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 March 31, 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

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 th floor
New York , New York , 10007
(Address of principal executive offices, including zip code)

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

150 W 30th St., New York, New York, 10001
(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 May 1, 2024, the registrant had 373,430,076 shares of common stock outstanding.

Payoneer Global Inc.
Form 10-Q
For the Period Ended March 31, 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) may identify forward-looking statements, 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 Current 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 MARCH 31, 2024

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PAYONEER GLOBAL INC.

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

	March 31, 2024	December 31, 2023
Assets:		
Current assets:		
Cash and cash equivalents	$ 587,180	$ 617,022
Restricted cash	7,907	7,030
Customer funds	5,920,924	6,390,526
Accounts receivable (net of allowance of $360 at March 31, 2024 and $385 at December 31, 2023)	7,224	7,980
Capital advance receivables (net of allowance of $5,357 at March 31, 2024 and $ 5,059 at December 31, 2023)	52,133	45,493
Other current assets	40,780	40,672
Total current assets	6,616,148	7,108,723
Non-current assets:		
Property, equipment and software, net	14,896	15,499
Goodwill	19,889	19,889
Intangible assets, net	82,647	76,266
Restricted cash	6,025	5,780
Deferred taxes	16,688	15,291
Severance pay fund	821	840
Operating lease right-of-use assets	22,567	24,854
Other assets	15,804	15,977
Total assets	$ 6,795,485	$ 7,283,119
Liabilities and shareholders' equity:		
Current liabilities:		
Trade payables	$ 35,295	$ 33,941
Outstanding operating balances	5,920,924	6,390,526
Other payables	103,927	117,508
Total current liabilities	6,060,146	6,541,975
Non-current liabilities:		
Long-term debt from related party (refer to Notes 11 and 20 for further information)	14,429	18,411
Warrant liability	6,794	8,555
Other long-term liabilities	52,574	49,905
Total liabilities	6,133,943	6,618,846
Commitments and contingencies (Note 14)		
Shareholders' equity:		
Preferred stock, $ 0.01 par value, 380,000,000 shares authorized; no shares were issued and outstanding at March 31, 2024 and December 31, 2023.	—	—
Common stock, $ 0.01 par value, 3,800,000,000 and 3,800,000,000 shares authorized; 377,294,480 and 368,655,185 shares issued and 355,695,854 and 357,590,493 shares outstanding at March 31, 2024 and December 31, 2023, respectively.	3,773	3,687
Treasury stock at cost, 21,598,626 and 11,064,692 shares as of March 31, 2024 and December 31, 2023, respectively.	(108,096)	(56,936)
Additional paid-in capital	752,236	732,894
Accumulated other comprehensive loss	(149)	(176)
Retained earnings (accumulated deficit)	13,778	(15,196)
Total shareholders' equity	661,542	664,273
Total liabilities and shareholders' equity	$ 6,795,485	$ 7,283,119

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 March 31, 2024	Three months ended March 31, 2023
Revenues	$ 228,183	$ 192,014
Transaction costs (Exclusive of depreciation and amortization shown separately below and inclusive of $ 438 and $ 421 in interest expense and fees associated with related party transactions during the three months ended March 31, 2024 and 2023, respectively; refer to Notes 11 and 20 for further information)	33,966	27,081
Other operating expenses	40,283	40,095
Research and development expenses	32,051	29,280
Sales and marketing expenses	49,890	47,826
General and administrative expenses	24,209	26,681
Depreciation and amortization	9,408	6,039
Total operating expenses	189,807	177,002
Operating income	38,376	15,012
Financial income (expense):		
Gain (loss) from change in fair value of Warrants	1,761	(252)
Other financial income, net	2,747	2,350
Financial income, net	4,508	2,098
Income before taxes on income	42,884	17,110
Taxes on income	13,910	9,172
Net income	$ 28,974	$ 7,938
Other comprehensive income (loss)		
Unrealized loss on available-for-sale debt securities, net	(1)	-
Unrealized gain on cash flow hedges, net	34	-
Tax expense on unrealized gains on cash flow hedges, net	(6)	-
Other comprehensive income, net of tax	27	-
Comprehensive income	$ 29,001	$ 7,938
Per Share Data		
Net income per share attributable to common stockholders — Basic earnings per share	$ 0.08	$ 0.02
— Diluted earnings per share	$ 0.08	$ 0.02
Weighted average common shares outstanding — Basic	359,306,195	360,220,161
Weighted average common shares outstanding — Diluted	378,715,301	388,308,279

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				
Balance at December 31, 2023	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	8,639,295	86	—	—	3,346	—	—	3,432
Stock-based compensation	—	—	—	—	15,996	—	—	15,996
Common stock repurchased	—	—	(10,533,934)	(51,160)	—	—	—	(51,160)
Unrealized loss on available-for-sale debt securities, net	—	—	—	—	—	(1)	—	(1)
Unrealized gain on cash flow hedges, net	—	—	—	—	—	34		34
Tax expense on unrealized gains on cash flow hedges, net	—	—	—	—	—	(6)		(6)
Net income	—	—	—	—	—	—	28,974	28,974
Balance at March 31, 2024	377,294,480	$ 3,773	(21,598,626)	$ (108,096)	$ 752,236	$ (149)	$ 13,778	$ 661,542
Balance at December 31, 2022	352,842,025	$ 3,528	—	$ —	$ 650,433	$ (176)	$ (108,529)	$ 545,256
Exercise of options, vested RSUs, and shares granted	6,360,098	64	—	—	6,188	—	—	6,252
Stock-based compensation	—	—	—	—	17,400	—	—	17,400
Net income	—	—	—	—	—	—	7,938	7,938
Balance at March 31, 2023	359,202,123	$ 3,592	—	$ —	$ 674,021	$ (176)	$ (100,591)	$ 576,846

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

	Three months ended March 31, 2024	Three months ended March 31, 2023
Cash Flows from Operating Activities		
Net income	$ 28,974	$ 7,938
Adjustment to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	9,408	6,039
Deferred taxes	(1,397)	1,806
Stock-based compensation expenses	15,077	16,927
Loss (gain) from change in fair value of Warrants	(1,761)	252
Foreign currency re-measurement loss (gain)	1,541	(416)
Changes in operating assets and liabilities:		
Other current assets	(11)	(8,159)
Trade payables	1,465	(10,090)
Deferred revenue	(28)	323
Accounts receivable, net	756	2,047
Capital advance extended to customers	(80,173)	(71,184)
Capital advance collected from customers	73,533	66,266
Other payables	(12,528)	(10,414)
Other long-term liabilities	2,669	(635)
Operating lease right-of-use assets	2,287	2,335
Interest and amortization of discount on investments	(474)	—
Other assets	172	867
Net cash provided by operating activities	39,510	3,902
Cash Flows from Investing Activities		
Purchase of property, equipment and software	(1,616)	(1,764)
Capitalization of internal use software	(14,055)	(7,588)
Severance pay fund distributions, net	19	23
Customer funds in transit, net	154	(53,628)
Purchases of investments in available-for-sale debt securities	(118,649)	—
Maturities and sales of investments in available-for-sale debt securities	20,000	—
Net cash inflow from acquisition of remaining interest in joint venture	—	5,953
Net cash used in investing activities	(114,147)	(57,004)
Cash Flows from Financing Activities		
Proceeds from issuance of common stock in connection with stock-based compensation plan, net of taxes paid related to settlement of equity awards	3,432	5,865
Outstanding operating balances, net	(469,602)	(371,338)
Borrowings under related party facility (Refer to Notes 11 and 20 for further information)	5,378	9,842
Repayments under related party facility (Refer to Notes 11 and 20 for further information)	(9,360)	(8,859)
Common stock repurchased	(50,961)	—
Net cash used in financing activities	(521,113)	(364,490)
Effect of exchange rate changes on cash and cash equivalents	(1,541)	515
Net change in cash, cash equivalents, restricted cash and customer funds	(597,291)	(417,077)
Cash, cash equivalents, restricted cash and customer funds at beginning of period	7,018,367	6,386,720
Cash, cash equivalents, restricted cash and customer funds at end of period	$ 6,421,076	$ 5,969,643
Supplemental information of investing and financing activities not involving cash flows:		
Property, equipment, and software acquired but not paid	$ 700	$ 400
Internal use software capitalized but not paid	$ 5,216	$ 2,609
Common stock repurchased but not paid	$ 1,699	$ —
Right of use assets obtained in exchange for new operating lease liabilities	$ —	$ 2,298

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

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:

	As of March 31,	
	2024	2023
Cash and cash equivalents	$ 587,180	$ 544,542
Current restricted cash	7,907	9,525
Non-current restricted cash	6,025	4,851
Customer funds	5,920,924	5,467,274
Less: Customer funds in transit	(1,837)	(56,549)
Less: Customer funds invested in available-for-sale debt securities	(99,123)	—
Net customer funds shown in the condensed consolidated statements of cash flows	5,819,964	5,410,725
Total cash, cash equivalents, restricted cash and customer funds shown in the condensed consolidated statements of cash flows	$ 6,421,076	$ 5,969,643

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 months ended March 31, 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.

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.

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 March 31, 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.

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.

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):

During the three months ended March 31, 2024 and 2023, the Company has purchased and collected the following principal amounts associated with CA receivables, including foreign exchange adjustments:

	Three months ended March 31, 2024	Three months ended March 31, 2023
Beginning CA receivables, gross	$ 50,552	$ 42,466
CA extended to customers	80,173	71,476
Change in revenue receivables	(114)	150
CA collected from customers	(71,868)	(65,973)
Charge-offs, net of recoveries	(1,253)	(631)
Ending CA receivables, gross	$ 57,490	$ 47,488
Allowance for CA losses	(5,357)	(5,415)
CA receivables, net	$ 52,133	$ 42,073

The outstanding gross balance at March 31, 2024 consists of the following current and overdue amounts:

Total	Current	1-30 days overdue	30-60 overdue	60-90 overdue	Above 90 overdue
$ 57,490	53,249	2,336	1,028	656	221

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 March 31, 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
$ 57,490	4,241	12,922	10,223	17,357	12,747

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 March 31, 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”):

	Three months ended March 31, 2024	Three months ended March 31, 2023
Beginning balance	$ 5,059	$ 5,311
Provisions	1,384	1,261
Recoveries	167	(526)
Charge-offs	(1,253)	(631)
Ending balance	$ 5,357	$ 5,415

NOTE 4 – CUSTOMER FUNDS AND INVESTMENTS

Beginning in February 2024, the Company invested certain customer funds in available-for-sale debt securities. The following table summarizes the assets underlying customer funds as of March 31, 2024 and December 31, 2023:

	March 31, 2024	December 31, 2023
Customer funds:		
Cash and cash equivalents	$ 5,821,801	$ 6,390,526
Available-for-sale debt securities	99,123	—
Total customer funds	$ 5,920,924	$ 6,390,526

As of March 31, 2024, the estimated fair value of these available-for-sale debt securities included the following unrealized gains and losses. All of the Company’s available-for-sale debt securities at March 31, 2024 were due mature within one year or less:

	March 31, 2024			
	Gross Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
U.S. treasury securities	$ 99,124	$ 2	$ (3)	$ 99,123

As of March 31, 2024, the gross unrealized losses and estimated fair value of our available-for-sale debt securities included within customer funds for which an allowance for credit losses was not deemed necessary in the current period, aggregated by the length of time those individual securities have been in a continuous loss position, was as follows:

	March 31, 2024					
	Less than 12 months		12 months or longer		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
U.S. treasury securities	$ 49,467	$ (3)	$ —	$ —	$ 49,467	$ (3)

Unrealized losses have not been recognized into income as the Company neither intends to sell, nor anticipates that it is more likely than not that it will be required to sell, the securities before recovery of their amortized cost basis. The decline in fair value is due primarily to changes in market interest rates, rather than credit losses. The Company will continue to monitor the performance of the investment portfolio and assess whether impairment due to expected credit losses has occurred. During the period ended March 31, 2024, the Company did not sell any available-for-sale debt securities or incur any realized gains or losses.

PAYONEER GLOBAL INC.

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

NOTE 5 – DERIVATIVES AND HEDGING

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

		March 31, 2024	
	Balance Sheet Location	**Notional Amount**	**Fair Value**
Derivative assets designated as hedge accounting instruments:			
Foreign currency forwards	Other current assets	$ 12,918	$ 34
Foreign currency net purchased options	Other current assets	10,031	84
Total derivative assets		$ 22,949	$ 118
Derivative liabilities designated as hedge accounting instruments:			
Foreign currency forwards	Other payables	$ 31,471	$ 84
Total derivative liabilities		$ 31,471	$ 84

The following table provides the location in the consolidated statements of comprehensive income and amount of realized gains or losses related to the Company's derivative instruments during the three months ended March 31, 2024. No gains or losses on derivative instruments were realized during the three months ended March 31, 2023.

	Three Months Ended March 31, 2024			
	Other Operating Expenses	**Research and Development Expenses**	**Sales and Marketing Expenses**	**General and Administrative Expenses**
Total amounts presented in the consolidated statements of comprehensive income	$ 40,283	$ 32,051	$ 49,890	$ 24,209
Realized gains on derivatives in cash flow hedging relationships:				
Foreign currency forwards	$ 51	$ 114	$ 18	$ 32
Foreign currency net purchased options	1	3	1	1
Total realized gains on derivatives in cash flow hedging relationships	$ 52	$ 117	$ 19	$ 33

During the three months ended March 31, 2024, the Company recognized $ 34 in unrealized gains on derivative instruments designated as cash flow hedges in OCI.

As of March 31, 2024, the Company estimated that $ 34 of unrealized gains related to cash flow hedges currently included in AOCI are expected to be reclassified into earnings within the next 12 months. As of March 31, 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 months ended March 31, 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.

PAYONEER GLOBAL INC.

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

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 March 31, 2024 and December 31, 2023:

	March 31, 2024			
	Level 1	Level 2	Level 3	Total
U.S. Treasury Securities (included within Customer funds)	$ 99,123	$ —	$ —	$ 99,123
Derivative assets (included within Other current assets)				
Foreign currency forwards	$ —	$ 34	$ —	$ 34
Foreign currency net purchased options	—	84	—	84
Total derivative assets	$ —	$ 118	$ —	$ 118
Total financial assets	$ 99,123	$ 118	$ —	$ 99,241
Derivative liabilities (included within Other payables)				
Foreign currency forwards	$ —	$ 84	$ —	$ 84
Total derivative liabilities	$ —	$ 84	$ —	$ 84
Warrant liability	$ 6,794	$ —	$ —	$ 6,794
Total financial liabilities	$ 6,794	$ 84	$ —	$ 6,878

	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 March 31, 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 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:

	March 31, 2024	December 31, 2023
Prepaid expenses	$ 23,738	$ 16,656
Income receivable	8,425	12,844
Prepaid income taxes	5,405	8,136
Derivative assets	118	—
Other	3,094	3,036
Total other current assets	$ 40,780	$ 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:

	March 31, 2024	December 31, 2023
Computers, software and peripheral equipment	$ 38,373	$ 39,453
Leasehold improvements	10,212	9,678
Furniture and office equipment	6,011	5,674
Property, equipment and software	54,596	54,805
Accumulated depreciation	(39,700)	(39,306)
Property, equipment and software, net	$ 14,896	$ 15,499

Depreciation expense for the three months ended March 31, 2024 and 2023 was $ 2,108 and $ 2,112 , respectively.

During the three months ended March 31, 2024, the Company retired computers, software, and peripheral equipment with a cost of $ 1,714 that were fully depreciated. No such retirement was recognized in the three months ended March 31, 2023.

NOTE 9 – INTANGIBLE ASSETS

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

	March 31, 2024			December 31, 2023		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Internal use software	$ 135,668	$ (61,073)	$ 74,595	$ 122,001	$ (54,804)	$ 67,197
Acquired developed technology	17,915	(9,863)	8,052	17,915	(8,846)	9,069
Intangible assets, net	$ 153,583	$ (70,936)	$ 82,647	$ 139,916	$ (63,650)	$ 76,266

Amortization expense for the three months ended March 31, 2024 and 2023 was $ 7,300 and $ 3,602 respectively.

During the three months ended March 31, 2024, the Company recognized an insignificant amount of impairment related to intangible assets. During the three months ended March 31, 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 March 31, 2024, excluding capitalized internal use software of $ 24,609 not yet placed in service as of that date, was as follows:

Fiscal years	
2024 (Excluding the three months ended March 31, 2024)	$ 21,628
2025	24,120
2026	12,247
2027	43
2028 and thereafter	—
Total	$ 58,038

U.S. DOLLARS IN THOUSANDS (EXCEPT SHARE DATA)

NOTE 10 - OTHER PAYABLES

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

	March 31, 2024	December 31, 2023
Employee related compensation	$ 49,680	$ 67,837
Commissions payable	20,466	23,695
Accrued expenses	9,652	12,358
Lease liability	6,353	7,171
Income tax payable	13,272	2,410
Derivative liabilities	84	—
Other	4,420	4,037
Total other payables	$ 103,927	$ 117,508

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 $ 438 and $ 421 for the three months ended March 31, 2024 and 2023. As of March 31, 2024, the outstanding associated balance was $ 14,429 with $ 124 of accrued expenses included in Other payables. As of December 31, 2023, the outstanding associated balance was $ 18,411 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 March 31, 2024 and December 31, 2023, the Company was in compliance with all applicable covenants.

As of March 31, 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:

	March 31, 2024	December 31, 2023
Reserves for uncertain income tax positions	$ 28,420	$ 24,793
Long-term lease liabilities	16,601	17,836
Other tax provisions	5,502	5,202
Severance pay liabilities	2,024	2,056
Other	27	18
Total other long-term liabilities	$ 52,574	$ 49,905

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. 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 months ended March 31, 2024, the Company repurchased 10,533,934 shares of its common stock for approximately $ 51,160 at a weighted average cost of $ 4.84 per share, respectively. As of March 31, 2024, a total of approximately $ 189,228 remained available for future repurchases of the Company's common stock under the program.

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 March 31, 2024, there were 25,158,086 warrants outstanding with a corresponding liability valued at $ 6,794 . 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	(1,761)
Fair value as of March 31, 2024	$ 6,794
Fair value as of December 31, 2022	$ 25,914
Change in fair value	252
Fair value as of March 31, 2023	$ 26,166

Accumulated Other Comprehensive Loss

The changes in the balances of each component of accumulated other comprehensive loss, net of tax, for the three months ended March 31, 2024 were as follows. There were no changes in other comprehensive income (loss) in the three months ended March 31, 2023:

	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)	—	(1)	28	27
Ending balance	$ (176)	$ (1)	$ 28	$ (149)

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.

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):

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.

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:

	Three months ended March 31, 2024	Three months ended March 31, 2023
Revenue recognized at a point in time	$ 159,796	$ 131,892
Revenue recognized over time	662	7,844
Revenue from contracts with customers	$ 160,458	$ 139,736
Interest income on customer balances	$ 65,268	$ 50,058
Capital advance income	2,457	2,220
Revenue from other sources	$ 67,725	$ 52,278
Total revenues	$ 228,183	$ 192,014

PAYONEER GLOBAL INC.

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

NOTE 15 – REVENUE (continued):

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.

	Three months ended March 31,	
	2024	2023
Primary regional markets		
Greater China[1]	$ 81,358	$ 63,960
Europe[2]	43,455	38,621
Asia-Pacific[2]	33,365	25,381
North America[3]	23,010	25,536
South Asia, Middle East and North Africa [2]	23,925	19,945
Latin America[2]	23,070	18,571
Total revenues	$ 228,183	$ 192,014

(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 $ 21,925 and $ 24,575 during the three months ended March 31, 2024 and 2023, respectively.

NOTE 16 - TRANSACTION COSTS

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

	Three Months Ended March 31,	
	2024	2023
Bank and processor fees	$ 24,379	$ 20,119
Network fees	5,036	4,267
Capital advance costs, net of recoveries	2,038	1,112
Chargebacks and operational losses	1,886	1,057
Card costs	519	468
Other	108	58
Total transaction costs	$ 33,966	$ 27,081

PAYONEER GLOBAL INC.

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

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 three months ended March 31, 2024:

	Options
Outstanding at December 31, 2023	27,788,279
Granted	1,070,000
Exercised	(5,293,774)
Forfeited	(178,840)
Outstanding at March 31, 2024	23,385,665
Exercisable at March 31, 2024	21,144,565

The weighted average exercise price of the options outstanding as of March 31, 2024 was $ 2.42 per share.

The following table summarizes the RSUs activity under the Company's equity incentive plans as of March 31, 2024:

	Units
Outstanding December 31, 2023	30,743,366
Granted	10,214,500
Vested	(3,345,521)
Withhold to cover shares repurchased	(765,430)
Forfeited	(824,155)
Outstanding March 31, 2024	36,022,760

In the three months ended March 31, 2024, the Company granted 10,214,500 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 months ended March 31, 2024, the Company withheld 765,430 shares for $ 3,880 . RSU vesting is shown net of this withholding on the condensed consolidated statements of shareholders' equity and cash flows.

Employee Stock Purchase Plan

As of March 31, 2024, approximately 4,770,007 shares were reserved for future issuance under the Company's Employee Stock Purchase Plan ("ESPP"). The fair value attributable to the ESPP was $ 1,212 as of November 15, 2023, the beginning of the current offering period, and was measured using the Monte Carlo model. The current offering period is expected to close May 15, 2024.

The expense associated with the ESPP recognized during the three months ended March 31, 2024 was $ 606 .

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 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:

	Three Months Ended March 31,	
	2024	2023
Other operating expenses	$ 2,807	$ 2,799
Research and development expenses	3,141	3,383
Sales and marketing expenses	4,191	5,976
General and administrative expenses	4,938	4,769
Total stock-based compensation	$ 15,077	$ 16,927

Note that $ 919 and $ 1,040 in stock-based compensation awards were capitalized as part of internal-use software during the three months ended March 31, 2024 and 2023, respectively.

NOTE 18 - INCOME TAXES

The Company applies an estimated annual effective tax rate to our year-to-date operating results to determine the interim provision for income tax expense. In addition, the Company recognizes taxes related to unusual or infrequent items or resulting from a change in judgement regarding a position taken in a prior year as discrete items in the interim period in which the event occurs.

The Company had an effective tax rate of 32 % for the three months ended March 31, 2024, compared to an effective tax rate of 54 % for the three months ended March 31, 2023. For the three months ended March 31, 2024, 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, as well as an increase in the provision for uncertain tax positions.

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 March 31, 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.

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.

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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 March 31,	
	2024	2023
	(In thousands, except share and per share data)	
Numerator:		
Net income	$ 28,974	$ 7,938
Denominator:		
Weighted average common shares outstanding —		
Basic	359,306,195	360,220,161
Add:		
Dilutive impact of RSUs, ESPP and options to purchase common stock	18,725,608	27,332,566
Dilutive impact of private Warrants	683,498	755,552
Weighted average common shares – diluted	378,715,301	388,308,279
Net income per share attributable to common stockholders — Basic earnings per share	$ 0.08	$ 0.02
Diluted earnings per share	$ 0.08	$ 0.02

Note that 25,158,086 Public Warrants, 4,230,000 RSUs with market conditions, 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.), 2,132,413 options to purchase common stock, and 24,151,724 RSUs have been excluded from the computation of diluted net earnings per share for the three month period ended March 31, 2024 as their effect was antidilutive, conditions were not met or they were not in the money as of the end of the reporting period. In the three months ended March 31, 2023, 25,158,086 Public Warrants, 30,000,000 Earn-Out Shares, 776,361 options to purchase common stock, and 6,374,911 RSUs, respectively, were excluded for the same reason.

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

None.

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 $18.5 billion and $15.3 billion in volume in the three months ended March 31, 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 more acquisitions to accelerate our ability to deliver more value to customers around the world.

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 in 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 months ended March 31, 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 months ended March 31, 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, 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.

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 March 31, 2024	Three months ended March 31, 2023	Increase/ (Decrease)
	(in thousands except percentages)		
Revenues	$ 228,183	$ 192,014	19 %
Transaction costs	33,966	27,081	25 %
Other operating expenses	40,283	40,095	0 %
Research and development expenses	32,051	29,280	9 %
Sales and marketing expenses	49,890	47,826	4 %
General and administrative expenses	24,209	26,681	(9)%
Depreciation and amortization	9,408	6,039	56 %
Total operating expenses	189,807	177,002	7 %
Operating income	38,376	15,012	156 %
Financial income (expense):			
Gain (loss) from change in fair value of Warrants	1,761	(252)	** %
Other financial income, net	2,747	2,350	17 %
Financial income, net	4,508	2,098	115 %
Income before taxes on income	42,884	17,110	151 %
Taxes on income	13,910	9,172	52 %
Net income	$ 28,974	$ 7,938	265 %

***Not meaningful*

Revenues

Revenues were $228.2 million for the three months ended March 31, 2024, an increase of $36.2 million, or 19%, compared to the prior-year period, driven mainly by an increase of $15.2 million in interest income earned on customer balances resulting from rising interest rates and an increase in customer balances held on our platform. 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 $34.0 million for the three months ended March 31, 2024, an increase of $6.9 million, or 25%, compared to the prior-year period, which is broadly in line with the 21% increase in volume.

Other operating expenses

Other operating expenses were $40.3 million for the three months ended March 31, 2024, an increase of $0.2 million, or 0.5%, compared to the prior-year period, driven by an increase of $2.7 million in information technology expenses partially offset by a decrease of $1.8 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 $32.1 million for the three months ended March 31, 2024, an increase of $2.8 million, or 9%, compared to the prior-year period, driven by an increase of $6.3 million in employee compensation, benefits and other employee-related expenses in line with an increase in employee headcount, an increase of $1.5 million in information technology expenses, partially offset by an increase of $4.8 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 $49.9 million for the three months ended March 31, 2024, an increase of $2.1 million, or 4%, compared to the prior-year period, driven by an increase of $1.2 million in marketplace partner commissions, an increase of $2.6 million in spend on certain direct marketing spend and an increase of $1.3 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 primarily due to a decrease in employee headcount.

General and administrative expenses

General and administrative expenses were $24.2 million for the three months ended March 31, 2024, a decrease of $2.5 million, or 9%, compared to the prior-year period, driven by a decrease of $3.6 million in employee compensation, benefits and other employee-related expenses primarily due to a decrease in employee headcount, offset by an increase of $1.5 million in M&A related legal expenses.

Depreciation and amortization expenses

Depreciation and amortization expenses were $9.4 million for the three months ended March 31, 2024, an increase of $3.4 million, or 56%, 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 $4.5 million for the three months ended March 31, 2024, an increase of $2.4 million, or 115%, compared to the prior-year period, driven by a $1.8 million gain from the change in the fair value of warrants compared to a $0.3 million loss in the prior year period, an increase of $1.6 million in interest income on corporate cash balances, offset by a $1.0 million increase in loss on revaluation of foreign currency balances.

Income tax

Income tax expense was $13.9 million for the three months ended March 31, 2024, an increase of $4.7 million, or 52%, compared to the three months ended March 31, 2023, driven by an increase of $7.6 million in our US federal and state income tax expenses for the three months ended March 31, 2024 as compared to the prior-year period. This increase was driven by increased US taxable income, primarily due to interest income and capitalized research and development expenses, as well as an increase in uncertain tax positions. These increases were offset by a net increase in US deferred tax benefits of $2.8 million for the three months ended March 31, 2024.

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 March 31, 2024, we had $587.2 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 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 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. The amended authorization expires December 31, 2025.

During the period ended March 31, 2024, we repurchased 10,533,934 shares of our common stock for approximately $51.2 million, of which $1.7 million was not yet settled at period end. As of March 31, 2024, a total of approximately $189 million remained available for future repurchases of our common stock under the program.

Cash Flows

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

	Three months ended March 31,	
	2024	2023
	(in thousands)	
Net cash provided by operating activities	$ 39,510	$ 3,902
Net cash used in investing activities	(114,147)	(57,004)
Net cash used in financing activities	(521,113)	(364,490)
Effect of exchange rate changes on cash and cash equivalents	(1,541)	515
Change in cash, cash equivalents, restricted cash and customer funds	$ (597,291)	$ (417,077)

Operating Activities

Net cash provided by operating activities was $39.5 million for the three months ended March 31, 2024, an increase of $35.6 million compared to $3.9 million for the three months ended March 31, 2023.

For the three months ended March 31, 2024, we had $ 29.0 million of net income, which includes non-cash expenses of $15.1 million related to stock-based compensation and $9.4 million related to depreciation and amortization. Net income was also adjusted for changes in current assets and liabilities, including net outflows of $12.5 million related to other payables and $6.6 million related to capital advances. These outflows were partially offset by inflows of $2.7 million related to other long-term liabilities and $2.3 million related to operating lease right-of-use assets.

For the three months ended March 31, 2023, the Company had $7.9 million of net income, which includes non-cash expenses of $16.9 million related to stock-based compensation and $6.0 million related to depreciation and amortization. Net income was also adjusted for changes in current assets and liabilities, including net outflows of $10.1 million related to trade payables, $10.4 million related to other payables, $8.2 million related to other current assets, and $4.9 million related to capital advances. Other miscellaneous net inflows amounted to $6.7 million for the period.

Investing Activities

Net cash used in investing activities was $114.1 million for the three months ended March 31, 2024, an increase of $57.1 million compared to net cash used in investing activities of $57.0 million for the three months ended March 31, 2023.

This change was predominantly related to the net purchase of $98.6 million in investments offset by a decrease of $53.8 million in the balance of customer funds in transit at the current period end compared to the prior year period.

Financing Activities

Net cash used in financing activities was $521.1 million for the three months ended March 31, 2024, an increase of $156.6 million compared to net cash used in financing activities of $364.5 million for the three months ended March 31, 2023. Current period cash used in financing activities reflects the decline in customer balances since year end which was higher than the decline in the prior year period. Additionally, $51.0 million was used in the current period to finance our share repurchase program which had not begun 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:

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.

	Three months ended March 31,	
	2024	2023
	(in millions)	
Volume	$ 18,455	$ 15,303

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 21% for the three months ended March 31, 2024 compared to the three months ended March 31, 2023, 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.

Adjusted EBITDA

	Three months ended March 31,	
	2024	2023
	(in thousands)	
Net income	**$ 28,974**	**$ 7,938**
Depreciation and amortization	9,408	6,039
Taxes on income	13,910	9,172
Other financial income, net	(2,747)	(2,350)
EBITDA	**49,545**	**20,799**
Stock based compensation expenses[1]	15,077	16,927
M&A related expense[2]	2,375	774
Loss (gain) from change in fair value of Warrants [3]	(1,761)	252
Adjusted EBITDA	**$ 65,236**	**$ 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 relate to M&A-related third-party fees, including related legal, consulting and other expenditures.

[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 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 March 31, 2024, were held in cash 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 March 31, 2024.

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 Euro, Japanese Yen, British Pound, Chinese Yuan, Canadian Dollar, New Zealand Dollar, Thai Baht, New Israeli Shekel, Philippine Peso, Pakistani Rupee, UAE Dirham, Korean Won, Mexican Peso, Norwegian Krone, 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 March 31, 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.

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 March 31, 2024.

Share Repurchase Activities

The following table provides information with respect to repurchases made by the Company during the three months ended March 31, 2024. All repurchases listed below were made in the open market.

Period	Total Number of Shares Purchased[1]	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs[2]	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs[2]
January 1, 2024 - January 31, 2024	3,569,029	$4.88	3,569,029	$ 222,768,447
February 1, 2024 - February 29, 2024	3,121,245	$5.08	3,121,245	$ 206,921,200
March 1, 2024 - March 31, 2024	3,843,660	$4.60	3,843,660	$ 189,228,374
Total	10,533,934		10,533,934	

(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. 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 March 31, 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:

			Plans			
	Action	Date	Rule 10b5-1*	Non-Rule 10b5-1**	Number of Shares to be Sold	Expiration
Bea Ordonez , Chief Financial Officer	Termination	March 6, 2024	X		N/A[(1)]	N/A[(1)]
Scott Galit , Director	Adoption	March 11, 2024	X		3,347,937	August 15, 2024

* 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)

(1) The original expiration date of this trading arrangement related to the sale of up to 167,000 shares of common stock was December 15, 2024.

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ITEM 6. EXHIBITS

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

Exhibit No.	Description of Exhibit
10.1	Transition Agreement with Scott Galit.* †
31.1	Certification of Chief Executive Officer pursuant to Rules 13a-14 and 15d-14 promulgated under the Securities Exchange Act of 1934.*
31.2	Certification of Chief Financial Officer pursuant to Rules 13a-14 and 15d-14 promulgated under the Securities Exchange Act of 1934.*
32.1	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.**
32.2	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.**
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: May 8th, 2024

Exhibit 10.1

April 12, 2024

Scott Galit
134 W 83rd St, Apt 3
New York, NY 10024

Dear Scott,

Re: **Transition Agreement**

This Transition Agreement (this "**Agreement**") will confirm the understanding that has been reached with you in connection with your transition out of employment from Payoneer Inc. (the "**Company**").

1. End of Employment; Transition Period.

(a) As previously discussed, your last day of employment with the Company will be June 30, 2024 (the "**Separation Date**"). During the period through the Separation Date (the "**Transition Period**"), you will wind-down the advisory services that are set forth in Exhibit A to your Amended and Restated Employment Agreement dated as of June 25, 2021, as amended by Amendment No. 1 to the Amended and Restated Employment Agreement, dated as of May 24, 2022, and Amendment No. 2 to the Amended and Restated Employment Agreement, made effective as of March 1, 2023 (the "**Employment Agreement**").

(b) During the Transition Period, in coordination with the Company you will transition off the Board of Directors of Payoneer Inc. and of such other subsidiaries and secondary subsidiaries of Payoneer Global Inc. (the "**Subsidiaries**") where you currently serve as a member of the Board of Directors (or similar governing body). In addition, you will transition off the Risk Committee of the Board of Directors of Payoneer Global Inc., effective April 2, 2024.

(c) During the Transition Period, you will remain on the Company's payroll, at your current rate of pay, with all benefits that you participated in prior to the Cessation Date, including but not limited to 401k, medical, etc. You will not accrue any vacation days (or other paid time off) during the Transition Period.

(d) You were eligible to receive a year-end bonus with respect to 2023 at your current bonus rate, which was paid at the same time that 2023 bonuses were paid to executives of the Company, but for avoidance of doubt you will not be eligible for or entitled to any annual bonus with respect to performance for 2024.

2. Post-Transition Period.

(a) During the period commencing on July 1, 2024 and ending on May 31, 2025 or if earlier, your last day as a member of the Board of Directors of Payoneer Global Inc. (respectively, the "**Residual Period**" and the "**Last Date**")), you will continue to serve as member of the Board of Directors of Payoneer Global

Inc., pursuant to the terms of your appointment under Payoneer Global Inc.'s corporate documents. Notwithstanding the provisions of Section 1(b) above, in the event that for purpose of satisfying regulatory needs in respect to any one or more of the Subsidiaries, at the Company's request, you will continue to serve on the Board of Directors of such Subsidiary for a limited period during the Residual Period (not to exceed sixty (60) days from the Last Date), at no additional cost to the Company.

(b) During the Residual Period you will not be entitled to participate in or receive compensation under Payoneer Global Inc.'s Directors Compensation Plan; you will, however, subject to your execution of the Reaffirmation set forth on **Schedule A** on or immediately following the Last Date, be entitled to the continued vesting of equity awards (comprising options and restricted stock units ("**RSUs**")) that have previously been granted to you and that have not vested as of the Separation Date, pursuant to their original vesting schedule as set forth on **Schedule B** attached hereto.

(c) Consistent with the terms of your option agreement(s), you may exercise options to purchase shares of Common stock of the Company that vest prior to the Last Date and all of your unexercised but vested options during the term of 180 (one hundred eighty) days following the Last Date (the "**Exercise Period**").

(d) You agree and acknowledge that the arrangements, payments and benefits referenced herein are in lieu of and in full satisfaction of any amounts that might otherwise be payable under any contract, plan, policy or practice, past or present, of the Company or any of its affiliates. Except as expressly set forth above, you shall not be eligible to participate or continue to participate in any employee benefit plans or compensation arrangements of the Company or any of its affiliates following your Separation Date. For the avoidance of doubt, all outstanding equity awards including those that are set forth on **Schedule B** attached hereto, whether options or RSUs, that are unvested as of the Last Date will be forfeited for no consideration.

(e) Notwithstanding the aforesaid in sub-Sections 2(b) and 2(c) above, should you be re-appointed at the Annual General Meeting of Payoneer Global Inc. to be held on or about May 30, 2025, to serve as member of its Board of Directors for an additional term (the additional term as a member of the Board of Directors of Payoneer Global Inc. being referred to as the "**Additional Board Term**"), you shall (i) not be entitled to participate in or receive compensation under Payoneer Global Inc.'s Directors Compensation Plan for the first year of the Additional Board Term, but you will be entitled during such first year to the continued vesting of equity awards (comprising RSU that have previously been granted to you and that have not vested as of the end of the Residual Period), pursuant to their original vesting schedule as set forth on **Schedule C** attached hereto; (ii) be entitled during the Additional Board Term and 180 (one hundred eighty) days following your last day as member of the Board of Directors of Payoneer Global Inc.) to exercise vested and unexercised options to purchase shares of Common stock of the Company, and (iii) be entitled to receive compensation under Payoneer Global Inc.'s Directors Compensation Plan pursuant to its terms for the second and third year of the Additional Board term.

3. Trading Restrictions. You agree that for the 90 (ninety) day period commencing on the Last Date, you are not allowed any trading in Payoneer Global Inc.'s stock, including any sale to cover payment for

the exercise price of options and/or for payment of taxes thereof. For avoidance of doubt, the foregoing does not apply to trades pursuant to any existing 10b5-1 plan as of the Last Date. You are reminded that, following the conclusion of such 90 (ninety) day period, trading on the basis of material non-public information, or providing such information to others so that they may trade, is a violation of the federal securities laws. You confirm that during the Transition Period, the Residual Period and the Additional Board Term, as the case may be (i) you shall continue to be subject to and abide by the Payoneer Global Inc.'s Insider Trading Policy of the Company, and (ii) the Insider Trading Policy may be enforced on you in any way Payoneer Global Inc. deems reasonably fit for such purpose. Accordingly, any trading in Payoneer Global Inc. stock, including among other things, any sale of stock during the above periods and/or any sale to cover payment for the exercise price and/or taxes thereof may only be effected during a Window (as defined in the Insider Trading Policy). As a Section 16 officer, you (i) have informed the Company of any open market trades that you have engaged in during the six-month period prior to the Last Date (or the last day of the Additional Board Term, if applicable) and (ii) agree that you will inform the Company of any trades that you intend to make in Company stock at any time during the 6-month period immediately following the Last Date (or the last day of the Additional Board Term, if applicable) prior to making such a trade.

4. Benefits Coverage. Your eligibility to participate in the Company's benefits plans, including group health and dental plans and retirement plans, will cease as of the Separation Date. Following the Separation Date, you may be eligible to elect continuation coverage in the Company's medical plans pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**"). In the event that you elect continuation coverage, such coverage shall be at your own expense. COBRA continuation coverage shall in all respects be subject to the requirements, conditions and limitations of COBRA and of the medical plans of the Company, which may be amended from time to time.

5. Payment of Salary and Receipt of All Benefits. You acknowledge and represent that, other than the consideration set forth in this Agreement, the Company has paid or provided all salary, bonuses, paid time off, reimbursable expenses, commissions, stock, stock options, vesting, and any and all other benefits and compensation due to you.

6. Confidential Information. Subject to the Protected Rights, you agree and confirm that the provisions of Section 8(b) of your Employment Agreement (Non-Disclosure of Confidential Information) will continue to apply during the Transition Period and thereafter as contemplated therein.

7. Company Property. Subject to the Protected Rights, all documents and records (electronic, paper or otherwise), materials, software, equipment, and other physical property, including but not limited to smartphones and Blackberries, ID cards, office access cards, keys, computers, and all copies of the foregoing, whether or not containing Confidential Information, that have come into your possession or been produced by you in connection with your employment ("**Property**"), have been and remain the sole property of the Company or its affiliates, as applicable. You agree that you will return all such Property to the Company on the Separation Date or at any other time up on the Company's request. Notwithstanding the above, you shall be entitled to retain your cellphone and company computer subject to the removal

of any Company Confidential Information. In addition, the Company will work with you to port the cellphone number to your personal account.

8. General Release and Waiver of Claims.

(a) Subject to the provisions of the second paragraph of Section 8(b) of your Employment Agreement (your rights described therein referred to herein as the "**Protected Rights**"), you, your heirs, successors, and assigns, hereby knowingly and voluntarily promise, release and forever discharge the Company and its affiliates, together with all of their respective current and former officers, directors, agents, representatives and employees, and each of their predecessors, successors and assigns (collectively, the "**Releasees**"), from any and all debts, demands, actions, causes of actions, accounts, covenants, contracts, agreements, claims, damages, omissions, promises, and any and all claims and liabilities whatsoever, of every name and nature, known or unknown, suspected or unsuspected, both in law and equity ("**Claims**"), which you ever had, now have, or may hereafter claim to have against the Releasees by reason of any matter, cause or thing whatsoever arising from the beginning of time to the time you sign this Agreement (the "**Release**"). This Release shall apply to any Claim of any type, including, without limitation, any and allClaims of any type that you may have arising under the common law, under Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, Section 1981 of Title 42 of the United States Code, the Age Discrimination in Employment Act of 1967 ("**ADEA**"), the Older Workers Benefit Protection Act ("**OWBPA**"), the Americans With Disabilities Act of 1990, the Family and Medical Leave Act of 1993, the Genetic Information Nondiscrimination Act, the Fair Labor Standards Act, the Employee Retirement Income Security Act of 1974, the Sarbanes-Oxley Act of 2002, the Equal Pay Act, the Rehabilitation Act of 1973, the Worker Adjustment and Retraining Notification Act, the Occupational Safety and Health Act, the Uniformed Services Employment and Reemployment Rights Act, the Fair Credit Reporting Act, the New York State Human Rights Law, the New York City Human Rights Law, the New York Labor Code, the New York State Worker Adjustment and Retraining Notification Act, Section 125 of the New York Workers' Compensation Law, and the New York State Constitution, each as amended, and any other federal, state or local statutes, regulations, ordinances or common law, or under any policy, agreement, contract, understanding or promise, written or oral, formal or informal, between any of the Releasees and you, and shall further apply, without limitation, to any and all Claims in connection with, related to or arising out of your employment, or the termination of your employment, with the Company, and all Claims for alleged tortious, defamatory or fraudulent conduct.

(b) Notwithstanding the foregoing, and without limiting the Protected Rights, you understand that the foregoing Release does not serve to waive any claims or rights that, pursuant to law, cannot be waived or subject to a release of this kind, such as: (i) claims for unemployment or workers' compensation benefits; (ii) rights to vested benefits under any applicable retirement plan; and/or (iii) claims arising under or to enforce this Agreement. In addition, nothing in this Agreement limits or waives your right, pursuant to the OWBPA, to seek a judicial determination of the validity of the Agreement's waiver of claims under the. Moreover, the foregoing Release does not affect any right to file an administrative charge with the Equal Employment Opportunity Commission ("**EEOC**") or parallel agency or to participate in an EEOC or agency investigation, subject to the restriction that if any such charge is filed, you agree not to violate the confidentiality provisions of this Agreement and further agree and covenant that should you or any other person, organization, or other entity file, charge, claim, sue or cause or permit to be filed any

EEOC charge, civil action, suit or legal proceeding against the Releasees involving any matter occurring at any time subject to the Release, you will not seek or accept any personal relief (including, but not limited to, monetary award, recovery, or settlement) in such charge, civil action, suit or proceeding.

(c) Subject to the Protected Rights, you hereby represent and warrant that you have not filed or caused to be filed any complaints, charges or lawsuits against the Company or any of the Releasees, and that no such complaints, charges or lawsuits are pending. You further represent and warrant that you have made no assignment or transfer of any Claims subject to this Release.

(d) The Company acknowledges that, as of the date of this Agreement, the Company is not aware of any Claims that it could bring against you.

9. Reserved.

10. No Re-Employment. You agree that the employment relationship will be permanently and irrevocably severed as of the Separation Date and that you will not reapply or otherwise seek employment with the Company at any time in the future. You further agree that if you do seek reemployment or any other business arrangement with the Company, a rejection by the Company of your application or inquiry will not constitute a violation of this Agreement and Release or a violation of law in any manner whatsoever.

11. Non-Disparagement. Except with respect to the Protected Rights, you agree not to make, or knowingly cause to be made, and the Company shall use reasonable endeavors to ensure that its employees, Board of Directors and officers shall not make or knowingly cause to be made, any statement or communication, written or oral, with the intention of disparaging or otherwise impugning each other and you agree not to make, or knowingly cause to be made any statement or communication, written or oral, with the intention of disparaging or otherwise impugning the business or management of the Company or any of its affiliates, or any of their respective officers, directors, agents, representatives or employees. You further agree not to make, or knowingly cause to be made, any statement or communication, written or oral, with the intention of damaging the business or reputation of the Company or any of its affiliates, or the personal or business reputations of any of their respective officers, directors, agents, representatives or employees, or of interfering with, impairing or disrupting the normal operations of the Company or any of its affiliates.

12. Non-Competition and Non-Solicitation of Customers and Employees. Because of your access to Confidential Information and to protect the legitimate business interest of the Company, Payoneer Global Inc. and of such other subsidiaries and secondary subsidiaries of the Company and Payoneer Global Inc. (the "**Company Group"**) and in exchange for the valuable consideration provided in this Agreement, you agree that:

(a) the provisions of Section 8(a) of the Employment Agreement in respect to your obligation not to compete with the business of the Company and/or Payoneer Global Inc. (the "**Non-Compete Provisions**") will apply during the Residual Period and during any Additional Board Term, which period shall be deemed the Restricted Period as contemplated under Section 8(a) of the Employment Agreement.

(b) in the event that the Residual Period ends earlier than May 31, 2025, as a result of your earlier resignation from the Board of Directors of Payoneer Global Inc., the Company shall have the right but not the obligation, to require that you continue to abide by the Non-Compete Provisions until May 31, 2025, subject to Section 11(c) below.

(c) as consideration for you being subject to the Non-Compete Provisions until May 31, 2025, you will be entitled to either (i) payment of an amount of base salary, as in effect on the date hereof, for the period from the date that you cease to be on the Board of Directors of Payoneer Global, Inc. and May 31, 2025, with such amount to be paid in accordance with the Company's customary payroll practices; or (ii) vesting of Equity Awards that are unvested as of the Separation Date with a value (based on the applicable share price) equal to what would be paid pursuant to clause (i) above;*it being understood* that the Company may elect, in its discretion, which of clauses (i) or (ii) of this Section 11(c) shall apply.

(d) the provisions of Section 8(c) of the Employment Agreement in respect to your obligation of non- interference and non-solicitation will apply during the 12 (twelve) months following the Separation Date.

(e) Cooperation. Following your Separation Date, you agree to cooperate fully with the Company Group concerning reasonable requests for information about the business of the Company Group or your involvement and participation therein or the defense or prosecution of any claims or actions of which you might have knowledge by reason of your employment with the Company. Your full cooperation shall include, but not be limited to, being available to meet and speak with officers or employees of the Company 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 and/or its counsel to effectuate the foregoing. The Company shall reimburse you for all reasonable expenses you incur as a result of any cooperation you are asked to provide the Company Group under this Section 12(e).

13. Acknowledgments.

(a) The Company advises you to consult with an attorney of your choosing concerning the legal significance of this Agreement prior to signing it. You understand and agree that you have the right and have been given the opportunity to review this Agreement and, specifically, the Release in Section 8 above, with an attorney. You also understand and agree that the Company is under no obligation to offer you the arrangements, payments and benefits referenced herein, and that you are under no obligation to consent to the Release. You acknowledge and agree that the arrangements, payments and benefits referenced herein are sufficient consideration to require you to abide with your obligations under this Agreement. You represent that you have read this Agreement, including the Release, and understand its terms and that you enter into this Agreement freely, voluntarily, and without coercion or undue influence from anyone.

(b) You acknowledge and represent that you have been given at least twenty-one (21) days during which to review and consider the provisions of this Agreement, although you may sign and return it sooner if you so desire. You further acknowledge and represent that you have been advised by the Company that you have the right to revoke this Agreement for a period of seven (7) days after signing it (the "**Revocation**

Period”). You acknowledge and agree that, if you wish to revoke this Agreement, you must do so in a writing, signed by you and received by the Company no later than the seventh day of the Revocation Period. If no such revocation occurs, the Release and this Agreement shall become effective on the eighth day following your execution of this Agreement. You further acknowledge and agree that, in the event that you revoke this Agreement, it shall have no force or effect, your right to receive any of the Separation Benefits referenced herein will be null and void and your right to receive such payments and benefits pursuant to this Agreement will be forfeited in their (but not any amounts that you would otherwise be entitled to regardless of whether this Agreement is in effect).

(c) Notices. For the purposes of this Agreement, notices, demands and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when actually received, addressed as follows:

If to the Company:	If to you:
Tsafi Goldman	Scott H. Galit
Chief Legal & Regulatory Officer	134 W 83rd St., Apt 3
Payoneer Global Inc.	New York, NY 10024
150 West 30th Street, Suite 600	
New York, NY 10001	

Or to such other address as a party hereto shall designate to the other party by like notice, provided that notice of a change of address shall be effective only upon receipt thereof.

(d) Section 409A. The parties hereto intend that the amounts payable under this Agreement will be exempt from, or otherwise comply with the requirements of, Section 409A of the Internal Revenue Code of 1986, as amended (the “**Code**”). In addition, you hereby agree and acknowledge that (a) the Company is not making any representations or promises as to the tax consequences of any amounts payable under this Agreement, including with respect to compliance with the requirements under Section 409A of the Code, (b) you are solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for your account in connection with the payments contemplated under this Agreement (including the Separation Benefits), including, without limitation, any taxes or penalties under Section 409A of the Code, and (c) the Company will not have any obligation to indemnify or otherwise hold you (or any beneficiary) harmless from any or all of such taxes or penalties. Your right to receive any installment payments payable hereunder will be treated as a right to receive a series of separate payments and, accordingly, each such installment payment will at all times be considered a separate and distinct payment for purposes of Section 409A of the Code.

Notwithstanding any provision of this Agreement to the contrary, in the event that the Company determines that any amounts payable hereunder will be taxable currently to you under Section 409A(a)(1)(A) of the Code and related Department of Treasury guidance, the Company and you shall cooperate in good faith to adopt such amendments to this Agreement, that they mutually determine to be necessary or appropriate to preserve the intended tax treatment of the benefits provided by this Agreement, to preserve the economic benefits of this Agreement, and to avoid less favorable accounting or tax consequences for the Company.

(e) Withholding. For the avoidance of doubt, any payments made or benefits provided to you under this Agreement will be subject to and reduced by any and all applicable withholding taxes or other amounts required to be withheld by law or by contract.

(f) Validity and Enforcement. It is the intent of the parties that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. In the event that any one or more provisions of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected. Moreover, if any one or more provisions contained in this Agreement shall be held to be excessively broad as to duration, scope, activity or subject, such provisions shall be construed by limiting or reducing them so as to be enforceable to the maximum extent compatible with applicable law. No waiver by either party of any breach by the other of this Agreement shall be deemed a waiver of any other provision or condition at the time or at any prior or subsequent time. This Agreement and the provisions contained in it shall not be construed or interpreted for or against either party because that party drafted or caused to be draft any of its provisions.

(g) Entire Agreement. The terms described in this Agreement, as well as in any agreement or policy specifically referred to herein including but not limited to the Indemnity Agreement and the Indemnity Policies, set forth the entire agreement and understanding of the parties and supersede all prior agreements, arrangements and understandings, written or oral, between the parties. You acknowledge and agree that you are not relying on any representations or promises by any representative of the Company concerning the meaning or any aspect of this Agreement. This Agreement may not be altered or modified other than in writing signed by you and an authorized representative of the Company.

(h) Arbitration. THE PARTIES AGREE THAT ANY AND ALL DISPUTES ARISING OUT OF THE TERMS OF THIS AGREEMENT, THEIR INTERPRETATION, AND ANY OF THE MATTERS HEREIN RELEASED, SHALL BE SUBJECT TO BINDING ARBITRATION, WHICH SHALL BE THE SOLE AND EXCLUSIVE MEANS FOR RESOLVING
SUCH DISPUTES. Such arbitration shall be held in New York City, Borough of Manhattan, State of New York, shall be conducted before a single neutral arbitrator selected by mutual agreement of the parties, and shall be administered by JAMS pursuant to its Employment Rules & Procedures (“JAMS Rules”) and the laws of the State of New York. In the event of any conflict between the JAMS Rules and the procedures set forth in this Section 13(h), the procedures in this Section 13(h) shall control. The arbitrator may grant any legal or equitable remedy or relief that the arbitrator deems just and equitable, including an award of attorneys’ fees to the prevailing party, to the same extent that remedies or relief could be granted by a state or federal court in the United States; provided, however, that the parties agree that punitive damages shall be unavailable in any arbitration under this Agreement. The decision of the arbitrator shall be final, binding and conclusive on all parties and interested persons. Judgment upon the award rendered by the arbitrator may be entered in any federal or state court sitting in the Borough of Manhattan, New York City, New York. The parties hereto shall keep confidential the fact of the arbitration, the dispute being arbitrated and the decision of the arbitrator. Each party shall be responsible for its own costs and expenses, including attorneys’ fees, and each party shall pay an equal share of the arbitrator’s fees. THE PARTIES HEREBY AGREE TO WAIVE THEIR RIGHT TO HAVE ANY DISPUTE BETWEEN THEM RESOLVED IN A COURT OF LAW BY A JUDGE OR JURY. Notwithstanding the foregoing, this Section 13(h) shall not prevent

either party from seeking injunctive relief (or any other provisional remedy) in connection with any breach or threatened breach of Sections 6, 8, 9, 11, or 12, and such action will lie exclusively in the federal and/or state courts sitting in the Borough of Manhattan, New York City, New York.

(i) Governing Law. This Agreement shall be construed in accordance with the laws of the State of New York without regard to conflicts of law principles.

(j) Non-Admission. The Company's offer to you of this Agreement is not, and shall not in any way be deemed or construed at any time as, any admission of liability or of any improper conduct on the part of the Company or any of the Releasees against you or any other person, all of which the Company specifically denies.

(k) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

If the above sets forth our agreement as you understand it and consent to it, please so signify by executing the enclosed copy of this letter and return it to me at the address listed above. This Agreement shall become effective and irrevocable following expiration of the Revocation Period defined above (the "**Effective Date**").

Very truly yours,

Payoneer Inc.

/s/ John Caplan
By: John Caplan

Title: Chief Executive Officer

Agreed to and Accepted:

/s/ Scott Galit
Scott Galit

Dated: Apr 14, 2024

Schedule A

[Omitted]

Schedule B
[Omitted]

Schedule C
[Omitted]

Exhibit 31.1

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: May 8, 2024

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

Exhibit 31.2

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: May 8, 2024

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

Exhibit 32.1

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 March 31, 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: May 8, 2024

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

Exhibit 32.2

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 March 31, 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: May 8, 2024

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