Risk Factors Comparison 2024-02-28 to 2023-02-28 Form: 10-K

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Our business is subject to numerous risks and uncertainties that you should be aware of in evaluating our business. If any such risks and uncertainties actually occur, our business, prospects, financial condition and results of operations could be materially ~~and~~ adversely affected. The risks described below are not the only risks that we face. Additional risks and uncertainties not currently known to us, or that we currently deem to be immaterial may also materially adversely affect our business, prospects, financial condition and results of operations. The risk factors described below should be read together with the other information set forth in this Annual Report, including our consolidated financial statements and the related notes, as well as in other documents that we file with the SEC. Summary of the Material Risks Associated with Our Business These risks include, but are not limited to, the following: ● Our business depends on our strong and trusted brand, and failure to maintain and protect our brand, or any damage to our reputation, or the reputation of our partners, could **have a material** ~~adversely~~ -- **adverse** ~~affect~~ **effect on** our business, financial condition or results of operations. ● Our success depends on our ability to develop products and services to address or adapt to the rapidly evolving markets that we serve, and if we are not able to implement successful enhancements and new features for our platform, products and services, we could lose customers or have trouble attracting new customers, and our ability to grow may be limited. ● Substantial and increasingly intense competition in the worldwide financial services and payments industry, including on pricing and payment alternatives, could **materially** adversely affect our margins, business and results of operations. Competitive activity by our partners and enterprise customers that insource payment services or directly compete against our services could **materially** adversely affect our business. ● If we are unable to renew marketplace and enterprise customer contracts or to adjust certain contract components at favorable terms or we lose a significant enterprise or marketplace customer, or if an **e-** ~~eCommerce~~ **commerce** marketplace were to prevent our customers from using our services to receive payments from such marketplace, our results of operations and financial condition may be **materially** adversely affected. ● We are subject to risks associated with changes in interest rates, which could **materially** adversely affect our results of operations. ● Our failure to manage our customer funds properly could **materially** harm our business. ● Declines in **e-** ~~eCommerce~~ **commerce** utilization generally, and any factors that reduce cross- border trade or cross- border digital commerce, make such trade or commerce more difficult or diminish **e-** ~~eCommerce~~ **commerce** sales and / or limit activity of **e-** ~~eCommerce~~ **commerce** marketplaces, could have a material adverse effect on our business, financial condition and results of operations. ● Inflation can have a ~~significant~~ **material** adverse effect on our business and our customers. ● Failure to effectively deal with bad, fraudulent or fictitious transactions and material internal or external fraud could **materially** negatively impact our business. ● Use of our payment services for illegal purposes could **materially** harm our business. ● Because we rely on third parties to provide services, including financial institutions and payment service providers, we could be **materially** adversely impacted if they fail to fulfill their obligations or if our arrangements with them are terminated and suitable replacements cannot be found on commercially reasonable terms or at all. ● If we fail to comply with the applicable rules and policies of the payment network card schemes or the terms of a payment network card scheme license, they could seek to fine us, suspend us or terminate our participation license, which could **materially** adversely affect our business. ● If we fail to comply with the applicable requirements of our counterparty financial institutions and banking partners, they could seek to suspend or terminate our accounts, which could **materially** adversely affect our business. ● Our business may be **materially** adversely affected by geopolitical and other risks associated with global operations. As we continue to expand internationally, including within emerging markets, we may become more susceptible to these risks. ● **Cyberattacks and security vulnerabilities could result in material harm to our reputation, business, financial condition and results of operations, and** ~~Unauthorized~~ **unauthorized** disclosure, destruction or modification of data, through cybersecurity breaches, computer viruses or otherwise, or disruption of our services, could expose us to liability and / or damage our reputation. ● Our systems and our third- party providers' systems may be subject to system failures or capacity constraints, and resulting interruptions in the availability of our platform, products, or services, including the accessibility of our solutions through mobile devices, could **materially** harm our business. ● Our business is subject to laws, rules, regulations, policies and legal interpretations in the markets in which we operate, including (but not limited to) those governing ~~deposit taking, factoring, stored value,~~ cross- border and domestic money transmission, foreign exchange, privacy, data protection, banking secrecy **, deposit taking, factoring, stored value** and payment services (including payment processing and settlement services). The legal and regulatory requirements applicable to us are extensive, complex, frequently changing, and increasing in number, and may impose overlapping and / or conflicting requirements or obligations. ● ~~Our results of operations may be adversely affected as a result of any decrease in revenue from customers operating in China as a result of regulatory changes or occurrences under other risk factors discussed herein.~~ As a significant portion of our revenue is generated from China, any negative impact to our ability to serve customers based in China could **materially adversely affect our results and** exacerbate the other risks set forth herein. ● Failure to comply with anti- money laundering, anti- bribery, economic and trade sanctions regulations and similar laws, could subject us to penalties and other **material** adverse consequences. ● The trading market for our common stock may be volatile, and the market price and trading volume of our common stock may fluctuate ~~significantly~~ **materially** . The summary risk factors described above should be read together with the text of the full risk factors below and in the other information set forth in this Annual Report, including our consolidated financial statements and the related notes, as well as in other documents that we file with the SEC. If any such risks and uncertainties actually occur, our business, prospects, financial condition and results of operations could be materially ~~and~~ adversely affected. The risks summarized above or described in full below are not the only risks that we face. Additional risks and uncertainties not currently known to us, or that we currently deem to be immaterial may also materially adversely affect our business, prospects, financial condition and results of operations. Risks Related to Our Business and IndustryOur business depends on our strong and trusted brand, and failure to maintain and protect our brand, or any damage to our reputation, or the reputation of our partners, could **have a material** ~~adversely~~ -- **adverse** ~~affect~~ **effect on** our business, financial condition or results of operations. We have developed a strong and trusted brand that has contributed significantly to the success of our business. We believe that maintaining and promoting our brand in a cost- effective manner is critical to achieving widespread acceptance of our products and services and expanding our base of customers. Maintaining and promoting our brand will depend largely on our ability to continue to provide useful, reliable, secure, and innovative products and services, as well as our ability to maintain trust and remain a global payments leader. We may introduce, or make changes to, features, products, services, privacy practices, **pricing,** or terms of service that customers do not like, which may materially ~~and~~ adversely affect our brand. Our brand promotion activities may not generate customer awareness or increase revenue, and even if ~~16they~~ -- **they** do, any increase in revenue may not offset the expenses we incur in building our brand. If we fail to successfully promote and maintain our brand or if we incur excessive expenses in this effort, our business could be materially ~~and~~ adversely affected. We rely on relationships with marketplaces and enterprises to obtain and maintain customers. Our ability to acquire new customers could be materially harmed if we are unable to enter into or maintain these relationships on terms that are commercially reasonable to us, or at all. Harm to our brand can arise from many sources, including failure by us or our partners and service providers to satisfy expectations of service and quality, inadequate protection or misuse of personally identifiable information (" PII "), compliance failures and claims, litigation and other claims, and misconduct by our partners or other counterparties. We have been, from time to time and, may in the future be, the target of incomplete, inaccurate, and misleading or false statements about our company and our business that could damage our brand and deter customers from adopting our services. Any negative publicity about our industry or our company, the quality and reliability of our products and services, our compliance and risk management processes, changes to our products and services, our ability to effectively manage and resolve customer complaints, our privacy, data protection, and information security practices, litigation, regulatory licensing and infrastructure, and the experience of our customers with our products or services could adversely affect our reputation and the confidence in and use of our products and services. If we do not successfully maintain a strong and trusted brand, our business could be materially ~~and~~ adversely affected. ~~Our~~ **14Our** success depends on our ability to develop products and services to address or adapt to the rapidly evolving markets that we serve, and if we are not able to implement successful enhancements and new features for our platform, products and services, we could lose customers or have trouble attracting new customers, and our ability to grow may be limited. The markets for our products and services are characterized by constant and rapid technological changes, frequent introduction of new products and services, and increasing customer expectations. Our ability to update our platform, to enhance our current products and services and to develop and introduce innovative products and services ~~will~~ **can** significantly affect our future success. We may not be successful in developing, marketing or selling new products and services or in updating our platform in a way that meets these demands or achieve market acceptance. We must anticipate and respond to these changes in order to remain competitive within our relevant markets. For example, our ability to provide innovative technology to our customers could have an impact on our pricing and the continued use of our platform, and new services and technologies that we develop may be impacted by industry- wide solutions and standards related to safety and security technologies and various regulatory requirements. If we are unable to anticipate or respond or adapt to technological or regulatory changes or evolving industry standards and demands on a timely basis, our ability to remain competitive could be materially ~~and~~ adversely affected. In addition, the success of certain of our products and services relies, in part, on marketplaces and other third parties offering or allowing the use of our products and services by their customers. If we are unsuccessful in offering products or services that gain market acceptance and compete effectively, or if marketplaces cease to offer or allow our products and services to their merchants or refuse to pay their merchants through our products and services, it would likely have a material adverse effect on our ability to retain existing customers, to attract new ones and to grow profitably. Substantial and increasingly intense competition in the worldwide financial services and payments industry, including on pricing and payment alternatives, could **materially** adversely affect our margins, business and results of operations. Competitive activity by our partners and enterprise customers that insource payment services or directly compete against our services could **materially** adversely affect our business. The global payments industry is highly competitive, rapidly changing, highly innovative, and increasingly subject to regulatory scrutiny and oversight. We compete against a wide range of businesses, including those that are larger than we are, serve consumers as well as businesses to increase revenues, have greater name recognition, longer operating histories, or a dominant or more secure position, or offer other products and services to customers that we do not offer, as well as smaller or younger companies that may be more agile in responding quickly to regulatory and technological changes. Many of the areas in which we compete evolve rapidly with changing and disruptive technologies, shifting user needs, and frequent introductions of new products and services. Competition also may intensify as businesses enter into business combinations and partnerships, which may include periods of exclusivity, and established companies in other segments expand to become competitive with different aspects of our business. In addition, our competitors that are financial institutions or are affiliated with financial institutions may not incur banking fees in connection with providing services similar to ours. Accordingly, these competitors may be able to offer more attractive fees to our current and prospective customers or other services that we do not provide. Competition could result in a loss of existing customers, and greater difficulty attracting new customers. Furthermore, if competition causes us to reduce the fees we charge in order to attract ~~17or~~ **or** retain customers, there is no assurance we can successfully control our costs in order to maintain our profit margins. One or more of these factors could have a material adverse effect on our business, financial condition and results of operations. There are a number of payment service providers that offer global payment services, including global treasury banks that serve large corporate accounts; small local banks that focus on serving local SMBs; FX companies that focus on serving SMB importers and exporters; global digital payment platforms like

PayPal, Ant Group or Wise; global card networks; Neobanks; SMB- focused business- to- business (" B2B ") payment providers like Bill. com; mass payout service providers that specialize in providing services to enterprises and marketplaces, SMB AP / AR SaaS providers; merchant service providers that sell services to marketplaces like Adyen, Braintree and Stripe; and local payment service providers that focus on enabling SMBs in one or more local markets to sell on digital marketplaces globally. In addition, in certain locations, such as China, we face competition from a number of local payment providers. We are also facing competitive pressure from non- traditional payment service providers and other parties entering the payments industry, such as Google, Apple, Alibaba, Amazon and Facebook, who compete in one or more of the functions performed on our payment platform. These companies have significant financial resources and robust networks and are highly regarded by consumers. If these companies gain a greater share of total **e-** ~~eCommerce~~ **commerce** payment transactions or if we are unable to successfully react to changes in the industry spurred by the entry of these new market participants, it could have a material adverse effect on our business, financial condition and results of operations. In addition, cryptocurrencies like Bitcoin and Ethereum; blockchain based payment systems like ~~Ripple~~ **15Ripple** ; and central bank digital currencies, all have the potential to be used to support cross- border payments and could offer alternatives to businesses and other users and become more significant competition in the future. If we are not able to differentiate our products and services from those of our competitors, provide added- value to our customers, or effectively and efficiently align our resources with our goals and objectives, we may not be able to compete effectively in the market. If we are unable to renew marketplace and enterprise customer contracts or to adjust certain contract components at favorable terms or we lose a significant enterprise or marketplace customer, or if an **e-** ~~eCommerce~~ **commerce** marketplace were to prevent our customers from using our services to receive payments from such marketplace, our results of operations and financial condition may be **materially** adversely affected. A portion of our revenues is ~~concentrated among~~ **derived from SMBs that sell on** ~~our~~ - **or through** ~~largest~~ -- **large** marketplaces and enterprise customers **ecosystems** . The loss of business ~~from any one of them~~ **associated or connected with a large marketplace or ecosystem** could **materially** harm our business, results of operations and financial condition **. For example, the payments our customers received from Amazon marketplaces around the world generated 25 % of our revenues during the year ended December 31, 2023, and accordingly, should Amazon change its requirements, impose restrictions on sellers on its platform, or alter our status as an approved payment service provider, our financial condition and results of operations may be materially adversely impacted. For more information, please see Note 2 – Significant Accounting Policies, " Concentration of Risks ", to our consolidated financial statements included in Item 8- Financial Statements and Supplementary Data of this report** . To the extent we renew our existing marketplace and enterprise customer contracts or are required to adjust certain terms or components in existing contracts, such renewals or adjustments may be on less favorable terms than our existing contracts, which can **materially** impact revenue, expenses, profitability, and earnings. For example, in some cases, including arrangements with large enterprise customers, we earn fees at a prescribed rate for only a portion of the contract term and may renegotiate the rate of fees for the remainder of the term **. Additionally** , ~~and~~ **with certain of our enterprise customers,** we utilize certain incentive structures to compensate the marketplace or enterprise for customer acquisition. As a result, the nature and profitability of these ~~arrangement~~ **arrangements** can vary throughout the periods of their term. Due to the variety of our arrangements with customers, and the different components, variability exists which can **materially** impact revenue, expenses, profitability, and earnings ~~. Furthermore, should we not be successful in selling additional solutions, we may fail to achieve our desired rate of growth~~ . Our growth to date has been partially driven by the growth of our customers' businesses. Should the rate of growth of our customers' business slow or decline, this could have ~~an~~ **a material** adverse effect on volumes processed and therefore ~~an adverse effect~~ on our results of operations. In addition, we experience customer attrition as a result of several factors, including business closures, transfers of customer accounts to our competitors and account closures that we initiate. We cannot predict the level of attrition in the future and our revenues could decline as a result of higher than expected attrition, which could have a material adverse effect on our business, financial condition and results of operations. **Furthermore, should we not be successful in selling additional solutions, we may fail to achieve our desired rate of growth. We have a history of net losses, and we may not be able to achieve** ~~For~~ - **or** ~~example,~~ **maintain profitability in** the **future. While we recorded net income for** ~~payments our small business customers received from Amazon marketplaces around the world generated 18 % of our revenues during~~ the year ended December 31, ~~2022~~ **2023** , ~~and accordingly, should Amazon change its requirements, impose restrictions on sellers on its platform, or alter our status as an approved payment service provider, our financial condition and results of operations may be adversely impacted. For more information, please see Note 2 – Significant Accounting Policies, " Concentration of Risk ", to our consolidated financial statements included in Item 8- Financial Statements and Supplementary Data of this report. 18We have a history of net losses,~~ we ~~anticipate increasing expenses in the future, and we may not be able to achieve or maintain profitability in the future. We~~ incurred net losses of $ 12. 0 million ~~,~~ **and** $ 34. 0 ~~million and $ 23. 7~~ million in the years ended December 31, 2022 ~~,~~ **and** 2021 ~~and 2020~~ , respectively. We intend to continue to make significant capital and marketing investments in our business to support and drive growth. Each initiative may not result in increased revenue or growth on a timely basis or at all. Such initiatives include increasing spending on new and existing products and services. If we are unable to generate adequate revenue growth and manage our expenses, our results of operations and operating metrics may fluctuate and we may ~~continue to~~ incur ~~significant~~ **material** losses, which could cause the market price of our common stock to **materially** decline. We are subject to risks associated with changes in interest rates, which could **materially** adversely affect our results of operations. A portion of our earnings **are** ~~derives~~ **derived** from interest income earned on both corporate funds and customer funds. Interest rates are highly sensitive to many factors that are beyond our control, including general economic conditions and **the** policies of various governmental and regulatory agencies and, ~~in~~ **of** particular **relevance for us** , the Federal Reserve. ~~During~~ **Between** 2022 **and 2023** , the Federal Reserve raised the benchmark interest rate by ~~425~~ **525** basis points ~~to combat rising inflation~~ , which benefitted our earnings during ~~such period~~ **the year ended December 31, 2023** . Any future decline in interest rate levels **(as currently anticipated by investment professionals and the**

Federal Reserve to begin occurring in 2024) and / or customer balances may reduce our ability to earn interest income on customer balances and / or corporate funds. While **any** such decline in interest rates may **,** generally **speaking, be expected to** encourage growth in **economic activity** ~~the e- commerce market~~ , ~~it~~ **including consumer and business spending, this** may not be sufficient to offset any adverse effect on our results of operations. ~~Our~~ **16Our** failure to manage our customer funds properly could **materially** harm our business. We hold a substantial amount of funds belonging to our customers, including balances in customer accounts and funds **in process of** being remitted ~~to our customers as sellers of goods and services. In certain jurisdictions where we operate~~ , ~~we~~ **at third party financial institutions. We** hold, and in certain jurisdictions are required to hold and segregate, eligible liquid assets equal to at least 100 % of the aggregate amount of all customer funds held by our licensed **entities** ~~entity in such jurisdiction~~ . Our ability to manage and accurately account for the assets underlying our customer funds and comply with applicable liquid asset requirements and applicable regulations requires a high level of internal controls. As our business continues to grow and we expand our product offerings, we must continue to strengthen our associated internal controls. Our success requires our customers' confidence in our ability to properly manage customer balances and handle large and growing transaction volumes and amounts of customer funds. Any failure to maintain the necessary controls or to appropriately manage our customer funds in compliance with applicable regulatory requirements could result in reputational harm, lead customers to discontinue or reduce their use of our products, and result in significant penalties and fines and additional restrictions, which could materially harm our business. **Since we hold the funds underlying our customer balances with multiple banks globally, we are also subject to the risk described elsewhere in this Risk Factor section that relates to the reliance on services provided by third partiesIn addition, since we transfer large amounts of funds for our customers, our trustworthiness and reputation are fundamental to our business. The occurrence of any operational disruptions or errors due to, for example, software defects, service disruptions, employee misconduct, security breaches, or other similar actions, omissions or errors on our platform could result in material financial losses to our business and our customers, damage to our reputation, or termination of our agreements with financial institutions and partners, each of which could result in loss of customers; lost or delayed market acceptance and sales of our platform; legal claims against us; regulatory enforcement action; or diversion of our resources, including through increased service expenses or financial concessions, and increased insurance costs. There can be no assurance that the insurance we maintain will be available or sufficient to cover any losses. If we suffer significant losses or reputational harm as a result, our business, operating results, and financial condition could be materially adversely affected.** Declines in **e-** ~~eCommerce~~ **commerce** utilization generally, and any factors that reduce cross- border trade or cross- border digital commerce, make such trade or commerce more difficult or diminish **e-** ~~eCommerce~~ **commerce** sales and / or limit activity of **e-** ~~eCommerce~~ **commerce** marketplaces, could have a material adverse effect on our business, financial condition and results of operations. We generate **significant portions of our** ~~volumes~~ - **volume** by processing online payments from marketplaces and **e-** ~~eCommerce~~ **commerce** platforms to merchants and from merchants' utilization of **the** payments they receive. Any decline in **e-** ~~eCommerce~~ **commerce** utilization could **materially** adversely affect our business. The extent of such impact will depend on a variety of highly uncertain factors that could lead to a decrease in **e-** ~~eCommerce~~ **commerce** utilization, including general macroeconomic trends and global economic conditions, such as inflation and ~~a possible recession~~ **recessionary conditions impacting business and consumer spending** , changes in government regulation, users' access to the internet, user preference **, consumer behavior** , actual or perceived online security concerns or the effects of widespread health epidemics. For example, the COVID- 19 pandemic drove a shift in buying patterns from brick and mortar **stores** to e- commerce, ~~but as~~ **while the reopening of** economies ~~have continued to reopen~~ , coupled with ~~recent~~ inflation, supply chain disruptions and consumer purchasing behavior changes, **drove a softening in** e- commerce growth rates ~~have been softening~~ . In addition, cross- border trade (i. e., transactions where the merchant and ~~consumer~~ **buyer** are in different countries) is imperative to our business as a source of revenue and profits. Cross- border transactions generally provide **payment providers** higher revenues and operating income than similar transactions that take place within a single country or market. Cross- border trade also represents our primary (and in some cases, our only) presence in certain important markets. Cross- border trade is subject to, and may be negatively impacted by, foreign currency exchange rate fluctuations **as well as other macro- economic conditions and governmental and other actions that restrict or otherwise impact such cross- border trade** . In addition, the interpretation and application of laws of multiple jurisdictions (e. g., the jurisdiction of the merchant and of the ~~consumer~~ **buyer**) are often extremely complicated in the context of cross- border trade and foreign exchange. Changes to or the interpretation and / or application of laws and regulations applicable to cross- border trade and foreign exchange could further impose additional requirements and restrictions, increase costs, and present conflicting obligations. Any factors that increase the costs of cross- border trade for us or our customers or that restrict, delay, or make cross- border trade more ~~19difficult~~ -- **difficult** or impractical, such as trade policy or higher tariffs, and general macroeconomic trends and global economic conditions, could reduce our cross- border transactions and volume, **materially and** negatively impact our revenues and profits and **materially** harm our business. ~~Inflation~~ **17Inflation** can have a ~~significant~~ **material** adverse effect on our business and our customers. Inflation can have a major impact on our operations. Inflation decreases the value of money and can erode the purchasing power of individuals and businesses, making it more difficult for them to afford goods and services, and requiring them to spend a larger share of their wallet on essential purchases. Therefore, the growth in the e- commerce market and cross border- trading may be adversely affected by **a** ~~an environment of~~ high inflation ~~rates~~ **environment** , such as the one **seen** ~~recorded recently~~ in the U. S. **in recent years** , and subsequently the volumes flowing through our platforms and earnings **can be materially adversely impacted** . Additionally, high or rapidly increasing inflation can also lead to uncertainty and instability in financial markets in general, which can **materially** adversely impact our financial performance. **Global pandemics and other major public health crises may materially impact our business, results of operations and financial condition. Global pandemics, such as the** COVID- 19 **pandemic,** and ~~its variants~~ **other global public health issues** may ~~continue to~~ **adversely and variably** impact our **operations and the operations of our customers**

and business **partners locally and globally, and therefore our business** , results of operations **,** and financial condition **. For example** , **during the height of the COVID- 19 pandemic, we were adversely affected by a decline in global travel and volatile global economy, while at the same time benefited from** ~~and~~ - **an** ~~the~~ **increase in e- commerce transactions. The** extent **and materiality** of such impact will depend on ~~future~~ developments **that** ~~, which~~ are highly uncertain and ~~cannot be predicted. Global health concerns relating to COVID- 19 and related government actions taken to reduce the spread of the virus have been weighing on the macroeconomic environment since 2020, and have significantly increased economic uncertainty and reduced economic activity in the last three years. Small businesses, which constitute a large part of our customers, have been impacted particularly hard during such time. The COVID- 19 pandemic has resulted in government authorities and businesses implementing numerous measures to try to contain the virus, such as travel bans and restrictions, quarantines, shelter in place or total lock- down orders, school closures, and business limitations and shutdowns, some have already been rescinded. Such measures have significantly impacted global supply and demand. The outbreak and its variants may continue to adversely and variably impact our operations and the operations of our customers and business partners locally and globally, and therefore our business, results of operations, and financial condition. The extent of such impact depends on developments that continue to be highly uncertain and~~ difficult to predict, including, but not limited to, the duration, location and spread of **an** ~~outbreaks~~ - **outbreak or crises** , ~~their~~ **its** severity, the actions to contain the ~~virus~~ **pandemic or crises** or treat its impact **, the way an outbreak and the remedial measures taken in response affect consumer sentiment and spending behavior** , and how quickly and to what extent normal economic and operating conditions can resume ~~each time~~ . As our revenue has increased, our growth rate has slowed at times in the past and may slow or decline in the future. Future revenue growth depends on our ability to retain existing customers, attract new customers, and increase sales to both new and existing customers. Our rate of revenue growth has slowed at times in the past and may decline in the future, and it may slow or decline more quickly **or materially** than we expect for a variety of reasons, including as a result of the risks described herein. Our customers have no obligation to continue to use our services, and we cannot assure you that they will. The difficulty and costs associated with switching to a competitor may not be significant for many of the services we offer. Our customers' payment processing activity with us may decrease for a variety of reasons, including customers' level of satisfaction with our products and services, our pricing and the pricing and quality of competing products or services, the effects of global economic conditions, or reductions in the level of buyers transacting with our customers. In addition, the growth of our business depends in part on existing customers expanding their use of our products and services. If we are unable to encourage customers to broaden their use of our services, our growth may slow or stop, and our business may be materially ~~and~~ adversely affected. The growth of our business also depends on our ability to attract new customers, to encourage larger customers to use our products and services, and to introduce successful new products and services. We have invested and will continue to invest in improving our platform in order to offer better or new features, products and services, but if those features, products and services fail to be successful, our growth may **materially** slow or decline. Failure to effectively deal with bad, fraudulent or fictitious transactions and material internal or external fraud could **materially** negatively impact our business. We have been, and may in the future be, subject to liability for fraudulent transactions, including electronic payments and card transactions or credits initiated by customers. Examples of fraud include when a party knowingly uses a stolen or counterfeit credit, debit or prepaid card, card number or other credentials to record a false sales transaction, processes an invalid card or intentionally fails to deliver the merchandise or services sold in an otherwise valid transaction. In addition, we are subject to the risk that our employees, counterparties or third- party service providers commit fraudulent activity against us or our customers. Criminals are using ~~20increasingly~~ -- **increasingly** sophisticated methods to engage in illegal activities such as counterfeiting, account takeover and fraud. It is possible that incidents of fraud could increase in the future. Failure to effectively manage risk and prevent fraud, or otherwise effectively administer our chargeback responsibilities, would increase our chargeback liability, exposure to fines or other liabilities. Increases in chargebacks, fines or other liabilities could have a material adverse effect on our business, results of operations and financial condition. ~~Use~~ **18Use** of our payment services for illegal purposes could **materially** harm our business. Our payment system is susceptible to potentially illegal or improper uses, including money laundering, terrorist financing, illegal online gambling, fraudulent sales of goods or services, illegal sales of marijuana and related business products, pharmaceuticals, cigarettes, weapons, obscene or pornographic materials, or the facilitation of other illegal activity. The use of our payment system for illegal or improper uses has and may from time to time subject us to fines, claims, or government and regulatory investigations, inquiries, or requests that could result in liability and reputational harm for us. Moreover, certain activity that may be legal in one jurisdiction may be illegal in another jurisdiction, and a customer may be found responsible for intentionally or inadvertently importing or exporting illegal goods, resulting in liability for us. Changes in **applicable** ~~law~~ **laws and regulations** have increased the penalties for intermediaries providing payment services for certain illegal activities, and government authorities may consider additional payments- related proposals from time to time. Owners of intellectual property or government authorities may seek to bring legal action against providers of payments solutions, including Payoneer, that ~~are peripherally involved~~ **may provide payment services** in **connection with** the sale of products that actually or allegedly infringe, misappropriate or otherwise violate intellectual property. Any threatened or resulting claims could result in reputational harm, and any resulting liabilities, loss of transaction volume, or increased costs could **materially** harm our business. Because we rely on third parties to provide services, including financial institutions and payment service providers, we could be **materially** adversely impacted if they fail to fulfill their obligations or if our arrangements with them are terminated and suitable replacements cannot be found on commercially reasonable terms or at all. We depend on third- party service providers and vendors for certain products and services, including components of our computer systems, software, data centers, risk tools and telecommunications networks, to conduct our business. Any changes in these systems that degrade the functionality of our products and services, impose additional costs or requirements, or give preferential treatment to competitors' services, including their own services, could materially ~~and~~ adversely affect usage of our products and services. We are also dependent on our relationships with a number of third- party financial institutions and payment processors for services such as payment, processing and clearing and settlement for the transactions we service. In the event our agreement with a third- party financial institution or non- financial institution is terminated, or if upon its expiration we are unable to renew the contract on terms favorable to us, or at all, it may be difficult for us to replace these services which may **materially** adversely affect our operations and profitability. Some of these organizations and third- party service providers provide similar services and technology to our competitors, and we do not have long- term or exclusive contracts with them. Our systems and operations or those of our third- party service providers and software providers could be exposed to damage or interruption from, among other things, fire, natural disaster, power loss, telecommunications failure, unauthorized entry, computer viruses, denial- of- service attacks, **cyber attacks,** acts of terrorism, human error, vandalism or sabotage, financial insolvency, bankruptcy and similar events. In addition, we may be unable to renew our existing contracts with our most significant service providers or they may stop providing or otherwise supporting the products and services we obtain from them, and we may not be able to obtain these or similar products or services on the same or similar terms as our existing arrangements, if at all. The failure of our third- party service providers to perform their obligations and provide the products and services we obtain from them in a timely manner for any reason could **materially** adversely affect our operations and profitability due to, among other consequences: loss of revenues; loss of customer data, including PII; fines imposed by payment networks; harm to our business or reputation resulting from negative publicity; exposure to fraud losses or other liabilities; additional operating and development costs; or diversion of management, technical and other resources. In addition, we depend on counterparty financial institutions and payment service providers to support our operations. We have significant amounts of cash, cash equivalents, receivables and other current assets outstanding, **including assets underlying our customer balances** and other investments on deposit or in accounts with banks or other financial institutions in the United States and other countries in which we operate. We regularly monitor our exposure to counterparty credit risk, and actively manage this exposure to mitigate the associated risk. Despite these efforts, we may be, and have been, exposed to the risk of default by, or deteriorating operating results or financial condition or failure of, these counterparty financial institutions. The risk of counterparty default, deterioration, or failure may be heightened during economic downturns and periods of uncertainty in the financial markets. If one or more of our counterparties were to become insolvent or file for bankruptcy, our ability to recover losses incurred as a result of default or to access or recover our assets that are deposited, held in ~~21accounts~~ -- **accounts** with, or otherwise due from, such counterparty may be limited by the counterparty' s liquidity or the applicable laws governing the insolvency or bankruptcy proceedings, **as has previously occurred,** and we could incur significant losses or suffer reputational damage, which could **materially and** negatively impact our results of operations and financial condition. ~~If~~ **19If** we fail to comply with the applicable rules and policies of the payment network card schemes or the terms of a payment network card scheme license, they could seek to fine us, suspend us or terminate our participation license, which could **materially** adversely affect our business. Payoneer (through ~~one of~~ our subsidiaries), is licensed by Mastercard as a card issuer **and** ~~. In addition, Payoneer (through another subsidiary),~~ is engaged with other Mastercard- licensed card issuers and is registered as a card program manager. ~~We are~~ **Payoneer is** also **(through subsidiaries)** registered as a payment facilitator with Mastercard and Visa **and is** ~~in connection with the Payoneer Checkout Service. Finally, for the provision of our bill payment service, we are~~ engaged and registered with several acquirers as **a** ~~merchants~~ - **merchant** . As such, we are subject to card association and network rules that could subject us to a variety of fines or penalties that may be levied by the card associations or networks for certain acts or omissions by us. In addition, we are subject to the Payment Card Industry (" PCI ") Data Security Standard enforced by the major card brands, and are listed with Mastercard as an SDP compliant service provider. **The failure** ~~If we fail~~ to comply with these rules **can result in the imposition of monetary fines** , ~~we~~ **which** could be ~~fined~~ **material,** and our member registrations or certifications could be suspended or terminated. The suspension or termination of our member registrations or certifications, or any changes to the association and network rules, that we do not successfully address, or any other action by the card networks to restrict our ability to process transactions over such networks, could limit our ability to provide transaction processing services to customers and result in a reduction of revenue or increased costs of operation, which, in either case, could have a material adverse effect on our business and results of operations. Our removal from networks' lists of Data Security Standard compliant service providers could mean that existing customers, partners or other third parties may cease using or referring our services. Also, prospective customers, partners or other third parties may choose not to consider us for their processing needs. In addition, the card networks could refuse to allow us to process through their networks. Any of the foregoing could materially adversely impact our business, financial condition or results of operations. Changes to these network rules or how they are interpreted could have a ~~significant~~ **material** impact on our business and financial results. For example, from time to time, card associations and debit networks, including the card networks which we operate under, increase the processing and other fees (including what is commonly known as " interchange fees ") that they charge. It is possible that competitive pressures will result in us absorbing a portion of such increases in the future, or result in us not being able to increase our own fees, which would increase our operating costs, reduce our profit margin, limit our growth, and **may materially** adversely affect our business, results of operations and financial condition. In addition, the various card associations and networks prescribe certain capital requirements. Any increase in the capital level required would further limit our use of capital for other purposes. Future changes to or interpretations of the network rules that are inconsistent with the way we currently operate may require us to make changes to our business that could be costly or difficult to implement. If we fail to make such changes, the networks could pass on fines and assessments in respect of fraud or chargebacks related to our customers or disqualify us from processing transactions if satisfactory controls are not maintained, which could have a material adverse effect on our business, financial condition and results of operations. If we fail to comply with the applicable requirements of our counterparty financial institutions and banking partners, they could seek to suspend or terminate our accounts, which could **materially** adversely affect our business. We rely on agreements and relationships with banks and other financial institutions in jurisdictions in which we serve customers to collect, hold and disburse our customers' funds. These agreements and relationships with banks and financial institutions may give them substantial discretion in approving certain aspects of our business practices, including our application and qualification procedures for customers and require us to comply with certain legal and operational requirements ~~. In the United States, Mastercard and other payment network rules require us to be sponsored by a member bank in order to process electronic payment transactions. Because we are not a United States bank, we are unable to directly access these payment networks in the United States. We are currently registered with the Mastercard and other payment networks through our partnering bank in the United States, in connection with our virtual corporate purchasing cards in the United States. Our current agreement with our partnering bank expires in 2025~~ . Our financial institution partners' discretionary actions under these agreements and relationships could impose material limitations to, or have a material adverse effect on, our business, financial condition and results of operations. Without these relationships, we would not be able to process payments or settle transactions in relevant markets, which would have a material adverse effect on our business, financial condition and results of operations. Furthermore, our financial results could be **materially** adversely ~~22affected~~ -- **affected** if our costs associated with such relationships materially change or if any penalty or claim for damages is imposed as a result of our breach of the agreement with them or their other requirements. ~~Our~~ **20Our** business may be **materially** adversely affected by geopolitical and other risks associated with global operations. As we continue to expand internationally, including within emerging markets, we may become more susceptible to these risks. Our business is subject to risks associated with doing business internationally. Operating in or providing services to customers in foreign countries, including Israel, Greater China and other Asian countries, Ukraine and other European countries, subjects us to multiple risks **that may have a material adverse effect on our results of operations** , including: ● geopolitical events, including acts of war, nationalism and terrorism, natural disasters, public health issues (such as the COVID- 19 pandemic and its variants), social unrest or human rights issues; ● differing local product preferences and product requirements; ● partial or total expropriation of international assets; ● economic sanctions and trade protection measures, including tariffs or import- export restrictions **, or boycott** ; ● differing enforceability and protection of intellectual property and contract rights; ● different, uncertain, or more stringent user protection, data protection, privacy, and other laws; and ● potentially negative consequences from changes in or interpretations of tax laws or policies. For example, the war in Ukraine and the subsequent economic sanctions imposed on Russia **, Belarus** and certain territories in Ukraine have, and may continue to negatively impact our revenue derived from services provided to customers from ~~these~~ **impacted** countries. In addition, our banking partners ceased their operations in Russia, and subsequently we ceased to provide services to customers in Russia **, and we have limited our payment services to Belarus customers** . It is not possible to predict the broader consequences of this conflict, but the continuation or **further** escalation of the conflict, along with any expansion to surrounding areas, may have a ~~significant~~ **material adverse** effect on our results of operations. Additionally, ~~a significant number~~ **approximately 60 %** of our **global** ~~employees~~ **employee base** , including certain management members **and approximately 80 % of our research and development resources** , are employed by our Israel subsidiary, Payoneer Research & Development Ltd. ~~, and, accordingly~~ **Accordingly** , political, economic **, military** , and regional conflict conditions in Israel and the surrounding region may directly affect our business and operations. **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 northern border. The evolving conflict is likely to impact economic activity in the region and could impact revenues from customers located in the region. Our operations could also be disrupted by the prolonged absence of a large number of employees due to Israel military service call- ups. 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. While revenues derived from customers based in Israel were insignificant for the year ended December 31, 2023 and at this time, an insignificant portion of our Israeli workforce have been called to military reserve duty; and while we have business continuity plans in place, including contingencies to cover impacted roles and technology infrastructure redundancy — any further escalation, expansion, or prolonged continuation of the ongoing conflict has the potential to impact our operations as well as the broader global economy and may have a material adverse effect on our results of operations.** Violations of the complex foreign and United States laws, rules and regulations that apply to our international operations, including violations of any sanctions, ~~may~~ **can** result, as applicable, in fines, criminal actions, or sanctions against us, our officers, or our ~~colleagues~~ **employees, or other enforcement actions** ; prohibitions **or limits** on the conduct of our business; **the diversion of operational resources;** and damage to our reputation. **Our** ~~Although we have implemented~~ policies and procedures **may not be effective in preventing** ~~designed to promote compliance with these laws,~~ violations by our ~~colleagues~~ **employees** , contractors, vendors or agents ~~could nevertheless occur~~ . These risks are inherent in our international operations and their expansion may increase our costs of doing business internationally, and could **materially** harm our business **, results,** and reputation. In addition, we may from time to time undertake projects and make investments in countries in which we have little or no previous investment or operating experience. We may not be able to fully or accurately assess the risks of investing in such countries, or may be unfamiliar with the laws and regulations in such countries governing its investments and operations. As a result, we may be unable to effectively implement our strategy in new jurisdictions. Investment opportunities in certain jurisdictions also may be restricted by legal limits on foreign investment in local assets or classes of assets. ~~We~~ **21We** are dependent upon consumers' continued and unimpeded access to the internet, and upon their willingness to use the internet for commerce. Our success depends upon the general public' s ability to access the internet and its continued willingness to use the internet as a means to pay for purchases, communicate, research and conduct commercial transactions, including through mobile devices. The adoption of any laws or regulations that adversely affect the growth, popularity or use of the internet, including changes to laws or regulations impacting internet neutrality, could decrease the demand for our products **and services** , increase our operating costs, or otherwise **materially** adversely affect our business. Given uncertainty around these rules, we could experience discriminatory or anticompetitive practices that could impede both our and our merchants' growth, increase our costs or **materially** adversely affect our business. If consumers or merchants become unable, unwilling or less willing to use the internet for commerce for any reason, including lack of access to high- speed communications equipment, congestion of traffic on the internet, internet outages or delays, disruptions or other damage to merchants' ~~23and~~ -- **and** consumers' computers, increases in the cost of accessing the internet and security and privacy risks or the perception of such risks, our business could be **materially** adversely affected. **Cyberattacks and security vulnerabilities could result in material harm to our reputation, business, financial condition and results of operations, and** ~~Unauthorized~~ **unauthorized** disclosure, destruction or modification of data, through cybersecurity breaches, computer viruses or otherwise, or disruption of our services, could expose us to liability and / or damage our reputation. We are subject to a number of legal requirements, regulations, contractual obligations and industry standards regarding security, data protection and privacy and any failure to comply with these requirements, regulations, obligations or standards could have ~~an~~ **a material** adverse effect on our reputation, business, financial condition and operating results. In conducting our business, we collect, process, transmit, store, use and share sensitive business information and PII about our customers, financial institution partners, vendors, and other parties. This information may include account access credentials, credit and debit card numbers, bank account numbers, social security numbers, passport / ID numbers, driver' s license numbers, names and addresses and other types of sensitive business information or PII, including copies of documents thereof. Some of this information is also collected, processed, stored, used, shared and transmitted by our software and financial institution partners, third- party service providers to whom we outsource certain functions and other vendors. We have certain responsibilities to payment networks and their member financial institutions for any failure, including the failure of our associated third- party service providers, to protect this information. Information security risks for financial and technology companies such as ours have significantly increased in recent years in part because of the proliferation of new technologies, the use of the Internet and telecommunications technologies to conduct financial transactions, and the increased sophistication and activities of organized crime, hackers, terrorists and other external parties. Because of our position in the payments value chain, we believe that we are likely to continue to be a target of such threats and attacks. Additionally, geopolitical events and resulting government activity could also lead to information security threats and attacks by affected jurisdictions and their sympathizers. **As artificial intelligence capabilities continue to evolve, they may be used to identify vulnerabilities and craft sophisticated cybersecurity attacks. Vulnerabilities may be introduced from the use of artificial intelligence by us, our customers, vendors and other business partners and third- party providers.** If these attempts are successful it could lead to the compromise of sensitive or confidential business information or PII. In addition, our products ~~and~~ **,** services **and customers** may themselves be targets of cyberattacks that attempt to sabotage or otherwise disable them, ~~or~~ **and** the defensive and preventative measures we take ultimately may not be able to effectively detect, prevent, or protect against or otherwise mitigate losses from all cyberattacks. ~~Despite significant efforts to create security barriers against such threats, it is virtually impossible for us to eliminate these risks entirely.~~ Any such breach **or attack** could compromise our platform, creating system disruptions or slowdowns and exploiting security vulnerabilities of our products and services. Additionally, in case of such breach, the information stored on our platform could be accessed, publicly disclosed, lost, or stolen, which could subject us to substantial liability and cause us **material** financial harm. These breaches, or any perceived breach, may also result in damage to our reputation, negative publicity, loss of key business relationships and sales, increased costs to remedy any problem (including repairing system damage, increasing security protection costs by deploying additional personnel and modifying or enhancing our protection technologies and investigating and remediating any information security vulnerabilities) **,** regulatory inquiries and investigations, customer complaints and costly litigation and legal expenses, and may therefore adversely impact market acceptance of our products and ~~seriously~~ **materially adversely** affect our business, financial condition or results of operations. We have in the past, and may in the future, be the target of malicious third- party attempts to identify and exploit system vulnerabilities, and / or penetrate or bypass our security measures, in order to gain unauthorized access to our platform and systems. If these attempts are successful it could lead to the compromise of sensitive or confidential business information or PII. **The** ~~While we proactively employ multiple methods at different layers of our~~ systems **and procedures we have in place** to defend against intrusion and attack and to protect our data **may not** ~~, we cannot~~ be ~~certain that these measures are~~ sufficient to counter all current and emerging technology threats. ~~Our~~ **22Our** computer systems and the computer systems of our third- party service providers and software partners have been, and in the future could be, subject to breaches, and our data protection measures may not prevent unauthorized access. While we believe the procedures and processes we have implemented to handle an attack are adequate, the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently and are often difficult to detect. In addition, increased remote operations creates an additional risk of attack while decreasing our ability to monitor. Threats to our systems and associated third- party systems can originate from human error, fraud or malice on the part of employees or third- parties, or simply from accidental technological failure. Computer viruses and other malware can be distributed and could infiltrate our systems or those of third- party service providers. In addition, denial of service **attacks, phishing scams, social engineering, ransomware theft, cyber- attacks created through or due to use of artificial intelligence** or other attacks could be launched against us **or our customers** for a variety of purposes, including to interfere with our services or create a diversion for other malicious activities. Our defensive measures **and training** may not prevent unplanned downtime, unauthorized access or unauthorized use of sensitive business data or PII. While we maintain cyber errors and omissions insurance coverage that covers certain aspects of cyber risks, our insurance coverage may be insufficient to cover all losses. The successful assertion of one or more large claims against us in this regard that exceed our available insurance coverage, or the ~~24occurrence~~ -- **occurrence** of changes in our insurance policies, including premium increases or the imposition of large deductible or co- insurance requirements, could **have a material** ~~adversely~~ -- **adverse** ~~affect~~ **effect on** our reputation and our business, financial condition and results of operations. We also cannot ensure that our existing insurance coverage will continue to be available on acceptable terms or will be available in sufficient amounts to cover one or more large claims related to a security incident or breach, or that the insurer will not deny coverage as to any future claim.

Further, while we select our third- party service providers carefully, we do not control their actions. Any problems experienced by these third- parties, including those resulting from breakdowns or other disruptions in the services provided by such parties or cyber- attacks and security breaches, could **materially** adversely affect our ability to service our customers or otherwise conduct our business **. Further, use of technologies based on artificial intelligence by our employees, whether authorized or unauthorized, may increase the risk that PII, our intellectual property and other proprietary information will be unintentionally disclosed, compromised, or that we may infringe on the intellectual property rights of others** . We could also be subject to liability for claims relating to misuse of PII, such as unauthorized marketing purposes and violation of consumer protection or data privacy laws. In addition, federal ~~and~~ **,** state **and foreign rules and** regulations may require us to notify individuals of data security incidents involving certain types of PII or information technology systems. We cannot provide assurance that the contractual requirements related to security and privacy that we impose on our service providers who have access to customer data will be followed or will be adequate to prevent the unauthorized use or disclosure of such data. In addition, we have agreed in certain agreements to take certain protective measures to ensure the confidentiality of customer data. The costs of systems and procedures associated with such protective measures may increase and could adversely affect our ability to compete effectively. Any failure to adequately enforce or provide these protective measures could result in liability, protracted and costly litigation, governmental and card network intervention and fines and, with respect to misuse of PII of our customers, lost revenue and reputational harm. Any type of security breach, attack or misuse of data, whether experienced by us or an associated third- party, could harm our reputation or deter existing or prospective customers from using our services, increase our operating expenses in order to contain and remediate the incident, expose us to unbudgeted or uninsured liability, disrupt our operations (including potential service interruptions), divert management focus away from other priorities, increase our risk of regulatory scrutiny, result in the imposition of penalties and fines under state, federal and foreign laws or by card schemes and adversely affect our regulatory licenses and banking relationships. Further, if we were to be removed from networks' lists of Payment Card Industry Data Security Standard, our existing customers and financial institution partners or other third parties may cease using our services. We are subject to risks relating to...... be materially and adversely affected. 25Failure -- **Failure** to protect, enforce and defend our intellectual property rights may diminish our competitive advantages or interfere with our ability to market and promote our products and services and claims that we infringe, misappropriate or otherwise violate third parties' intellectual property rights could have a material adverse effect on our business. We also use open- source software and may be subject to claims from licensors related to ownership and use rights. Our trademarks, trade names, trade secrets, know- how, proprietary technology and other intellectual property are important to our future success. We believe our trademarks and trade names are widely recognized and associated with quality and reliable service. While it is our policy to protect and defend our intellectual property rights vigorously, we cannot predict whether the steps we take to protect our intellectual property will be adequate to prevent infringement, misappropriation, dilution or other potential violations of our intellectually property rights. We also cannot guarantee that others will not independently develop technology with the same or similar functions to any proprietary technology we rely on to conduct our business and differentiate ourselves from our competitors. Unauthorized parties may also attempt to copy or obtain and use our technology to develop applications with the same functionality as our solutions, and policing unauthorized use of our technology and intellectual property rights is difficult and may not be effective. ~~Furthermore~~ **23Furthermore** , we have in the past and may in the future face trademark registration objections, or claims of infringement, misappropriation or other violation of third- party intellectual property rights that could interfere with our ability to market and promote our brands, products and services. **The risk of future claims of infringement or misappropriation may increase as we deploy artificial intelligence capabilities within our platform.** Any litigation to enforce our intellectual property rights or defend ourselves against claims of infringement of third- party intellectual property rights, even those without merit and regardless of the outcome, could be costly, divert attention of management and may not ultimately be resolved in our favor. Moreover, if we are unable to successfully defend against claims that we have infringed the intellectual property rights of others, we may be prevented from using or required to redesign certain intellectual property, pay substantial amounts to satisfy judgments or settle claims or lawsuits, obtain a license to continue commercializing or using the applicable technologies, products and services, pay substantial royalty or licensing fees, satisfy indemnification obligations that we have with certain parties with whom we have commercial relationships, or may be liable for damages, which in turn could materially adversely affect our business, financial condition or results of operations. While software and other of our proprietary works may be protected under copyright law, we have chosen not to register any copyrights in these works, and instead, primarily rely on protecting our software as a trade secret. In order to bring a copyright infringement lawsuit in the United States, the copyright must be registered with the United States Copyright Office. Accordingly, the remedies and damages available to us for unauthorized use of our software may be limited. We attempt to protect our intellectual property and proprietary information by requiring our employees, consultants and certain of our contractors to execute confidentiality and invention assignment agreements. However, we may not obtain these agreements in all circumstances, and individuals with whom we have these agreements may not comply with their terms. The assignment of intellectual property rights under these agreements may not be self- executing or the assignment agreements may be breached, and we may be forced to bring claims against third parties, or defend claims that they may bring against us, to determine the ownership of what we regard as our intellectual property. In addition, we may not be able to prevent the unauthorized disclosure or use of our technical know- how or other trade secrets by the parties to these agreements despite the existence generally of confidentiality agreements and other contractual restrictions. Monitoring unauthorized uses and disclosures is difficult and we do not know whether the steps we have taken to protect our proprietary technologies will be effective. In addition, we use open- source software in connection with our proprietary software and expect to continue to use open- source software in the future. Some open- source licenses require licensors to provide source code to licensees upon request, prohibit licensors from charging a fee to licensees or require licensors to make available any derivative works of the open- source code on unfavorable terms or at no cost, and we may be subject to such terms. While we try to insulate our proprietary code from the effects of such open- source license provisions, we cannot guarantee we will be successful. Accordingly, we may face claims from others claiming ownership of, or seeking to enforce the license terms applicable to such open- source software, including by demanding release of the open- source software, derivative works or our proprietary source code that was developed or distributed with such software. In addition to risks related to license requirements, use of certain open- source software can lead to greater risks than use of third- party commercial software, as open- source licensors generally do not provide warranties or controls on the origin of software. There is little legal precedent in this area and any actual or claimed requirement to disclose our proprietary source code or pay damages for breach of contract could **materially** harm our business and could help third parties, including our competitors, develop products and services that are similar to or better than ours. These claims could also result in litigation, require us to purchase a costly license or require us to devote additional research and development resources to change our software, any of which ~~would~~ **could** have a **material** negative effect on our business and results of operations. In addition, if the license terms for the open- source code change, we may be forced to re- engineer our software or incur additional costs. ~~26Our~~ -- **Our** products and services may not function as intended due to errors in our or our third- party providers' software, hardware, and systems, product defects, or due to security breaches or human error in administering these systems, which could materially ~~and~~ adversely affect our business. Our services are based on sophisticated software and computer systems and we may encounter delays when developing new applications and services. Further, our or our third- party providers' software may contain undetected vulnerabilities, errors or defects. In addition, we may experience difficulties in installing or integrating our technology on systems or with other programs used by our third- party providers. Defects in our or our third- party providers' software, errors or delays in the processing of electronic transactions or other difficulties could result in interruption of business operations, delay in market acceptance, additional development and remediation costs, diversion of technical and other resources, loss of customers or customer data, negative publicity or exposure to ~~liability~~ **24liability** claims. Although we attempt to limit our potential liability through disclaimers and limitation of liability provisions in our license and other agreements, we cannot be certain that these measures will successfully limit our liability. Additionally, electronic payment products and services, including ours, have been, and could continue to be in the future, specifically targeted and penetrated or disrupted by hackers **, as described elsewhere in this section** . Because the techniques used to obtain unauthorized access to data, products, and services and to disable, degrade, or sabotage them change frequently and may be difficult to detect or remediate for long periods of time, we and our customers may be unable to anticipate these techniques to implement adequate preventative measures to stop them. If we, our customers or third- party service providers are unable to anticipate or prevent these attacks, our customers' businesses may be harmed, our reputation could be damaged, and we could incur significant liability. Our systems and our third- party providers' systems may be subject to system failures or capacity constraints, and resulting interruptions in the availability of our platform, products, or services, including the accessibility of our solutions through mobile devices, could **materially** harm our business. Our systems and those of our third- party providers, including data center facilities, may experience service interruptions, cyberattacks and other security incidents, including as a result of human error, earthquakes, hurricanes, floods, fires, other natural disasters, power losses, disruptions in telecommunications services, fraud, military or political conflicts, terrorist attacks and other geopolitical unrest, computer viruses, changes in social, political or regulatory conditions or in laws and policies, or other changes or events. Our systems and facilities are also subject to break- ins, sabotage, and acts of vandalism. Some of our systems are not fully redundant, and our disaster- recovery planning is not sufficient for all eventualities. In addition, as a provider of payments solutions and other financial services, we are subject to increased scrutiny by regulators that may require specific business continuity and disaster recovery plans and more rigorous testing of such plans. This increased scrutiny may be costly and time- consuming and may divert our resources from other business priorities. We have experienced and will likely continue to experience denial- of- service and other cyberattacks, system failures, security incidents, and other events or conditions that interrupt the availability or reduce the speed or functionality of our products and services. These events may result in **material** loss of revenue. In addition, they could result in significant expense to repair or replace damaged equipment and remedy resultant data loss or corruption. A prolonged interruption in the availability or reduction in the speed or other functionality of our products or services could materially harm our reputation and business. Frequent or persistent interruptions in our products and services could cause customers to believe that our products and services are unreliable, leading them to switch to our competitors or to avoid our products and services, and could permanently harm our reputation and business. Moreover, to the extent that any system failure or similar event results in damages to customers or their businesses, these customers could seek compensation from us for their losses, and those claims, even if unsuccessful, would likely be time- consuming and costly for us to address. A significant natural or man- made disaster could have a material ~~and~~ adverse impact on our business. The insurance we maintain may not be sufficient to compensate us for the potentially significant losses that could result from disruptions to our services. Significant natural or other disasters could also have a material ~~and~~ adverse impact on our sellers, which, in the aggregate, could in turn **materially** adversely affect our results of operations. Our risk management framework, including our counterparty risk management, may not be fully effective in mitigating our risk exposure against all types of risks. We operate in a rapidly changing industry. Accordingly, our risk management policies and procedures may not be fully effective to identify, monitor and manage ~~all~~ risks our business encounters **due to the likelihood and velocity of existing risks occurring and the rise of new risks** . In addition, when we introduce new services, focus on new business types, or begin to operate in markets where we have a limited history of fraud loss, we may be less able to forecast and reserve accurately for those losses. If our policies and procedures are not fully effective or we are not successful in identifying and mitigating ~~27all~~ -- **all** risks to which we are or may be exposed, we may suffer uninsured liability, harm to our reputation or be subject to litigation or regulatory actions that could **materially** adversely affect our business, financial condition or results of operations. For example, if our security measures **prove insufficient** ~~do not succeed~~ , our business may be **materially** adversely affected. In addition, bad actors around the world use increasingly sophisticated methods to engage in illegal activities involving personal data, such as unauthorized use of another' s identity or payment information, account takeover, unauthorized acquisition or use of credit or debit card details and other fraudulent use of another' s identity or information. ~~We~~ **25We** offer our payment services to a large number of customers. We are responsible for vetting and monitoring these customers and determining whether the transactions we process for them are lawful and legitimate. When our products and services are used to process illegitimate transactions, and we settle those funds to recipients and are unable to recover them, we suffer losses and liability. These types of illegitimate, as well as unlawful, transactions can also expose us to governmental and regulatory sanctions in various jurisdictions (including U. S. anti- money laundering and economic sanctions violations). The highly automated nature of, and liquidity offered by, our payment services make us a target for illegal or improper uses, including fraudulent or illegal sales of goods or services, money laundering, and terrorist financing. Identity thieves and those committing fraud using stolen or fabricated credit card or bank account numbers, or other deceptive or malicious practices, including the hacking of bank accounts, can potentially steal significant amounts of money from businesses like ours. In configuring our ~~payment and Working Capital~~ services, we face an inherent trade- off between security and customer convenience. Our risk management policies, procedures, techniques, and processes may not be sufficient to identify all of the risks to which we are exposed, to enable us to mitigate the risks we have identified, or to identify additional risks to which we may become subject in the future. As a greater number of larger merchants **and customers** use our services, we expect our exposure to material **or significant** losses from a single merchant **or customer** , or from a small number of merchants **or customers** , to increase ~~. In addition, when we introduce new services, focus on new business types, or begin to operate in markets in which we have a limited history of fraud loss, we may be less able to forecast and reserve accurately for those losses~~ . Moreover, we rely on third- party service providers, such as non- financial institutions and payment service providers, and our risk management policies and processes may not be sufficient to monitor compliance by such third parties with applicable laws and regulations, including anti- money laundering laws. We may incur significant costs with respect to monitoring third- party service providers. Furthermore, if our risk management policies and processes contain errors or are otherwise ineffective, we may suffer large financial losses, we may be subject to civil and criminal liability, and our business may be materially ~~and~~ adversely affected. Our results of operations may be **materially** adversely affected by changes in foreign currency exchange rates. We are subject to risks related to changes in currency rates as a result of our ~~investments in~~ international operations and from revenues generated in currencies other than the United States dollar. Our results of operations may be **materially adversely** affected by such international operations as a result of changes in foreign currency exchange rates. From time to time, we may utilize foreign currency forward contracts and other hedging instruments to mitigate the market value risks associated with foreign currency- denominated transactions and investments. These hedging strategies may not, however, eliminate all of the risks related to foreign currency translation, and we may forgo the benefits we would otherwise experience if currency exchange rates were to change in our favor. In addition, our ability to optimize foreign exchange revenues as part of the payment delivery process may be adversely affected due to foreign exchange market and regulatory conditions outside of our control, as a result of which revenue and profit may **materially** decrease as compared to prior periods. In addition, we may become subject to exchange control regulations that restrict or prohibit the conversion of our foreign revenue currencies into United States dollars. Any of these factors could decrease the value of revenues and earnings we derive from our international operations and have a material adverse effect on our business. Changes and evolving requirements in tax laws or their interpretation, including as applied to us and our customers, could **have a material** ~~adversely~~ -- **adverse** affect **on** our business. As a multinational organization operating in multiple jurisdictions, including but not limited to the U. S., the EU, the UK, Israel and Hong Kong, we **are** ~~may be~~ subject to increasingly complex tax laws and regulations in several jurisdictions, the application of which can be uncertain. The amount of taxes we are required to pay in these jurisdictions could increase substantially as a result of changes in the applicable tax principles, including increased tax rates, new tax laws, or revised interpretations of existing tax laws, potential disputes around transfer prices implemented and precedents, which could have a material adverse effect on our business. Such material adverse effect may include the value of any tax loss carryforwards, tax credits recorded on our balance sheet, the amount of our cash flow, our liquidity, financial condition and results of operations. **An increasing number of jurisdictions have enacted, or are planning to enact, tax legislation consistent with the Organization for Economic Co- operation and Development' s (" OECD ") proposal for a global minimum tax of 15 % on reported profits (Pillar Two of the OECD Model Rules). Such legislation is intended to increase revenues from taxes and is generally effective for tax years beginning in January 2024. Our effective tax rate and cash tax payments may be adversely affected in future years as a result of these changes.** ~~28Many~~ -- **Many** of the jurisdictions in which we conduct business have detailed transfer pricing rules, which require contemporaneous documentation establishing that all transactions with non- resident related parties be priced using arm' s length pricing principles. Tax authorities in these jurisdictions could challenge our related party transfer pricing policies and, consequently, the tax treatment of corresponding expenses and income. If any tax authority were to be successful in challenging our transfer pricing policies, we may be ~~liable~~ **26liable** for additional corporate income tax, withholding tax, indirect tax and penalties and interest related thereto, which may have a ~~significant~~ **material** impact on our results of operations and financial condition. We are subject to regular review and audit by the relevant tax authorities in the jurisdictions in which we operate and as a result, the authorities in these jurisdictions could review our tax returns and may impose additional significant taxes, interest and penalties, challenge the transfer pricing policies adopted by us, claim that our operations constitute a taxable presence in different jurisdictions and / or that various withholding requirements apply to us or our subsidiaries or assert that benefits of tax treaties are not available to us or our subsidiaries, any of which could materially affect our income tax provision, net income, or cash flows in the period or periods for which such determination is made. In addition, tax benefits we currently receive in certain jurisdictions require us to meet several conditions and may be challenged, terminated or reduced in the future, which would increase our taxes, possibly with a retroactive effect. Furthermore, companies in the electronic payments industry, including us, may become subject to incremental taxation in various tax jurisdictions. The cost to comply with such laws or regulations could be significant. Taxing jurisdictions have not yet adopted uniform positions on this topic. We could be required to collect additional sales, use, value added, digital services, equalization levy or other similar taxes, either direct or indirect, or be subject to other liabilities that may increase the costs our customers would have to pay for our products and **services and materially** adversely affect our results of operations. If we are required to be responsible for payment of such additional taxes and are unable to pass such taxes or expenses through or collect them from our customers, our costs would increase, and our net income ~~would~~ **(loss) may** be **materially** reduced. In addition, the failure by our customers to comply with reporting obligations in connection with transactions on our platform could result in regulatory inquiry, reputational damage and potential enforcement actions and additional reporting and withholding requirements. **We are subject to risks relating to our Working Capital products, including risk of losses and risks associated with the availability of capital for our Working Capital products. We fund our Working Capital product offering through a mix of balance sheet cash and borrowings under our warehouse financing facility.** Our ~~current~~ **warehouse financing facility contains certain financial covenants and restrictions,** and future ~~indebtedness~~ **warehouse facilities (if any)** may **contain similar covenants and** ~~restrict~~ **restrictions** ~~our current~~ **. Our failure to comply with such restrictions could result in** ~~and~~ - **an** ~~future operations~~ **event of default** , which could adversely affect our ~~product offering through a mix of balance sheet cash and warehouse financing facilities.Our current and future,if any,Working Capital financing facilities contain or may contain requirements to maintain certain financial covenants and restrictions,a failure of which may result in an event of default,which could adversely affect our~~ access to liquidity to support our Working Capital activity.The Working Capital products we provide are generally in the form of " merchant capital advances," i.e.,purchase of future **unsecured** receivables from our customers. ~~They~~ **There is no economic recourse to us in the event that the future receivables** are not **generated** ~~guaranteed in any way~~ .Adverse changes in macroeconomic conditions or performance of our customers' business could cause some of our customers who utilize our Working Capital products to cease operating or to experience a decline in their payment receipts,thereby rendering the receivables lower than the amount advanced and / or causing the repayment period to be extended beyond the original settlement term.With a merchant capital advance,the speed of settlement determines our effective yield,so any extension of settlement periods would be expected to reduce the effective yield we receive on such product. **Further,we devote resources to collecting,and from time to time are unable to recover,some purchased receivables.** In addition,adverse changes in macroeconomic conditions could lead to a decrease in the number of our customers who are eligible for our Working Capital products.Merchant capital advances are subject to limited regulatory scrutiny in most jurisdictions,but some regulatory bodies may take a view that merchant capital advances should be subject to licensing requirements **.Under such circumstances** ,or if the terms upon which we are able to offer merchant capital advances were required to be changed in order to comply with any requirements imposed by a regulatory body,we may need to pursue changes to the current model or pursue an alternative model for providing our Working Capital products.Substantial changes of the model may lead to a loss or modification of our financing facilities and as a result this portion of our business may be materially ~~and~~ adversely **affected.Our current and future indebtedness may restrict our current and future operations,which could adversely affect our** ability to respond to changes in our business and to manage our operations. We and our subsidiaries may incur substantial indebtedness in the future. Agreements evidencing or governing any future indebtedness, ~~including the~~ **and our existing** Warehouse Facility ~~with Viola Ventures~~ (as described in greater detail under the section entitled " Management' s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity ", and Note 11 (Debt) to our audited consolidated financial ~~statement~~ **27statement** included elsewhere in this Annual Report on Form 10- K), contain or may contain financial restrictions on us and our subsidiaries. If we are unable to service our debt and other obligations from cash flows, we may need to refinance or restructure all or a portion of such obligations prior to maturity. Our ability to refinance or restructure our debt and other obligations will depend upon the condition of the capital markets and our financial condition at such time, including ~~rising~~ interest rates, which could increase the cost of refinancing debt and incurring new debt. Any refinancing or restructuring may also require us to comply with more onerous covenants, which could further restrict our business operations. If our cash flows are insufficient to service our debt and other obligations, we may not be able to refinance or restructure any of these obligations on commercially reasonable terms or at all and any refinancing or restructuring could have a material adverse effect on our business, results of operations, or financial condition. Climate change and environmental issues could **materially** adversely affect our operations, business, customers and partners. Concerns over the risks associated with climate change and environmental matters have been growing in recent years, and are at the center of rapidly evolving rule- making in the United States and abroad. Customers, investors, partners, and other stakeholders are increasingly focused on environmental, social and governance (" ESG ") practices. While **, to date,** we have not ~~yet~~ identified a material impact on our results and operations, we acknowledge that physical events, such as extreme weather and natural disasters, could disrupt our operations or those of our customers, partners, or third parties on which we rely, and may result in market volatility, shift in customer purchasing behaviors and travel patterns, and ~~subsequently~~ **materially** adversely impact our business. In addition, current and emerging ESG- related ~~regulation~~ **regulations** , such as mandated disclosures or requirements to reduce carbon footprint, may result in increased compliance requirements, which may increase our costs. ~~29Regulatory~~ -- **Regulatory** Risks Related to PayoneerOur business is subject to laws, rules, regulations, policies and legal interpretations in the markets in which we operate, including (but not limited to) those governing ~~deposit taking, factoring, stored value,~~ cross- border and domestic money transmission, foreign exchange, privacy, data protection, banking secrecy **, deposit taking, factoring, stored value** and payment services (including payment processing and settlement services). The legal and regulatory requirements applicable to us are extensive, complex, frequently changing, and increasing in number, and may impose overlapping and / or conflicting requirements or obligations. Financial and political events have increased the level of regulatory scrutiny on the payments industry, and regulatory bodies may view matters or interpret laws and regulations differently than they have in the past and in a manner adverse to our business. Our success and increased visibility may result in increased regulatory oversight and tighter enforcement of rules and regulations that may apply to our business. Governments **and regulators** may impose new regulatory requirements in a range of areas that, among other things, may: ● Prohibit, restrict, and / or impose taxes or fees on our services, including to or from certain countries or with certain individuals, and entities; ● Impose additional customer identification and due diligence requirements; ● Impose additional reporting or record keeping requirements, or require enhanced transaction monitoring; ● Limit the types of entities capable of providing money transmission services, or impose additional licensing or registration requirements; ● Impose minimum capital or other financial requirements; ● Limit or restrict the revenue that may be generated from transmitting money, processing payments, or factoring receivables, including interest earned on customer funds, transaction fees, and revenue generated from foreign exchange transactions; ● Require enhanced disclosures to customers; ● Limit the number or principal amount of money transmission transactions that may be sent to or from a jurisdiction, whether by an individual or in the aggregate; and ● Restrict or limit the ability of firms to process transactions using a centralized record keeping system located outside of the jurisdiction in which the customer is located, requiring that data associated be localized in the same jurisdiction as the customer. ~~Any~~ **28Any** failure or perceived failure to comply with existing or new laws and regulations (including changes to or expansion of the interpretation of those laws and regulations), including those discussed in this risk factor, may subject us to significant fines, penalties, criminal and civil lawsuits, forfeiture of significant assets, and other enforcement actions in one or more jurisdictions; result in additional compliance and licensure requirements; increase regulatory scrutiny of our business; restrict our operations; force us to change our business practices, make product or operational changes or delay planned product launches or improvements. The foregoing could, individually or in the aggregate, expose us to significant liability, impose significant costs, require us to expend substantial resources, increase the cost and complexity of compliance, damage our brand and business, make our products and services less attractive, result in the loss of customers, limit our ability to grow the business, **materially** adversely affect our results of operations, and harm our reputation. The complexity of existing U. S. federal and state and foreign regulatory and enforcement regimes, coupled with the global scope of our operations and the evolving U. S. and international regulatory environment, could result in a single event giving rise to a large number of overlapping investigations and legal and regulatory proceedings **and enforcement actions** by multiple government authorities in different jurisdictions. We have implemented policies and procedures designed to help ensure compliance with applicable laws, and regulations, but there can be no assurance that our employees, contractors, or agents will not violate such laws and regulations. We have obtained licenses to operate in multiple jurisdictions around the world. We hold licenses in the United States, Europe, **the United Kingdom,** Japan, Australia, ~~and~~ Hong Kong **, and Singapore** . From time to time, we interact with our regulators concerning the interpretation or application of certain regulatory requirements. In addition, we are obligated to self- report when we exceed the parameters or constraints of our licenses. In the past, these matters have not had a material adverse effect on our business, but no assurance can be given that future disagreements or disputes will not have a material adverse effect on our business. In the United States, we provide our services through Payoneer Inc. Payoneer Inc. is licensed as a money transmitter (or its equivalent) in the states where it is required, as well as in the District of Columbia and Puerto Rico. As a licensed money transmitter, ~~30Payoneer~~ -- **Payoneer** Inc. is subject to restrictions with respect to its investment of customer funds, reporting requirements, bonding requirements and inspection by state regulatory agencies. Accordingly, if Payoneer Inc. violates these laws or regulations, we could be subject to liability and / or additional restrictions, forced to cease doing business with residents of certain states, forced to change our business practices or be required to obtain additional licenses or regulatory approvals that could impose substantial costs. We provide our services to customers in the European Economic Area through our Irish subsidiary, Payoneer Europe Limited (" Payoneer Europe "). Payoneer Europe is licensed by the Central Bank of Ireland as an **Electronic** ~~e- money~~ **Money** ~~institution~~ **Institution** and has completed the " passport " notification processes in all European Economic Area countries ~~. We have received permission from the Financial Conduct Authority (" FCA ") in the United Kingdom under its temporary permissions regime for Payoneer Europe to provide services to United Kingdom customers until the end of 2023, and have meanwhile filed an application with and have been granted a license by the FCA for authorization as an e- money institution for the purpose of serving United Kingdom customers prior to the end of said permission~~ . Payoneer Europe is subject to significant fines or other enforcement action if it violates the disclosure, reporting, anti- money- laundering, capitalization, funds management, corporate governance, privacy, data protection, information security, banking secrecy, taxation, sanctions, or other requirements imposed on Irish e- money institutions. The regulators in any country in which we provide services could seek to persuade the regulators that have granted us a license to require us to operate through a local branch. In addition, European Union laws and regulations are typically subject to different and potentially inconsistent interpretations by the countries that are members of the European Union. Such actions can make compliance more costly and operationally difficult to manage **. In the United Kingdom, Payoneer Payment Services (UK) Ltd. (" Payoneer United Kingdom ") is licensed by the Financial Conduct Authority as an Electronic Money Institution** . In Japan, Payoneer Japan Ltd. (" Payoneer Japan ") is licensed as a Registered Fund Transfer Service Provider. ~~Accordingly, Payoneer Japan is subject to significant fines or other enforcement action if it violates the disclosure, reporting, anti- money- laundering, capitalization, fund management, corporate governance, privacy, data protection, information security, banking secrecy, taxation, sanctions, or other requirements imposed on Japanese fund transfer service providers.~~ In Australia, Payoneer Australia Pty. Ltd. (" Payoneer Australia ") is licensed by the Australian Securities and Investments Commission as a provider of a ~~non- cash payment products. Accordingly, Payoneer Australia is subject to significant fines or other enforcement action if it violates the product disclosure, reporting, anti- money laundering, capitalization, privacy, corporate governance or other requirements imposed on Australian providers of~~ non- cash payment products. In Hong Kong, Payoneer Hong Kong Limited (" Payoneer Hong Kong ") is licensed as a Money Service Operator. **In Singapore, Payoneer Singapore Pte Ltd (" Payoneer Singapore ") is licensed as a Major Payment Institution License by the Monetary Authority of Singapore.** Accordingly, **these entities are** ~~Payoneer Hong Kong is~~ subject to significant fines or other enforcement action if ~~it~~ **any of the entities** ~~violates~~ - **violate** the product disclosure, reporting, anti- money laundering, capitalization, privacy, corporate governance or other requirements imposed **by their respective regulators** ~~on Hong Kong money service operators~~ . In India, we are registered as an Online Payment Gateway Service Provider, approved by the Reserve Bank of India, for the purpose of facilitating certain import and export payments for Indian residents. ~~We are required to periodically renew our registration as an Online Payment Gateway Service Provider. In Singapore, we have received in-principle approval as a Major Payment Institution license holder from the Monetary Authority of Singapore.~~ In many of the markets in which we do business, we serve our customers through a company licensed in a different jurisdiction. It is unclear and uncertain whether our services are subject **to regulatory oversight** only ~~to~~ **in** the jurisdictions in which they are licensed or if our services are subject to the ~~law~~ **laws** of the jurisdiction in which our customer is based. We have been and expect to continue to be required to apply for various licenses, certifications and regulatory approvals in countries other than ones in which we have already obtained a license. There can be no assurance that we will be able to obtain such licenses in the future, and the failure to obtain such licenses could have a material adverse effect on our business. Even if we can obtain such licenses, there are substantial costs and ~~potential~~ **29potential** product changes involved in maintaining such licenses, and we could be subject to fines or other enforcement action if we are found to violate disclosure, reporting, anti- money laundering, capitalization, ~~or~~ corporate governance **or other** requirements. In many ~~other~~ countries it may not be clear whether we are required to be licensed as a payment services provider, financial institution or otherwise. In such markets, we may rely on local banks or licensed payment service providers to process payments and conduct foreign exchange **transactions** in local currency. Local regulators may use their power to slow or halt payments to our customers in those jurisdictions. Such regulatory actions or the need to obtain licenses, certifications or other regulatory approvals could impose substantial costs and involve considerable delay in the provision or development of our services in a given market, or could require significant and costly operational changes **,** or prevent us from providing any services in a given market. ~~31As~~ **As** we expand and localize our international activities, we are increasingly becoming obligated to comply with the laws of the countries or markets in which we operate. In addition, because our services are accessible worldwide and we facilitate sales of goods and services and provide services to customers worldwide, one or more jurisdictions may claim that we or our customers are required to comply with their laws ~~. Our results of operations may be adversely affected as a result of any decrease in revenue from customers operating in China as a result of regulatory changes or occurrences under other risk factors discussed herein~~ . As a significant portion of our revenue is generated from China, any negative impact to our ability to serve customers based in China could **materially adversely affect our results and** exacerbate the other risks set forth herein. Our services to customers from Greater China generated ~~31~~ **approximately 35** % of our revenue for the year ended December 31, ~~2022~~ **2023** . This geographic concentration in our business creates exposure to local ~~economies~~ **economic** and ~~politics~~ **political conditions** ~~, and regional downturns~~ . We are vulnerable to economic downturns or changing political landscapes in China ~~and~~ **,** the Hong Kong Special Administrative Region **and Taiwan** . Any unforeseen events or circumstances that negatively affect these areas could materially adversely affect our financial condition or results of operations. We currently support customers ~~from~~ **based in** China through our partnerships with banks and licensed payment providers that are regulated by the People' s Republic of China and are licensed by the People' s Bank of China (the " PBOC ") and the State Administration of Foreign Exchange. **We** ~~As a result, we~~ do not currently hold a license to operate in China ~~. In the future~~ , ~~the~~ **but understand that recent** PBOC and ~~China~~ **Chinese** legislation ~~may~~ **will** require foreign companies that provide **certain** services to Chinese ~~businesses~~ **customers** to have a local license, and ~~should that be required~~ a failure by us to ~~secure~~ **have acquired such a license by the time the PBOC may require Payoneer to have** such a license could have a material adverse effect on our business. **Accordingly, we have been working to obtain a local license through an acquisition of a local licensed entity. The closing of the acquisition is subject to governmental registrations and approvals and to customary closing conditions.** Even if we can obtain such license, there are substantial costs and potential product changes involved in maintaining such license, and we could be subject to fines or other enforcement action if we are found to violate disclosure, reporting, anti- money laundering, capitalization, or corporate governance requirements. Any change in regulation or legal requirements in China that restricts the services we can provide to customers operating in China may lead to a decrease in revenue and materially ~~and~~ adversely affect our results of operation and financial condition. Failure to comply with anti- money laundering, anti- bribery, economic and trade sanctions regulations and similar laws, could subject us to penalties and other **material** adverse consequences. We are subject to various anti- money laundering, anti- bribery, economic and trade sanctions regulations and similar laws, and our failure to comply with such laws and regulations could subject us to penalties and other **material** adverse consequences. U. S. and other regulators globally continue to increase their scrutiny of compliance with these obligations, which requires us to continually monitor and update our compliance program, including the procedures we use to verify the identity of our customers and to monitor international and domestic transactions. Many countries in which we operate also have anti- money laundering and counter- terrorist financing laws and regulations, and we have been and continue to be required to make changes to our compliance program in various jurisdictions in response. The European Commission, for example, from time to time introduces revisions to the Anti- Money Laundering Directives, which ~~could~~ make compliance more costly and operationally difficult to manage. Regulators regularly re- examine the transaction volume thresholds at which we must obtain and keep applicable records or verify identities of customers and any change in such thresholds could result in greater costs for compliance. We rely on technical programs and third- party providers to monitor our compliance with the laws and regulations to which we are subject. Such technical programs require us to timely update the programs to account for any relevant changes in laws or regulations. If we fail to update the technical programs correctly or in a timely manner, the technical programs may fail to flag conduct that ~~violates~~ **30violates** existing laws or regulations, which may subject us to government investigation, fines or reputational damage and could have a material adverse effect on our business, financial condition and results of operations. We routinely report to the U. S. Department of the Treasury' s Office of Foreign Assets Control (" OFAC ") on payments we have rejected or blocked pursuant to OFAC sanctions regulations and on any possible violations of those regulations. Any transactions we process in violation of

OFAC sanctions regulations could result in claims or actions against us including litigation, injunctions, damage awards, fines or penalties, or require us to change our business practices that could result in a material loss, require significant management time, result in the diversion of significant operational resources or otherwise **materially** harm our business. Violation of OFAC sanctions regulations that OFAC determines to be egregious can result in significant statutory penalties in addition to harm to our reputation. We have made in the past, and may make in the future, disclosures related to potential violations of OFAC sanctions regulations. For example, in February 2016, we submitted a disclosure to OFAC about certain payments to the Crimea region of ~~32Ukraine~~ -- **Ukraine** and other OFAC target countries, and **have subsequently** ~~during 2021 we~~ entered into ~~a settlement~~ **settlements** ~~with OFAC~~ relating to the foregoing matter which included ~~a~~ monetary ~~settlement~~ **settlements** . We may ~~operate our business~~ **provide services to customers** in foreign countries where companies often engage in business practices that are prohibited by United States and other regulations applicable to us. We are subject to anti- corruption laws and regulations, including the Foreign Corrupt Practices Act (“ FCPA ”) and other laws that prohibit the making or offering of improper payments to foreign government officials and political figures, including anti- bribery provisions enforced by the Department of Justice. These laws prohibit improper payments or offers of payments to foreign governments and their officials and political parties by United States persons or companies for the purpose of obtaining or retaining business. We have implemented policies, procedures, systems, and controls designed to identify and address potentially impermissible transactions under such laws and regulations; however, there can be no assurance that all of our employees, consultants and agents, including those that may be based in or from countries where practices that violate U. S. or other laws may be customary, will not take actions in violation of our policies, for which we may be ultimately responsible. Our business is subject to complex and evolving regulations and oversight, in relation to privacy and data protection. Failure to comply with applicable data protection laws and regulations could subject us to fines and reputational harm **and could materially adversely affect our results of operations** . As part of our business, we ~~collect~~ **process** PII, also referred to **under certain regulations** as personal data or personal information, and other potentially sensitive and / or regulated data from our employees, customers ~~and~~ **,** the vendors we work with **and others** . Laws and regulations in the United States, Europe and around the world restrict how personal information is collected, processed, stored, transferred, used and disclosed, as well as set standards for its security, implement notice requirements regarding privacy practices, and provide individuals with certain rights regarding the use, disclosure and sale of their protected personal information. Several foreign jurisdictions, including the European Economic Area (EEA) member states and the United Kingdom, have laws and regulations which are more restrictive in certain respects than those in the United States. For example, the EU General Data Protection Regulation, or GDPR, which came into force on May 25, 2018, implemented stringent operational requirements for the ~~use~~ **processing** of personal data. In addition, the European e- Privacy Directive requires EEA member states to regulate marketing by electronic means and the use of web cookies and other tracking technology. Each EEA member state has transposed the requirements of these directives into its own national data privacy regime, and therefore the laws may differ between jurisdictions. This directive is under reform and is expected to be replaced in the future by a regulation which should provide consistent requirements across the EU. The GDPR (and GDPR as it forms part of retained European law (as defined in the European Union (Withdrawal) Act 2018) (UK GDPR)), introduced more stringent requirements (which **are and** will continue to be interpreted through guidance and decisions over the coming years) ~~and requirements~~ on organizations to erase or rectify an individual' s information upon request, implement mandatory data breach notifications and applies obligations on service providers and strict protections on how data may be transferred outside of the EEA. ~~Recent legal~~ **Legal** developments in Europe **in recent years** have created complexity and uncertainty regarding transfers of personal data from the EEA to the United States ~~. On~~ **, which ultimately led to the European Commission' s** July ~~16, 2020~~ **2023 adequacy decision for** ~~, the Court of Justice of the EU struck down a permitted personal data transfer mechanism between the EEA and the United States, invalidating the use of~~ the EU- U. S. ~~Privacy Shield framework and further casting doubt on the use of another main transfer mechanism, the EU standard contractual clauses. Subsequently, on June 4, 2021, the European Commission published new standard contractual clauses for the transfer of personal data from EEA member states, which, in order to address the above ruling, includes the requirement to conduct data transfer impact assessments to determine whether law and practice in a receiving jurisdiction would prevent the recipient from meeting its obligations under the new standard contractual clauses, in addition to the requirement to conduct periodic reviews to identify change of laws and practices in the receiving jurisdiction. In October 2022, an Executive Order was signed on Enhancing Safeguards for United States Signals Intelligence Activities directing the steps that the United States will take to implement its commitments under the EU- U. S.~~ Data Privacy Framework ~~announced~~ **, which was designed to address concerns previously raised** by the **Court of Justice of** ~~EU and the United States in March 2022. In December 2022,~~ the European **Union in relation** ~~Commission launched the process~~ to ~~adopt an adequacy decision for the EU- U. S. Data Privacy Framework, which will foster~~ trans- Atlantic data flows **between** ~~and address~~ the **EEA and** ~~concerns raised by~~ the **United States** ~~Court of Justice of the European Union in its July 16~~ , ~~2020~~ **however such** decision ~~which invalidate~~ **is expected to be challenged in** the ~~EU- U. S. Privacy Shield~~ **future and the outcome of such potential challenges may again impact such data flows** . In the United States, both the federal and various state governments have adopted or are considering, laws, guidelines or rules for the collection, distribution, use and storage of information collected from or about consumers or their devices ~~. For example~~ , **including the State of** California **which** enacted the California Consumer Privacy Act, or CCPA, which ~~became enforceable~~ **was amended and replaced** by ~~the California Attorney General on July 1, 2020 and requires disclosures to California consumers, imposes new rules for collecting or using information about minors, and affords consumers new abilities to opt out of certain disclosures of personal information. The CCPA provides for civil penalties for violations, as well as a private right of action for data breaches that is expected to increase data breach litigation. The effects of the CCPA, its implementing regulations, and uncertainties about the scope and applicability of exemptions that may apply to our business, are potentially significant and may require us to modify our data collection or processing practices and policies and to incur substantial costs and expenses in an effort to comply. Additionally,~~

the California Privacy Rights Act (" CPRA ") ~~, which amended and replaced the 33CCPA~~ as of January 1, 2023 ~~, is expected~~ **and which requires disclosures** to ~~strengthen privacy laws in~~ California **consumers, imposes new rules for collecting 31or using information about minors,** and ~~create~~ **affords consumers new abilities to opt out of certain disclosures of personal information. The CPRA provides for civil penalties for violations, as well as** a **private right of action for** ~~new privacy regulatory agency in the State with additional enforcement powers. In addition, Virginia adopted a new state~~ data **breaches** ~~privacy law~~ that **may increase** ~~became effective on January 1, 2023, Colorado and Connecticut adopted new state privacy laws which will become effective on July 1, 2023, and Utah adopted its own state privacy law which will become effective on December 31, 2023, all adding rights to consumers and compliance obligations for businesses. Nevada also amended its privacy law effective as of October 2021, adding consumer rights in relation to the sale of personal~~ data **breach litigation in the future** . In addition, the Personal Information Protection Law of the People' s Republic of China (PIPL) became effective November 1, 2021. The PIPL regulates data processing in China, and the protection of the privacy and personal information of Chinese citizens. The PIPL applies to Chinese organizations, as well as foreign organizations engaging with customers from China, and requires such organizations to take necessary measures, as applicable, in order to ensure compliance. As these and other laws and regulations may continue to evolve and be enacted, or new interpretation of existing laws and regulations apply, it may require us to modify our data processing practices, agreements and policies and to incur substantial costs in order to comply with this ever- evolving regulatory landscape. Restrictions on the collection, use, sharing or disclosure of PII or additional requirements and liability for security and data integrity could require us to modify our solutions and features, possibly in a material manner, could limit our ability to develop new services and features and could subject us to increased compliance obligations and regulatory scrutiny. We take a variety of technical and organizational security measures and other measures to protect the data we process, including data pertaining to our customers, employees and business partners. Despite measures we put in place, we may be unable to anticipate or prevent unauthorized access to such data. Non- compliance with data protection and privacy requirements may result in regulatory fines (which for certain breaches of the GDPR are up to the greater of 20 million Euros or 4 % of total global annual turnover), regulatory investigations, reputational damage, orders to cease / change our processing of our data, enforcement notices, and / or assessment notices (for a compulsory audit). We may also face civil claims including representative actions and other class action type litigation (where individuals have suffered harm), potentially amounting to significant compensation or damages liabilities, as well as associated costs, diversion of internal resources, and reputational harm. **Any of the foregoing may have a material adverse effect on our results of operations.** General Risks Related to **PayoneerWe may be** ~~PayoneerFrom time to time we are~~ subject to various legal proceedings which could **materially** adversely affect our business, financial condition or results of operations. We are involved in various litigation matters from time to time. Such matters can be time- consuming, divert management' s attention and resources and cause us to incur significant expenses. Our insurance or indemnities may not cover all claims that may be asserted against us, and any claims asserted against us, regardless of merit or eventual outcome, may harm our reputation. If we are unsuccessful in our defense in these litigation matters, or any other legal proceeding, we may be forced to pay damages or fines, enter into consent decrees or change our business practices, any of which could **be material and materially** adversely affect our business, financial condition or results of operations. The failure to attract and retain key personnel could ~~have a material~~ **materially harm** ~~adverse effect on~~ our **overall** business **and results of operations** . We depend on the experience, skill and contributions of our senior management and other key employees. If we fail to attract, motivate and retain highly qualified management and key personnel, including (but not limited to), technical, compliance and sales employees, particularly in light of the intensified and expanded competition for talent, our future success could be harmed. Our senior management provides strategic direction for our company, and if we lose members of our leadership team, our management resources may have to be diverted from other priorities to address this loss. Our products and services require sophisticated knowledge of the financial services industry, applicable regulatory and industry requirements, computer systems, and software applications, and if we cannot hire or retain the necessary skilled personnel, we could suffer delays in new product development, experience difficulty complying with applicable requirements or otherwise fail to satisfy our customers' demands. Acquisitions, joint ventures or other strategic transactions create certain risks and may **materially** adversely affect our business, financial condition or results of operations. ~~Acquisitions, partnerships and joint ventures are part of our growth strategy.~~ We **regularly** ~~evaluate and expect in the future to~~ evaluate potential strategic **transactions such as** acquisitions ~~of~~ , **investments,** ~~and partnerships or~~ joint ventures ~~with~~ , **partnerships** ~~complementary businesses~~ , ~~services~~ **dispositions, and strategic alternatives as part of** ~~or~~ **our** ~~technologies~~ **strategy** . We ~~34may~~ -- **may** not be successful in identifying ~~acquisition, partnership and joint venture~~ targets **or assessing opportunities and we may incur significant costs,and management' s attention may be diverted,as we consider such transactions** . ~~These~~ **Additional** risks may arise ~~for~~ **from** a number of reasons,including: ~~we may not be able to find suitable businesses to acquire at affordable valuations or on other acceptable terms;we may face competition for acquisitions from other potential acquirers;~~ we may need to borrow money or sell equity or debt securities to the public to finance ~~acquisitions~~ **a transaction** and the terms of these financings may be adverse to us;changes in accounting,tax,securities or other regulations could ~~increase~~ **32increase** the difficulty or cost for us to complete ~~acquisitions~~ **a transaction** ;we may incur unforeseen obligations or liabilities in connection with ~~acquisitions~~ **a transaction** ; ~~we may need to devote unanticipated financial~~ and ~~management resources to an acquired business;we may not realize expected operating efficiencies or product integration benefits from an acquisition;~~ we could enter markets where we have minimal prior experience ~~;and~~ **.Further,in the event that we consummate a transaction,** we may ~~experience decreases in earnings as a~~ **not realize the anticipated benefits,which may materially adversely affect our financial condition and** ~~result~~ **results** of ~~non-~~ **operations,and the process of integrating acquisitions may disrupt our business and divert our resources** . In addition, **transactions** ~~we may not be able to successfully finance or integrate any businesses, services or technologies that we acquire or with which we form a partnership or joint venture. We may not be able to identify suitable acquisition candidates or complete acquisitions in the future, which could adversely affect our future growth; or~~

~~businesses that we acquire may not perform as well as expected or may be more difficult or expensive to integrate and manage than expected, which could adversely affect our business and results of operations. In addition, the process of integrating these acquisitions may disrupt our business and divert our resources. In addition, acquisitions~~ outside of the United States often involve additional or increased risks including, for example: ~~●~~managing geographically separated organizations, systems and facilities; ~~●~~integrating personnel with diverse business backgrounds and organizational cultures; ~~●~~complying with non- U. S. regulatory requirements; ~~●~~fluctuations in currency exchange rates; ~~●~~enforcement and protection of intellectual property in some non- U. S. countries; ~~●~~difficulty entering new non- U. S. markets due to, among other things, consumer acceptance and business knowledge of these new markets; and ~~●~~general economic and political conditions . These risks may arise for a...... result of non- cash impairment charges . We cannot ensure that any acquisition, **investment,** partnership ~~or~~ **,** joint venture **, disposition, or other strategic transaction** we make will not have a material adverse effect on our business, financial condition and results of operations. If we fail to maintain effective internal controls over financial reporting, we may be unable to accurately or timely report our financial condition or results of operations, which may **materially** adversely affect our business. As a public company, we have significant requirements for enhanced financial reporting and internal controls, and must maintain internal controls over financial reporting to satisfy the requirements of Section 404 of the Sarbanes- Oxley Act of 2002. The process of designing, implementing and maintaining effective internal controls is a continuous effort that ~~require~~ **requires** us to anticipate and react to changes in our business and the economic and regulatory environments. In this regard, we continue to dedicate internal resources, ~~potentially~~ engage outside consultants, implement a detailed work plan to assess and document the adequacy of internal control over financial reporting, ~~continue~~ **take** steps to improve control processes as appropriate, validate through testing whether such controls are functioning as documented, and implement a continuous reporting and improvement process for internal control over financial reporting. If we are unable to maintain appropriate disclose controls or internal controls and procedures over financial reporting, it could cause us to fail to meet our reporting obligations on a timely basis, result in material misstatements in our consolidated financial statements and **materially** adversely affect our operating results ~~. Our ability to use net operating loss carryforwards and certain other tax attributes may be limitedAs of December 31, 2022, Payoneer had accumulated net operating loss carryforwards which are available to offset and reduce future taxable income. Net operating losses that were incurred prior to 2018 are generally available and can be carried forward 20 years for US federal tax purposes. Payoneer generated significant taxable income in 2022 such that much of these net operating loss carryforwards were 35utilized in the 2022 tax year. It is possible that Payoneer will not generate taxable income in time t use the remaining net operating loss carryforwards, which will begin to expire in 2028 for federal income tax purposes. Under legislative changes made in December 2017 (the " Tax Cuts and Jobs Act ", or " TCJA "), U. S. federal net operating losses incurred after 2017 may be carried forward indefinitely, but are generally limited to 80 % of taxable income in the tax year in which such losses are utilized. For the 2022 tax year, the majority of the U. S. states in which the Company is subject to tax do not conform to the federal net operating loss rules, but rather provide for their own net operating loss calculations, limitations and carryforward and carryback periods. The Company calculates and tracks such net operating losses in accordance with each state' s loss carryforward regimes. In addition, the federal and state net operating loss carryforwards and certain tax credits may be subject to significant limitations under Section 382 and Section 383, respectively, of the Internal Revenue Code of 1986, as amended (the " Code ") and similar provisions of state law. Under those sections of the Code, if a corporation undergoes an " ownership change, " the corporation' s ability to use its pre- change net operating loss carryforwards and other pre- change attributes, such as research tax credits, to offset its post- change income or tax may be limited. In general, an " ownership change " will occur if there is a cumulative change in our ownership by " 5- percent shareholders " that exceeds 50 percentage points over a rolling three- year period. Similar rules may apply under state tax laws. Payoneer has conducted an analysis and concluded that it is more likely than not that the Reorganization did not result in an " ownership change " for purposes of Section 382 and Section 383 of the Code. In addition to the net operating loss changes, TCJA also amended Section 174 of the Code. Effective January 1, 2022, U. S. taxpayers are required to capitalize and amortize research and development expenses over five years for activities performed in the United States and 15 years for activities performed outside the United States. Although not addressed in the 2022 Omnibus Appropriations bill signed into law on December 29, 2022, Congress continues to consider legislation to repeal, replace, delay, or otherwise modify the provision in the current year or retroactively. The impacts of Section 174 as amended by TCJA have been included and reflected herein~~ . Risks Related to Our Common StockThe trading market for our common stock may be volatile, and the market price and trading volume of our common stock may fluctuate ~~significantly~~ **materially** . The trading price of our common stock has been, and will likely continue to be volatile and subject to wide price fluctuations, and the trading volume in our common stock may fluctuate and cause significant variation to occur, in response to various factors, including: ● market conditions in the broader stock market in general, or in our industry in particular; ● actual or anticipated fluctuations in our quarterly financial and operating results; ● accuracy of our earnings guidance or other forward- looking statements regarding our financial performance; ● introduction of new products and services by us or our competitors; ● issuance of new or changed securities analysts' reports or recommendations; ● sales of large blocks of our stock; ● additions or departures of key personnel; ● regulatory developments; ● litigation and governmental investigations; and ● geopolitical and other economic and political conditions or events (such as the war in Ukraine **and the war between Israel and Hamas**). ~~These~~ **33These** and other factors may cause the market price and demand for our common stock to fluctuate ~~substantially~~ **materially** , which may limit or prevent investors from readily selling their shares of common stock and may otherwise negatively affect the liquidity of our common stock, or your ability to resell your shares at or above the purchase price. In addition, in the past, when the market price of a ~~36stock~~ -- **stock** has been volatile, holders of that stock have instituted securities class action litigation against the company that issued the stock. If any of our stockholders brought a lawsuit against us, we could incur substantial costs defending the lawsuit. Such a lawsuit could also divert the time and attention of our management from our business. The scope and contents of reports published by **investment** analysts, including **short reports or** any projections in those reports that differ from our actual results, could **materially** adversely affect the price and trading of our common stock. The trading market for our securities depends in part on the research and reports that analysts publish about our business. We do not have any control over these analysts. If one or more of the analysts who cover us downgrade our common stock or publish inaccurate or unfavorable research about our business, the price of our common stock would likely decline. If few analysts cover us, demand for our common stock could decrease and our common stock price and trading volume may decline. Similar results may occur if one or more of these analysts stop covering us in the future or fail to publish reports on us regularly. In addition, securities research analysts may establish and publish their own periodic projections for us. These projections may vary widely and may not accurately predict the results we actually achieve. Our share price may decline if our actual results do not match the projections of these securities research analysts. If a substantial number of shares become available for sale and are sold in a short period of time, the market price of our common stock could **materially** decline. If our existing stockholders sell substantial amounts of our common stock in the public market, the market price of our common stock could decrease significantly. The perception in the public market that our existing stockholders might sell shares of common stock could also depress our market price. A decline in the price of shares of our common stock might impede our ability to raise capital through the issuance of additional shares of our common stock or other equity securities. Anti- takeover provisions in our certificate of incorporation and Delaware law could delay or prevent a change in control, limit the price investors may be willing to pay in the future for our common stock and could entrench management. Provisions within our amended and restated certificate of incorporation (our " certificate of incorporation ") and amended and restated bylaws (or " bylaws ") may delay or prevent a merger or acquisition that a stockholder may consider favorable by permitting our Board of Directors to issue one or more series of preferred stock, requiring advance notice for stockholder proposals and nominations and placing limitations on convening stockholder meetings. **Further, our certificate of incorporation and bylaws include provisions creating a classified board of directors whose members serve staggered three- year terms.** These provisions may also discourage acquisition proposals or delay or prevent a change in control, which could **materially** harm our stock price. ~~See " Description of Capital Stock. "~~ Additionally, our certificate of incorporation contains provisions that may discourage unsolicited takeover proposals that stockholders may consider to be in their best interests. These provisions include the ability of our Board of Directors to (i) prevent the transfer of capital stock, or the exercise of rights with respect to our capital stock, **under certain circumstances, including** if the effect of such transfer or exercise of rights would result in a stockholder holding more than 9. 9 % of the total ~~issued and~~ outstanding shares of our capital stock on a fully diluted basis, and (ii) designate the terms of and issue new series of preferred shares, which may make more difficult the removal of management and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our securities. These defenses could discourage, delay or prevent a transaction involving a change in control of the ~~combined company~~ **Company** . These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing and cause us to take corporate actions other than those you desire. Our certificate of incorporation and bylaws provide that the Court of Chancery of the State of Delaware will be the ~~sole and~~ exclusive forum for certain stockholder **disputes** ~~limitation matters~~ , subject to limited exceptions, which could discourage stockholder lawsuits or limit our stockholders' ability to bring a claim in any judicial forum that they find favorable for disputes against our directors, officers, other employees or stockholders. Our certificate of incorporation and bylaws provide that, unless we consent in writing to the selection of an alternative forum, **the Court of Chancery of the State of Delaware** (~~A~~ **or, if such court does not have subject matter jurisdiction thereof, the federal district court of the State of Delaware**) ~~the Court of Chancery of the State of Delaware~~ will, to the fullest extent permitted by law, be the ~~sole and~~ exclusive forum for any stockholder to bring (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any **34** ~~director, officer or other employee of ours to us or our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law (" DGCL "), the certificate of incorporation or the bylaws (as either may be amended or restated) or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware, or (iv) any action asserting a claim governed by the internal affairs doctrine of the law of the State of Delaware, and (B) the federal district courts of the United States shall be the exclusive forum for the resolution of any complaint asserting a cause of action 37~~