Payoneer

Q1'23 Earnings Supplement

Nasdaq: PAYO

May 9, 2023

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Non-GAAP Financial Measures; Operational Metrics

Some of the financial information and data contained in this press release, such as adjusted EBITDA, have not been prepared in accordance with United States generally accepted accounting principles ("GAAP"). Payoneer uses these non-GAAP measures to compare Payoneer's performance to that of prior periods for budgeting and planning purposes. Payoneer believes these non-GAAP measures of financial results provide useful information to management and investors regarding certain financial and business trends relating to Payoneer's results of operations. Payoneer's method of determining these non-GAAP measures may be different from other companies' methods and, therefore, may not be comparable to those used by other companies and Payoneer does not recommend the sole use of these non-GAAP measures to assess its financial performance. Payoneer management does not consider these non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with GAAP. The principal limitation of these non-GAAP financial measures is that they exclude significant expenses and income that are required by GAAP to be recorded in Payoneer's financial statements. In addition, they are subject to inherent limitations as they reflect the exercise of judgments by management about which expense and income are excluded or included in determining these non-GAAP financial measures. In order to compensate for these limitations, management presents non-GAAP financial measures in connection with GAAP results. You should review Payoneer's financial statements, which 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 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 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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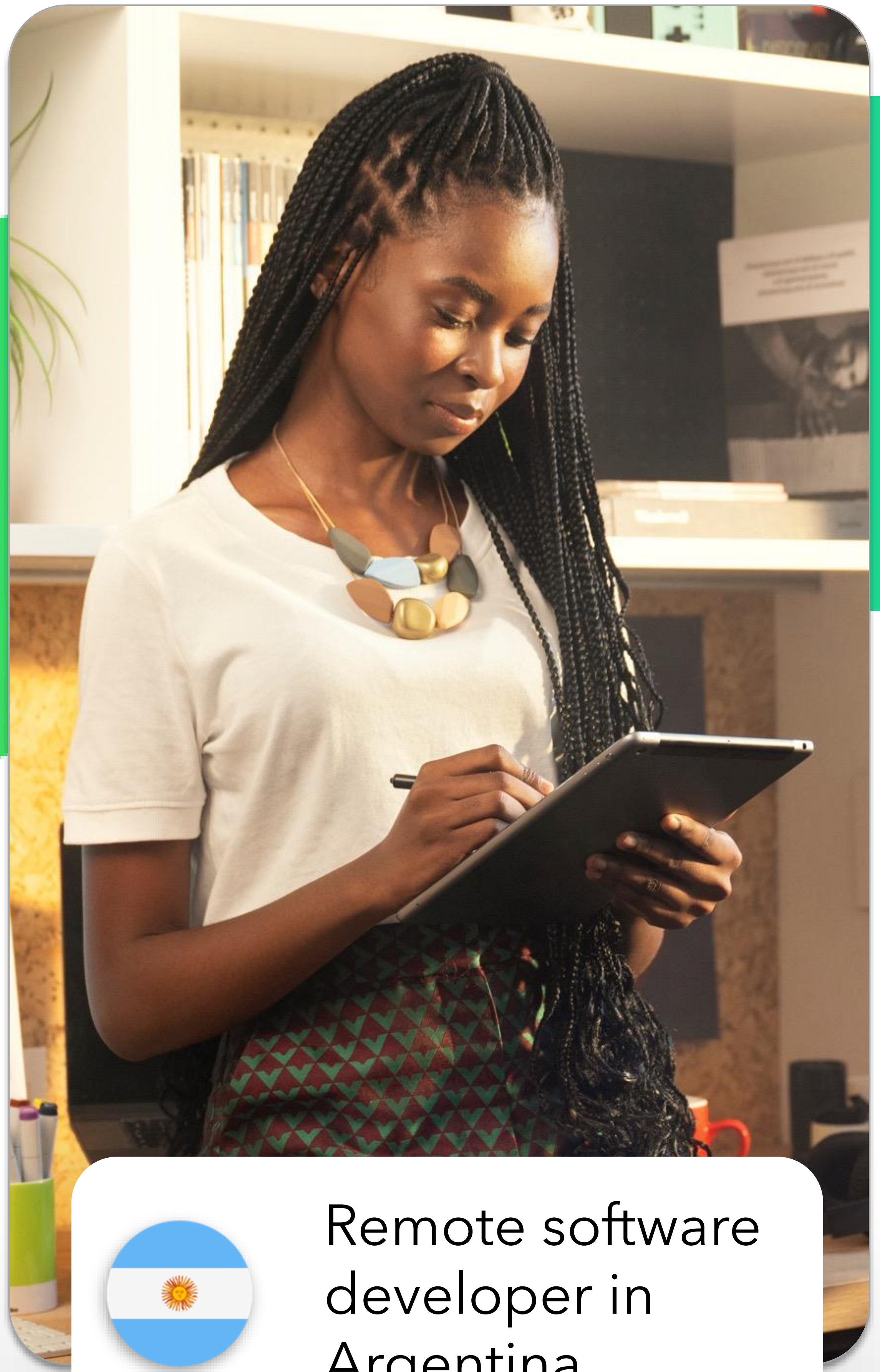
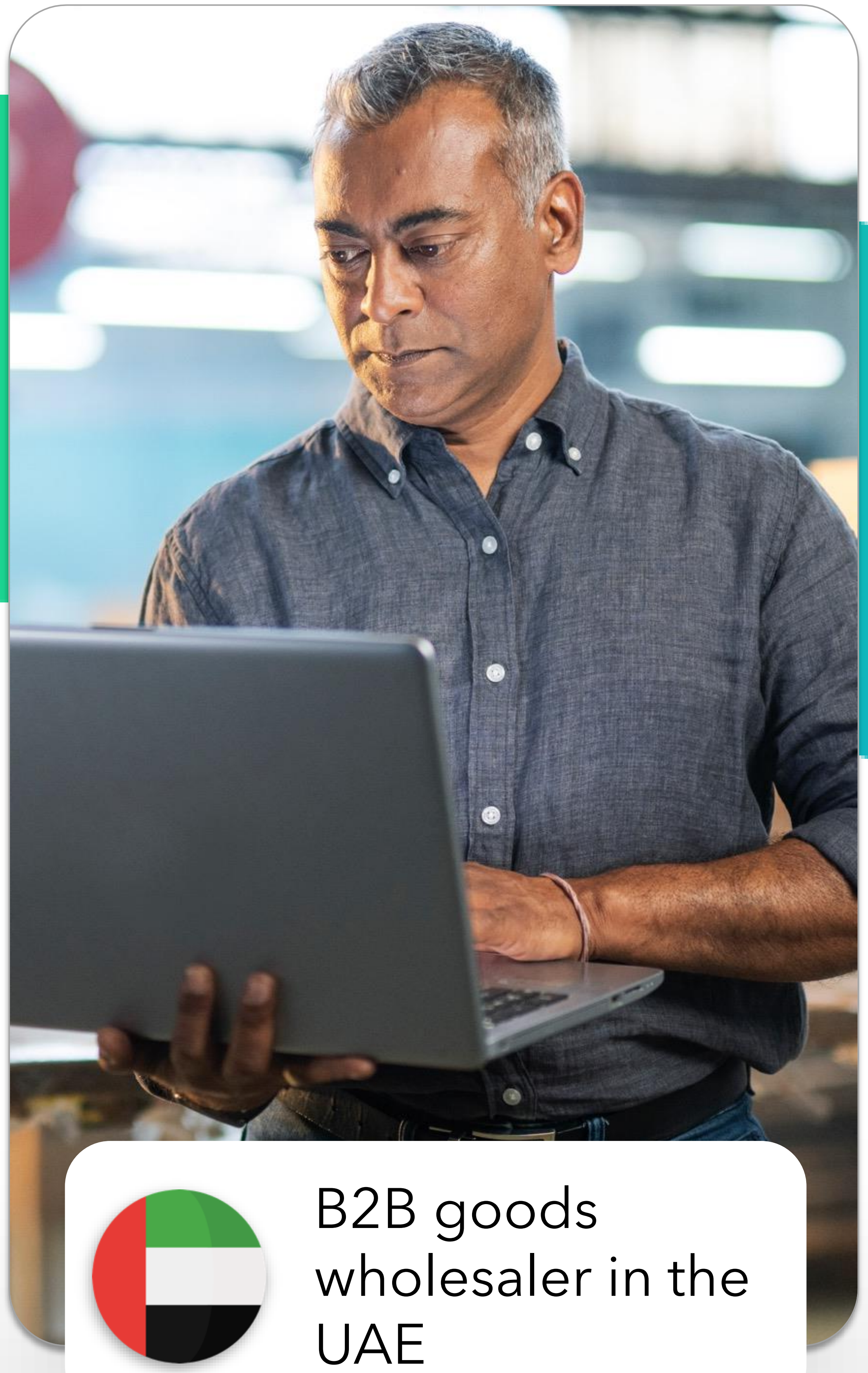
Payoneer makes it easy for cross-border **SMBs** to manage their global financial operations

Business process outsourcing in the Philippines



Remote software developer in Argentina



B2B goods wholesaler in the UAE

Omnichannel home accessory seller in China

Illustrative examples. SMBs stands for small and medium-sized businesses.

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Payoneer helps SMBs in the highest growth emerging markets do business globally

Money In	Money On	Money Out
Accounts receivable	Global multi-currency wallet	Accounts payable

Delivering strong growth and increasing profitability

491K Active Ideal Customer Profiles (ICPs)[1], +**9%** year-over-year	**190+** customer countries and territories	**$62B** of LTM volume, highlighting scale of the platform
$683M of LTM revenue, **+34%** year-over-year	**Increasing profitability,** with expanding adjusted EBITDA margins	**$545M** of corporate cash on hand, providing strategic flexibility

Note: Data as of 3/31/23 unless noted otherwise. LTM represents the last twelve months (4/1/22-3/31/23).

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.

Payoneer's competitive advantages

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

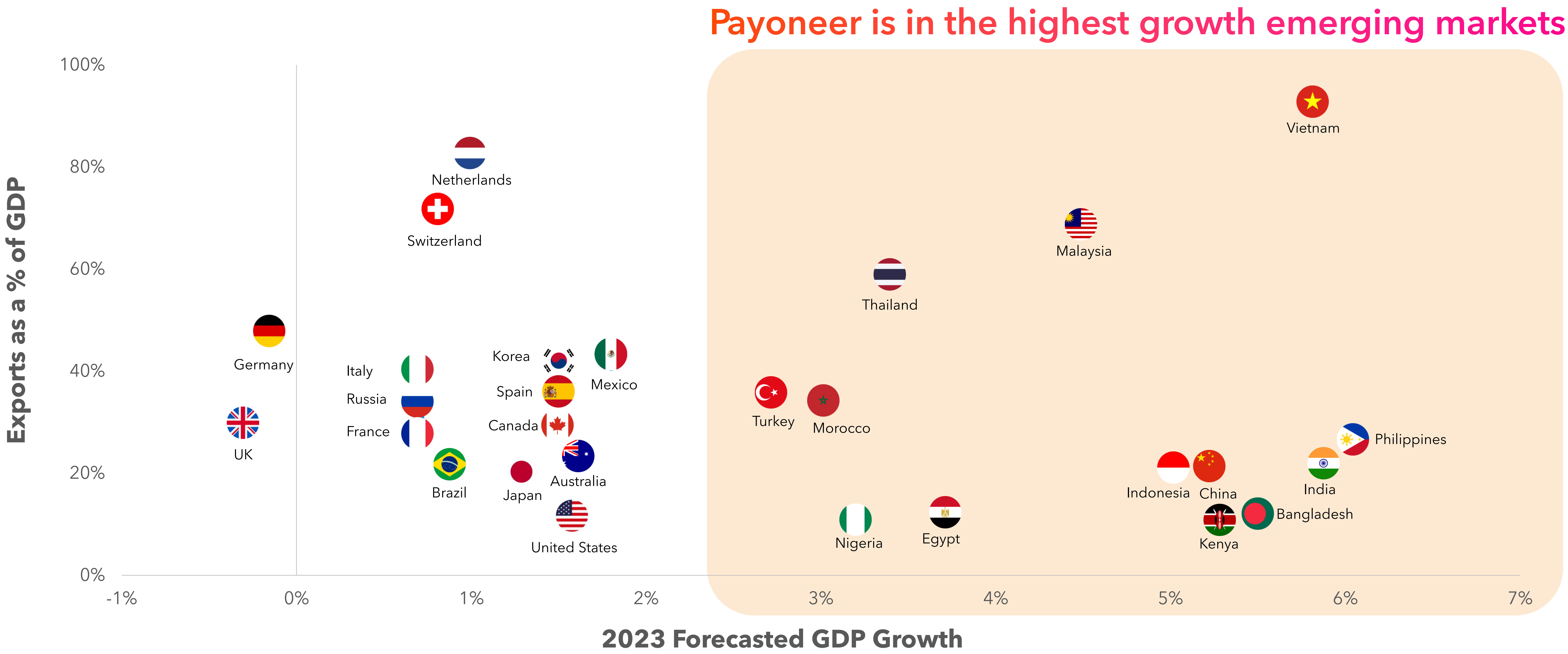
Broad **global** footprint with **localized** go-to-market approach and presence

Network-based business model and High Value Services 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



Source: IMF and World Bank.

Payoneer's ecosystem and infrastructure: a growing competitive advantage

Select partner examples

		New in 1Q23
Marketplaces We have relationships with many of the largest marketplaces globally that aggregate consumer demand for our SMB customers	ecommerce: Walmart, Shopee, ebay, mercado libre Freelance: upwork, fiverr. Content creation: gettyimages, shutterstock Travel: airbnb, Vrbo	MIRAKL OnBuy.com PKFARE
Ecosystem relationships We work with a range of companies to offer our customers better services and outcomes	shopify, Woo, (Mastercard), intuit quickbooks	ZOHO PLAID
Local bank and digital wallet partnerships We partner with local banks and digital wallets to integrate Payoneer and local accounts	PrivatBank, otpbank, GCash, Bangkok Bank, Bank Asia, bKash	
Global banking infrastructure We use leading banks to send payments globally at scale and hold customer funds	We use more than 10 Global Systemically Important Banks	
Global regulatory licenses We are regulated in key markets and serve customers from our licensed locations	Online Payment Gateway Service Provider; Approval in principle	

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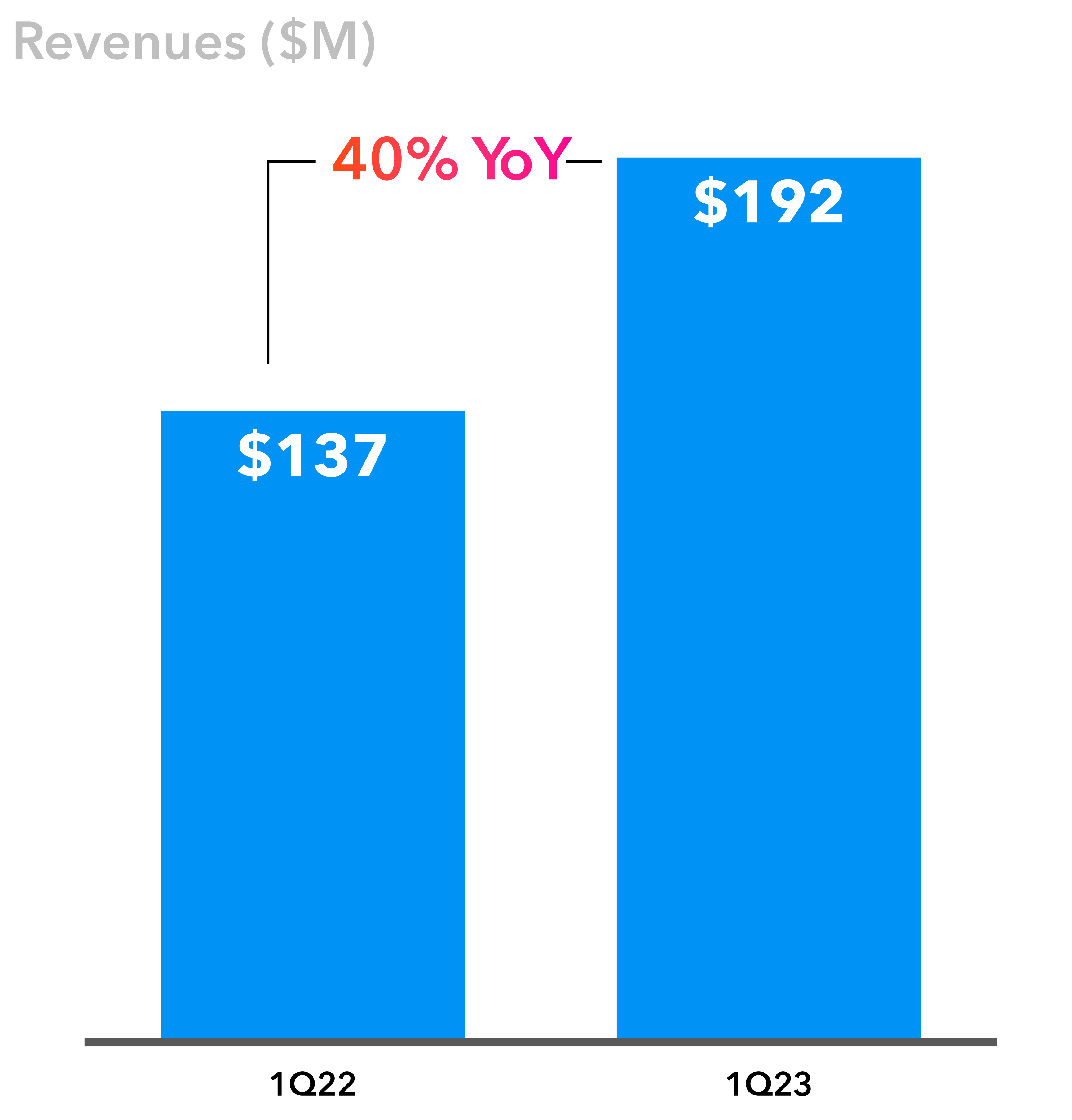
1Q'23 financial results

Revenue	Volume	Adjusted EBITDA	Net Income (loss)
$192M	$15.7B	$38.8M	$7.9M
+40% YoY	+8% YoY	20% margin (+12% YoY)	(61%) YoY

Data as of 3/31/23.
Please refer to the appendix of this presentation for the reconciliation from net income (loss) to adjusted EBITDA.

Strong revenue growth



Drivers of Q1'23 revenue growth YoY

- **$49M** increase in interest income driven by an $837M increase in customer funds and rising interest rates
- **9%** increase in active ICPs[1]
- **8%** volume growth driven by recovery in travel and stability in ecommerce
- **25%+** revenue growth in every region

Priority initiatives underway to accelerate future revenue growth

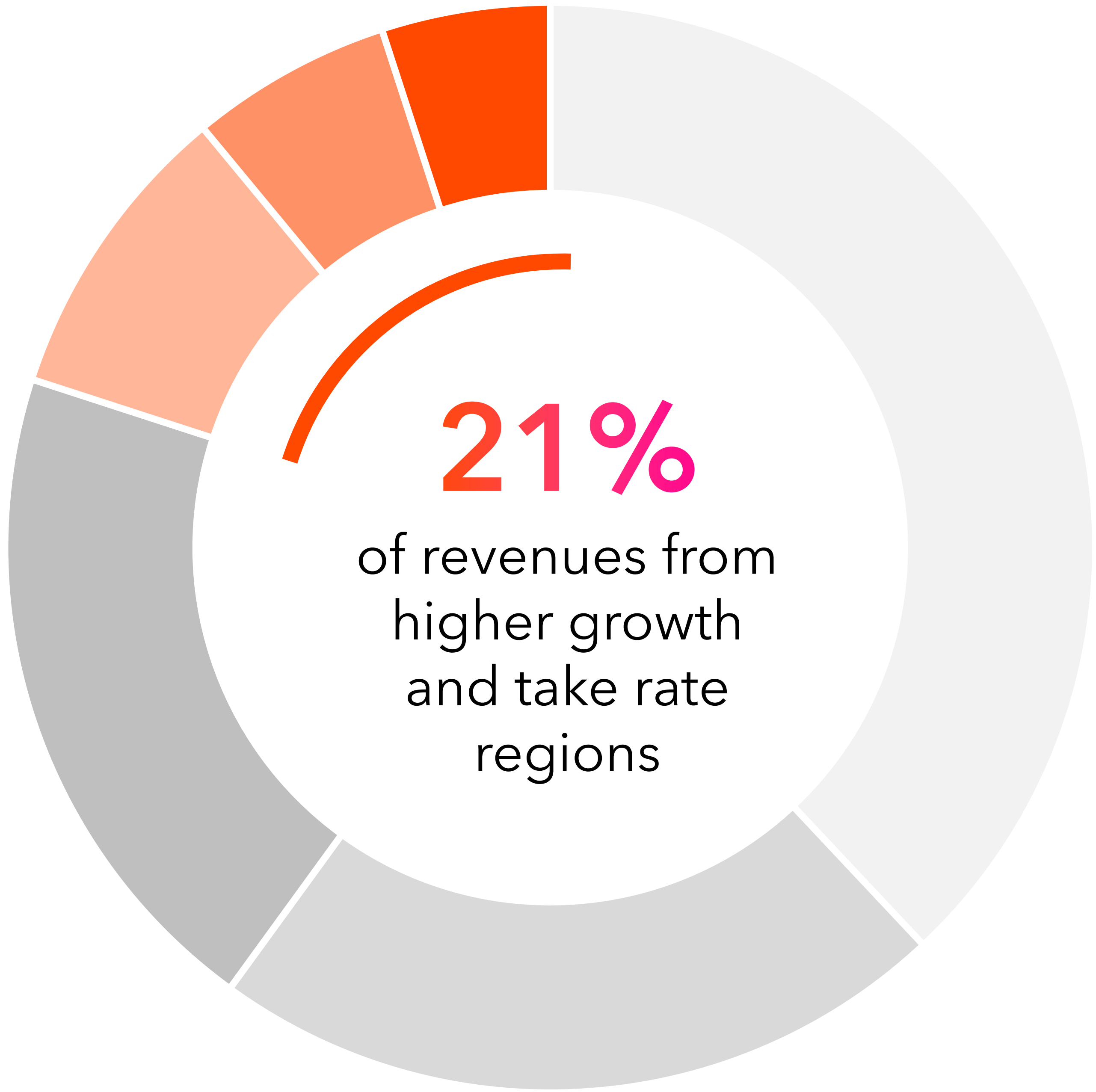
- **Re-align GTM** to priority countries and customer segments
- **Upsell** and **cross-sell** product suite
- Expand **B2B AP/AR** product offering
- Improve **monetization** of low volume customers
- **Expand ecosystem** of partnerships

Note: Data as of 3/31/23.

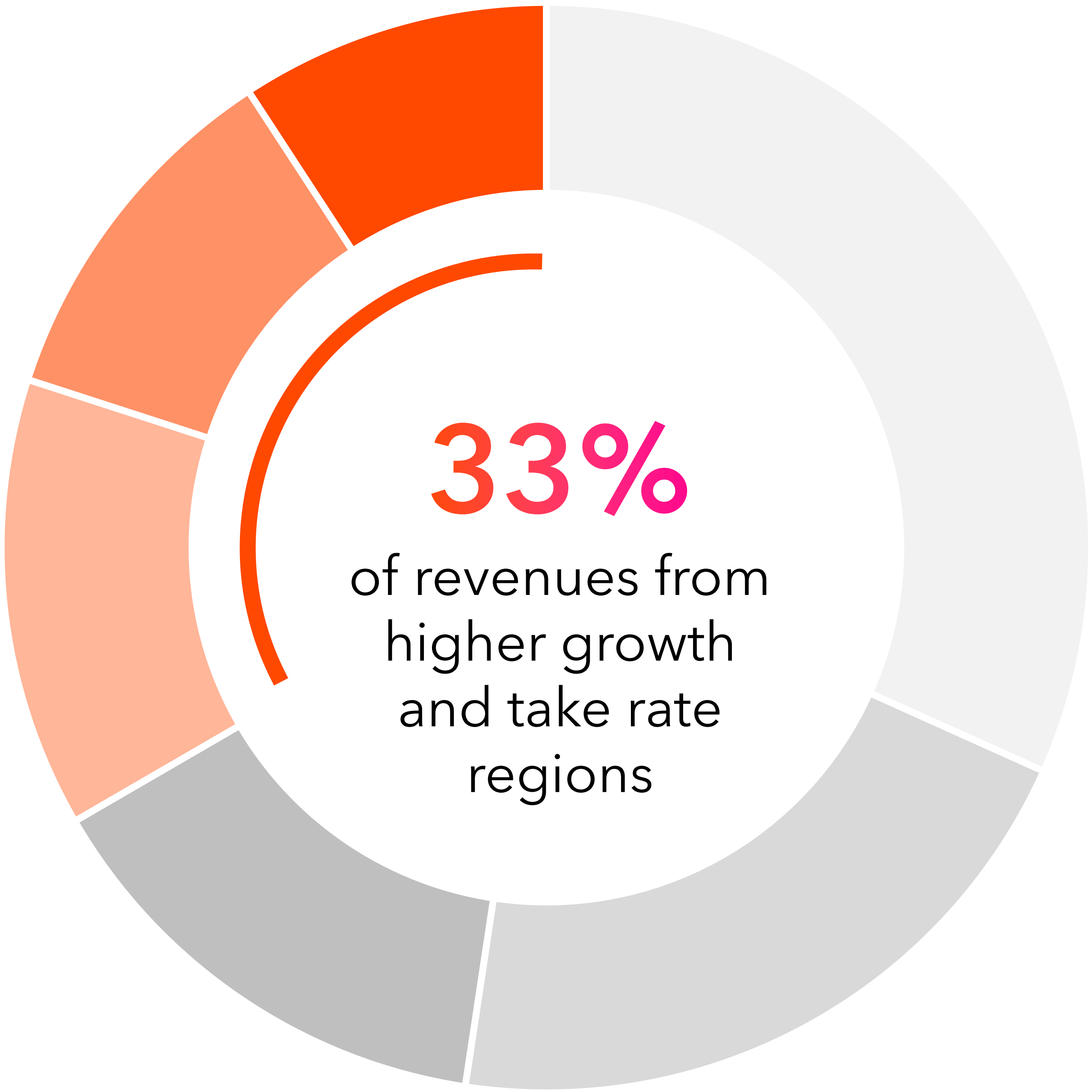
1. Active ICPs are defined today as customers with a Payoneer Account that have on average over $500 a month in volume and were active over the trailing twelve-month period.

Continued geographic diversification

Revenues by geography



2018



1Q'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 $683M of revenue over the last twelve months (4/1/22-3/31/23).

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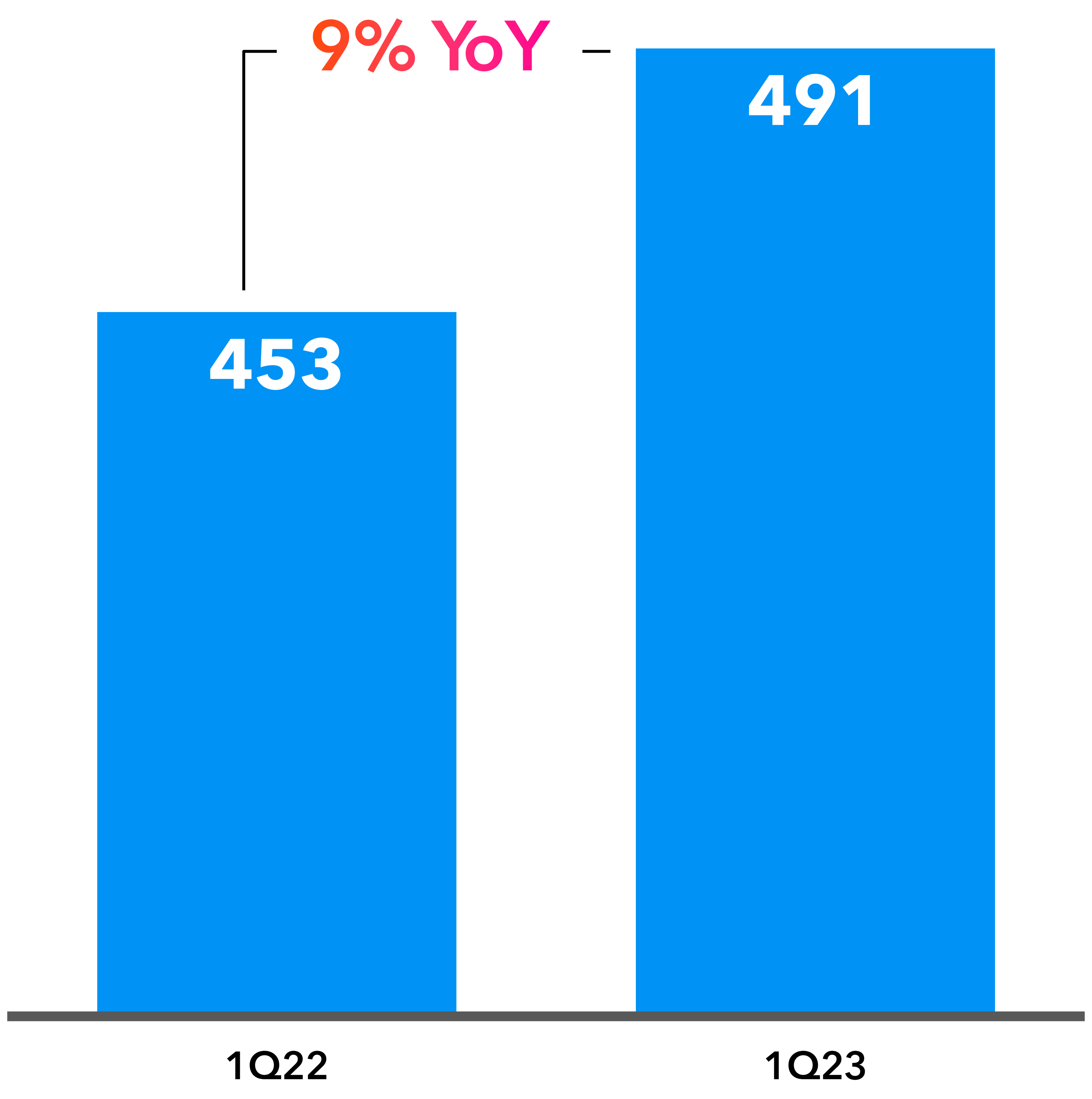
Focusing on Ideal Customer Profiles

Active ICPs[1] ('000s)



- Announced in February 2023 shifting acquisition and service model towards active **Ideal Customer Profiles (ICPs)**[1]
- Growing **LATAM** & **SAMEA** fastest
  - **~20%** growth in active ICPs in Latin America and SAMEA
- Growing larger ICPs faster than overall active ICPs
  - **~18%** y/y growth in $120,000+ annual volume cohort

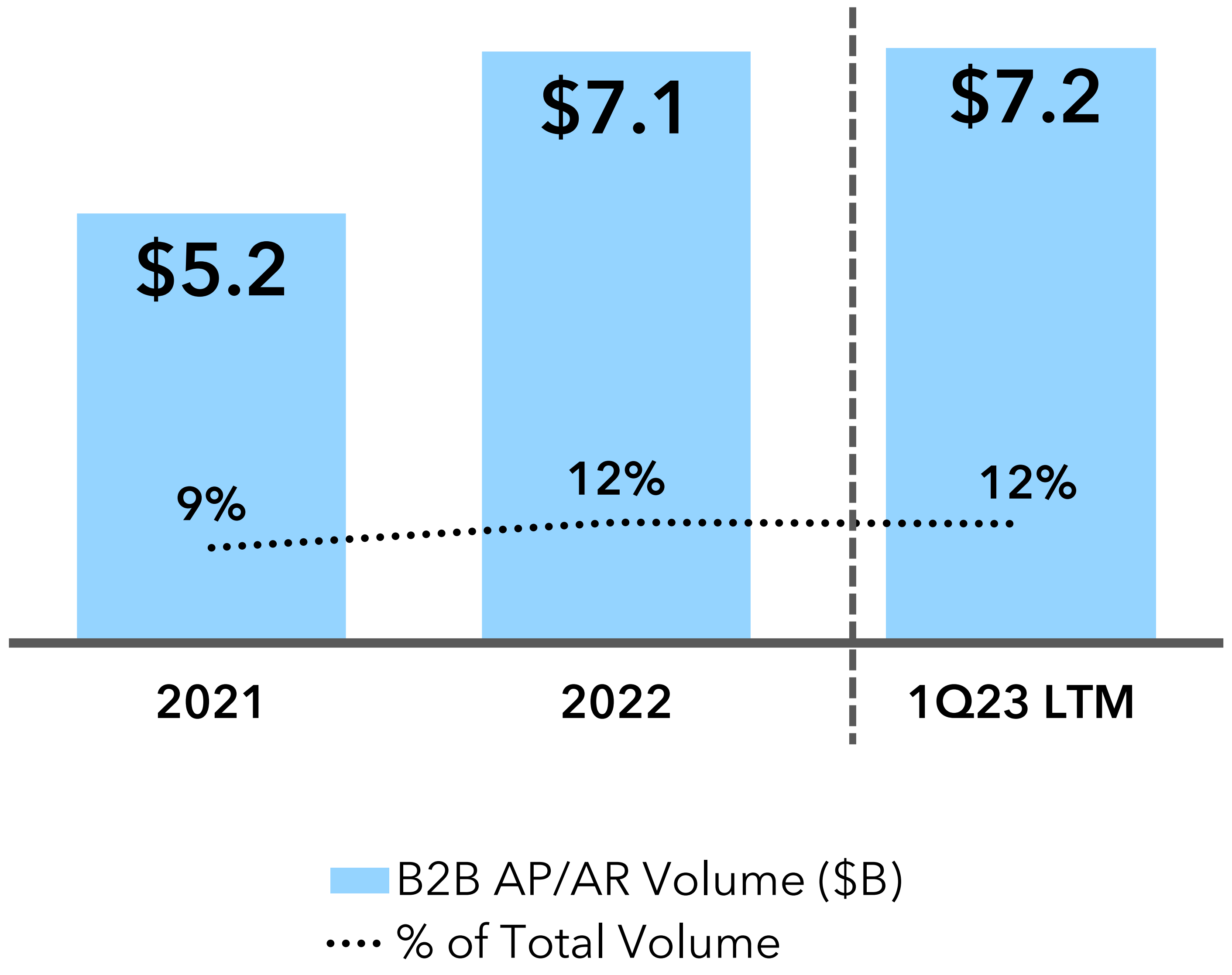
Note: Data as of 3/31/23.

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.

Scaling High Value Services

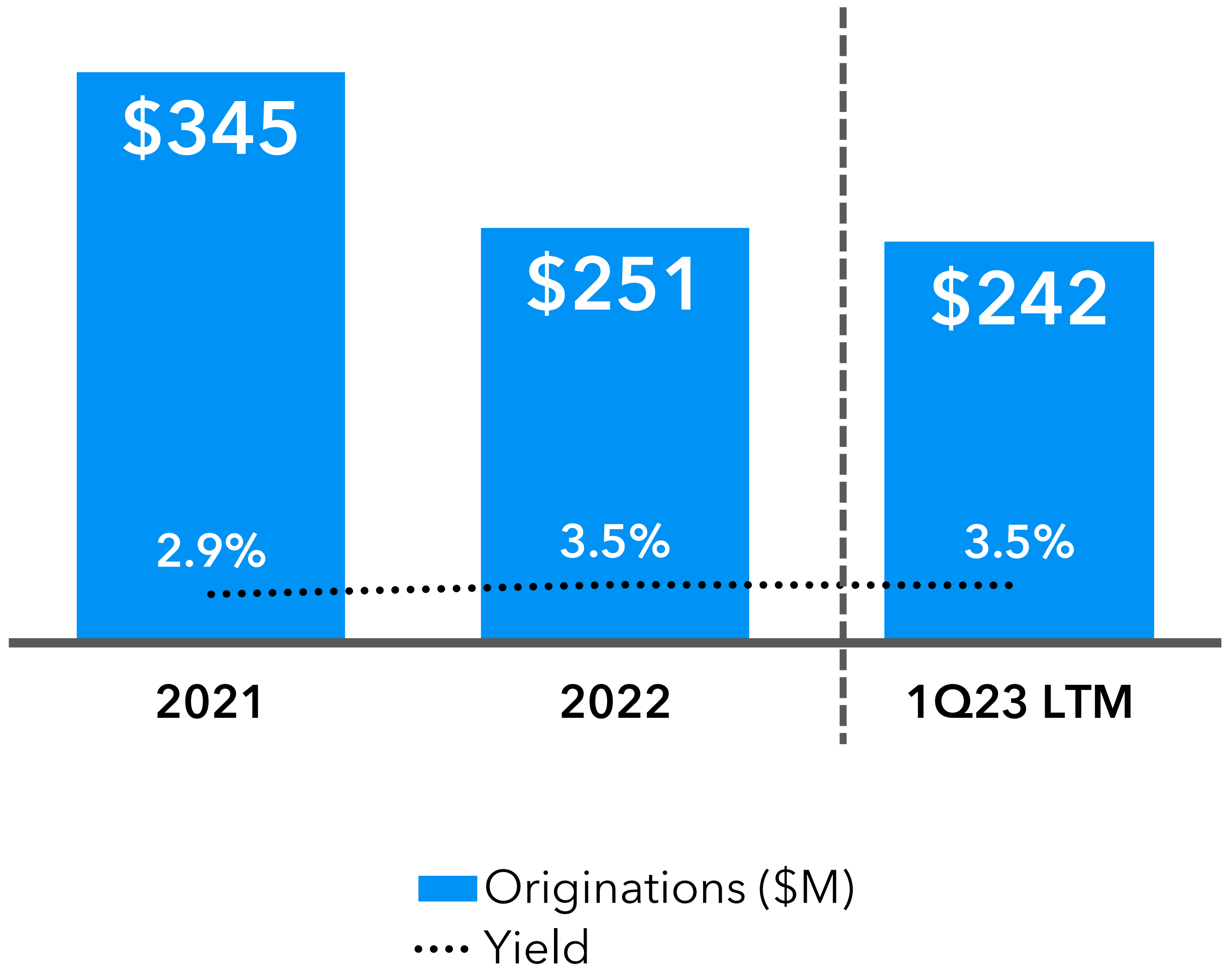
Money In

B2B is bringing more volume and new customers



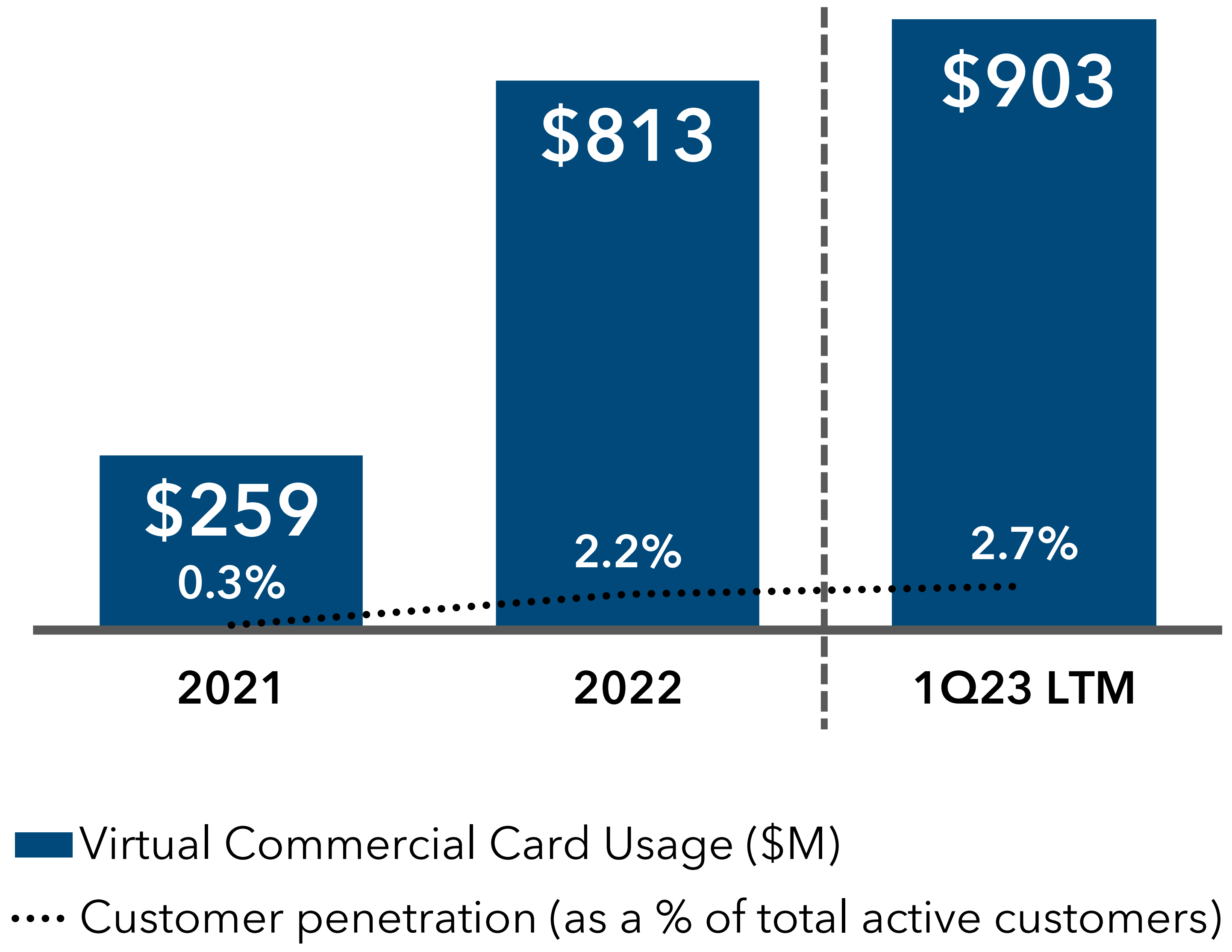
Manage funds and liquidity

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



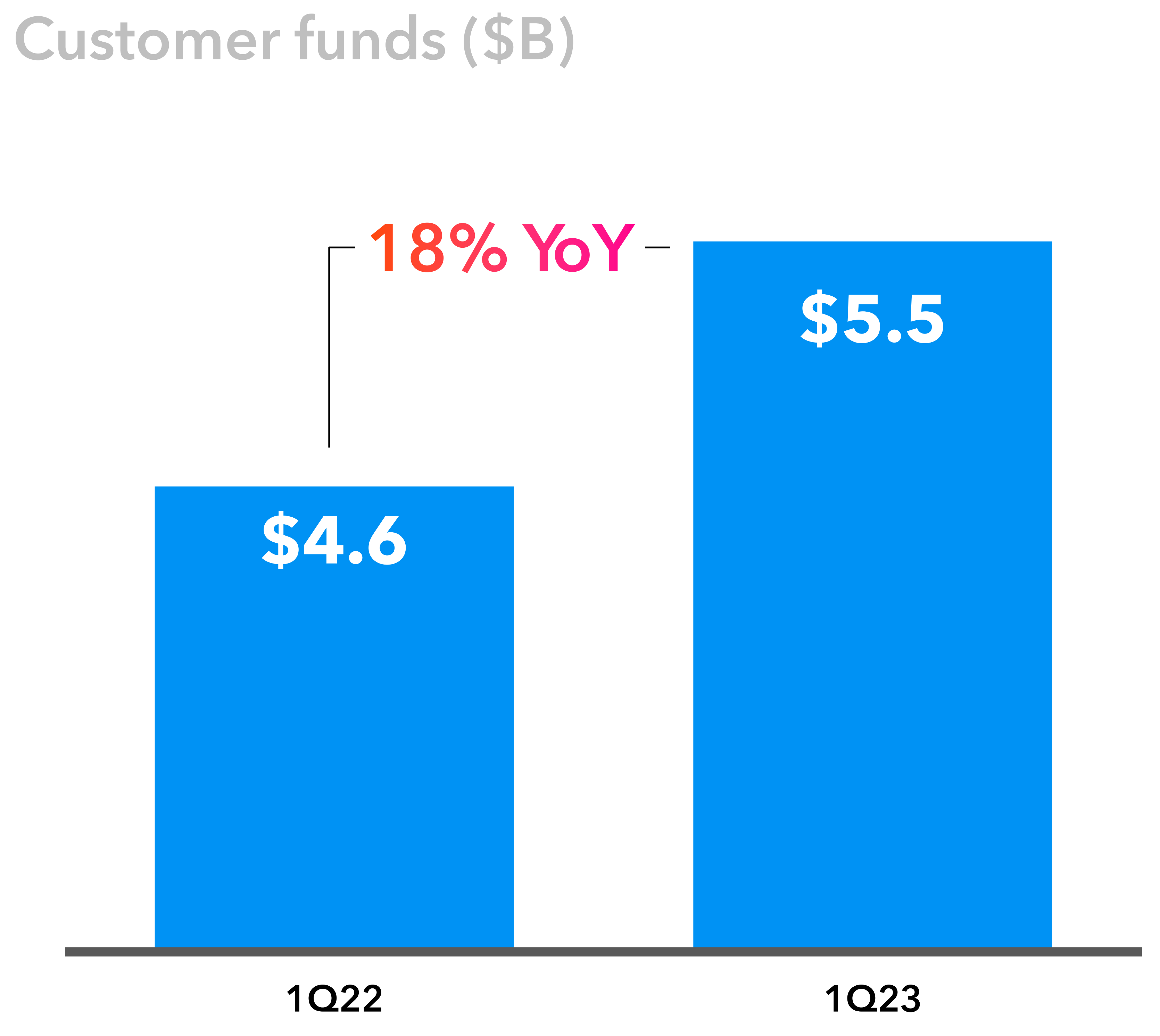
Money Out

Commercial Card driving strong, higher take rate, growth



1Q23 LTM represents the last twelve months (4/1/22-3/31/23).

Customers trust Payoneer

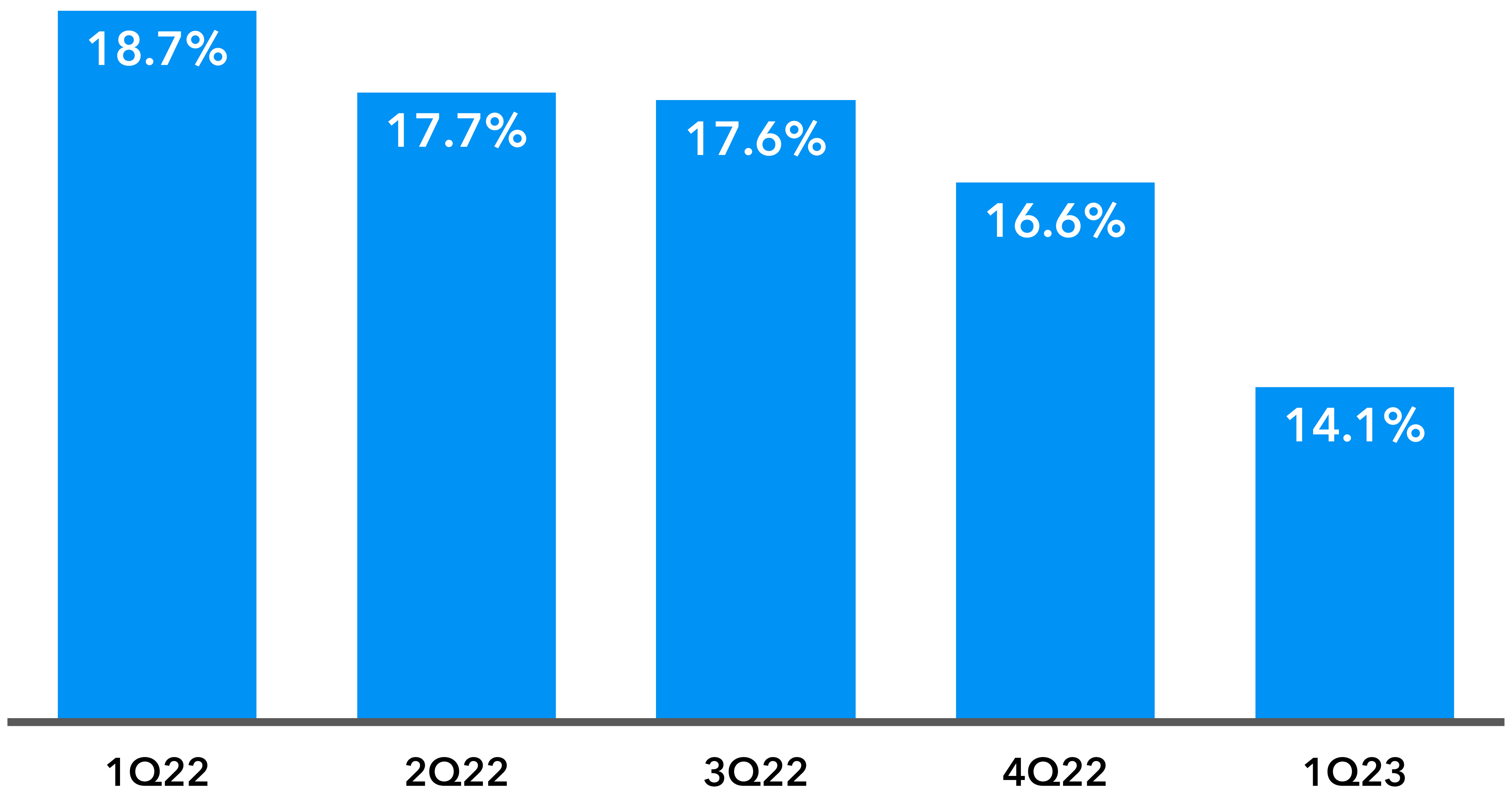


- **80%+** of customer funds are interest-bearing
- **75%** of customer funds are concentrated with U.S. domestic financial institutions
- **77%** of customer funds are denominated in U.S. dollars
- **100%** of balances are currently held in cash deposits

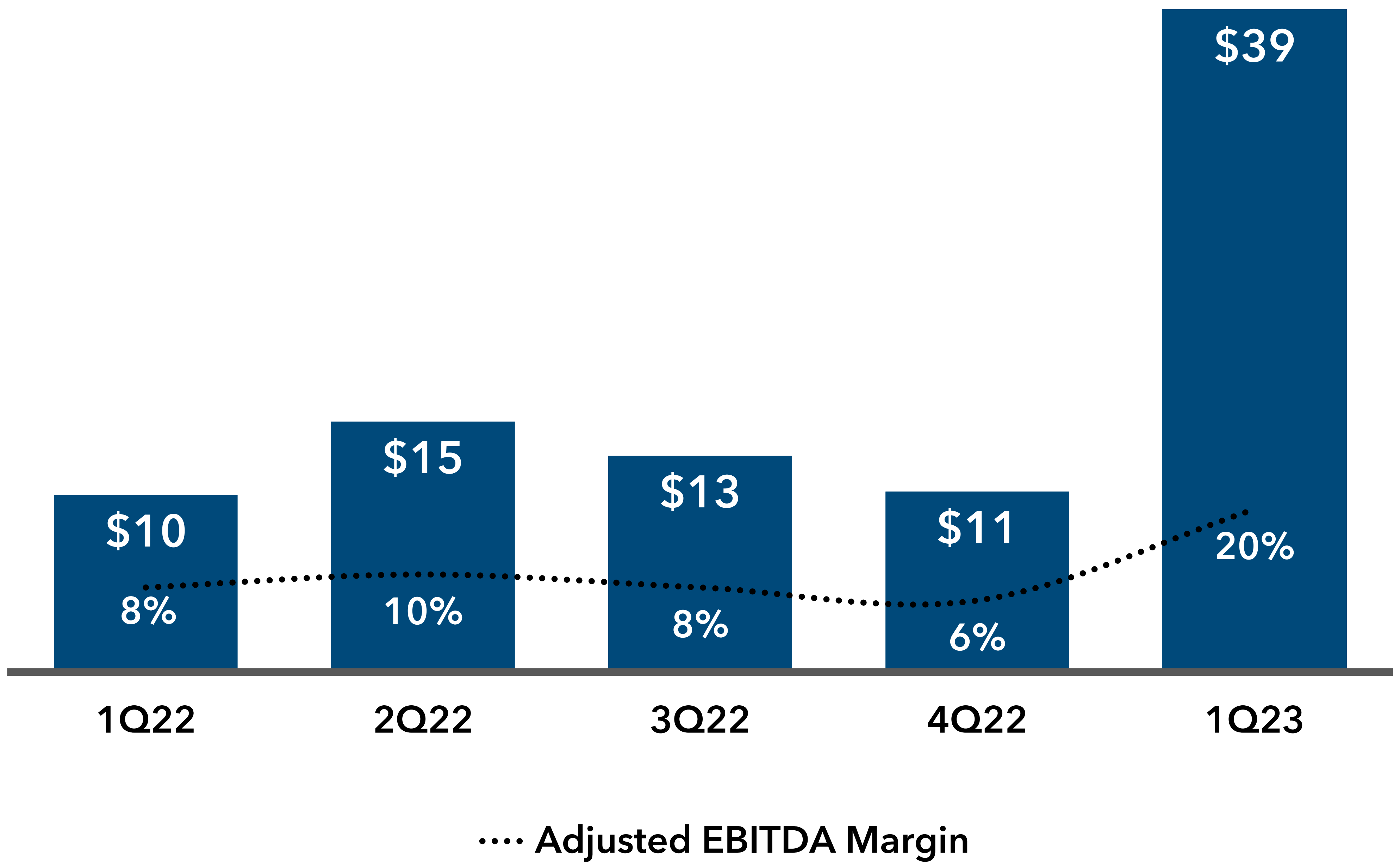
Data as of 3/31/23.

Increasing profitability and focus on driving further operating efficiencies

Transaction cost as a percentage of revenue



Adjusted EBITDA ($M)



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

Investing to build next generation technology platform

2023: Focusing on new customer onboarding

New onboarding platform in development

Launch new **cloud-based** onboarding platform in initial markets

Multi-year investment to build **next gen tech platform**

Q1'23

End of 2023

2024 and beyond

Expected timeline

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

Strong capital position

- **$545M** of cash and cash equivalents
- **Small debt exposure** related to working capital solution for customers[1]
- Positive **free cash flow** generation[2]

Priorities for capital allocation

- **Data driven** approach to capital allocation and efficiency
- Actively building capabilities and team while exploring **inorganic opportunities** to grow revenues and accelerate our product roadmap

Note: Data as of 3/31/23.

1. $17M of long-term debt from related party on the balance sheet is related to the Working Capital business.
2. For the last twelve months (4/1/22 – 3/31/23).

2023 full year guidance

2023 Guidance as of May 9, 2023:

$810-820M
Revenue

~15.5%
Transaction costs as a % of revenue

$140-150M
Adjusted EBITDA[1]

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

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,				
	Mar. 31, 2022	June 30, 2022	Sept. 30, 2022	Dec. 31, 2022	Mar. 31, 2023
Net income (loss)	$ 20,211	$ 4,422	$ (26,452)	$ (10,151)	$ 7,938
Depreciation & amortization	4,455	5,171	5,899	5,333	6,039
Taxes on income	1,967	1,374	2,635	7,610	9,172
Other financial expenses (income), net	2,695	4,824	3,617	(1,005)	(2,350)
EBITDA	**29,328**	**15,791**	**(14,301)**	**1,787**	**20,799**
Stock based compensation expenses(1)	12,908	11,890	13,525	13,827	16,927
Share in losses (gain) of associated company	(20)	7	2	13	—
M&A related expense (income)(2)	(619)	(116)	(1,588)	—	774
Loss (gain) from change in fair value of Warrants(3)	(31,196)	(12,831)	15,095	(5,031)	252
Adjusted EBITDA	**$ 10,401**	**$ 14,741**	**$ 12,733**	**$ 10,596**	**$ 38,752**

(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 March 31, 2023 relate to M&A-related third-party fees, including related legal, consulting and other expenditures. Amounts for the three months ended March 31, 2022 relates 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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