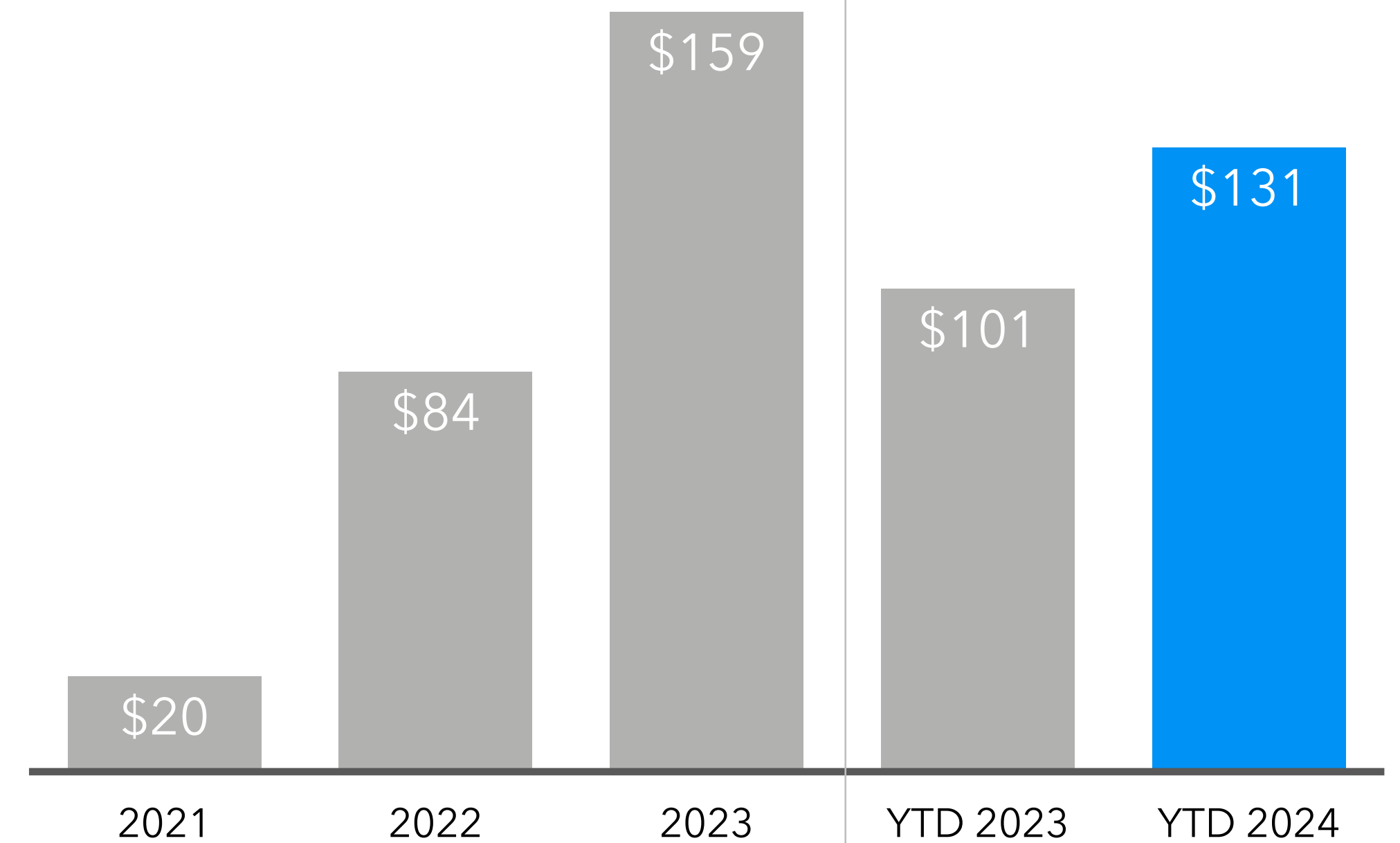
\$119M

Share repurchases¹

\$534M

Cash and cash equivalents

Operating cash flows (\$M)



Data as of September 30, 2024.

1. For the period December 31, 2023 to September 30, 2024.

2024 full year guidance as of November 5, 2024

\$950-960M

Revenue

~16.0%

Transaction costs as a % of
revenue

\$255-265M

Adjusted EBITDA¹

1. Please refer to "Non-GAAP Financial Measures" in slide 2 of this presentation. 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 "2024 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.

Our roadmap to profitable growth



Medium-term
(Through 2026)

Mid-teens

Revenue growth

25%

Adjusted EBITDA margin

Long-term
(Beyond 2026)

20%+

Revenue growth

25%

Adjusted EBITDA margin

Appendix



Volume and revenue trends

Volume (\$M)	3Q23	4Q23	1Q24	2Q24	3Q24	YoY	QoQ
SMBs that sell on marketplaces	\$10,261	\$11,777	\$11,002	\$11,403	\$11,983	17%	5%
B2B SMBs	1,781	2,156	2,232	2,467	2,802	57%	14%
Merchant services	63	102	92	119	153	142%	28%
SMB customer volume	\$12,106	\$14,035	\$13,327	\$13,989	\$14,938	23%	7%
Enterprise payouts	4,229	5,010	5,129	4,724	5,467	29%	16%
Total volume	\$16,335	\$19,045	\$18,455	\$18,713	\$20,404	25%	9%

Further acceleration in B2B volume growth

Revenue as a % of volume ("Take Rate")	3Q23	4Q23	1Q24	2Q24	3Q24	YoY	QoQ
SMBs that sell on marketplaces	0.94%	0.87%	0.97%	0.98%	0.94%	0 bps	-4 bps
B2B SMBs	1.67%	1.59%	1.55%	1.54%	1.58%	-9 bps	4 bps
Merchant services	3.84%	3.88%	3.95%	3.90%	3.85%	1 bps	-5 bps
SMB customer take rate	1.07%	1.00%	1.08%	1.11%	1.09%	2 bps	-2 bps
Enterprise payouts	0.37%	0.31%	0.30%	0.34%	0.30%	-7 bps	-4 bps
Total take rate	1.27%	1.18%	1.24%	1.28%	1.22%	-5 bps	-6 bps

Continued take rate expansion with SMB customers

Revenue (\$M)	3Q23	4Q23	1Q24	2Q24	3Q24	YoY	QoQ
By source:							
SMBs that sell on marketplaces	\$97	\$103	\$106	\$112	\$113	17%	1%
B2B SMBs	30	34	35	38	44	49%	17%
Merchant services	2	4	4	5	6	143%	27%
SMB customer revenue	\$129	\$141	\$144	\$155	\$163	27%	5%
Enterprise payouts	16	15	15	16	16	4%	3%
Revenue recognized at a point in time	\$145	\$156	\$160	\$171	\$180	24%	5%
Revenue recognized over time	1	1	1	0	1	34%	46%
Revenue from contracts with customers	\$145	\$157	\$160	\$171	\$180	24%	5%
Interest income on customer balances	\$60	\$65	\$65	\$66	\$65	8%	-1%
Capital advance income	2	3	2	2	3	14%	12%
Revenue from other sources	\$63	\$68	\$68	\$68	\$68	8%	-1%
Total revenue	\$208	\$224	\$228	\$240	\$248	19%	4%

>25% revenue growth with SMB customers

Memo:							
Revenue ex. interest income and onboarding fees from an enterprise client	\$148	\$159	\$163	\$174	\$183	24%	5%
% YoY growth	8%	14%	21%	21%	24%		

Underlying business continues to accelerate

Note: Revenue by source represents revenue recognized from contracts with customers as well as revenue from other sources.

ICP and revenue by region trends

Active ICPs ('000s)	3Q23	4Q23	1Q24	2Q24	3Q24	YoY	QoQ
By size:							
\$500-\$10K/month	449	461	473	492	503	12%	2%
\$10K+/month	53	55	57	55	54	2%	-1%
Total	502	516	530	547	557	11%	2%

Year-over-year volume growth by customer size:

\$500-\$10K/month	2%	5%	8%	10%	11%	900 bps	100 bps
\$10K+/month	10%	15%	18%	21%	26%	1,600 bps	500 bps

Accelerating volume growth with \$10K+ ICPs

By primary regional market:

APAC	114	121	127	130	133	17%	2%
Europe	102	100	102	101	101	-1%	0%
SAMEA	98	101	104	105	105	7%	0%
China	97	98	98	107	110	14%	3%
LATAM	63	67	69	72	75	19%	4%
N. America	29	29	30	31	33	11%	6%
Total	502	516	530	547	557	11%	2%

Revenue (\$M)	3Q23	4Q23	1Q24	2Q24	3Q24	YoY	QoQ
By primary regional market:							
China	\$73	\$80	\$81	\$84	\$85	17%	1%
Europe	42	44	43	46	49	15%	7%
APAC	29	32	33	36	38	30%	4%
N. America	22	23	23	23	25	13%	10%
SAMEA	22	23	24	26	27	21%	3%
LATAM	19	21	23	25	25	27%	1%
Total Revenue	\$208	\$224	\$228	\$240	\$248	19%	4%

Note: Active ICPs are defined as customers with a Payoneer Account that have on average over \$500 per month in volume and were active over the trailing twelve-month period. Revenue disaggregated by primary regional market represents revenues being attributed to the country (in the region) in which the billing address of the transacting customer is located, with the exception of global bank transfer (enterprise payouts) revenues, where revenues are disaggregated based on the billing address of the transaction funds source.

Reconciliation of net income (loss) to adjusted EBITDA

(\$ in thousands)	Twelve months ended,			
	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2023
Net income (loss)	\$ (23,746)	\$ (33,987)	\$ (11,970)	\$ 93,333
Depreciation & amortization	17,095	17,997	20,858	27,814
Tax expense on income	8,320	8,711	13,586	39,203
Other financial (income) expense, net	(2,012)	6,854	10,131	(11,568)
EBITDA	(343)	(425)	32,605	148,782
Stock based compensation expenses ¹	10,892	37,013	52,150	65,767
Reorganization related expenses ²	–	5,087	–	–
Share in losses of associated company	143	37	2	–
M&A related expense (income) ³	–	(1,721)	(2,323)	3,468
Gain from change in fair value of Warrants ⁴	–	(11,824)	(33,963)	(17,359)
Restructuring charges ⁵	(4,304)	–	–	4,488
Adjusted EBITDA	\$ 6,388	\$ 28,167	\$ 48,471	\$ 205,146
Revenue	\$ 345,592	\$ 473,403	\$ 627,623	\$ 831,103
Adjusted EBITDA margin	2%	6%	8%	25%

(\$ in thousands)	Three months ended,				
	Sept. 30, 2023	Dec. 31, 2023	Mar. 31, 2024	Jun. 30, 2024	Sept. 30, 2024
Net income	\$ 12,825	\$ 27,021	\$ 28,974	\$ 32,425	\$ 41,574
Depreciation & amortization	7,116	8,750	9,408	10,712	13,510
Tax (benefit) expense on income	10,012	14,272	13,910	15,866	(19,484)
Other financial income, net	(1,137)	(3,763)	(2,747)	(976)	(1,674)
EBITDA	28,816	46,280	49,545	58,027	33,926
Stock based compensation expenses ¹	15,330	17,338	15,077	13,666	17,430
M&A related expense ³	1,745	451	2,375	2,091	3,166
Loss (gain) from change in fair value of Warrants ⁴	7,799	(11,824)	(1,761)	(1,006)	–
Loss on Warrants repurchase/redemption ⁶	–	–	–	–	14,746
Restructuring charges ⁵	4,488	–	–	–	–
Adjusted EBITDA	\$ 58,178	\$ 52,245	\$ 65,236	\$ 72,778	\$ 69,268
Revenue	\$ 208,035	\$ 224,320	\$ 228,183	\$ 239,520	\$ 248,274
Adjusted EBITDA margin	28%	23%	29%	30%	28%

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. Amounts for 2023 and 2024 relate to M&A-related third-party fees, including related legal, consulting and other expenditures. Additionally, amounts for the three months ended September 30, 2024 include \$0.2 million in non-recurring fair value adjustment of the Skuad contingent consideration liability. Amounts for the year ended December 31, 2022 and 2021 relate to a non-recurring fair value adjustment of a liability related to our 2020 acquisition of optile.
4. Changes in the estimated fair value of the warrants are recognized as gain or loss on the condensed consolidated statements of comprehensive income. The impact is removed from EBITDA as it represents market conditions that are not in our control.
5. We initiated a plan to reduce our workforce during the year ended December 31, 2023, and had non-recurring costs related to severance and other employee termination benefits.
6. Amounts relate to a non-recurring loss on the repurchase and redemption of outstanding public warrants.

Thank You