

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

FORM 20-F

(Mark One)

☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12(B) OR 12(G) OF THE SECURITIES EXCHANGE ACT OF 1934
OR

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2023
OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934
OR

☐ SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report:

Commission File Number: 001-40302

PAYSAFE LIMITED

(Exact name of Registrant as specified in its charter)

Washington, DC 20549

Not applicable Bermuda

(Translation of Registrant's name into English) (Jurisdiction of incorporation or organization)

Paysafe Limited
2 Gresham Street
London, United Kingdom EC2V 7AD
(Address of Principal Executive Offices)

Elliott Wiseman
2 Gresham Street
London, United Kingdom EC2V 7AD
+44 (0) 207 608 8460

(Name, Telephone, Email and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbols	Name of each exchange on which registered
Common Shares	PSFE	New York Stock Exchange
Warrants	PSFE.WS	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: 61,719,443 common shares and 53,900,329 warrants.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Emerging growth company	<input type="checkbox"/>

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. ☐

The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting over Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect a correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP <input checked="" type="checkbox"/>	International Financial Reporting Standards as issued by the International Accounting Standards Board <input type="checkbox"/>	Other <input type="checkbox"/>
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If "Other" has been checked in response to the previous question indicate by check mark which financial statement item the registrant has elected to follow. Item 17 ☐ Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

PAYSAFE LIMITED
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EXPLANATORY NOTE

On December 7, 2020, Foley Trasimene Acquisition Corp. II, a Delaware corporation (“FTAC”), Paysafe Limited, an exempted limited company incorporated under the laws of Bermuda (“Paysafe Limited”), Merger Sub Inc., a Delaware corporation and direct, wholly owned subsidiary of Paysafe Limited (“Merger Sub”), Paysafe Bermuda Holding LLC, a Bermuda exempted limited liability company (the “LLC”), Pi Jersey Holdco 1.5 Limited, a private limited company incorporated under the laws of Jersey, Channel Islands (the “Accounting Predecessor”), and Paysafe Group Holdings Limited, a private limited company incorporated under the laws of England and Wales (“PGHL”), entered into the Agreement and Plan of Merger (the “Merger Agreement”). Pursuant to the Merger Agreement, among other things, (i) Merger Sub would merge with and into FTAC, with FTAC being the surviving corporation in the merger and an indirect subsidiary of Paysafe Limited (“Merger”) and each outstanding publicly traded share of FTAC Class A Common Stock and FTAC Class B Common Stock (other than certain excluded shares) would convert into the right to receive one common share, par value \$0.001 per share (prior to “Reverse Stock Split” described below) of Paysafe Limited (“Company Common Shares”), (ii) PGHL would transfer and contribute the Accounting Predecessor to the Company in exchange for Company Common Shares and cash and (iii) each of FTAC’s publicly traded warrants that are outstanding immediately prior to the Effective Time of the Merger would, pursuant to and in accordance with the warrant agreement covering such warrants, automatically and irrevocably be modified to provide that such warrant will no longer entitle the holder thereof to purchase the amount of share(s) of FTAC common stock set forth therein and in substitution thereof such warrant will entitle the holder thereof to acquire the same number of Company Common Shares per warrant on the same terms. The Transaction, as defined herein, was consummated on March 30, 2021, and on March 31, 2021 Paysafe Limited’s common shares and warrants began trading on the NYSE under the symbols “PSFE” and “PSFE.WS,” respectively.

FINANCIAL STATEMENT PRESENTATION

Paysafe Limited

Paysafe Limited was incorporated by PGHL under the laws of Bermuda on November 23, 2020 for the purpose of effectuating the Transaction. Prior to the Transaction, Paysafe Limited had no material assets and did not operate any businesses. The Transaction resulted in Paysafe Limited acquiring, and becoming the successor to, the Accounting Predecessor. Simultaneously, it completed the combination with the public shell company, FTAC, with an exchange of the shares and warrants issued by Paysafe Limited for those of FTAC. The Transaction was accounted for as a capital reorganization followed by the combination with FTAC, which was treated as a recapitalization. Following the Transaction, both the Accounting Predecessor and FTAC are indirect wholly owned subsidiaries of Paysafe Limited.

The Accounting Predecessor

As a result of the Transaction being accounted for as a capital reorganization, Pi Jersey Holdco 1.5 Limited was deemed to be the Accounting Predecessor of Paysafe Limited. The accompanying consolidated financial statements for all years presented include the accounts of Paysafe Limited, and its subsidiaries after giving effect to the Transaction with FTAC that completed on March 30, 2021.

Reverse Stock Split

On December 12, 2022, we effected a 1-for-12 reverse stock split of our issued and outstanding common stock (the “Reverse Stock Split”). As a result of the Reverse Stock Split, each issued and outstanding share of our common stock, and the per share exercise price of and number of shares of our common stock underlying our outstanding equity awards were automatically proportionally adjusted based on the 1-for-12 Reverse Stock Split ratio. No fractional shares of common stock were issued in connection with the reverse stock split, and all such fractional interests were rounded up to the nearest whole number.

Except as otherwise provided herein, all share and per-share amounts of our common stock, equity awards, warrants and other outstanding equity rights have been adjusted to give effect to the Reverse Stock Split for all periods presented. The Reverse Stock Split amended the par value of our common stock from \$0.001 to \$0.012 per share, but did not modify any voting rights or other terms of our common stock.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report on Form 20-F (including information incorporated by reference herein, the “Report”) contains or may contain forward-looking statements as defined in Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), that involve significant risks and uncertainties. All statements other than statements of historical facts are forward-looking statements. These forward-looking statements include information about our

possible or assumed future results of operations or our performance. Words such as “anticipate,” “appear,” “approximate,” “believe,” “continue,” “could,” “estimate,” “expect,” “foresee,” “intends,” “may,” “might,” “plan,” “possible,” “potential,” “predict,” “project,” “seek,” “should,” “would” and variations of such words and similar expressions (or the negative version of such words or expressions) may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. The risk factors and cautionary language referred to or incorporated by reference in this Report provide examples of risks, uncertainties and events that may cause actual results to differ materially from the expectations described in our forward-looking statements, including among other things, the items identified below and those identified in the section entitled “Item 3.D. Risk Factors” of this Report:

- our ability to effectively compete in the large entertainment verticals;
- our ability to successfully acquire and integrate new operations;
- complex and changing regulatory requirements;
- our ability to maintain and develop relationships with banks, payment card networks and financial institutions;
- our ability to prevent and manage cybersecurity attacks;
- market and global conditions and economic factors beyond our control, including foreign currency risks, inflation and rising interest rates;
- significant competition and competitive pressures from other companies worldwide in the industries in which we operate;
- our ability to raise financing in the future;
- our substantial level of indebtedness; and
- litigation and the ability to adequately protect our intellectual property rights.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Report. Although we believe that the expectations reflected in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. These statements involve known and unknown risks and are based upon a number of assumptions and estimates which are inherently subject to significant uncertainties and contingencies, many of which are beyond our control. Actual results may differ materially from those expressed or implied by such forward-looking statements. Accordingly, forward-looking statements should not be relied upon as representing our views as of any subsequent date, and we do not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

INDUSTRY AND MARKET DATA

In this Report, we present industry data, forecasts, information and statistics regarding the markets in which we compete as well as our analysis of statistics, data and other information that we have derived from third parties, including independent consultant reports, publicly available information, various industry publications and other published industry sources (including FIS and IBM). Independent consultant reports, industry publications and other published industry sources generally indicate that the information contained therein was obtained from sources believed to be reliable. Such information is supplemented where necessary with our own internal estimates and information obtained from discussions with our customers, taking into account publicly available information about other industry participants and our management’s judgment where information is not publicly available. This information appears in “Item 4.B. Information on the Company—Business Overview,” “Item 5. Operating and Financial Review and Prospects” and other sections of this Report.

Forecasts and other forward-looking information obtained from these sources are subject to the same qualifications and uncertainties as the other forward-looking statements in this Report. These forecasts and forward-looking information are subject to uncertainty and risk due to a variety of factors, including those described under “Item 3.D. Risk Factors” of this Report. These and other factors could cause results to differ materially from those expressed in any forecasts or estimates. Some market data and statistical information are also based on our good faith estimates, which are derived from management’s knowledge of our industry and such independent sources referred to above. Certain market, ranking and industry data included elsewhere in this Report, including the size of certain markets and our size or position and the positions of our competitors within these markets, including its services relative to its competitors, are based on estimates by us. These estimates have been derived from management’s knowledge and experience in the markets in which we operate, as well as information obtained from surveys, reports by market research firms, our customers, distributors, suppliers, trade and business organizations and other contacts in the markets in which we operate and have not been verified by independent sources. Unless otherwise noted, all of our market share and market position information presented in this Report is an approximation. Our market share

and market position in each of our business segments, unless otherwise noted, is based on our volume relative to the estimated volume in the markets served by each of our business segments. References herein to Paysafe being a leader in a market or product category refer to our belief that we have a leading market share position in each specified market, unless the context otherwise requires. As there are no publicly available sources supporting this belief, it is based solely on our internal analysis of our volume as compared to the estimated volume of our competitors. In addition, the discussion herein regarding our various end markets is based on how it defines the end markets for its products, which products may be either part of larger overall end markets or end markets that include other types of products and services.

Our internal data and estimates are based upon information obtained from trade and business organizations and other contacts in the markets in which we operate and management's understanding of industry conditions. Although we believe that such information is reliable, we have not had this information verified by any independent sources.

This Report contains trademarks, service marks, trade names and copyrights of other companies, which are the property of their respective owners. Solely for convenience, some of the trademarks, service marks, trade names and copyrights referred to in this presentation may be listed without the TM, SM © or ® symbols, but Paysafe will assert, to the fullest extent under applicable law, the rights of the applicable owners, if any, to these trademarks, service marks, trade names and copyrights.

SUMMARY RISK FACTORS

An investment in our shares involves substantial risks and uncertainties that may adversely affect our business, financial condition and results of operations and cash flows. Some of the more significant challenges and risks relating to an investment in our company include, among other things, the following:

- Our focus on the large entertainment verticals can increase risk relative to other companies in the global payments industry.
- Cyberattacks and security vulnerabilities could result in disruption, loss of customer and merchant funds and personal data, including financial data, as well as serious harm to our reputation, business, and financial condition.
- Global and regional economic conditions could materially harm our business.
- International operations subject us to increased risks.
- We may not be successful at acquiring, investing and integrating businesses.
- Our success depends on our relationships with banks, payment card networks, issuers and financial institutions.
- Our revenues from the sale of services to merchants that accept Visa cards and Mastercard cards are dependent on our continued financial institution sponsorship.
- We rely on third parties in many aspects of our business, which creates additional operational risk.
- Our business depends on a strong and trusted brand, and any failure to maintain, protect and enhance our brand could materially harm our business.
- The occurrence of regional epidemics or a global pandemic and other geopolitical conditions, including any resulting global economic uncertainty and measures taken in response, could materially impact our business and future results of operations and financial condition.
- We may fail to hold, safeguard or account accurately for merchant or customer funds.
- Our business and products are dependent on the availability, integrity and security of internal and external IT transaction processing systems and services.
- We are vulnerable to the effects of chargebacks, merchant insolvency and consumer deposit settlement risk.
- We may become an unwitting party to fraud or be deemed to be handling proceeds resulting from the criminal activity of our customers.
- Our risk management policies and procedures may not be fully effective in mitigating our risk exposure in all market environments or against all types of risks.
- We are required to comply with payment card network operating rules.

- Our efforts to expand our product portfolio and market reach may not succeed, and if we fail to manage our growth effectively, our business could be materially harmed.
- We depend on key management, as well as our experienced and capable employees.
- If we cannot keep pace with rapid technological developments to provide new and innovative products and services, the use of our products and services and, consequently, our revenues could decline.
- We face substantial and increasingly intense competition worldwide in the global payments industry.
- Our business is subject to extensive regulation and oversight in a variety of areas, all of which are subject to change and uncertain interpretation, including in such ways as could criminalize certain of our activities.
- We are subject to financial services regulatory risks.
- We generate a significant portion of our revenue by processing online payments for merchants and customers engaged in the online gambling and foreign exchange trading sectors.
- We are subject to current and proposed regulations addressing both consumer and business privacy and data use, which could adversely affect our business, financial condition and results of operations.
- We must comply with money laundering regulations in the UK, Ireland, Switzerland, the United States, Canada and elsewhere, and any failure to do so could result in severe financial and legal penalties.
- If we are unable to develop and maintain effective internal controls over financial reporting, we may not be able to produce timely and accurate financial statements, which could have a material adverse effect on our business.
- Catastrophic events or geopolitical conditions, including those related to climate change and increased focus on sustainability issues, may adversely affect our business and financial results and damage our reputation.
- Our substantial leverage could adversely affect our financial condition.
- Despite our current level of indebtedness, we may be able to incur substantially more debt and enter into other transactions which could further exacerbate the risks to our financial condition.
- Our variable rate indebtedness subjects us to interest rate risk, which could cause our indebtedness service obligations to increase significantly.
- Our debt agreements impose significant operating and financial restrictions on us and our subsidiaries, which could prevent us from capitalizing on business opportunities.
- Our business may be adversely impacted by changes in currency exchange rates.
- The IRS may not agree that Paysafe (i) should be treated as a non-U.S. corporation for U.S. federal income tax purposes and (ii) should not be treated as a “surrogate foreign corporation” for U.S. federal income tax purposes.
- As a foreign private issuer, we are exempt from a number of rules under the U.S. securities laws and are permitted to file less information with the SEC than a U.S. company. This may limit the information available to holders of the Company Common Shares.
- Our Principal Shareholders control 47% of our Company and their interests may conflict with ours or yours in the future.

DEFINED TERMS

Unless otherwise stated or unless the context otherwise requires, all references to “we,” “us,” “our,” “Paysafe” or the “Company” refer to (i) Pi Jersey Holdco 1.5 Limited prior to the consummation of the Transaction and to (ii) Paysafe Limited following the consummation of the Transaction.

In addition, in this document:

“Accounting Predecessor” means Pi Jersey Holdco 1.5 Limited, a private limited company incorporated under the laws of Jersey, Channel Islands. “Additional I/C Loans” means FTAC’s loans out of the Available Cash Amount, caused by the Company, to certain Subsidiaries of the Company following the FTAC Contribution.

“Affiliate” means, with respect to any specified Person, any Person that, directly or indirectly, controls, is controlled by, or is under common control with, such specified Person, through one or more intermediaries or otherwise; provided, except for the Company and its Subsidiaries, no Affiliate or portfolio company (as such term is commonly understood in the private equity industry) of funds advised by affiliates of CVC or Blackstone or any of their respective Affiliates shall be considered an Affiliate of the Company or any of its Subsidiaries.

“Available Cash Amount” means, as of immediately prior to Closing, all available Cash and Cash Equivalents of FTAC and its Subsidiaries, including (i) all amounts in the Trust Account (after reduction for the aggregate amount of payments required to be made in connection with FTAC Stockholder Redemption), (ii) the PIPE Investment Proceeds, and (iii) the aggregate amount of cash proceeds from the FTAC Financing.

“Blackstone” means Blackstone Inc.

“Blackstone Investors” means certain funds affiliated with Blackstone.

“CAGR” means compounded annual growth rate.

“Cannae” means Cannae Holdings and Cannae LLC. “Cannae Holdings” means Cannae Holdings, Inc.

“Cannae LLC” means Cannae Holdings LLC, a wholly-owned subsidiary of Cannae Holdings.

“Cash and Cash Equivalents” means, for any Person, all cash and cash equivalents (including marketable securities, checks and bank deposits); provided, however that with respect to PGHL and its Subsidiaries, such amount shall (x) exclude segregated account funds and liquid assets as more fully described on Exhibit F-1 attached to the Merger Agreement and (y) include any costs, fees and expenses associated with refinancing or repricing the existing indebtedness of the Company (in accordance with the Merger Agreement) that have not been paid on or prior to the Closing Date.

“CBI” means the Central Bank of Ireland.

“Closing” means the closing of the transactions contemplated by the Transaction and the PIPE Investment agreements.

“Closing Date” means the date on which the Closing is completed.

“Code” means the U.S. Internal Revenue Code of 1986, as amended.

“Company Board” means the board of directors of the Company from time to time.

“Company Bye-laws” means the second amended bye-laws of the Company.

“Company Common Share(s)” means the common shares, par value \$0.012 per share, of Paysafe Limited and any successors thereto.

“Company LLC Contribution” means the transfer and contribution of FTAC and the Accounting Predecessor by the Company to the LLC in exchange for LLC Interests immediately following the I/C Loan.

“Company Warrants” means warrants that will entitle the holder thereof to purchase for \$138.00 per share one Company Common Share in lieu of one share of FTAC Class A Common Stock (subject to adjustment in accordance with the Warrant Agreement).

“CVC” means CVC Advisers Limited.

“CVC Investors” means Pi Holdings Jersey Limited and Pi Syndication LP.

“CVC Party” means Pi Holdings Jersey Limited.

“DGCL” means the Delaware General Corporation Law.

“Effective Time” has the meaning specified in Section 2.04 of the Merger Agreement.

“ERISA” means Employee Retirement Income Security Act of 1974.

“EU” means European Union.

“EUR” means Euro, the legal currency of the European Union.

“EURIBOR” is defined as the Euro Interbank Offer Rate which represents the average interest rate at which European banks lend to each other.

“Executive Management” means members of the executive management of Paysafe.

“Existing Paysafe Shareholders” means CVC Investors, Blackstone Investors and Executive Management.

“FCA” means the UK Financial Conduct Authority and any successor authority thereto.

“Forward Purchase Agreement” means the forward purchase agreement, dated as of July 31, 2020, between FTAC and Cannae Holdings, Inc.

“Founder” means Trasimene Capital FT, LP II.

“Founder LLC Contribution” means the contribution by Founder of FTAC Class C Common Stock to the LLC in exchange for exchangeable units.

“FTAC” means Foley Trasimene Acquisition Corp. II.

“FTAC Class A Common Stock” means the Class A common stock, par value \$0.0001 per share, of FTAC.

“FTAC Class B Common Stock” means the Class B common stock, par value \$0.0001 per share, of FTAC.

“FTAC Common Stock” means FTAC Class A Common Stock and FTAC Class B Common Stock.

“FTAC Contribution” means, immediately following the Company LLC Contribution, the transfer by the LLC to the Accounting Predecessor, or a Subsidiary of the Accounting Predecessor, of all of the stock of FTAC, consummated prior to the consummation to the Additional I/C Loans.

“FTAC Financing” means the equity financing to be provided pursuant to the Forward Purchase Agreement.

“FTAC Stockholders” means the holders of shares of FTAC Common Stock.

“GAAP” means generally accepted accounting principles in the United States.

“GDPR” means the EU’s General Data Protection Regulation 2016/679, as amended.

“Group” means, where appropriate, Paysafe and its subsidiaries.

“HMRC” means HM Revenue & Customs.

“I/C Loans” means the loans made by FTAC to the Company and the Accounting Predecessor out of the Available Cash Amount, made prior to the consummation of the Company LLC Contribution, FTAC Contribution and the Additional I/C Loans.

"LIBOR" is defined as the London Interbank Offered Rate and represents the basic rate of interest used in lending between banks on the London interbank market and also used as a reference for setting the interest rate on other loans.

"Lien" means any mortgage, deed of trust, pledge, hypothecation, encumbrance, easement, license, option, right of first refusal, security interest or other lien of any kind.

"LLC" means, Paysafe Bermuda Holding LLC, a Bermuda exempted limited liability company.

"LLC Contribution" means, collectively, the Founder LLC Contribution and the Company LLC Contribution.

"LLC Interests" means the limited liability company interests in the LLC.

"Merger" means, immediately following the Founder LLC Contribution, on the terms and subject to the conditions of the Merger Agreement and in accordance with the DGCL and other applicable Laws, a business combination transaction by and among the Parties by which Merger Sub will merge with and into FTAC, with FTAC being the surviving corporation of the Merger, consummated prior to the consummation of the I/C Loans, the Company LLC Contribution, the FTAC Contribution and the Additional I/C Loans.

"Merger Agreement" means the agreement and plan of merger made and entered into as of December 7, 2020, by and among FTAC, the Company, Merger Sub, the LLC, the Accounting Predecessor and PGHL.

"Merger Sub" means Paysafe Merger Sub Inc., a Delaware corporation and direct, wholly owned subsidiary of the Company. "NYSE" means the New York Stock Exchange.

"OECD" means the Organization for Economic Co-operation and Development.

"Omnibus Incentive Plan" means the Paysafe Limited 2021 Omnibus Incentive Plan attached as Exhibit H to the Merger Agreement.

"Paysafe Consolidated Financial Statements" means the Consolidated Statements of Financial Position of Paysafe Limited as of December 31, 2023 and 2022 and the related Consolidated Statements of Comprehensive Loss, Shareholders' Equity, and Cash Flows, for the three years ended December 31, 2023.

"Paysafe Limited" means Paysafe Limited, an exempted limited company incorporated under the laws of Bermuda.

"Paysafe Holdings II" means Paysafe Group Holdings II Ltd.

"Paysafe Parties" means PGHL, the Accounting Predecessor, Merger Sub and the LLC.

"PCAOB" means the Public Company Accounting Oversight Board.

"PGHL" means Paysafe Group Holdings Limited, a private limited company incorporated under the laws of England and Wales.

"Pi Topco" means Pi Jersey Topco Limited, a company incorporated in Jersey.

"PIPE Investment" means the commitments obtained by FTAC from certain investors for a private placement of Company Common Shares pursuant to those certain Subscription Agreements.

"PIPE Investment Proceeds" mean the aggregate amount funded and paid to the Company by the PIPE Investors pursuant to their Subscription Agreements.

"PIPE Investor" means an investor party to a Subscription Agreement.

"Principal Shareholders" means, collectively, the Founder, Cannae LLC, the CVC Investors and the Blackstone Investors.

"Registration Rights Agreement" means the agreement entered into by the Company, Pi Topco, PGHL, Cannae LLC, the Founder, the CVC Party and the Blackstone Investors in connection with the consummation of the Merger, attached to the Merger Agreement as Exhibit D.

“Shareholders Agreement” means the agreement entered into by the Company, Pi Topco, PGHL and the Principal Shareholders in connection with the consummation of the Merger, attached to the Merger Agreement as Exhibit D.

“SMB” means small and medium-sized businesses.

“SOFR” is defined as Secured Overnight Financing Rate and represents a secured overnight interest rate.

“Subscription Agreement” means each individual subscription agreement entered into by each PIPE Investor.

“Transaction” means the transactions contemplated by the Merger Agreement, including the Merger, the Paysafe Contribution, the FTAC Contribution, the Founder LLC Contribution, the Company LLC Contribution.

“Trasimene Capital” means Trasimene Capital Management, LLC, a financial advisory firm led by William P. Foley, II, a former director of Paysafe Limited.

“Treasury Regulations” means the regulations, including proposed and temporary regulations, promulgated under the Code.

“U.S. dollar,” “USD,” “US\$” and “\$” mean the legal currency of the United States.

“VAT” means any: (a) tax imposed in compliance with the council directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112) (including, in relation to the UK, value added tax imposed by the Value Added Tax Act 1994 and legislation and regulations supplemental thereto); and (b) other tax of a similar nature (including, without limitation, sales tax, use tax, consumption tax and goods and services tax), whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in (a), or elsewhere.

“Warrant Agreement” means that certain Warrant Agreement, dated as of August 21, 2020, between FTAC and Continental Stock Transfer & Trust Company, a New York corporation.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

A. [Reserved]

B. Capitalization and Indebtedness

The following section summarizes the terms of our principal indebtedness.

Credit Facilities

Current Debt Facilities

On June 28, 2021, Paysafe refinanced its former debt facilities by entering into a Senior Facilities Agreement (the “2021 Senior Facilities”) and issuing Senior Secured Notes (the “2021 Secured Notes”). The proceeds of these facilities and notes were used to repay the remaining former debt facilities:

As of December 31, 2023 and 2022, the 2021 Senior Facilities and 2021 Secured Notes consist of the following:

- \$305.0 million senior secured revolving credit facility (the “Revolving Credit Facility”), the maturity date of which is December 28, 2027;
- \$1,108 million first lien term loan facility (the “USD First Lien Term Loan”) of which \$886 million was outstanding as of December 31, 2023 and €710 million first lien term loan facility (the “EUR First Lien Term Loan”) of which €646 million was outstanding at December 31, 2023 (the “EUR First Lien Term Loan” and, together with the USD First Lien Term Loan, the “First Lien Term Loan”), the maturity date of which is June 28, 2028;
- \$400.0 million Senior Secured Notes (the “USD Notes”) of which \$346 million was outstanding at December 31, 2023 and €435.0 million Senior Secured Notes (the “EUR Notes”) of which €421 million was outstanding at December 31, 2023 (the EUR Notes and, together with the USD Notes, the “Senior Secured Notes”), the maturity date of which is June 15, 2029.

In addition, the 2021 Senior Facilities provide that Paysafe Holdings II has the right at any time, subject to customary conditions, to request incremental term loans or incremental revolving credit commitments in an aggregate principal amount of up to (a) the greater of (1) \$430.0 million and (2) an amount equal to 100% of Paysafe Holdings II’s trailing twelve-month consolidated EBITDA (as such term is defined in the credit agreement) at the time of determination plus (b) an amount equal to all voluntary prepayments, repurchases, redemptions and other retirements of the term loans under the credit agreements and certain other incremental equivalent debt and permanent revolving credit commitment reductions under the credit agreements, in each case prior to or simultaneous with the date of any such incurrence (to the extent not funded with the proceeds of long-term debt other than revolving loans) plus (c) an additional unlimited amount so long as Paysafe Holdings II (I) in the case of incremental indebtedness that is secured by the collateral under the credit agreements on a *pari passu* basis with the First Lien Term Loan, does not exceed a specified pro forma first lien net leverage ratio, and (II) in the case of unsecured incremental indebtedness (or indebtedness not secured by all or a portion of the collateral securing the 2021 Senior Facilities), either does not exceed a specified total net leverage ratio or satisfies a specified fixed charge coverage ratio. The lenders under the 2021 Senior Facilities are not under any obligation to provide any such incremental loans or commitments, and any such addition of or increase in loans will be subject to certain customary conditions precedent and other provisions.

Paysafe Finance PLC and Paysafe Holdings (US) Corp., collectively referred to in this section as the “First Lien Term Loan Borrowers,” are the borrowers under the First Lien Term Loan. Paysafe Holdings UK Limited, Paysafe Holdings (US) Corp. and Paysafe Payment Processing Solutions LLC (referred to in this section as the “Revolving Credit Borrowers”) are the borrowers under the First Lien Revolving Credit Facility. The First Lien Term Loan Borrowers and the Revolving Credit Borrowers are collectively referred to in this section as the “Borrowers.”

Interest Rate and Fees

Borrowings under the USD First Lien Term Loan bear interest at a rate per annum equal to USD SOFR, determined in accordance with the credit agreements (including a floor of 0.50% per annum), plus the applicable margin (which is currently 2.75%) and credit spread adjustment ("CSA"). During 2023, the reference rate on USD Term loans transitioned from LIBOR to SOFR due to the discontinuation of USD LIBOR. While LIBOR and SOFR historically trend together, LIBOR is generally higher than SOFR. Due to the difference in these rates, the Alternative Reference Rates Committee ("ARRC") has recommended that a credit spread adjustment be added to SOFR to compensate for the difference between the two rates. Borrowings under the EUR First Lien Term Loan bear interest at a rate per annum equal to EURIBOR, determined in accordance with the credit agreements (including a floor of 0.00% per annum), plus the applicable margin (which is currently 3.00%). The USD Notes and EUR Notes carry a coupon of 4.00% and 3.00% respectively, payable semi-annually.

Borrowings under the First Lien Revolving Credit Facility bear interest at a rate equal to SOFR, EURIBOR or equivalent (as applicable), determined in accordance with the 2021 Senior Facilities Agreement (including a floor of 0.00% per annum), plus the applicable margin (which is currently 2.25%). The applicable margin for the 2021 Senior Facilities is subject to adjustment based on Paysafe Holdings II's consolidated first lien net leverage ratio.

In addition to paying interest on outstanding principal under the 2021 Senior Facilities, Paysafe Holdings II will continue to be required to pay a commitment fee to the lenders under the First Lien Revolving Credit Facility in an amount equal to 30% of the applicable margin in respect of the First Lien Revolving Credit Facility multiplied by the aggregate undrawn commitments under the First Lien Revolving Credit Facility, payable quarterly in arrears. Paysafe Holdings II will also continue to be required to pay customary letter of credit fees and annual agency fees to the agent and security agent.

Prepayments

The credit agreements require Paysafe Holdings II to prepay outstanding loans under the 2021 Senior Facilities, subject to certain exceptions, with:

- 75% of the net cash proceeds of certain dispositions of property (which percentage may be reduced to 0% if Paysafe Holdings II achieves and maintains specified consolidated first lien net leverage ratios), subject to certain exceptions, and subject to Paysafe Holdings II's right to reinvest the proceeds within a time period set forth in the credit agreements; and
- 50% of annual excess cash flow (determined in accordance with the credit agreements) commencing with the first full fiscal year completed after the closing of the 2021 Senior Facilities (which percentage may be reduced to 25% and 0% if Paysafe Holdings II achieves and maintains, as of the end of the applicable fiscal year, specified consolidated first lien net leverage ratios), subject to certain credits and exceptions.

In addition, unless the lenders holding a majority of the outstanding loans and commitments under each credit agreement consent, each of the credit agreements provide that upon a change of control (determined in accordance with the credit agreements) or a sale of all or substantially all of the business and/or assets of the group, the 2021 Senior Facilities will be canceled and all amounts thereunder will become immediately due and payable.

Paysafe Holdings II may elect to apply the foregoing mandatory prepayments (i) if the consolidated total net leverage ratio is less than or equal to 6.25:1.00, between the First Lien Term Loans, and the Secured Notes on a pro rata basis.

The Borrowers may voluntarily, in minimum amounts set forth in the credit agreements, repay outstanding loans or reduce outstanding commitments under the 2021 Senior Facilities at any time without premium or penalty, subject to reimbursements of the lenders' breakage costs actually incurred in the case of a prepayment of borrowings prior to the last day of the relevant interest period. Subject to the Intercreditor Agreement, the foregoing voluntary prepayments may be applied to any class of loans under the 2021 Senior Facilities as Paysafe Holdings II or the Borrowers shall direct.

Amortization and Maturity

The USD First Lien Term Loan amortizes in equal quarterly installments in aggregate annual amounts equal to 1.00% of the principal amount of the USD First Lien Term Loan outstanding as of the date of the closing of the 2021 Senior Facilities, with the balance being payable at maturity on June 28, 2028. Principal amounts outstanding under the EUR First Lien Term Loan are due and payable in full at maturity on June 28, 2028. Principal amounts outstanding under the First Lien Revolving Credit Facility are due and payable in full at final maturity on December 28, 2027.

Guarantees and Security

All obligations of the obligors under the credit agreements are unconditionally guaranteed by all guarantors under the credit agreements, such guarantors being material wholly owned direct and indirect restricted subsidiaries of Paysafe Holdings II that are organized in the UK, the United States, Canada or the jurisdiction of incorporation of any Borrower and by Paysafe Holdings II, with customary exceptions and certain agreed security principles including, among other things, where providing such guarantees is not permitted by law, regulation or contract or would result in adverse tax consequences.

Subject to the Intercreditor Agreement, all obligations of the obligors under the credit agreements and the guarantees of such obligations, are secured, subject to permitted liens, certain agreed security principles and other exceptions, by: (i) a pledge of all of the shares issued by the Borrowers and each subsidiary guarantor (subject to certain exceptions), (ii) a security interest in all material intercompany loan receivables of the Borrowers and each guarantor and (iii) in the case of any obligor organized in the UK, security interests in substantially all tangible and intangible personal property (subject to certain exceptions and exclusions) and a floating charge over substantially all of the assets of the relevant obligor.

Subject to certain agreed security principles, the aggregate EBITDA (determined in accordance with the credit agreements) of all guarantors as of the end of each fiscal year must not represent less than 80% of the aggregate EBITDA of Paysafe Holdings II and its restricted subsidiaries as of the end of each fiscal year.

Certain Covenants and Events of Default

The credit agreements contain a number of negative covenants that, among other things, restrict, subject to certain exceptions, the ability of Paysafe Holdings II and its restricted subsidiaries to:

- incur additional indebtedness and make guarantees;
- create liens on assets;
- engage in mergers or consolidations or make fundamental changes;
- sell assets;
- pay dividends and distributions or repurchase their share capital;
- make investments, loans and advances, including acquisitions;
- engage in certain transactions with affiliates;
- enter into certain burdensome agreements;
- make changes in the nature of their business; and
- make prepayments of junior debt.

In addition, with respect to the First Lien Revolving Credit Facility, the 2021 Senior Facilities Agreement requires Paysafe Holdings II to maintain, as of the last day of each four fiscal quarter period, a maximum consolidated first lien net leverage ratio of 7.50 to 1.00 only if, as of the last day of any fiscal quarter, revolving loans under the First Lien Revolving Credit Facility are outstanding in an aggregate amount greater than 40% of the total commitments under the First Lien Revolving Credit Facility at such time. The financial maintenance covenant is subject to customary equity cure rights.

The credit agreements also contain certain customary representations and warranties, affirmative covenants and events of default. If an event of default occurs, the lenders under the 2021 Senior Facilities will be entitled to take various actions, including the acceleration of amounts due under the credit agreements and all actions permitted to be taken by a secured creditor.

Paysafe Payment Revolving Credit Facility

On June 18, 2019, Paysafe Payment Processing Solutions LLC (“Paysafe Payment”) entered into a credit agreement for a \$50 million revolving credit facility with Woodforest National Bank, as administrative agent (as amended and restated on January 21, 2020, the “Paysafe Payment Credit Agreement”). On June 27, 2022, Paysafe Payment amended the Paysafe Payment Credit Agreement with PNC National Bank as administrative agent. The amended Paysafe Credit Agreement provides for a \$75 million revolving credit facility, the maturity date of which is June 27, 2025.

The proceeds of the Paysafe Revolving Credit Facility may be used for working capital and other general corporate purposes, other than for the repayment of debt or for personal, family, household or agricultural purposes.

Interest Rate and Fees

Borrowings under the Paysafe Revolving Credit Facility bear interest at a floating rate per annum which can be, at Paysafe Payment's option, either (i) SOFR for a specified interest period plus 2.70% or (ii) U.S. Prime rate minus 0.25%. Paysafe Payment will also continue to be required to pay customary annual agency fees to the administrative agent.

Prepayments

The Paysafe Payment Credit Agreement requires Paysafe Payment to prepay outstanding loans under the Paysafe Revolving Credit Facility (i) immediately, if the principal amount of borrowings under the Paysafe Revolving Credit Facility exceeds the aggregate commitments thereunder or (ii) within 30 days, if the proceeds of borrowings under the Paysafe Revolving Credit Facility are used to fund certain permitted acquisitions. Paysafe Payment may voluntarily, in minimum amounts set forth in the Paysafe Payment Credit Agreement, repay outstanding loans or reduce outstanding commitments under the Paysafe Revolving Credit Facility at any time without premium or penalty.

Maturity

Principal amounts outstanding under the Paysafe Revolving Credit Facility are due and payable in full at maturity on June 27, 2025.

Guarantees and Security

All obligations of Paysafe Payment under the Paysafe Payment Credit Agreement are unconditionally guaranteed by Paysafe Holdings II.

All obligations of Paysafe Payment under the Paysafe Payment Credit Agreement and the guarantees of such obligations, are secured, subject to permitted liens and other exceptions, by perfected security interests in the accounts, collateral accounts and liquid assets of Paysafe Payment, and certain contracts, documents, general intangibles, letter-of-credit rights, proceeds and records relating thereto (subject to certain exceptions and exclusions).

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

Risks Related to Paysafe's Business and Industry

Our focus on the large entertainment verticals can increase risk relative to other companies in the global payments industry.

We operate in the global entertainment verticals, which include: iGaming, travel, streaming/video gaming, retail/hospitality and digital assets. Although this focus distinguishes us from industry peers, it also increases risks inherent in our business and broader industry. For example:

- the industries we serve are extensively regulated, and their regulation is evolving and subject to frequent change and uncertain interpretation. As a result of regulatory actions, we have had to exit a market altogether, limit services we provide, or otherwise modify our business in ways that have adversely impacted profitability. We are also exposed to a higher risk of losses resulting from related investigations, regulatory actions and litigation. See “—Regulatory, Legal and Tax Risks—We generate a significant portion of our revenue by processing online payments for merchants and customers engaged in the online gambling and foreign exchange trading sectors”;
- serving the entertainment verticals creates greater operational complexity, including for our compliance, legal and risk functions;
- with respect to certain industries (such as iGaming), the laws related to, or the legal status of, such industries vary significantly among the countries in which we operate and, in the U.S., from state to state, further adding operational complexity particularly in compliance and risk mitigation;
- we may have difficulty obtaining or maintaining relationships with merchants and third-party service providers for our business, such as banks and payment card networks, including as a result of their assessment and appetite for the compliance,

cost, government regulation, risk of consumer fraud or public pressure that can be associated with some of the industries that we operate in. For example, merchants may compel us to change our operations or add bespoke or enhanced internal controls in order to do business with them; and

- from time to time, the industries we serve (and we by association) are the subject of negative publicity, which can harm our reputation if we are viewed as associated to the industry vertical. In addition, any negative publicity could deter future consumers and merchants from adopting our products and services and influence our third-party service providers' assessment of our business.

The enhanced risks resulting from our core focus can materialize suddenly and without warning, which may result in increased volatility in our results of operations compared with other companies in our industry that do not provide services to companies in the entertainment verticals, and could result in a material adverse effect on our business, financial condition, results of operations and future prospects.

Cyberattacks and security vulnerabilities could result in disruption, loss of customer and merchant funds and personal data, including financial data, as well as serious harm to our reputation, business, and financial condition.

Our information technology ("IT") security systems, software and networks and those of the customers and third parties with whom we interact may be vulnerable to unauthorized access (from the Internet, from within or by third parties), computer viruses or other malicious code, denial of service or other cybersecurity threats, which could result in the unauthorized access, loss, theft, changes to, unavailability, destruction or disclosure of confidential, proprietary, financial or personal information relating to merchants, customers and employees. Such unauthorized access, loss, theft, changes to, unavailability, destruction or disclosure of confidential, proprietary, financial or personal information could result in identity theft, misuse of pin codes, the loss of card payment details that are stored on our system, and/or the loss of funds stored in customers' wallets and prepaid cards and other monetary loss or have other material impacts on our business. We, like other financial technology organizations, as well as our customers and third parties with whom we interact, are routinely subject to cybersecurity threats and our and their technologies, IT systems and networks have been victims of cyberattacks in the past. Information security risks for payment and technology companies such as ours have significantly increased in recent years and in particular with remote work driven by the pandemic, 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. Geopolitical events and resulting government activity could also lead to information security threats and attacks by affected jurisdictions and their sympathizers.

We are responsible for data security for ourselves and for third parties with whom we partner, including with respect to complying with rules and regulations established by the payment networks and card networks. These third parties include merchants, our distribution partners, our third-party payment processors and other third-party service providers and agents. We and other third parties collect, process, store and/or transmit personal information, such as names, contact details, addresses, social security numbers, credit or debit card numbers, expiration dates, driver's license numbers, bank account numbers and bank routing information as well as certain information gathered during our Know Your Customer ("KYC") procedures. We have ultimate liability to the payment networks and our partner banks for our failure or the failure of third parties with whom we contract to protect this data in accordance with payment network requirements. The loss, destruction or unauthorized modification of merchant or consumer data by us or our contracted third parties could result in significant fines, sanctions, proceedings or actions against us by governmental bodies, regulatory and supervisory bodies, the payment networks, consumers, merchants or others, and could harm our business and reputation. In addition, a breach or other cybersecurity incident at a third party with whom we interact has in the past, and could in the future, result in our inability to safeguard our customers' information and funds.

Certain products particular to our eCash Solutions division are identified by unique PIN codes assigned to them at the point of sale, and when a customer uses the voucher on a merchant website. These active voucher PINs are stored in our systems. Due to the anonymous nature of these PINs, a theft and subsequent fraudulent utilization of PINs (either due to third-party hacking or due to internal fraud by an employee) could result in the original voucher holder's inability to use his or her vouchers. While customer verification and fraud management procedures are in place to mitigate this risk, we would honor the payment by the original voucher holder from our own funds and therefore incur a loss. Our Digital Wallet business, on the other hand, could suffer from a loss of funds if a third-party hacker or an employee is successful in taking over one of our customer's accounts as well as suffer the costs of any subsequent reimbursement to customers. Additionally, loss of payment card information could also lead us to incur card re-issuing costs, which depending on the size of the data breach could be significant. Significant losses incurred as a result of such activity would have a material adverse effect on our results of operations and, depending on the nature of such fraudulent attacks, we may be required to notify relevant regulators and other authorities such as law enforcement. Any adverse publicity as a result of such theft and fraudulent utilization could adversely affect our reputation and the demand for our products.

Despite various mitigation efforts that we undertake, there can be no assurance that we and our third party partners will be immune to these risks and not suffer material security incidents and resulting losses in the future, or that our insurance coverage would be sufficient to cover the related financial losses over and above the excess of the insurance policy. The techniques used to obtain unauthorized,

improper, or illegal access to our systems, our data (including our confidential business information and intellectual property rights) or our customers' data (including our merchants and consumers), to disable or degrade our services, demand ransom or to sabotage our systems are constantly evolving and have become increasingly complex and sophisticated. These techniques may be difficult to detect quickly, and may not be recognized or detected until after they have been launched against a target. Threats to our IT systems and our associated third parties' IT systems may result from human error, fraud or malice on the part of employees or third parties, including state-sponsored organizations with significant financial and technological resources, organized crime groups or from accidental technological failure. For example, certain of our employees require access to sensitive data that could be used to commit identity theft or fraud. While we have internal controls in place surrounding system access and segregation of duties, if unauthorized individuals gain access to this data, the risk of malfeasance is heightened. Concerns about security increase when we transmit information electronically, even though we encrypt certain communications and data to reduce this risk, because such transmissions can be subject to attack, interception or loss. Also, computer viruses can be distributed and spread rapidly over the internet and could infiltrate our systems or those of our contracted third parties. Denial of service, ransomware, or other attacks could be launched against us for a variety of purposes, including interfering with our services or to create a diversion for other malicious activities. These or similar types of actions and attacks could disrupt our delivery of services or make them unavailable. As cybersecurity threats continue to evolve, we may be required to expend significant additional resources to continue to modify or enhance our protective measures or to investigate and remediate any information security vulnerabilities. Any of the risks described above could materially adversely affect our overall business, financial condition and results of operations.

We and our third party partners have experienced and will likely continue to regularly experience denial-of-service and other cyberattacks and security events. In such circumstances, our data encryption practices and other protective measures have not always prevented and in the future may not prevent, as applicable, unauthorized access service disruption or system sabotage.

Regardless of whether an actual or perceived breach is attributable to our products, such a breach could, among other things:

- interrupt our operations;
- result in our systems or services being unavailable;
- result in improper disclosure of data;
- result in a demand for a ransom payment;
- materially harm our reputation and brands;
- result in significant regulatory scrutiny, including enforcement action such as fines, and legal and financial exposure,
- cause us to incur significant remediation costs;
- lead to loss of customer confidence in, or decreased use of, our products and services;
- divert the attention of management from the operation of our business;
- result in significant compensation or contractual penalties from us to our customers and their business partners as a result of losses to them or claims by them; and
- adversely affect our business and results of operations.

In addition, a significant cybersecurity breach of our systems or communications could result in payment networks prohibiting us from processing transactions on their networks or the loss of our sponsor banks that facilitate our participation in the payment networks, either of which could materially impede our ability to conduct our business. We may also be subject to liability for claims relating to misuse of personal information, such as unauthorized marketing, or violation of data privacy laws. In addition, our agreements with our sponsor banks and our third-party payment processors (as well as payment network requirements) require us to take certain protective measures to ensure the confidentiality of merchant and consumer data. Any failure to adequately comply with these protective measures could result in fees, penalties, litigation or termination of our sponsor bank agreements. Although we generally require that our agreements with distribution partners or our service providers who may have access to merchant or consumer data include confidentiality obligations that restrict these parties from using or disclosing any merchant or consumer data except as necessary to perform their services under the applicable agreements, we cannot guarantee that these contractual measures will be followed or will be adequate to prevent the unauthorized access, use, modification, destruction or disclosure of data or allow us to seek damages from the contracted party. In addition, many of our merchants are small and medium businesses that may have fewer resources dedicated to data security and may thus experience data breaches. Any unauthorized use, modification, destruction or disclosure of data could result in protracted and costly litigation, and cause us to incur significant losses.

Global and regional economic conditions could materially harm our business.

Our operations and performance depend significantly on global and regional economic conditions. Uncertainty about global and regional economic events and conditions may impact our ability to conduct business in certain areas and may result in consumers and businesses postponing or lowering spending in response to, among other factors:

- tighter credit;
- inflation;
- supply chain issues;
- financial market volatility;
- fluctuations in foreign currency exchange rates and interest rates;
- changes and uncertainties related to government fiscal and tax policies, U.S. and international trade relationships, agreements, policies, treaties and restrictive actions, including increased duties, tariffs, or other restrictive actions;
- geopolitical events in countries we operate or have offices, including natural disasters, public health issues, pandemics, changes in political conditions, acts of war and terrorism, including the military hostilities commenced in Ukraine (operations in Russia, Ukraine and Israel represented approximately 1% of revenues for the year ended December 31, 2023);
- higher unemployment;
- consumer debt levels or reduced consumer confidence;
- complying with all applicable restrictions and sanctions that may impact our operations, including complying with any applicable sanctions imposed on Russia;
- government austerity programs; and
- other negative financial news, macroeconomic developments or pandemics.

In addition, many of our merchants are small businesses and these businesses may be disproportionately adversely affected by economic downturns or conditions and may fail at a higher rate than larger or more established businesses. If spending by their customers declines, or if customer behavior is otherwise adversely impacted by rising inflation, these businesses would experience reduced sales and process fewer payments with us or, if they cease to operate, stop using our products and services altogether. Small businesses frequently have limited budgets and limited access to capital, and they may choose to allocate their spending to items other than our financial or marketing services, especially in times of economic uncertainty or in recessions. These and other global and regional economic events and conditions could have a material adverse impact on the demand for our products and services. Furthermore, any financial turmoil affecting the banking system or financial markets could cause additional consolidation of the financial services industry, significant financial service institution failures, new or incremental tightening in the credit markets, low liquidity, and extreme volatility or distress in the fixed income, credit, currency, and equity markets, which could have a material adverse impact on our results of operations, financial condition and future prospects.

Our international operations subject us to increased risks, which could harm our business.

We have extensive international operations and our customers are resident in over 120 countries and territories. There are risks inherent in doing business internationally on both a domestic (i.e., in-country) and cross-border basis, including, but not limited to:

- foreign currency and cross-border trade risks;
- risks related to government regulation or required compliance with local laws;
- local licensing and reporting obligations;
- obligations to comply with local regulatory and legal obligations related to privacy, data security and data localization;
- expenses associated with localizing our products and services, including offering customers the ability to transact business in the local currency, and adapting our products and services to local preferences (e.g., payment methods) with which we may have limited or no experience;
- trade barriers and changes in trade regulations;
- difficulties in developing, staffing, and simultaneously managing a large number of varying foreign operations as a result of distance, language and cultural differences;

- stringent local labor laws and regulations;
- credit risk and higher levels of payment fraud;
- profit repatriation restrictions, foreign currency exchange restrictions or extreme fluctuations in foreign currency exchange rates for a particular currency;
- political or social unrest, economic instability, repression or human rights issues;
- geopolitical events, including natural disasters, public health issues, pandemics, acts of war and terrorism;
- import or export regulations;
- compliance with UK, Irish, U.S. and other international laws prohibiting corrupt payments to government officials, such as the U.S. Foreign Corrupt Practices Act, the UK Bribery Act, the Irish Criminal Justice (Corruption Offences) Act 2018 and other local anticorruption laws;
- compliance with UK, Irish, U.S. and other international laws and associated regulations designed to combat money laundering and the financing of terrorist activities;
- antitrust and competition regulations;
- potentially adverse tax developments and consequences;
- economic uncertainties relating to sovereign and other debt;
- national or regional differences in macroeconomic growth rates;
- different, uncertain, overlapping, or more stringent user protection, data protection, privacy and other laws and regulations; and
- increased difficulties in collecting accounts receivable.

Violations of the complex UK, Irish, U.S. and other international laws, rules and regulations that apply to our international operations may result in fines, criminal actions, or sanctions against us, our officers, or our employees; prohibitions on the conduct of our business; and damage to our reputation. Although we have implemented policies and procedures designed to promote compliance with these laws, there can be no assurance that our employees, contractors, or agents will not violate our policies. These risks are inherent in our international operations and expansion, may increase our costs of doing business internationally, and could harm our business.

We may not be successful at acquiring, investing in or integrating businesses, entering into joint ventures or divesting businesses.

We expect to continue pursuing strategic and targeted acquisitions, investments and joint ventures to enhance or add to our skills and capabilities or offerings of services and solutions, or to enable us to expand in certain geographic and other markets. For example, in the past few years, we have expanded into the Latin America market. However, our broader plan to expand into markets and grow in the markets we are in may not succeed. We may not be successful in identifying additional suitable investment opportunities. We also might not succeed in completing targeted transactions or achieve desired results of operations of these transactions.

Furthermore, we face risks in successfully integrating any businesses we might acquire or create through a joint venture. Ongoing business may be disrupted, and our management's attention may be diverted by acquisition, investment, transition or integration activities. In addition, we might need to dedicate additional management and other resources, and our organizational structure could make it difficult for us to efficiently integrate acquired businesses into our ongoing operations and assimilate and retain employees of those businesses into our culture and operations. The potential loss of key executives, employees, customers, suppliers, and other business partners of businesses we acquire may adversely impact the value of the assets, operations or businesses. Moreover, acquisitions or joint ventures may result in significant costs and expenses, including those related to retention payments, equity compensation, severance pay, early retirement costs, intangible asset amortization and asset impairment charges, assumed litigation and other liabilities, and legal, accounting and financial advisory fees, which could negatively affect our profitability. We may have difficulties as a result of entering into new markets where we have limited or no direct prior experience or where competitors may have stronger market positions.

We might fail to realize the expected benefits or strategic objectives of any acquisition, investment or joint venture we undertake. We might not achieve our expected return on investment or may lose money. We may be adversely impacted by liabilities that we assume from a company we acquire or in which we invest, including from that company's known and unknown obligations, intellectual property or other assets, terminated employees, current or former clients or other third parties. In addition, we may fail to identify or adequately assess the magnitude of certain liabilities, shortcomings or other circumstances prior to acquiring, investing in or partnering with a company, including potential exposure to regulatory sanctions or liabilities resulting from an acquisition target's previous activities,

internal controls and security environment. If any of these circumstances occurs, they could result in unexpected legal or regulatory exposure, unfavorable accounting treatment, unexpected increases in taxes or other adverse effects on our business. Litigation, indemnification claims and other unforeseen claims and liabilities may arise from the acquisition or operation of acquired businesses. If we are unable to complete the number and kind of investments for which we plan, or if we are inefficient or unsuccessful at finding a suitable target or at integrating any acquired businesses into our operations, we may not be able to achieve our planned rates of growth or improve our market share, profitability or competitive position in specific markets or services.

We periodically evaluate, and have engaged in, the disposition of assets and businesses. Divestitures could involve difficulties in the separation of operations, services, products and personnel, the diversion of management's attention, the disruption of our business and the potential loss of key employees. After reaching an agreement with a buyer for the disposition of a business, the transaction may be subject to the satisfaction of pre-closing conditions, including obtaining necessary regulatory and government approvals, which, if not satisfied or obtained, may prevent us from completing the transaction. Divestitures may also involve continued financial involvement in or liability with respect to the divested assets and businesses, such as indemnities or other financial obligations, in which the performance of the divested assets or businesses could impact our results of operations. Any divestiture we undertake could adversely affect our results of operations.

Our success depends on our relationships with banks, payment card networks, issuers and financial institutions.

The nature of our business requires us to enter into numerous commercial and contractual relationships with banks, card networks, issuers and financial institutions. We depend on these relationships to operate on a day-to-day basis. If we are unsuccessful in establishing, renegotiating or maintaining mutually beneficial relationships with these parties, our business may be harmed. In addition, these relationships are subject to a number of risks, including the following:

- *loss of banking relationships*: we rely on the use of numerous bank accounts in the jurisdictions in which we operate for the efficient delivery of our services. A loss of any important banking relationship could have a material effect on our business and financial performance. For example, in the past, we have experienced the loss of three important banking relationships for our Digital Wallet business, which resulted in a higher concentration risk with our remaining banking partners;
- *new banking relationships*: as we are considered a high risk customer for our banks and payment partners, there is a long lead time associated with establishing new or replacing banking and non-bank payment partner relationships due to the extensive level of compliance due diligence required by the banks and providers. See “—Risks Related to Paysafe's Business and Industry—” Our focus on specialized industry verticals can increase our risks relative to other companies in our industry;
- *loss of a banking product*: many of our products rely on banks providing payments capability to us. We may lose that service although still maintain the banking relationship as the bank would, for example, continue to provide us with foreign exchange services. Such a loss of services from a bank (or banks) could have a material effect on our business and financial performance including on the geographies, customers and associated payment volumes which we are able to serve;
- *loss of an alternative payment method*: many of our products rely on processing relationships and connections to alternative or local payment methods, either direct or indirect via aggregators. Such a loss of payment methods or providers could have a material effect on our business and financial performance, including on the geographies, customers and associated payment volumes which we are able to serve;
- *downstream correspondent banking risk*: if the correspondent banks of our banks (or the underlying banks of our non-bank payment providers) change their risk appetite, this could lead to restrictions with or rejections of our products' payment flows which could have a material effect on our business and financial performance, including on the geographies, customers and associated payment volumes which we are able to serve;
- *failure of banks and financial institutions*: across our businesses, we hold our own, merchants' and customers' funds on deposit at various banks and financial institutions. In Digital Wallets, we receive funds from our merchants and customers into a number of bank accounts operated by various banks in the countries in which we operate. We then transfer funds, from the various banks in the countries in which we operate, to multiple banks such that amounts equivalent to all merchant and customer funds are held in segregated accounts in accordance with applicable regulatory requirements. While we have controls in place intended to monitor and mitigate this risk, there can be no guarantee that the banks in which funds are held will not suffer any kind of financial difficulty or commence any insolvency or bankruptcy proceedings, or any moratorium, composition, arrangement or enforcement action or any other kind of analogous event in any jurisdiction that may result in the permanent loss of some or all of our own funds or the funds of merchants or customers, which could have a material adverse effect on our business and financial performance;
- *card scheme operating rules*: we are subject to the operating rules and regulations of card schemes such as Visa and Mastercard and changes to those operating rules and regulations could have a material adverse effect on our business. If a

merchant or an independent sales organization (“ISO”) fails to comply with the applicable requirements of the card associations and networks, we or the merchant or ISO could be subject to a variety of fines or penalties that may be levied by the card associations or networks. If we cannot collect or pursue collection of such amounts from the applicable merchant or ISO, we may have to bear the cost of such fines or penalties, resulting in lower earnings for us. Policy changes could impact the merchant category code assignments to our business which can in turn impact our acceptance and authorization rates as well as our banking provider risk appetite assessment and costs. Policy changes can also impact our ability to acquire card transactions on a cross-border basis in particular markets, for example depending on the merchant country of registration;

•*fines and assessments*: the payment card schemes and their processing service providers may pass on fines and assessments in respect of fraud or chargebacks related to our merchants or disqualify us from processing transactions if satisfactory controls are not maintained;

•*risk management policies*: banks and financial institutions that provide us with services enabling us to operate our payments platform could reassess our risk profile due to the portfolio of products and services we offer and/or regard us as being non-compliant with certain laws or regulations (e.g., in relation to the regulation of e-money, cross border transactions or the provision of services to online gambling operators) that are applicable in their relevant jurisdictions or may regard our customers as being non-compliant. Banks and financial institutions may choose to withdraw from certain markets as a result of their internal risk management policies and may, in compliance with their regulatory obligations or internal risk and compliance policies, freeze the funds of our merchants and customers. In addition, consolidation in the banking sector may result in one of our banking providers being acquired by another bank, which may then prompt a change in our provider’s risk appetite and impacts our relationship with that provider;

•*potential competitors*: banks, payment card schemes, issuers and financial institutions may view us as being a competitor to their own business and may cease doing business with us as a result; and

•*fee increases*: we are required to pay interchange and assessment fees, processing fees and bank settlement fees to third-party payment processors and financial institutions. From time to time, payment card networks have increased, and may increase in the future, the interchange fees and assessments that they charge for each transaction processed using their networks. Banks occasionally raise our fees in order to compensate for the increased risk, controls and anti-money laundering monitoring costs the bank may incur due to increased regulatory requirements or scrutiny. Additionally, if one of our banking providers cease to supply us services, that could lead to an increase in costs to continue to offer those services via alternative means, particularly where the service is provided in multiple currencies due to the incursion of additional foreign transaction fees.

If, for any reason, any banks, payment card schemes, issuers or financial institutions cease to supply us with the services we require to conduct our business, or the terms on which such services are provided were to become less favorable or be canceled, or a contractual claim made against us, it could impact our ability to provide our payment services, or the basis on which we are able to provide such services. This, and any of the factors set forth above, could result in a loss for us, which could have a material adverse effect on our results of operations, financial condition and future prospects.

Our revenues from the sale of services to merchants that accept Visa cards and Mastercard cards are dependent on our continued financial institution sponsorship.

Because we are not a bank, our business is not eligible for membership in card payment networks, and we are, therefore, unable to directly access these card payment networks, which are required to process transactions. These networks’ operating regulations require us to be sponsored by a member bank in order to process electronic payment transactions. Our various payment processing businesses are registered with the card networks through seven separate sponsor banks (who settle the transactions with our merchants).

Our sponsor banks may terminate their agreements with us if we materially breach the agreements and do not cure the breach within an established cure period, if we enter bankruptcy or file for bankruptcy, or if applicable laws or regulations, including Visa and/or Mastercard regulations, change to prevent either the applicable bank or us from performing services under the agreement. If these sponsorships are terminated and we are unable to secure a replacement sponsor bank within the applicable wind down period, we will not be able to process electronic payment transactions.

Furthermore, our agreements with our sponsor banks provide the sponsor banks with substantial discretion in approving certain elements of our business practices, including our solicitation, application and underwriting procedures for merchants. We cannot guarantee that our sponsor banks’ actions under these agreements will not be detrimental to us, nor can we provide assurance that any of our sponsor banks will not terminate their sponsorship of us in the future. Our sponsor banks have broad discretion to impose new business or operational requirements on us for purposes of compliance with payment network rules, which may materially adversely affect our

business. If our sponsorship agreements are terminated and we are unable to secure another sponsor bank, we will not be able to offer Visa, Mastercard or other card scheme transactions or settle transactions which would likely cause us to terminate our operations.

Our sponsor banks also provide or supplement authorization, funding and settlement services in connection with our bankcard processing services. If our sponsorship agreements are terminated and we are unable to secure another sponsor bank, we will not be able to process Visa, Mastercard or other card scheme transactions, which would have a material adverse effect on results of operations, financial conditions and future prospects. A change in underwriting, credit policies, credit risk or reputational risk appetite of our sponsor banks may impact appetite for volume and/or merchant categories. Further, there is a long lead time to secure new sponsor banks, as described above under “—Our success depends on our relationships with banks, payment card networks, issuers and financial institutions—new banking relationships.”

In many countries in which we operate, we are legally or contractually required to comply with the anti-money laundering laws and regulations, such as, in the United States, the Bank Secrecy Act, as amended by the USA PATRIOT Act (collectively, the “BSA”), and similar laws of other countries, which, among other things, require that customer identifying information be obtained and verified. As described in “—Regulatory, Legal and Tax Risks—We must comply with money laundering regulations in the UK, Ireland, Switzerland, the United States, Canada and elsewhere, and any failure to do so could result in severe financial and legal penalties,” we are directly subject to certain of these requirements, including, in the United States, BSA requirements applicable to Skrill USA Inc. (“Skrill USA”). In other instances, we also have contractually agreed to assist our sponsor banks with their obligation to comply with anti-money laundering requirements that apply to them, including, in the United States, BSA requirements applicable to such sponsor banks. In addition, we and our sponsor banks are subject to laws and regulations that prohibit persons in certain jurisdictions from engaging in transactions with certain prohibited persons or entities, such as those enforced by the Office of Foreign Assets Control in the United States (“OFAC”). Similar requirements apply in other countries. It could be costly for us to comply with these legal and contractual requirements and our failure to comply with any of these contractual requirements or laws could adversely affect our results of operations, financial conditions and future prospects, and could result in termination of the contracts.

We have obtained “principal membership” with both Mastercard Europe and Visa Europe payment networks to offer merchant acquiring services to merchants in the European Union and the UK. This means that we are solely responsible for the adherence to the rules and standards of the payment networks and it enables us to route transactions under our own payment network license to authorize and clear transactions. Under our payment network licenses, we are allowed to perform funds settlement directly to merchants. A loss of membership or significant change to the commercial terms of our European Mastercard and Visa payment network membership would have an adverse effect on the results of these businesses’ operations.

We rely on third parties in many aspects of our business, which creates additional operational risk.

We rely on third parties in many aspects of our business, including the following:

- payment processing services from various service providers in order to allow us to process payments for merchants and customers and to properly code such transactions;
- payment networks;
- connectivity, routing and payment orchestration providers;
- banks;
- payment processors;
- payment gateways that link us to the payment card and bank clearing networks to process transactions;
- third parties that provide certain outsourced customer support functions, which are critical to our operations;
- third parties that provide KYC information and services (for example, through our embedded financing offering we offer an integrated digital wallet solution to third parties, which may result in certain KYC services being outsourced to third parties); and
- third parties that provide IT-related services including data center facilities and cloud computing and compliance and risk functions.

This reliance exposes us to increased operational risk. These third parties may be subject to financial, legal, regulatory and labor issues, cybersecurity incidents, privacy breaches, service terminations, disruptions or interruptions, or other problems, including reputational problems, which may impose additional costs or requirements on us or prevent these third parties from providing services to us or our customers on our behalf, or result in loss of funds to us or our customers, which could have a material adverse effect on our results of operations, financial condition and future prospects.

The EU and the UK have requirements in relation to outsourcing arrangements that are applicable to certain aspects of our businesses. These requirements set out strict standards to follow when outsourcing critical or important functions that have a strong impact on a financial institution's risk profile or on its internal control framework. Such outsourcing arrangements require the prior approval of the relevant regulatory bodies. Furthermore, any changes to our existing critical and important outsourced functions may be subject to regulatory approvals which, if not satisfied or obtained, may prevent us from initiating the change. Although we have implemented processes to ensure compliance with the required standards, a failure to meet these requirements could lead to regulatory challenge and require remediation and/or fines or penalties if we are found to be in noncompliance with the relevant regulation.

In addition, these third parties may breach their agreements with us, disagree with our interpretation of contract terms or applicable laws and regulations, refuse to continue or renew these agreements on commercially reasonable terms or at all, fail or refuse to process transactions or provide other services adequately, take actions that degrade the functionality of our services, impose additional costs or requirements on us or our customers, or give preferential treatment to competitive services. Some of these third party service providers are, or may become, owned by our competitors. There can be no assurance that third parties who provide services directly to us or our customers on our behalf will continue to do so on acceptable terms, or at all. If any third parties do not adequately or appropriately provide their services or perform their responsibilities to us or our customers on our behalf, we may be unable to procure alternatives from other third parties in a timely and efficient manner and on acceptable terms, or at all, and we may be subject to business disruptions, losses or costs to remediate any of the deficiencies, customer dissatisfaction, reputational damage, legal or regulatory proceedings, or other adverse consequences, any of which could have a material adverse effect on our results of operations, financial condition and future prospects.

Our business depends on a strong and trusted brand, and any failure to maintain, protect and enhance our brand could materially harm our business.

We believe that maintaining, protecting and enhancing our strong and trusted brand 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 be a technology leader. We may introduce, or make changes to, features, products, services, privacy practices, 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 they do, any increase in revenue may not offset the expenses we incur in building our brand. The introduction and promotion of new products and services, as well as the promotion of existing products and services, may be partly dependent on our visibility on third-party advertising platforms, such as Google, Twitter, or Facebook. Changes in the way these platforms operate or changes in their advertising prices, data use practices or other terms could make the maintenance and promotion of our products and services and our brand more expensive or more difficult. 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.

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 sensitive information, failure to meet applicable legal and regulatory requirements, including compliance failures and allegations, litigation and other claims, employee misconduct, fraud, fictitious transactions, bad transactions, negative customer experiences, and misconduct by our partners, service providers, or other counterparties. We have also been in the past, and may in the future be, the target of incomplete, inaccurate, and misleading or false statements about our Company, our business, and our products and services that could damage our brand and deter consumers and merchants from adopting our products and services. From time to time, the industry verticals we serve (and we, by association) are the subject of negative publicity, which can harm our brand and deter consumers and merchants from adopting our products and services. See “—Our focus on the global entertainment verticals can increase our risks relative to other companies in our industry.” Any negative publicity about our industry or our company, the quality and reliability of our products and services, our 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 activity, policy positions, 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.

In addition, the registered or unregistered trademarks or trade names that we own may be challenged, infringed, declared generic, or determined to be infringing on or dilutive of other marks. We may not be able to protect our rights in these trademarks and trade names, which we need in order to build name recognition with potential customers. Moreover, third parties may use, or file for registration of trademarks similar or identical to our trademarks; if they succeed in registering or otherwise developing common law rights in such trademarks, and if we are not successful in challenging such third-party's use of such trademarks, our own trademarks may no longer be useful to develop brand recognition of our technologies, products or services. Furthermore, there could be potential trade name or trademark infringement claims brought by owners of other trademarks, including trademarks that incorporate variations of our registered or unregistered trademarks or trade names. If we are unable to establish name recognition based on our trademarks and trade names, we

may not be able to compete effectively, which could have a material adverse effect on our competitive position, business, financial condition, results of operations, and prospects.

The occurrence of regional epidemics or a global pandemic and other geopolitical conditions, including any resulting global economic uncertainty and measures taken in response, could materially impact our business and future results of operations and financial condition.

The occurrence of regional epidemics or a global pandemic, such as COVID-19, may adversely affect our operations, financial condition, and results of operations. The extent to which global pandemics impact our business going forward will depend on factors such as the duration and scope of the pandemic; governmental, business, and individuals' actions in response to the pandemic; and the impact on economic activity, including the possibility of recession or financial market instability.

For example, the COVID-19 pandemic disrupted the economy and put unprecedented strains on governments, health care systems, businesses and individuals around the world. Our merchants, particularly in industries most impacted by the COVID-19 pandemic, including the retail, restaurant, hotel, hospitality, consumer discretionary and travel industries and companies whose customers operate in impacted industries, may reduce or delay their technology-driven transformation initiatives due to a pandemic, which could materially and adversely impact our business. Further, as a result of the COVID-19 pandemic, we experienced slowed growth or decline in new demand for our products and services and lower demand from our existing merchants for expansion within our products and services, as well as existing and potential merchants reducing or delaying purchasing decisions. As a result of the COVID-19 pandemic, we experienced an increase in prospective merchants seeking lower prices or other more favorable contract terms and current merchants attempting to obtain concessions on the terms of existing contracts, including requests for early termination or waiver or delay of payment obligations. A similar pandemic event could adversely affect and materially adversely impact our business, results of operations and overall financial condition in future periods.

Pandemics could cause our third-party service providers such as data center hosting facilities and cloud computing platform providers, which are critical to our infrastructure, to shut down their business, experience security incidents that impact our business, delay or disrupt performance or delivery of services or experience interference with the supply chain of hardware required by their systems and services, any of which could materially adversely affect our business. In addition, our technology platforms and the other systems or networks used in our business may experience an increase in attempted cyber-attacks, targeted intrusions, ransomware and phishing campaigns seeking to take advantage of shifts to employees working remotely using their household or personal internet networks as a result of a pandemic. The success of any of these unauthorized attempts could substantially impact our technology platforms, the proprietary and other confidential data contained therein or otherwise stored or processed in our operations, and ultimately our business. Any actual or perceived security incident also may cause us to incur increased expenses to improve our security controls and to remediate security vulnerabilities. Additionally, we may experience an increased volume of unanticipated customer requests for support (resulting in increased volume to our customer support and operations centers) and regulatory requests for information and support or additional regulatory requirements, which could require additional resources and costs to address.

To the extent that any pandemic, including the COVID-19 pandemic, or other geopolitical conditions adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this “Risk Factors” section.

We may fail to hold, safeguard or account accurately for merchant or customer funds.

Our success requires significant public confidence in our ability to properly manage our customers' balances and handle large and growing transaction volumes and amounts of customer funds. The amounts necessary to meet the claims of customers must either be held in secure, liquid low-risk assets or placed in a segregated account of an authorized credit institution or we may hold an insurance policy or bank guarantee. We employ internal controls and compliance procedures designed to hold, safeguard and account accurately for customer and merchant liabilities. Our ability to manage and account accurately for the assets underlying our customer funds and comply with applicable liquidity requirements 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. Any failure to account accurately for customer and merchant funds or to fail to comply 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, which could materially harm our business. Our Safeguarding controls undergo annual and event triggered examination and review by independent internal and external auditors, as well as continuous first line self-assessment. Any self-identified issue or audit observation or finding is immediately addressed through remediation action. For more information regarding our assessment of the consequences of breaches of our e-money issuer, payment initiation services provider or money transmitter licenses, see “—Regulatory, Legal and Tax Risk—We are subject to financial services regulatory risks.”

Our business and products are dependent on the availability, integrity and security of internal and external IT transaction processing systems and services.

Our business requires the ongoing availability and uninterrupted operation of internal and external transaction processing systems and services. We rely on controls and systems designed to ensure data integrity of critical business information and proper operation of our systems and networks, and we review the processes of our third party providers of transaction processing and IT-related functions. Such third parties are, however, ultimately responsible for maintaining their own network security, disaster recovery and system management procedures. All operational systems are vulnerable to damage or interruption from targeted denial of service attacks, viruses, unauthorized access (internally or by third parties), natural or man-made disasters and human or technological failures under a variety of scenarios. A system outage or data loss, whether connected to our IT transaction processing systems and services or those of our third party providers, could have a material adverse effect on our business, financial condition and results of operations. In addition, as a provider of payments solutions, we are subject to scrutiny by regulators and laws and regulations in relation to operational resilience that require specific risk management and mitigation, business continuity and disaster recovery plans and rigorous testing of such plans. This scrutiny and the related requirements may be costly and time-consuming and may divert our resources from other business priorities, and frequent or persistent site interruptions could lead to fines and penalties, and mandatory and costly changes to our business practices, and ultimately could cause us to lose existing licenses that we need to operate or prevent or delay us from obtaining additional licenses that may be required for our business. Events that could cause system interruptions or impact the ability of staff or third parties to supply necessary skills or services include pandemics, fire, earthquake, flood, terrorist attacks, natural disasters, attacks from malicious third parties, employee malfeasance or negligence, computer viruses, unauthorized entry, telecommunications failure, power loss, data loss, cyberattacks, acts of war or any similar events.

We may modify, enhance, upgrade and implement new systems, procedures and controls to reflect changes in our business, technological advancements and changing industry trends. These upgrades may create risks associated with implementing new systems and integrating them with existing ones. As a result, our IT and information management systems may fail to operate properly (for example, by capturing customer data erroneously) or become disabled as a result of events that are beyond our control, such as an unusually high increase in transaction volume. We may also incur additional costs in relation to any new or upgraded systems, procedures and controls and additional management attention could be required in order to ensure an efficient integration, placing burdens on our internal resources.

Despite the network security, disaster recovery and systems management measures that we have in place, we cannot ensure that we would be able to carry on our business in the ordinary course if our systems or those of our third party service providers fail or are disrupted. Indeed, while much of our processing infrastructure is located in multiple redundant data centers or hosted on resilient cloud platforms, we have a limited number of core business systems that are located in only one facility and do not have redundancy. Any such failure of IT and information management systems could adversely affect our reputation, our ability to effect transactions and service customers and merchants, disrupt our business or result in the misuse of customer data, financial loss or liability to our customers or regulators, the loss of suppliers, regulatory intervention or reputational damage.

Additionally, as our customers may use our products for critical transactions, any errors, defects or other infrastructure problems could result in damage to such customers' businesses. These customers could seek compensation from us for their losses and our insurance policies may be insufficient to cover such claims. Even if unsuccessful, this type of claim may be time consuming and costly for us. Any of the foregoing could have a material adverse effect on our results of operations and financial condition.

We are vulnerable to the effects of chargebacks, merchant insolvency and consumer deposit settlement risk.

We are exposed to the effect of chargebacks and merchant insolvency in our business. We are liable to various banks for chargebacks incurred by our merchants where the merchants are unable to meet liabilities arising as a result of those chargebacks. If the average chargeback rate on any of our merchant portfolios at any acquiring bank exceeds the maximum average chargeback rate permitted by the card agreements, we will be required to take steps to reduce the average chargeback rate so that it falls below the maximum permitted rate or risk losing our relationship with that acquiring bank. Those steps might include processing more transactions for merchants who have lower chargeback rates to produce a lower average chargeback rate for the portfolio as a whole or terminating relationships with merchants who have higher chargeback rates, which could in turn lead to a material loss of revenue for us. Chargebacks may arise as individual claims or as multiple claims relating to the same facts or circumstances. For example, the insolvency or cessation of a merchant doing business could cause numerous individual customers to bring claims at once which, either singly or in aggregate, could have a material adverse effect on our results of operations, financial condition and future prospects. Similarly, chargebacks or fraud related to our customers or merchants in our Digital Wallet business could cause the payment card schemes of which we are a member in Europe to require us to implement additional and potentially costly controls, and ultimately disqualify us from processing transactions if satisfactory controls are not maintained. Further, if any of the services we offer are deemed to have caused or contributed to illegal activity, customers, consumer protection agencies and regulatory firms could band together to initiate chargeback card payments or ACH reversals for transactions associated with the activity in question.

In our Digital Wallet division, we offer our merchants a “no chargeback policy.” A chargeback is the return of funds to a customer and in this context relates to a reversal of unauthorized charges to a customer’s credit card, for example, as a result of fraud or identity theft. Under our “no chargeback policy,” we agree to allow merchants who qualify under our vetting policy to retain all monies received from our NETELLER and Skrill digital wallet holders and undertake not to request reimbursement from such merchants in respect of chargebacks incurred. In such cases, the full amount of the disputed transaction is charged back to us and our credit card processor may levy additional fees against us unless we can successfully challenge the chargeback. We believe that our “no chargeback policy” is a key factor in a merchant’s decision to use our Digital Wallet services.

Our eCash Solutions division utilizes distribution partners and as such is exposed to credit risk in the event a distribution partner fails. This is managed through ongoing credit risk assessment with active exposure management including the use of credit limits, guarantees and insurance to limit overall exposure.

Our businesses are also subject to merchant credit risk in respect of non-payment for products provided and services rendered or non-reimbursement of costs incurred. The contracts we enter into may require significant expenditure prior to merchant payments and may expose us to potential credit risk or may require us to use our available bank facilities in order to meet payment obligations.

Additionally, we are exposed to risk associated with the settlement of consumer deposits. Digital Wallet deposits from financial institutions, such as bank accounts, are credited to customer accounts before settlement of funds is received. Thus, there is a risk that the funds may not be settled or may be recalled due to insufficient funds or fraud reasons, exposing us to the risk of negative customer wallet balances and bad debt. Further, Digital Wallet prepaid card deposits or transactions made by consumers may be charged back by consumers resulting in a negative balance and loss on our accounts. If we are unable to effectively manage and monitor these risks, they could have a material adverse effect on our results of operations, financial condition and future prospects.

We may become an unwitting party to fraud or be deemed to be handling proceeds resulting from the criminal activity of our customers.

We are focused on providing trusted services to our customers and merchants and ensuring that data and confidential information is transmitted and stored securely. Combating money laundering and fraud is a significant challenge in the online payment services industry because transactions are conducted between parties who are not physically present, which in turn creates opportunities for misrepresentation and abuse. Criminals are using increasingly sophisticated methods to engage in illegal activities such as identity theft, fraud and paper instrument counterfeiting. As an online payment company, we are especially vulnerable because of the convenience, immediacy and in some cases anonymity of transferring funds from one account to another and subsequently withdrawing them. The highly automated nature of, and liquidity offered by, our payments services make us a target for illegal or improper uses, including fraudulent or illegal sales of goods or services, money laundering and terrorist financing. Allegations of fraud may result in fines, settlements, litigation expenses and reputational damage.

While we employ a variety of tools to protect against fraud, these tools mitigate such risks rather than eliminating them entirely. We reserve the right to refuse to accept accounts or transactions from many high-risk countries, internet protocol addresses, e-mail domains and devices and continually update our screening filters. Our transaction monitoring systems are designed to identify various criteria, including the country of origination, in order to detect and monitor fraud and to reject any purported transactions if they appear to be fraudulent. Nevertheless, our transaction monitoring systems may not operate as intended or may otherwise fail to effectively detect fraudulent transactions or locate where a transaction is being made. We face significant risks of loss due to money laundering, fraud and disputes between senders and recipients, and if we are unable to deal effectively with losses from fraudulent transactions our business could be materially harmed.

The ability for customers to withdraw and deposit funds within various accounts and the potential for customer fraud in connection with certain gambling activities heightens the risks of money laundering and the unwitting receipt by us of criminal proceeds. Our industry is under increasing scrutiny from governmental authorities—in Europe, the United States and many other jurisdictions in which we operate—in connection with the potential for consumer fraud. Regulators in Ireland and the UK have recently stated their expectations for payment service providers to increase their efforts to detect, protect, reimburse or assist in loss recovery by customers exposed to authorized push payment fraud, and to increase surveillance for new and emerging fraud typologies, particularly in the context of crypto related transactions. The laws of some jurisdictions define or interpret what constitutes the underlying criminal activity that gives rise to criminal proceeds relatively narrowly (for example, terrorist financing). Conversely, other jurisdictions have adopted laws providing for relatively broad definitions or interpretations of underlying criminal activity (for example, in the UK criminal proceeds may arise from the conviction of any criminal offence where it is found that the defendant has benefited from the criminal conduct). Further, the extent to which payment processors may be held civilly or criminally liable for the criminal activities of its merchant customers also varies widely across the jurisdictions in which we operate.

If consumer fraud levels involving our services were to rise, it could lead to regulatory intervention and reputational and financial damage. This, in turn, could lead to additional government enforcement actions and investigations and concerns raised by merchants and our banking and payment partners, which in turn could reduce the use and acceptance of our services or increase our compliance costs and thereby have a material adverse impact on our business, financial condition and results of operations. By processing payments for merchants and customers in certain industry verticals, such as those engaged in the online gambling sector, we may be deemed to be handling proceeds of crime in the jurisdiction where our merchants and customers are located. We are subject to anti-money laundering laws and regulations, including, in the United States, the BSA which requires money services businesses such as us to develop and implement risk-based anti-money laundering programs, report large cash transactions and suspicious activity and maintain transaction records. We have adopted a program to comply with these and other anti-money laundering regulations, but any errors or failure to implement the program properly could lead to lawsuits, administrative action and government fines and/or prosecution. In addition, even if we comply with such reporting and record-keeping requirements, law enforcement agencies in the relevant country could seize merchants' or customers' funds that are the proceeds of unlawful activity. Any such action could result in adverse publicity for our business and could have a material adverse effect on our results of operations, financial condition and future prospects.

Our risk management policies and procedures may not be fully effective in mitigating our risk exposure in all market environments or against all types of risks, which could expose us to losses and liability and otherwise harm our business.

We operate in a rapidly changing industry and we have experienced significant change in recent years, including in connection with certain acquisitions and arising from the provision of payment services in connection with crypto related transactions. Accordingly, our risk management policies and procedures may not be fully effective at identifying, monitoring and managing our risks at pace with these changes. Some of our risk evaluation methods depend upon information provided by third parties regarding markets, clients or other matters that are otherwise inaccessible to us. In some cases, however, that information may not be accurate, complete or up-to-date. Our risk management policies, procedures, techniques and processes may not be effective at identifying all of the risks to which we are exposed or enabling us to mitigate the risks we have identified. 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 new risks. Some risk mitigation may be deemed ineffectual, for example, if our insurance coverage is not adequate. We may need to initiate legal proceedings at a high cost if we are unable to come to a settlement with adversarial parties. If our risk management policies and processes are ineffective, we may suffer large financial losses, we may be subject to civil and criminal liability and our business, financial condition and results of operations may be materially and adversely affected. Moreover, the nature of financial crime and the attack methods used are constantly changing and adapting to our controls framework, which may result in imperfect risk mitigation while we also adapt to new patterns and trends of suspicious behavior.

We are required to comply with payment card network operating rules.

Payment networks, such as Visa, Mastercard and American Express, establish their own rules and standards that allocate liabilities and responsibilities among the payment networks and their participants. These rules and standards, including the Payment Card Industry Data Security Standards, govern a variety of areas, including how consumers and clients may use their cards, the security features of cards, security standards for processing, data security and allocation of liability for certain acts or omissions, including liability in the event of a data breach. The payment networks may change these rules and standards from time to time as they may determine in their sole discretion and with or without advance notice to their participants. These changes may be made for any number of reasons, including as a result of changes in the regulatory environment, to maintain or attract new participants, or to serve the strategic initiatives of the payment networks, and may impose additional costs and expenses on or be disadvantageous to certain participants. Participants are subject to audit by the payment networks to ensure compliance with applicable rules and standards. The networks may fine, penalize or suspend the registration of participants for certain acts or omissions or the failure of the participants to comply with applicable rules and standards. Furthermore, the networks may levy fines on our sponsor banks in the event that our processing behavior causes our sponsor banks to breach their obligations to scheme rules including breaching, for example, applicable thresholds, such as chargeback or fraud thresholds. This occurrence can lead to an adverse impact on our sponsor bank relationships and any required remedies can create additional costs. Our removal from a given network's list of Payment Card Industry Data Security Standard compliant service providers could mean that existing merchants, customers, sales partners or other third parties may cease using or referring our services. Also, prospective merchants, customers, sales partners or other third parties may choose to terminate negotiations with us, or delay or 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 impact on our business and financial results. For example, changes in the payment card network rules regarding chargebacks may affect our ability to dispute chargebacks and the amount of losses we incur from chargebacks. Changes to and interpretations of the network rules that were inconsistent with the way we operated has, in the past, required us to make changes to our business, and any 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 or otherwise resolve the issue with the payment card networks, the networks could pass on

finances and assessments in respect of fraud or chargebacks related to our merchants 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.

In addition, we are required to comply with additional clearing scheme rules not particular to card companies, such as Bacs Payment Schemes Limited (formerly known as the Bankers Automated Clearing System), and the Single Euro Payments Area (also known as the SEPA, EBA Step2) scheme, which govern the clearing and settlement of certain UK and European electronic payment methods. Changes in the classification of our business by Visa and/or Mastercard could result in restrictions on our service offerings. For example, the classification of our Digital Wallet as a “Staged Digital Wallet,” a “Pass-Through Digital Wallet,” or a “Stored Value Digital Wallet” impacts which merchants in various jurisdictions can accept our funds.

Our efforts to expand our product portfolio and market reach may not succeed, and if we fail to manage our growth effectively, our business could be materially harmed.

While we intend to continue to broaden the scope of products and services we offer, we may not be successful in deriving any significant revenue from these products and services. Failure to broaden the scope of products and services that are attractive may inhibit our growth and harm our business. Furthermore, we may have limited or no experience in our newer markets and we cannot assure you that any of our products or services in our newer markets will be widely accepted or that they will generate revenue. Our offerings may present new and difficult technological, operational, regulatory and other challenges, and if we experience service disruptions, failures, or other issues, our business may be materially and adversely affected. Our newer activities may not recoup our investments in a timely manner or at all. If any of this were to occur, it could damage our reputation, limit our growth, and materially and adversely affect our results of operations and financial condition.

Further, in order to manage our growth effectively, we must continue to strengthen our existing infrastructure, develop and improve our processes and internal controls, create and improve our reporting systems, and timely address issues as they arise. As we continue to strengthen our existing infrastructure and systems, we will also be required to hire additional personnel. These efforts may require substantial financial expenditures, commitments of resources, developments of our processes, and other investments and innovations. Furthermore, we encourage employees to quickly develop and launch new features for our products and services. As we grow, we may not be able to execute as quickly as smaller, more agile organizations. In addition, as we grow, we may not be able to maintain our entrepreneurial company culture, which fosters innovation and talent. If we do not successfully manage our growth, our business may be adversely affected.

We depend on key management, as well as our experienced and capable employees, and any failure to attract, motivate, and retain our employees could harm our ability to maintain and grow our business.

We depend upon the continued services and performance of our directors and key senior management. Our directors and key senior management play a key role in maintaining our culture and in setting our strategic direction. The unexpected departure or loss of one or more of our directors or key senior management team members could harm our ability to maintain and grow our business, and there can be no assurance we will be able to attract or retain suitable replacements for such directors and/or key management in a timely manner, or at all. We also may incur significant additional costs in recruiting and retaining suitable replacements and avoiding disruption in integrating them into our business.

In addition, our operations and the execution of our business plan depend on our ability to attract, train and retain suitably skilled or qualified personnel with relevant industry and operational experience and to ensure that we have a robust succession planning system in place. In order for us to expand our operations in the future we will need to recruit and retain further personnel with suitable experience, qualifications and skill sets capable of advancing our business. Additionally, we are in the process of incorporating more automation and re-engineering processes in our business, and uncertainty related to this transformation may affect our ability to retain our employees. Depending on the geographical area, there can be substantial competition for suitably skilled or qualified personnel with relevant industry and operational experience and there can be no assurance that we will be able to attract or retain our personnel on similar terms to those on which we currently engage our employees, or at all. We see this risk in particular in our Digital Wallet operations center in Sofia, Bulgaria, where we have found it can be more difficult to identify qualified local talent from which to staff our operations. If we are unable to attract or retain suitably skilled or qualified personnel then this could have a material adverse effect on our results of operations, financial condition and future prospects.

If we cannot keep pace with rapid technological developments to provide new and innovative products and services, the use of our products and services and, consequently, our revenues could decline.

Rapid, significant, and disruptive technological changes, such as machine learning, container technology, artificial intelligence, biometrics (for authorization and authentication) as well as quantum computing, impact the industries in which we operate, including developments in payment card tokenization, mobile, social commerce (i.e., eCommerce through social networks), authentication, cryptocurrencies (including distributed ledger and blockchain technologies), and near-field communication, and other proximity payment technologies, such as contactless payments. As a result, we expect new services and technologies to continue to emerge and evolve, and we cannot predict the effects of technological changes on our business. In addition to our own initiatives and innovations, we rely in part on third parties, including some of our competitors, for the development of and access to new or evolving technologies. These third parties may restrict or prevent our access to, or utilization of, those technologies, as well as their platforms or products. In addition, we may not be able to accurately predict which technological developments or innovations will become widely adopted and how those technologies may be regulated. We expect that new services and technologies applicable to the industries in which we operate will continue to emerge and may be superior to, or render obsolete, the technologies we currently use in our products and services. Developing and incorporating new technologies into our products and services may require substantial expenditures, take considerable time, and ultimately may not be successful.

In addition, our ability to adopt new products and services and to develop new technologies may be inhibited by industry-wide standards, payments networks, changes to laws and regulations, resistance to change from consumers or merchants, third-party intellectual property rights, or other factors. For example, consumers can use their Skrill and NETELLER wallets to trade in cryptocurrencies. Our success in providing cryptocurrency services, and with other rapid technological innovations, will depend on our ability to develop and incorporate new technologies and adapt to technological changes and evolving industry standards; if we are unable to do so in a timely or cost-effective manner, our business could be harmed.

We are currently building a single core platform for our businesses to increase resilience, speed and security and provide firm foundations for future releases and enhancements. Related to this are various initiatives, which include increasing our risk management, fraud management and compliance capabilities and ensuring that our updated architecture can support a constantly evolving KYC, anti-money laundering, credit check and fraud monitoring environment; providing us with better reporting and analytics; providing our merchants with the ability to accept any payment method they wish; and allowing for increased customer customization of their services. However, there is no assurance that this platform will operate effectively or that we will achieve these intended benefits. A failure to deliver the solutions identified by our businesses as important for their future success in a timely or cost-effective manner could have an impact on our future success.

We face substantial and increasingly intense competition worldwide in the global payments industry.

The global payments industry is highly competitive, rapidly changing, very innovative, and increasingly subject to regulatory scrutiny. We compete against a wide range of businesses, including businesses that are larger than we are with substantially greater financial and other resources than we have, have a more dominant and secure position, or offer other products and services to consumers and merchants that we do not offer, as well as smaller companies that may be able to respond more quickly to regulatory and technological changes. These competitors may act on business opportunities within our specialized industry verticals, which may reduce our ability to maintain or increase our market share. In addition, the services of our various competitors are differentiated by features and functionalities such as brand recognition, customer service, trust and reliability, distribution network and channel options, convenience, price, speed, variety of payment methods, service offerings and innovation.

In addition, our competitors may be able to offer more attractive economic terms to our current and prospective clients. If competition requires us to offer more attractive economics by reducing our fees or otherwise modifying our terms in order to maintain market share and continue growing our client base, we will need to aggressively control our costs in order to maintain our profit margins and our revenues may be adversely affected, and our ability to control our costs is limited because we are subject to fixed transaction costs related to payment networks. Competition could also result in a loss of existing clients and greater difficulty in attracting new clients. One or more of these factors could have a material adverse effect on our business, financial condition and results of operations.

Furthermore, 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 may also intensify as businesses enter into business combinations and alliances, and established companies in other segments expand to become competitive with different aspects of our business. If we cannot compete effectively, the demand for our products and services may decline, which would adversely impact our competitive position, business and financial performance.

Our operating results and operating metrics are subject to seasonality and volatility, which could result in fluctuations in our quarterly revenues and operating results or in perceptions of our business prospects.

We have experienced in the past, and expect to continue to experience, seasonal fluctuations in our business. For instance, our eCash Solutions division historically experiences increased activity during the traditional holiday period and around other nationally recognized holidays, when certain games operators may run promotions, consumers enjoy more leisure time and younger consumers may receive our products as gifts. Our Digital Wallet segment experiences increased activity based on the occurrence and timing of sporting events. Volatility in our revenue, key operating metrics or their rates of growth could result in fluctuations in our financial condition or results of operations and may lead to adverse inferences about our prospects, which could result in declines in our share price.

Regulatory, Legal and Tax Risks

Our operations can be constrained in countries with less predictable legal and regulatory frameworks.

If the legal and regulatory system in a particular country is less predictable, this can create a more difficult environment in which to conduct business. For example, any of the following could hamper our operations and reduce our earnings in these types of countries:

- the absence of a statutory or regulatory basis or guidance for engaging in specific types of business or transactions;
- rapidly changing, conflicting or ambiguous laws and regulations, or the inconsistent application or interpretation of existing laws and regulations;
- uncertainty concerning the enforceability of contractual, intellectual property or other obligations;
- difficulty in competing in economies in which the government controls or protects all or a portion of the local economy or specific businesses, or where graft or corruption may be pervasive; and
- the threat of arbitrary regulatory investigations, civil litigations or criminal prosecutions, the imposition of licensing requirements, or the termination or unavailability of licenses, to operate in the local market or the suspension of business relationships with governmental bodies.

Conducting business in countries with less predictable legal and regulatory regimes could require us to devote significant additional resources to understanding, and monitoring changes in, local laws and regulations, as well as structuring our operations to comply with local laws and regulations and implementing and administering related internal policies and procedures.

Given the above mentioned challenges and the ever changing landscape, we may fail to conduct our business in compliance with the laws and regulations of the jurisdictions in which we operate and/or those jurisdictions in which we provide services, and the risk of noncompliance can be greater in countries that have less predictable legal and regulatory systems.

Our business is subject to extensive regulation and oversight in a variety of areas, all of which are subject to change and uncertain interpretation, including in such ways as could criminalize certain of our activities.

We are subject to a wide variety of laws, regulations, licensing schemes and industry standards in the countries and localities in which we operate. These laws, regulations, and standards govern numerous areas that are important to our business, including, but not limited to, online gambling, consumer protection, governance, information security, anti-money laundering, fraud, safeguarding of client funds, strong customer authentication, operational resilience, outsourcing, regulatory reporting, ESG, securities, labor and employment, unclaimed property laws, competition, privacy and data protection, biometric data processing and marketing and communications practices. Such laws, regulations, and standards are subject to changes and evolving interpretations and application, including by means of legislative changes, new guidance, administrative changes and/or executive orders, and it can be difficult to predict how they may be applied to our business and the way we conduct our operations, particularly as we introduce new products and services and expand into new jurisdictions. For example, in 2022, the Bank of Italy formed the view that the distribution of my paysafecard codes through the local network of points of sale resulted in Italian anti-money laundering law becoming directly applicable to the sale of those vouchers. After engagement with the Bank of Italy, a local Central Contact Point was established in Italy and changes to the process for the purchase of codes including the collection of ‘code fiscale’ were implemented. Several upcoming changes in local gambling laws such as new gambling requirements in Peru and Brazil, will require us to assess the way we will be able to offer our products under the new regulations. Many countries, including Ireland, UK and Brazil, are introducing new laws and regulations related to crypto services. We are subject to the Accessibility Directive in the EU, which requires that products and services can be used by customers with different needs. Any perceived or actual breach of laws, regulations, and standards could result in investigations, regulatory inquiries, loss of licensure, litigation, fines, injunctions, negative customer sentiment, impairment of our existing or planned products and services, or otherwise materially and adversely impact our business. In addition, regulatory scrutiny in one jurisdiction can lead to increased scrutiny

from regulators and legislators in other jurisdictions that may harm our reputation, brand and third-party relationships and have a material adverse effect on our results of operations, financial performance and future prospects.

We are also subject to oversight by various governmental agencies and authorities in the countries and localities in which we operate. In light of the current conditions in the global financial markets and economy, lawmakers and regulators have increased their focus on the regulation of the financial services industry. Although we have a compliance program focused on the laws, rules, and regulations that we believe are applicable to our business, we may still be subject to a requirement to change various aspects of our business or the manner in which we carry out our business in certain countries, or to fines, injunctions or other penalties levied by regulators in one or more jurisdictions. In addition to fines, penalties for failing to comply with applicable rules and regulations could include significant criminal and civil lawsuits, forfeiture of significant assets, increased licensure requirements, loss of licensure or other enforcement actions. Any perceived or actual breach of compliance by us with respect to applicable laws, rules and regulations could have a significant impact on our reputation as a trusted brand and could cause us to lose existing customers, prevent us from obtaining new customers, require us to expend significant funds to remedy problems caused by breaches and to avert further breaches and expose us to legal risk and potential liability.

In the future, we may also be required to make changes to our business practices or compliance programs as a result of regulatory scrutiny. For example, we are subject to supervisory inspections on a range of topics which have recently included financial crime and fraud, consumer duty, governance and outsourcing, and must implement any changes required by a regulator if findings are made.

We generate a significant portion of our revenue by processing online payments for merchants and customers engaged in the online gambling and foreign exchange trading sectors.

We generate a significant portion of our revenue from merchants operating in the regulated and unregulated gaming and sports betting and foreign exchange trading sectors. We and our merchants and customers are subject to various laws and regulations in relation to online gambling. Regulations in the gaming and sports betting and foreign exchange trading sectors vary significantly among different countries and localities. In many cases, they may be unclear and may also change, sometimes drastically, and such laws and regulations are constantly evolving and are often subject to conflicting interpretations.

The EU has generally moved towards controlled regulation of online-based gambling operators, rather than absolute prohibition. However, local laws in place in EU member states are sometimes incompatible with EU laws, regulations and directives, which introduces additional uncertainty around licensing and ongoing compliance obligations into the regulatory framework.

Additionally, many jurisdictions, particularly those outside of Europe and the United States, including many Latin American countries, have not updated their laws to address the supply of online gambling, which by its nature is a multijurisdictional activity. Due to the borderless nature of online gaming and sports betting and foreign exchange trading, a merchant properly licensed in its home jurisdiction may still provide services to consumers in other jurisdictions, knowingly or unknowingly, including in jurisdictions whose regulations are ambiguous or where gaming, sports betting and/or foreign exchange trading are prohibited. We currently operate in Latin American countries where there are no licensing requirements and the regulatory environment is changing. If new regulations are imposed, our ability to operate in those countries could become more difficult and more costly.

We have policies and procedures in place that are designed to ensure that we comply with applicable rules regarding card brands, regulated verticals and bank sponsor requirements. However, these policies and procedures may not always be effective. If we provide services, intentionally or unintentionally, to gaming and sports betting and foreign exchange trading companies that do not have proper regulatory authorizations, we could be subject to fines, penalties, reputational harm or other negative consequences. Other jurisdictions have updated legislation to pass laws to regulate online gambling but only to permit license holders to supply services in that jurisdiction. Some of these laws purport to have an extra territorial effect and specifically preclude payment support of any gambling transactions, with powers to request the co-operation of banks and card issuers, or, in some jurisdictions, to criminalize the support they provide. Nevertheless, the legality of online gambling and the provision of services to online gambling merchants and customers is subject to uncertainties arising from differing approaches by legislatures, regulators and enforcement agents, including in relation to determining in which jurisdiction the game or the bet takes place and, therefore, which law applies and where the transaction should be taxed. This uncertainty creates a risk for us that, even in instances where older laws have not been updated to address new technology, courts may interpret older legislation in an unfavorable way and determine our activities to be illegal. This could lead to criminal or civil actions being brought against our customers, merchants, us or any of our directors, or us (or our merchants or customers) being forced to cease doing business in a particular jurisdiction, all or any of which may, individually or collectively, materially and adversely affect our results of operations and financial condition and damage our reputation.

We rely on the continued supply of our services to merchants within the online gambling industry. Digital Wallets (which primarily provides services to the online gambling industry) represents approximately 46% of our revenue for the year ended December 31, 2023. Changes in the regulation of online gambling in the markets where we operate may materially and adversely affect our results of

operations and financial condition if such merchants are subject to increased taxes, compliance costs, levies and license fees or are forced to cease operating in a jurisdiction as a result of prohibitive legislation, which may result in reduced demand for our services within the online gambling industry.

While we do not provide gambling services, it is possible that we could be found to be acting unlawfully for processing gambling related payments. If we were found to be acting unlawfully for processing online gambling payments in any jurisdiction, it could have a material adverse effect on our reputation, operations and financial performance. Additional civil, criminal or regulatory proceedings could also be brought against us and/or our directors, executive officers and employees as a result. We could also be joined to proceedings brought against a merchant or other third parties for tracing claims resulting in the seizure of funds. Any such proceedings would potentially have cost, resource and reputational implications, and could have a material adverse effect on our results of operations, financial performance and future prospects and on our ability to retain, renew or expand our portfolio of licenses. Moreover, even if successfully defended, the process may result in us incurring considerable costs and require significant management resource and time.

In addition to gambling related payments, our payment systems may be used for potentially illegal or improper uses, including the fraudulent sales of goods or services, illegal sales of controlled substances or to facilitate other illegal activity. Such usage of our payment systems may subject us to claims, individual and class action lawsuits, government and regulatory investigations, inquiries or requests that could result in liability and reputational harm for us. Changes in law 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 rights or government authorities may seek to bring legal action against providers of payments solutions that are peripherally involved in the sale of infringing or allegedly infringing items. Any threatened or resulting claims could result in reputational harm, and any resulting liabilities, loss of transaction volume, or increased costs could harm our business.

We are subject to financial services regulatory risks.

Certain of our subsidiaries in the UK are authorized by the FCA under the Electronic Money Regulations 2011 to perform the regulated activity of issuing e-money and the provision of payment services (which has the meaning specified in the Second Electronic Money Directive) as well as to provide account information services and payment initiation services to support our *Rapid Transfer* service. We have the appropriate licenses and permissions to act as an e-money issuer in the UK and are registered as a Virtual Asset Service Provider for the provision of crypto related services.

Two of our entities in Ireland are authorized by the CBI to act as e-money issuers and to provide payment services (including account information and payment initiation services) and are passporting in other European Economic Area (“EEA”) jurisdictions. One of our Irish subsidiaries is also registered as a Virtual Asset Service Provider for the provision of crypto related services. Both the FCA and the CBI also implement, maintain and enforce a range of rules covering (among other things) the safeguarding of users’ funds and the fair treatment of consumers and other vulnerable customers. These rules are contained in various sources in Ireland including the Consumer Protection Code and the European Union (Payment Services) Regulations 2018 and apply to the regulated activities we carry out from Ireland across the EEA, and in the UK are most recently covered in the Consumer Duty rules. Breach of these rules may result in fines, public censures, customer remediation and redress and ultimately in the revocation of our regulatory licenses in Ireland.

EU laws and regulations are typically subject to different and potentially inconsistent interpretations by the local authorities in EU member states, which can make compliance more costly and operationally difficult to manage. Moreover, countries that are EU members may each have different and potentially inconsistent domestic regulations implementing European Directives, which may further increase compliance costs and operational complexity. For example, the Bank of Portugal required the Company to submit enhanced reporting despite the Company having no legal or regulatory presence in Portugal. EU Member States may interpret the same EU rule in different ways. For example, some local supervisory authorities deem the distribution of products through an independent distribution network as creating an ‘establishment’ that would render local AML laws applicable including the requirement to appoint a local central contact point. The nature of that appointment can also vary from country to country. Banks and distributors may take the approach that they will only enter into a relationship with entities subject to local laws and supervision.

Additionally, Skrill USA is registered with the U.S. Department of the Treasury Financial Crimes Enforcement Network (“FinCEN”) as a money services business and is regarded as a money transmission business in the United States. Money transmitting businesses are subject to numerous regulations in the United States at the federal and state levels, and we have obtained or applied for money transmitter licenses (or applicable similar licenses) in all U.S. states and territories in which we are required to do so. As a result, we are also subject to inspections, examinations, supervision, and regulation by each state in which we are licensed, and are subject to direct supervision by the Consumer Financial Protection Bureau (the “CFPB”). The CFPB has authority to interpret, enforce and issue regulations implementing enumerated consumer laws, including certain laws that apply to our business. The Dodd-Frank Act also empowers state attorney generals and other state officials to enforce federal consumer protection laws under specified conditions.

Although we have the authorizations and licenses referred to above, we issue e-money to customers in over 120 countries and territories and we are not licensed as an e-money issuer in the vast majority of these jurisdictions. We take the view that, in general, we are not conducting regulated activities in these other jurisdictions on the basis that our activities of issuing e-money are not conducted in each jurisdiction in which our relevant customers reside, but rather e-money is issued in jurisdictions in which we are licensed. We acknowledge that local regulators in these jurisdictions may take a different view and, as transaction volumes increase and/or the matter is brought to our attention by local regulators, we will take advice in respect of local requirements on a case-by-case basis.

Due to ongoing developments in e-money regulation, we obtain advice from external counsel as required in order to assess any applicable risk and, where necessary, will limit the extent of our operations in a particular jurisdiction or will consider whether to obtain a license in such jurisdiction. The adoption of new money transmitter or other licensing statutes in the jurisdictions in which we operate, changes in regulators' interpretation of existing money transmitter or other licensing statutes or regulations, or disagreement by a regulatory authority with our interpretation of such statutes or regulations, could require additional registrations or licenses, limit certain of our business activities until they are appropriately licensed, and expose us to financial penalties.

We are not aware of any circumstances that may result in us being in breach of the terms of our e-money issuer, payment initiation service provider or money transmitter licenses that would be likely to lead to a revocation or termination of such licenses or a material restriction on such licenses, nor are we aware of any current or pending financial, civil or criminal proceedings asserted against us in connection with a failure to hold a license in any relevant jurisdiction. However, if we were found to be in violation of any current or future regulations, or to have previously been in breach of any regulation, in any countries from which we accept merchants or customers, including as a result of any failure by our employees to apply correctly our anti-money laundering procedures, this could result in a requirement for future compliance, fines, other forms of liability and/or force us to change business practices or to cease operations altogether, and we, our directors, executive officers or employees may also be exposed to a financial liability, civil or criminal liability, any of which could have a material adverse effect on our results of operations, financial condition and future prospects.

Catastrophic events or geopolitical conditions, including those related to climate change and increased focus on sustainability issues, may adversely affect our business and financial results and damage our reputation.

War, terrorism, political events, geopolitical instability, trade barriers and restrictions, public health issues, pandemics, natural disasters, or other catastrophic events have caused and could cause damage or disruption to the economy and commerce on a global, regional, or country-specific basis, which could have a material adverse effect on our business, our customers, and companies with which we do business. Such events could decrease demand for our products and services or make it difficult or impossible for us to deliver products and services to our customers. The frequency and severity of some catastrophic events, such as flooding, hurricanes, tornadoes, extended droughts, and wildfires are contributed to by global climate change, which many in the scientific community, in governmental bodies and elsewhere believe will continue for decades to come, potentially resulting in increased disruption to us. Geopolitical trends, including nationalism, protectionism, and restrictive visa requirements could limit the expansion of our business in those regions. Our business operations are subject to interruption by, among others, natural disasters, fire, power shortages, earthquakes, floods, nuclear power plant accidents, and events beyond our control such as other industrial accidents, terrorist attacks and other hostile acts, labor disputes and public health issues. A catastrophic event that results in a disruption or failure of our systems or operations could result in significant losses and require substantial recovery time and significant expenditures in order to resume or maintain operations, which could have a material adverse impact on our business, financial condition, and results of operations.

Additionally, actual or perceived environmental, social, governance and other sustainability (ESG) matters and our response to these matters could harm our business. Increasing governmental and societal attention to ESG matters, including expanding mandatory and voluntary reporting, diligence, and disclosure on topics such as climate change, human capital, labor and risk oversight, could expand the nature, scope, and complexity of matters that we are required to control, assess and report. For example, new reporting requirements are expected in the U.S. and the UK has introduced ESG requirements, with some requirements already in place. These factors may alter the environment in which we do business and may increase the ongoing costs of compliance and adversely impact our results of operations and cash flows. If we are unable to adequately address such ESG matters or we or our borrowers fail to comply with all laws, regulations, policies and related interpretations, it could negatively impact our reputation and our business results.

We are subject to current and proposed regulations addressing both consumer and business privacy and data use, which could adversely affect our business, financial condition and results of operations.

We are subject to a number of laws, rules, directives, and regulations, as well as requirements imposed on us by contracts with clients, relating to the collection, use, retention, storage, destruction, security, processing, transfer, and sharing of personal information about our customers and employees in the countries where we operate. Our business relies on the processing of data in many jurisdictions and the movement of data across national borders. As a result, much of the personal information that we process, especially financial information, is regulated by multiple privacy laws and, in some cases, the privacy laws of multiple jurisdictions. In many cases, these laws apply not only to third-party transactions, but also to transfers of information between or among us, our subsidiaries, and other

parties with which we have commercial relationships. These laws and regulations may at times be conflicting, and the requirements to comply with these regulations could result in a negative impact to our business.

Regulatory scrutiny of privacy, data protection, and the collection, use, storage, destruction, security, processing, transfer and sharing of personal information is increasing around the world. There is uncertainty associated with the legal and regulatory environment relating to privacy and data protection laws, which continue to develop in ways we cannot predict, including with respect to evolving technologies such as cloud computing and blockchain technology. Additionally, these laws and regulations may change or be interpreted and applied differently over time and from jurisdiction to jurisdiction, and it is possible they will be interpreted and applied in ways that will materially and adversely affect our business.

For example, we are subject to enhanced compliance and operational requirements under the General Data Protection Regulation (“GDPR”), which became effective in May 2018. Since 2016, we have engaged in a large, transformative program regarding data privacy in connection with GDPR compliance requirements. The GDPR applies to companies processing personal data of EU residents, imposes a strict data protection compliance regime with severe penalties for noncompliance of up to the greater of 4% of worldwide annual turnover or €20 million. The penalties for noncompliance with the GDPR could have a material adverse effect on our business, financial condition, results of operations and cash flows. We have incurred and we expect to continue to incur significant expenses to meet the obligations of the GDPR, which have required us to make significant changes to our business operations.

Although the GDPR applies across the EU without a need for local implementing legislation, each EU member state has the ability to interpret the GDPR opening clauses, which permit country-specific data protection legislation and which have created inconsistencies, on a country-by-country basis. Brexit and ongoing developments in the UK have created uncertainty with regard to data protection regulation in the UK and could result in the application of new data privacy and protection laws and standards to our operations in the UK, our handling of personal data of users located in the UK, and transfers of personal data between the EU and UK. The UK GDPR, effective as of January 1, 2021, and the UK Data Protection Act of 2018 (as amended on January 1, 2021) and which supplements the UK GDPR, now apply to our processing of personal data in the UK and elsewhere, if the processing is of UK residents. While the UK GDPR broadly mirrors the GDPR, the UK Government has indicated an intention to diverge from some areas of European legislation and following Consultation, a new Bill is now underway with respect to changes to the UK’s Data Protection Act 2018. In respect of the transfer of personal data from the EU to the UK under the GDPR, the UK and EU Trade and Cooperation Agreement (“TCA”) permitted data transfers from the EU to the UK to continue without restriction for four months post-Brexit (including a potential extension of two months) while the EU considered the UK’s application for adequacy of its data protection procedures. Such an adequacy decision by the EU was adopted by the European Commission on June 28, 2021 and permits personal data transfers between the EU and UK without further safeguards in place (such as standard contractual clauses). Active changes in law by the UK government to diverge from GDPR, together with an intention not to follow changes being made within the EU, creates an increasing risk of divergence between the two and the potential loss of the UK’s adequacy decision. If the UK was to lose its adequacy decision from the EU, we may be required to implement new processes and put new agreements in place, such as standard contractual clauses, to govern any transfers of personal data from the EU to the UK and any such changes could impact our ability to transfer personal data from the UK to the EU and other third countries. The divergence of the UK’s data protection regime from GDPR could therefore lead to the removal of the European Commission adopted adequacy decision for the UK.

Additionally, Brexit and the subsequent implementation of the UK GDPR and any divergences therefrom expose us to parallel and differing data protection regimes, each of which potentially authorizes similar significant fines and other potentially divergent enforcement actions for certain violations.

Meanwhile, the Court of Justice of the European Union (“CJEU”) issued a decision on July 16, 2020 (commonly known as “Schrems II”) invalidating the EU-U.S. Privacy Shield Framework, a previously lawful mechanism of transfer for personal data from the EU to the United States. While the Schrems II decision did not invalidate standard contractual clauses, another lawful mechanism for making cross-border transfers, the decision has called their validity into question under certain circumstances, and had made the legality of transferring personal information from the EU to the United States more uncertain, and it may require government cooperation to resolve this issue. The issues and risks arising from the Schrems II decision are applied equally to transfers of personal information from the EU to any country which has not received an adequacy finding by the European Commission. Other jurisdictions could require us to make additional changes to the way we conduct our business and transmit data between the United States, the UK, the EU and the rest of the world. We had seen regulatory enforcement action arising from Schrems II, in particular the decisions of some European member state data protection authorities in prohibiting the transfer of Google Analytics data to the United States, the findings of which could apply to other / all transfers of personal data. The above data transfer risks have currently subsided following implementation of the EU / USA Data Transfer Framework (“DPF”), whereby the European Commission adopted its Adequacy decision for the DPF on the 10th July, 2023. This is a modification of the prior EU / US Privacy Shield and means that personal data can be transferred from the EU to companies which self-certify under the DPF without any other data transfer mechanisms (such as Standard Contractual Clauses or Binding Corporate Rules).

Any failure, or perceived failure, by us to comply with our privacy policies, with applicable industry data protection or security standards, with any applicable regulatory requirements or orders, or with privacy, data protection, information security, or consumer protection-related laws and regulations in one or more jurisdictions could result in proceedings or actions against us by data protection authorities, governmental entities or others, including class action privacy litigation in certain jurisdictions, which could subject us to significant awards, fines, sanctions (including prohibitions on the processing of personal information), penalties, judgments, and negative publicity arising from any financial or non-financial damages suffered by any individuals. This could, individually or in the aggregate, materially harm our business. For example, GDPR (and other laws) requires us to delete data when we no longer have an overriding business need to retain such data and to also accept data deletion rights requests. Our systems do not always allow for such data to be deleted and/or to allow the exercise of such rights at all or within the required timeframe. Any failure, or perceived failure, by us to comply with privacy laws could result in proceedings or actions against us by data protection authorities, governmental entities or others, which could subject us to significant awards, fines, sanctions (including prohibitions on the processing of personal information), penalties, judgments, and negative publicity arising from any financial or non-financial damages suffered by any individuals.

Policymakers around the globe are using these GDPR requirements as a reference to adopt new or updated privacy laws that could result in similar or stricter requirements in other jurisdictions. In the United States, the Gramm-Leach-Bliley Act of 1999 (along with its implementing regulations) restricts certain collection, processing, storage, use and disclosure of personal financial information, requires notice to individuals of privacy practices and provides individuals with certain rights to prevent the use and disclosure of certain nonpublic or otherwise legally protected information. These rules also impose requirements for the safeguarding and proper destruction of such information through the issuance of data security standards or guidelines. In addition, there are new state laws in the United States governing the collection and processing of personal information. Since the implementation of the California Consumer Privacy Act of 2018 (the “CCPA”), this has further been amended as below and there are now multiple states with privacy laws enacted including: California, Virginia, Colorado, Utah, and Connecticut. Further, the following states are in the implementation stage for new privacy legislation: Florida, Oregon, Montana, Iowa, Texas, Delaware, New Jersey, Tennessee, and Indiana. In respect of the CCPA, this imposes stringent data privacy and data protection requirements for the personal data of California residents, and provides for government penalties for noncompliance of up to \$7,500 per violation, if willful, and provides for a private right of action in the event of a data breach affecting certain un-redacted or non-encrypted personal information of California residents. Implementing regulations for the CCPA were released in August 2020, and on November 3, 2020, California voters approved a new law, the California Privacy Rights Act, which will come into effect on January 1, 2023, applying to personal data collected on or after January 1, 2022. As a result of these constant changes, it is still not certain how the various provisions of the CCPA and the CPRA will be interpreted and enforced. The CPRA expands the rights of consumers and establishes the California Privacy Protection Agency, providing the agency with investigative, enforcement and rule-making powers. The effects of the CCPA are potentially far-reaching, however, and may require us to continue to modify our data processing practices and policies and to incur substantial costs and expenses in an effort to comply. Certain other state laws impose or are in the process of imposing similar privacy obligations, including the recently passed VCDPA, that may be different from those under the CCPA, and, in addition, all 50 states have laws with varying obligations to provide notification of security breaches of personal information to affected individuals, state officers and/or others. The use or generation of biometric data as an aid to fraud prevention is becoming increasingly regulated through a patchwork of laws in both the EU and across the United States, with a number of state laws now requiring consent to such use. For example, Illinois has passed the Biometric Information Privacy Act (“BIPA”), Texas and Washington have passed similar laws, and other states plan to pass similar laws. The application of privacy laws to new technology, particularly in the area of artificial intelligence and machine learning, is not always clear and can pose additional regulatory risk and material harm to our business operations. Increasingly, we are seeing legal developments in respect of AI and which may not always be compatible with privacy laws.

Some jurisdictions are also considering requirements for businesses that collect, process and/or store data within their borders (“data localization”), as well as prohibitions on the transfer of data abroad, leading to technological and operational implications. Other jurisdictions are considering adopting sector-specific regulations for the payments industry, including forced data sharing requirements or additional verification requirements that overlap or conflict with, or diverge from, general privacy rules. Failure to comply with these laws, regulations and requirements could result in fines, sanctions or other penalties, which could materially and adversely affect our results of operations, financial condition, and reputation. Collective or class-action litigations relating to data privacy violations are permitted under the GDPR and are beginning to arise in the EU, and are no longer unique to the United States. We may also be exposed to similar lawsuits in the UK with respect to Brexit.

Regulation of privacy and data protection and information security often requires monitoring of and changes to our data practices in regard to the collection, use, disclosure, deletion, storage, transfer and/or security of personal information. We have incurred, and may continue to incur, significant expenses to comply with evolving mandatory privacy and security standards and protocols imposed by law, regulation, industry standards, shifting consumer expectations, or contractual obligations. In particular, with laws and regulations, such as the GDPR in the EU, the GDPR in the UK, the Personal Information Protection and Electronic Documents Act (“PIPEDA”) in Canada (including its provincial laws), developments in South America, and the CCPA, CPRA, VCDPA and BIPA in the United States, imposing new and relatively burdensome obligations, and with substantial uncertainty over the interpretation and application of these and other laws and regulations, we may face challenges in addressing their requirements and making necessary changes to our policies

and practices, and may incur significant costs and expenses in an effort to do so. New requirements or reinterpretations of existing requirements in these areas, or the development of new regulatory schemes related to the digital economy in general, may also increase our costs and could impact the products and services we offer and other aspects of our business, such as fraud monitoring, the development of information-based products and solutions and technology operations. We may not be able to respond quickly or effectively to regulatory, legislative, and other developments, and these changes may in turn impair our ability to offer our existing or planned features, products, and services and/or increase our cost of doing business. Any of these developments could materially and adversely affect our overall business and results of operations.

In addition, fraudulent activity could encourage regulatory intervention, which could damage our reputation and reduce the use and acceptance of our integrated products and services or increase our compliance costs. Criminals are using increasingly sophisticated methods to capture consumer account information to engage in illegal activities such as counterfeiting or other fraud, including creating fake Paysafe websites or using stolen credentials from the dark web to attack customer accounts, where such customers are using the same credentials across multiple sites or accounts. While we are taking measures we believe will make payments more secure, increased fraud levels involving our products and services, or misconduct or negligence by third parties servicing our products and services, could lead to regulatory intervention, such as enhanced security requirements, as well as damage to our reputation.

We must comply with money laundering regulations in the UK, Ireland, Switzerland, the United States, Canada, and elsewhere, and any failure to do so could result in severe financial and legal penalties.

We are subject to various anti-money laundering and counter-terrorist financing laws and regulations around the world that prohibit, among other things, our involvement in transferring the proceeds resulting from criminal activities. Facilitating financial transactions over the internet creates a risk of fraud and ensuring customer data security, privacy, and ongoing compliance with applicable regulations requires significant capital expenditure. Applicable money laundering regulations require firms to put preventative measures in place and to perform KYC procedures, including conducting customer identification and verification and undertaking ongoing monitoring. In addition, regulations require companies to keep records of identity and to train their staff on the requirements of the relevant money laundering regulations. At present, for instance, in the UK and Ireland, a senior member of staff needs to be appointed and approved by the FCA or by the CBI, respectively, to oversee appropriate policies and procedures. Regulators globally continue to increase their scrutiny of compliance with these obligations, which may require us to further revise or expand our compliance program, including the procedures we use to verify the identity of our customers and to monitor transactions. 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. In the EU, there is a pending Anti-Money Laundering rule which includes draft provisions limiting the scope of customer due diligence exemptions for electronic money products which has the potential to impact current product offerings and make compliance more costly and operationally difficult to manage, lead to increased friction for customers, and result in a decrease in business. In the United States, the BSA requires among other things, money services businesses (such as money transmitters and providers of prepaid access) to develop and implement risk-based anti-money laundering programs, report large cash transactions and suspicious activity, and maintain transaction records. We are also subject to regulatory oversight and enforcement by FinCEN and have registered Skrill USA with FinCEN as a money services business. Any determination that we have violated the anti-money-laundering laws could have a material adverse effect on our financial condition, results of operations and future prospects. For example, the BSA requires us to report currency transactions in excess of \$10,000, including identification of the customer by name and social security number, to the IRS. This regulation also requires us to report certain suspicious activity, including any transaction that exceeds \$2,000 that we know, suspect or have reason to believe involves funds derived from illegal activity or is designed to evade federal regulations or reporting requirements and to verify sources of such funds. Substantial penalties can be imposed against us if we fail to comply with this regulation. If we fail to comply with these laws and regulations, the imposition of a substantial penalty could have a material adverse effect on our business, financial condition and results of operations.

Our customers are based in over 120 countries and territories. However, we believe that we do not conduct regulated activities in all of these jurisdictions. Rather, we conduct regulated activity in only a limited number of jurisdictions and our wider customer base accesses our services online. We are subject to anti-money laundering regulations in the UK, Ireland, Switzerland, the United States, Canada and in any other jurisdiction where we are established and performing activities that would require that we apply anti-money laundering regulations. Where a customer resides in a jurisdiction outside of Europe in which we do not consider ourselves to be conducting a regulated activity, we follow the home state laws of the relevant Paysafe regulated subsidiaries and our group policies which seek to apply the highest common standard regardless of the residency of that customer. We believe that these processes are of the requisite standard, although there can be no guarantee that they meet all the requirements of other jurisdictions. However, if we were to violate laws or regulations governing money transmitters or electronic fund transfers, either in the UK, Ireland, Switzerland, the United States, Canada or elsewhere, including as a result of any failure by our employees to correctly apply our KYC procedures, this could result in a requirement for future compliance, fines, other forms of liability and/or force us to change business practices or to cease operations altogether.

We are also subject to rules and regulations imposed by, among others, the European Union, HM Treasury and OFAC restricting the transfer of funds to certain specifically designated countries. While we believe that we have in place appropriate systems and procedures to ensure that transfers to merchants or customers in countries on watch lists are not executed, there can be no guarantee that such controls are, or will continue to be, effective and any sanctions imposed by any regulatory body on us for executing a transfer to a country on a watch list could have a material adverse effect on our results of operations, financial condition and future prospects.

Changes in the regulatory environment for digital assets could adversely affect our business.

Consumers can use our digital wallets to trade in digital assets. Digital assets are not considered legal tender or backed by any government and have experienced price volatility, technological glitches and various law enforcement and regulatory interventions. The use of cryptocurrencies has been prohibited or effectively prohibited in some countries. If we (or our partners that we work with to provide the services) fail to comply with applicable requirements and prohibitions, we could face regulatory or other enforcement actions and potential fines and other consequences including licensing restrictions, censure or a significant impact on our revenues derived from such activity and increased future compliance costs. Even in countries where cryptocurrencies are permitted, businesses associated with cryptocurrencies have had and may continue to have their existing accounts with banks and financial institutions closed or services discontinued, and offering cryptocurrency services may cause difficulties in obtaining or maintaining our relationships with sponsor banks and payment card networks. Furthermore, the prices of cryptocurrencies are routinely highly volatile and subject to exchange rate risks as well as the risk that regulatory or other developments may adversely affect their value and their attractiveness to consumers for investment or speculation leading to reduced use of these services and thereby reducing our ability to earn revenue from such activity. Changes in the regulatory environment for cryptocurrency could impact our business and our future business arrangements, thereby damaging our reputation, operations and financial position and lead to increased costs to retain current revenues, any of which could have a material adverse effect on us. For example, the FCA has new Financial Promotion rules which we have implemented. Regulators around the world have expressed concerns about the offering of crypto services and certain crypto providers and so presence in this market vertical has the potential for increased regulatory scrutiny and adverse media coverage.

Limitations imposed by the FCA and CBI on the right to own our securities may result in sanctions being imposed on our regulated subsidiaries and an acquirer of such securities in the event of noncompliance by such acquirer, and may reduce the value of our shares.

Several of the Company's indirect subsidiaries are subject to regulatory supervision, including the requirement to obtain prior consent from the relevant regulator when a person holds, acquires or increases a qualifying holding in those entities. See "Item 4.B. Business Overview—Licensing and Regulation" of this Report. On the basis of these regulations, no person may hold or acquire, alone or together with others, a direct or indirect stake of 10% or more of our shares, 10% of the voting rights attached to our shares, or exercise, directly or indirectly, significant influence over any of the regulated subsidiaries (or increase an existing holding of 10% or more of our shares or the voting rights attached to our shares crossing a control threshold (20%, 30% or 50%) without first obtaining the prior approval of the FCA and the CBI.

Noncompliance with those requirements constitutes a criminal offense that may lead to criminal prosecution, as well a violation of applicable laws governing the payment services and electronic money industry in the relevant jurisdictions, which may lead to injunctions, penalties and sanctions against the Company's regulated subsidiaries as well as the person seeking to hold, acquire or increase the qualifying holding (including, but not limited to, substantial fines, public censure and prison sentences), may subject the relevant transactions to cancellation or forced sale, and may result in increased regulatory compliance requirements or other potential regulatory restrictions on our business (including in respect of matters such as corporate governance, restructurings, mergers and acquisitions, financings and distributions), enforced suspension of operations, cancellation of corporate resolutions made on the basis of such qualifying holding, restitution to customers, removal of board members, suspension of voting rights and variation, cancellation or withdrawal of licenses and authorizations. If any of this were to occur, it could damage our reputation, limit our growth and materially and adversely affect our business, financial condition and results of operations.

In addition, uncertainty and inconvenience created by those regulatory requirements may discourage potential investors from acquiring 10% or more of our shares, which may in turn reduce the value of the shares.

We may not be able to adequately protect or enforce our intellectual property rights, or third parties may allege that we are infringing their intellectual property rights.

Our success and ability to compete in various markets around the world depends, in part, upon our proprietary technology. We seek to protect our intellectual property rights by relying on applicable laws and regulations in the United States and internationally, as well as a variety of administrative procedures and contractual measures. We rely on copyright, trade secret and trademark laws to protect our technology, including the source code for proprietary software, and other proprietary information. We also rely on contractual

restrictions to protect our proprietary rights when offering or procuring products and services, including confidentiality and invention assignment agreements entered into with our employees and contractors and confidentiality agreements with parties with whom we conduct business. We have not applied for any patents in respect of our electronic payment processing systems and cannot give assurances that any patent applications will be made by us in the future or that, if they are made, will be granted.

We may, over time, increase our investment in protecting our intellectual property through additional trademark, patent and other intellectual property filings, which could be expensive and time-consuming. We may not be able to obtain protection for our technology and even if we are successful in obtaining effective patent, trademark, trade secret and copyright protection, it is expensive to maintain these rights and the costs of defending our rights could be substantial. Moreover, our failure to develop and properly manage new intellectual property could hurt our market position and business opportunities.

Although we have generally taken measures to protect our intellectual property rights, there can be no assurance that we will be successful in protecting or enforcing our rights in every jurisdiction, or that contractual arrangements and other steps that we have taken to protect our intellectual property will prevent third parties from infringing or misappropriating our intellectual property or deter independent development of equivalent or superior intellectual property rights by others. If we are unable to prevent third parties from adopting, registering, or using trademarks and trade dress that infringe, dilute, or otherwise violate our trademark rights, the value of our brands could be diminished and our business could be adversely affected. Also, we may not be able to discover or determine the extent of any unauthorized use of our proprietary rights. Our intellectual property rights may be infringed, misappropriated, or challenged, which could result in them being narrowed in scope or declared invalid or unenforceable. Any failure to adequately protect or enforce our intellectual property rights, or the significant costs incurred in doing so, could diminish the value of our intangible assets and materially harm our business.

Similarly, our reliance on unpatented proprietary information and technology, such as trade secrets and confidential information, depends in part on agreements we have in place with employees and third parties that place restrictions on the use and disclosure of this intellectual property. These agreements may be insufficient or may be breached, in either case potentially resulting in the unauthorized use or disclosure of our trade secrets and other intellectual property, including to our competitors, which could cause us to lose any competitive advantage resulting from this intellectual property. Individuals not subject to invention assignment agreements may make adverse ownership claims to our current and future intellectual property. Unauthorized parties may attempt to copy aspects of our intellectual property or obtain and use information that we regard as proprietary and, if successful, may potentially cause us to lose market share or otherwise harm our business and ability to compete. There can be no assurance that the intellectual property we own or license will provide competitive advantages or will not be challenged or circumvented by our competitors.

We are, from time to time, subject to litigation related to alleged infringement of other parties' patents. As the number of products in the technology and payments industries increases and the functionality of these products further overlaps, and as we acquire technology through acquisitions or licenses, we may become increasingly subject to intellectual property infringement and other claims. These risks have been amplified by the increase in so-called non-practicing entities, third parties whose sole or primary business is to assert such claims. Even if we believe that any of these intellectual property related claims are without merit, litigation may be necessary to determine the validity and scope of the patent or other intellectual property rights of others. The ultimate outcome of any alleged infringement claim is often uncertain and, regardless of the outcome, any such claim, with or without merit, may be time-consuming, result in costly litigation, divert management's time and attention from our business, and require us to, among other things, redesign or stop providing our products or services, pay substantial amounts to satisfy judgments or settle claims or lawsuits, pay substantial royalty or licensing fees, or satisfy indemnification obligations that we have with certain parties with whom we have commercial relationships. Alternatively, we may, from time to time, determine to incur the costs required to obtain a third party patent license so as to avoid the uncertainty, significant costs and potentially negative publicity associated with patent litigation. We may not be able to obtain licenses to relevant intellectual property on commercially reasonable terms or at all, and such inability could materially harm or restrict our business. Even if we were able to obtain such a license, it could be non-exclusive, thereby giving our competitors and other third parties access to the same technologies licensed to us. In addition, we could be found liable for significant monetary damages, including treble damages and attorneys' fees, if we are found to have willfully infringed a patent or other intellectual property right. Claims that we have misappropriated the confidential information or trade secrets of third parties could similarly harm our business.

Our use of open source software could compromise our ability to offer our products or services and subject us to possible litigation.

We use open source software in connection with our products and services. Companies that incorporate open source software into their products have, from time to time, faced claims challenging the use of open source software and compliance with open source license terms. As a result, we could be subject to suits by parties claiming ownership of what we believe to be open source software or claiming noncompliance with open source licensing terms. While the use of open source software may reduce development costs and speed up the development process, it may also present certain risks that may be greater than those associated with the use of third-party commercial software. For example, open source software is generally provided without any warranties or other contractual protections regarding infringement or the quality of the code, including the existence of security vulnerabilities. Despite our efforts to monitor our

use of open source software and compliance with applicable license terms (through using monitoring software to assess vulnerability and licensing implication), we cannot guarantee we comply with all terms of open source licenses applicable to us, and we could be required by the terms of applicable open source software licenses to publicly disclose all or part of the proprietary source code to our software and/or make available any derivative works of the open source code on unfavorable terms or at no cost. The terms of some open source licenses are ambiguous, and third parties may claim that we have violated terms of open source licenses even if we believe we comply. 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 harm our business and could help third parties, including our competitors, develop products and services that are similar to or better than ours. Any of the foregoing could be harmful to our business, financial condition and results of operations.

If we fail to comply with our obligations under license or technology agreements with third parties, we may be required to pay damages and we could lose license rights that are critical to our business.

We license certain intellectual property that is important to our business, including technologies, data and software from third parties, and in the future we may enter into additional agreements that provide us with licenses to valuable intellectual property, technology, or data. Certain of our agreements may provide that intellectual property arising under these agreements, such as data valuable to our business, will be owned by the counterparty, in which case, we may not have adequate rights to use such data or may not have exclusivity with respect to the use of such data, which could result in third parties, including our competitors, being able to use such data to compete with us. If we fail to comply with any of the obligations under our license agreements, we may be required to pay damages and the licensor may have the right to terminate the license. Termination by the licensor could cause us to lose valuable rights, and could prevent us from selling our products and services, or inhibit our ability to commercialize future products and services. Our business could suffer if any current or future licenses expire or are terminated, if the licensors fail to abide by the terms of the license, if the licensors fail to enforce licensed intellectual property against infringing third parties, if the licensed intellectual property rights are found to be invalid or unenforceable, or if we are unable to enter into necessary licenses on acceptable terms, or at all. Any of the foregoing could have a material adverse effect on our competitive position, business, financial condition, results of operations, and prospects.

Changes in tax law, changes in our effective tax rate or exposure to additional tax liabilities could affect our profitability and financial condition.

We carry out our business operations through entities in multiple foreign jurisdictions. As such, we are required to file corporate income tax returns that are subject to foreign tax laws. The foreign tax liabilities are determined, in part, by the amount of operating profit generated in these different taxing jurisdictions. Our effective tax rate, earnings and operating cash flows could be adversely affected by changes in the mix of operating profits generated in countries with higher statutory tax rates as well as by the positioning of our cash balances globally. If statutory tax rates or tax bases were to increase or if changes in tax laws, regulations or interpretations were made that impact us directly, our effective tax rate, earnings and operating cash flows could be adversely impacted.

Any such adverse changes in the applicability of tax to us could increase the levels of taxation payable by us which would have an adverse effect on our business, financial condition, results of operations and prospects. In addition to the possibility of a substantial tax burden being imposed on us, the risk that we may become subject to an increased level of taxation may result in us needing to change our corporate or operational structure, which could have a material adverse effect on our business, financial condition, results of operations and prospects. Additionally, the tax authorities of the jurisdictions in which we operate may challenge our methodologies for valuing developed technology or intercompany arrangements.

For example, work is currently being undertaken by the OECD on potential future recommendations related to the challenges arising from the digitalization of the global economy, specifically relating to reform of the international allocation of taxing rights (“Pillar One”) and a system ensuring a minimum level of tax for multinational enterprises (“Pillar Two”).

On December 12, 2022, the European Union (EU) Member States agreed in principle on the introduction of a global minimum tax rate of 15%. On December 15, 2022, the written procedure for formal adoption of a directive was signed, meaning the directive will have to be transposed into the national law of EU Member States by the end of 2023 with effectiveness beginning January 1, 2024.

Separately, on July 11, 2023, the UK enacted into domestic law measures to apply a top-up tax on subsidiary profits taxed at an effective rate of less than 15% for accounting periods beginning on or after December 31, 2023. The UK tax authority has confirmed that the commencement date will not be earlier than accounting periods beginning on or after December 31, 2024.

Furthermore, in response to members who are adopting OECD’s Pillar Two initiatives on global minimum tax, some countries considered to be tax-friendly are considering the introduction of corporate income tax. For example, on August 8, 2023, the Government of Bermuda released an outline on its proposal to introduce a 15% corporate tax regime. The legislation was enacted on December 27,

2023, with an effective date for accounting periods beginning on or after January 1, 2025. We believe the Company will not be impacted by the new Bermuda income tax as we are tax resident in the United Kingdom.

Our global effective tax rate could be impacted by these legislations, or any resulting local country legislation enacted in response to any potential global minimum tax rates.

Additionally, tax authorities at the international, federal, state, and local levels are currently reviewing the appropriate tax treatment of companies engaged in internet commerce and financial technology. These developing changes could affect our financial position and results of operations. In particular, due to the global nature of the internet, it is possible that tax authorities at the international, federal, state, and local levels may attempt to regulate our transactions or levy new or revised sales & use taxes, VAT, digital services taxes, income taxes, or other taxes relating to our activities in the internet commerce and financial technology space. New or revised taxes, in particular, sales & use taxes, VAT, and similar taxes, including digital service taxes, would likely increase the cost of doing business. New taxes could also create significant increases in internal costs necessary to capture data and collect and remit taxes. Any of these events could have an adverse effect on our business and the results of operations.

Furthermore, any changes in other jurisdictions to the political and social perception of running a business out of a tax-friendly jurisdiction or any action by HMRC or any other tax authority to investigate our tax arrangements could result in adverse publicity and reputational damage for us, which could have an adverse effect on our business, financial condition, results of operations and prospects. For example, in January 2019, HMRC introduced its Profit Diversion Compliance Facility (“PDCF”), the focus of which is to target, and subsequently bring into the charge to tax, transactions which are considered to result in a diversion of profits from the UK corporation tax net. We engaged in submissions, correspondence and finally closure with HMRC in connection with the PDCF, which primarily related to legacy transfer pricing policies. Transfer pricing is an inherently contentious area as it requires the application of arm’s length pricing to specific transactions and arrangements for which it may be difficult to find market comparators. If tax authorities are successful in challenging our tax arrangements, we may be liable for additional tax and penalties and interest related thereto, which may have a significant impact on our business, financial condition, results of operations and prospects.

We may be affected by Sections 1471-74 of the Code (“FATCA”) and other cross border automatic exchange of information provisions.

In light of FATCA, certain non-U.S. financial institutions (“foreign financial institutions” or “FFIs”) are required to register with the U.S. Internal Revenue Service (“IRS”) to obtain a Global Intermediary Identification Number (“GIIN”) and comply with the terms of FATCA, including any applicable intergovernmental agreement (“IGA”) and any local laws implementing such agreement or FATCA. Based on our current operations and business activities, including our Digital Wallet business, we have registered certain of our subsidiaries, and may be required to register additional subsidiaries, as FFIs and will therefore be required to register with the IRS to obtain a GIIN, and required to comply with the terms of any applicable IGA. Failure to comply with FATCA (including as the same may be implemented under the terms of any applicable IGA) could subject certain payments of U.S. source fixed, determinable, annual, or periodical income made to us to 30% FATCA withholding tax. Further, our FFI subsidiaries would need to perform diligence on their existing and new customers, provided that their account balances reached certain thresholds, including obtaining self-certifications regarding the account holder’s citizenship or tax residence in the United States. They would then be required to report certain information about their U.S. account holders to either the IRS or their local tax authorities (which will in turn provide such information to the IRS). This reporting requirement could potentially dissuade customers from doing business with us.

We are regularly subject to litigation, regulatory actions and government inquiries.

We may be and in some cases have been subject to claims, lawsuits (including class action lawsuits), government or regulatory investigations, subpoenas, inquiries or audits, and other adverse legal proceedings involving areas such as intellectual property, consumer protection, privacy, data protection, biometric data processing, gambling, labor and employment, immigration, competition, accessibility, securities, tax, marketing and communications practices, commercial disputes, anti-money laundering, anti-corruption, counter-terrorist financing, sanctions and other matters. See “Item 4.B. Business Overview—Legal Proceedings.” For example, on December 10, 2021, a class action complaint, *Lisa Wiley v Paysafe Limited f/ka/Foley Trasimene Acquisition Corp. II, Richard N Massey, Bryan D. Coy, Philip McHugh and Ismail (Izzy) Dawood*, was filed, naming among others the Company, our former Chief Executive Officer and our former Chief Financial Officer, as defendants. The complaint asserts claims, purportedly brought on behalf of a class of shareholders, under Sections 10(b) of the Exchange Act, and Rule 10b-5 promulgated thereunder, and alleges that the Company and individual defendants made false and misleading statements to the market regarding the Company’s financial outlook in light of gambling regulations in key European markets, performance challenges in the company’s Digital Wallets segment and the modified scope and timing of new eCommerce customer agreements. In addition, the complaint asserts claims against the individual defendants, under Sections 20(a) of the Exchange Act, alleging that the individual defendants filed false financial statements, misled the public and induced the public to buy shares. On January 21, 2022, a related complaint was brought by John Paul O’Brien also in the Southern District of New York, which additionally named William P. Foley II as a defendant. On May 5, 2022, the Southern District of

New York consolidated the Wiley case and the O'Brien case and recaptioned the new case In re: Paysafe Ltd. f/k/a Foley Trasimene Acquisition Corp. II Securities Litigation. The complaints seek unspecified damages and an award of costs and expenses, including reasonable attorneys' fees, on behalf of a purported class of purchasers of our ordinary shares between December 7, 2020 and November 10, 2021.

The number and significance of disputes and inquiries may increase as our business expands in scale, scope and geographic reach, and our products and services increase in scale and complexity. In addition, the laws, rules and regulations affecting our business, including those pertaining to internet and mobile commerce, data protection, payments services, and credit, are subject to evolving interpretation by the courts and governmental authorities, and the resulting uncertainty in the scope and application of these laws, rules, and regulations increases the risk that we will be subject to private claims and governmental actions alleging liability on our part. Further, our focus on specialized industry verticals exposes us to a higher risk of losses resulting from investigations, regulatory actions and litigation. See “—Risks Related to Paysafe’s Business and Industry —Our focus on specialized industry verticals can increase our risks relative to other companies in our industry.”

The scope, outcome, and impact of any claims, lawsuits, government investigations, disputes, and other legal proceedings to which we are subject cannot be predicted with certainty. Regardless of the outcome, such matters can have an adverse impact, which may be material, on our business, financial condition and results of operations because of legal costs, diversion of management resources, reputational damage, and other factors. Determining reserves for our pending litigation and regulatory proceedings is a complex, fact-intensive process that involves a high degree of discretionary judgment. Resolving one or more of such legal and regulatory proceedings or other matters could potentially require us to make substantial payments to satisfy judgments, fines, or penalties or to settle claims or proceedings, any of which could materially and adversely affect our business, financial condition and results of operations. These proceedings could also result in reputational harm, criminal sanctions, consent decrees, or orders that prevent us from offering certain products or services, cause us to withdraw from certain markets or terminate certain relationships, require us to change our business practices in costly ways, or develop non-infringing or otherwise altered products or technologies. Any of these consequences could materially and adversely affect our business, financial condition, results of operations and future prospects.

Risks Related to Paysafe’s Indebtedness

Our substantial leverage could adversely affect our financial condition, our ability to raise additional capital to fund our operations, our ability to operate our business, our ability to engage in acquisitions, our ability to react to changes in the economy or our industry or our ability to pay our debts, and could divert our cash flow from operations to debt payments.

We are highly leveraged. As of December 31, 2023, the total principal amount of our debt was approximately \$2.5 billion. Subject to the limits contained in the credit agreements that govern our credit facilities, we may be able to incur substantial additional debt from time to time to finance working capital, capital expenditures, investments or acquisitions, or for other purposes. If we do so, the risks related to our high level of debt could increase. Specifically, our high level of debt could have important consequences, including the following:

- making it more difficult for us to satisfy our obligations with respect to our debt;
- limiting our ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions or other general corporate requirements;
- requiring a substantial portion of our cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, acquisitions and other general corporate purposes;
- increasing our vulnerability to general adverse economic and industry conditions;
- exposing us to the risk of increased interest rates as certain of our borrowings are at variable rates of interest;
- limiting our flexibility in planning for and reacting to changes in the industry in which we compete;
- placing us at a disadvantage compared to other, less leveraged competitors; and
- increasing our cost of borrowing.

We are a holding company, and our consolidated assets are owned by, and our business is conducted through, our subsidiaries. Revenue from these subsidiaries is our primary source of funds for debt payments and operating expenses. Our credit agreements contain covenants that restrict our subsidiaries from making distributions, subject to certain baskets and exceptions, which may impair our ability to meet our debt service obligations or otherwise fund our operations. Moreover, there may be restrictions on payments by subsidiaries to their parent companies under applicable laws, including laws that require companies to maintain minimum amounts of capital and to

make payments to shareholders only from profits. As a result, although a subsidiary of ours may have cash, we may not be able to obtain that cash to satisfy our obligation to service our outstanding debt or fund our operations.

Despite our current level of indebtedness, we may be able to incur substantially more debt and enter into other transactions which could further exacerbate the risks to our financial condition described above.

We may be able to incur significant additional indebtedness in the future. Although certain of the agreements governing our existing indebtedness contain restrictions on the incurrence of additional indebtedness and entering into certain types of other transactions, these restrictions are subject to a number of qualifications and exceptions. Additional indebtedness incurred in compliance with these restrictions could be substantial. These restrictions also do not prevent us from incurring obligations, such as trade payables, that do not constitute indebtedness as defined under our debt instruments. To the extent new debt is added to our current debt levels, the substantial leverage risks described in the immediately preceding risk factor would increase. See “Description of Certain Indebtedness”.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our indebtedness service obligations to increase significantly.

Interest rates may increase in the future. As a result, interest rates on our variable rate credit facilities could be higher or lower than current levels. As of December 31, 2023, the Company held approximately \$1.6 billion of outstanding debt at variable interest rates. However, if interest rates were to increase, our debt service obligations on the variable rate indebtedness would increase even where the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing our indebtedness, would correspondingly decrease.

Our debt agreements impose significant operating and financial restrictions on us and our subsidiaries, which could prevent us from capitalizing on business opportunities.

The agreements that govern our credit facilities impose significant operating and financial restrictions on us. These restrictions limit the ability of certain of our subsidiaries to, among other things:

- incur additional indebtedness and make guarantees;
- create liens on assets;
- engage in mergers or consolidations or make fundamental changes;
- sell assets;
- pay dividends and distributions or repurchase share capital;
- make investments, loans and advances, including acquisitions;
- engage in certain transactions with affiliates;
- enter into certain burdensome agreements;
- make changes in the nature of their business; and
- make prepayments of junior debt.

In addition, with respect to the First Lien Revolving Credit Facility, certain of our subsidiaries are required to maintain a maximum consolidated first lien net leverage ratio not to exceed 7.50:1.00, tested at the end of each quarter in which the principal amount of the First Lien Revolving Credit Facility outstanding exceeds 40% of the total commitments under such facility at such time. Furthermore, the Paysafe Payment Credit Agreement requires Paysafe Payment to maintain, as of the last day of each four fiscal quarter period, (i) a minimum fixed charge coverage ratio, (ii) a maximum leverage ratio and (iii) a minimum liquidity amount.

As a result of these restrictions, we are limited as to how we conduct our business and we may be unable to raise additional debt or equity financing to compete effectively or to take advantage of new business opportunities. The terms of any future indebtedness we may incur could include similar or more restrictive covenants. We cannot assure you that we will be able to maintain compliance with these covenants in the future and, if we fail to do so, that we will be able to obtain waivers from the lenders or amend the covenants.

Our failure to comply with the restrictive covenants described above as well as other terms of our other indebtedness or the terms of any future indebtedness from time to time could result in an event of default, which, if not cured or waived, could result in our being required

to repay these borrowings before their due date. If we are forced to refinance these borrowings on less favorable terms or are unable to refinance these borrowings, our results of operations and financial condition could be adversely affected.

Our business may be adversely impacted by changes in currency exchange rates.

As we operate across multiple jurisdictions and currencies, changes in currency exchange rates could lead to adverse impacts on our financial assets and liability, and in particular on our external debt and intercompany transactions. A deterioration in reported earnings as a result of currency exchange rate fluctuations could lead to a covenant breach and result in an event of default in our agreements relating to our outstanding indebtedness which, if not cured or waived, could result in our being required to repay these borrowings before their due date. If we are forced to refinance these borrowings on less favorable terms or are unable to refinance these borrowings, our results of operations and financial condition could be adversely affected.

Our failure to comply with the agreements relating to our outstanding indebtedness, including as a result of events beyond our control, could result in an event of default that could materially and adversely affect our results of operations and our financial condition.

If there were an event of default under any of the agreements relating to our outstanding indebtedness, the holders of the defaulted debt could cause all amounts outstanding with respect to that debt to be due and payable immediately. We cannot assure you that our assets or cash flows would be sufficient to fully repay borrowings under our outstanding debt instruments if accelerated upon an event of default. Further, if we are unable to repay, refinance or restructure our indebtedness under our secured debt, the holders of such debt could proceed against the collateral securing that indebtedness. In addition, any event of default or declaration of acceleration under one debt instrument could also result in an event of default under one or more of our other debt instruments.

Upon a change of control, all of our outstanding debt under our credit facilities would become immediately due and payable.

Upon a change of control, as defined under our 2021 Senior Facilities Agreement, all of our outstanding debt under the Senior Facilities Agreement would be immediately due and payable. A person or group of persons acting in concert (other than with the CVC Investors and the Blackstone Investors and any person directly or indirectly controlled by any of them) acquiring (directly or indirectly) more than 50% of the Company Common Shares would constitute a change of control under our credit agreements. In order to obtain sufficient funds to repay our debt if a change of control occurs, we expect that we would have to refinance our debt. We cannot assure you that we would be able to refinance our debt on reasonable terms, if at all. Our failure to repay all outstanding debt which becomes due and payable due to a change of control would trigger an event of default under the applicable credit agreement and may be an event of default under one or more of our other agreements. Moreover, such an event of default under one credit facility may cause the acceleration of our other debt under our other credit facilities. Our future debt also may contain restrictions on repayment requirements with respect to specified events or transactions that constitute a change of control under our debt agreements. Such restrictions could discourage, delay or prevent a transaction involving a change in control of the Company, including actions that our shareholders may deem advantageous, or negatively affect the trading price of the Company Common Shares.

Repayment of our debt is dependent on cash flow generated by our subsidiaries, which may be subject to limitations beyond our control.

Our subsidiaries own all of our assets and conduct all of our operations. Accordingly, repayment of our indebtedness is dependent on the generation of cash flow by our subsidiaries and their ability to make such cash available by dividend, debt repayment or otherwise.

Unless they are obligors of our indebtedness, our subsidiaries do not have any obligation to pay amounts due on such indebtedness or to make funds available to the notes issuers for that purpose. Our non-guarantor subsidiaries may not be able to, or may not be permitted to, make distributions to enable us to make payments in respect of our indebtedness. Each non-guarantor subsidiary is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our non-guarantor subsidiaries. While limitations on our subsidiaries restrict their ability to pay dividends or make other intercompany payments, these limitations are subject to certain qualifications and exceptions.

In the event that we are unable to receive distributions from our subsidiaries or make other intercompany payments, we may be unable to make required principal and interest payments on our indebtedness.

Our inability to generate sufficient cash flow could affect our ability to execute our strategic plans.

Organic growth opportunities are an important element of our strategy. See “Item 4.B. Business Overview—Our Growth Strategies.” We may not generate sufficient cash flow to finance such growth plans. Consequently, the execution of our growth strategy may require

access to external sources of capital, which may not be available to us on acceptable terms, or at all. Limitations on our access to capital, including on our ability to issue additional debt or equity, could result from events or causes beyond our control, and could include decreases in our creditworthiness or profitability, significant increases in interest rates, increases in the risk premium generally required by investors, decreases in the availability of credit or the tightening of terms required by lenders. Any limitations on our ability to secure external capital, continue our existing finance arrangements or refinance existing financing obligations could limit our liquidity, financial flexibility or cash flow and affect our ability to execute our strategic plans, which could have a material adverse effect on our business, results of operations and financial condition.

Our consolidated financial statements include significant intangible assets which could be impaired.

We carry significant intangible assets on our statements of financial position. As of December 31, 2023, we had \$1.2 billion of intangible assets and \$2.0 billion in goodwill. Pursuant to current accounting rules, we are required to assess goodwill for impairment at least annually or more frequently if impairment indicators are present. Impairment indicators include, but are not limited to, significant under-performance relative to historical or projected future operating results, a significant decline in share price or market capitalization and negative industry or economic trends. If such events were to occur, the carrying amount of our goodwill may no longer be recoverable and we may be required to record an impairment charge.

In 2023, due to a sustained decline in stock price and market capitalization, we concluded that an impairment indicator for goodwill was present in both the Merchant Solutions and Digital Wallets segments as of June 30, 2023. Further, as a result of the current market environment and regulatory restrictions, the legacy Digital Wallets business, we identified an impairment indicator for goodwill in the Digital Wallets segment as of December 31, 2023. We performed a goodwill impairment analysis as of these dates, as well as the annual impairment date of October 1st, using both a market approach and discounted cash flow methodology. Based on the analysis performed for each respective period, no goodwill impairment expense was recognized. In the prior year, similar impairment indicators were identified which resulted in the recognition of goodwill impairment expense of \$1.9 billion for the year ended December 31, 2022.

Continued sustained declines in our stock price or reduced forecast would require us to perform goodwill impairment tests in subsequent periods. If there is a continued and sustained decline in our stock price this could result in a material goodwill impairment in future periods. Further, should the impact of macro-economic conditions, or other factors, be more severe or of longer duration than assumed in the forecasted cash flows, the goodwill may be at risk of impairment.

Due to the impairment indicators described above, we also concluded that an impairment indicator for certain intangible assets was present within Digital Wallets. As a result, an impairment analysis was performed and based on an undiscounted cash flow model, it was determined that the assets were recoverable and no impairment charge was recorded. Failure to achieve the expected cash flows may result in a material impairment of intangible assets in future periods. Other intangible asset impairments during 2023 and 2022 were not significant.

Risks Related to the U.S. Federal Income Tax Treatment

The IRS may not agree that Paysafe (i) should be treated as a non-U.S. corporation for U.S. federal income tax purposes and (ii) should not be treated as a “surrogate foreign corporation” for U.S. federal income tax purposes.

Under current U.S. federal income tax law, a corporation generally will be considered to be a U.S. corporation for U.S. federal income tax purposes only if it is created or organized in the United States or under the law of the United States or of any State. Accordingly, under generally applicable U.S. federal income tax rules, Paysafe, which is not created or organized in the United States or under the law of the United States or of any State but is instead a Bermuda incorporated entity, would generally be classified as a non-U.S. corporation. Section 7874 of the Code and the Treasury regulations promulgated thereunder, however, contain specific rules that may cause a non-U.S. corporation to be treated as a U.S. corporation for U.S. federal income tax purposes. If it were determined that Paysafe is treated as a U.S. corporation for U.S. federal income tax purposes under Section 7874 of the Code and the Treasury regulations promulgated thereunder, Paysafe would be liable for U.S. federal income tax on its income just like any other U.S. corporation and certain distributions made by Paysafe to non-U.S. holders of Paysafe’s securities would be subject to U.S. withholding tax. In addition, even if Paysafe is not treated as a U.S. corporation, it may be subject to unfavorable treatment as a “surrogate foreign corporation” in the event that ownership attributable to former FTAC Stockholders exceeds a threshold amount. If it were determined that Paysafe is treated as a surrogate foreign corporation for U.S. federal income tax purposes under Section 7874 of the Code and the Treasury regulations promulgated thereunder, dividends by Paysafe would not qualify for “qualified dividend income” treatment, and U.S. affiliates of Paysafe could be subject to increased taxation under the inversion gain rules and Section 59A of the Code.

We believe we should not be treated as a U.S. corporation for U.S. federal income tax purposes under Section 7874 of the Code or otherwise be subject to unfavorable treatment as a surrogate foreign corporation under Section 7874 of the Code. However, no IRS ruling has been requested or will be obtained in connection with the Transaction. Furthermore, the interpretation of Treasury regulations relating to the required ownership of Paysafe is subject to uncertainty and there is limited guidance regarding their application.

Accordingly, there can be no assurance that the IRS will not take a contrary position to those described above or that a court will not agree with a contrary position of the IRS in the event of litigation.

If a United States person is treated as owning at least 10% of Company Common Shares, such person may be subject to adverse U.S. federal income tax consequences.

If a United States person is treated as owning (directly, indirectly or constructively) at least 10% of the value or voting power of Company Common Shares, such person may be treated as a “United States shareholder” with respect to each of Paysafe and its direct and indirect subsidiaries (the “Paysafe Group”) that is a “controlled foreign corporation.” The Paysafe Group includes U.S. subsidiaries, and under recently enacted rules, certain of Paysafe’s non-U.S. subsidiaries could be treated as controlled foreign corporations regardless of whether Paysafe is treated as a controlled foreign corporation (although there is currently a pending legislative proposal to significantly limit the application of these rules).

A United States shareholder of a controlled foreign corporation may be required to report annually and include in its U.S. taxable income its pro rata share of the controlled foreign corporation’s “Subpart F income” and (in computing its “global intangible low-taxed income”) “tested income” and a pro rata share of the amount of U.S. property (including certain stock in U.S. corporations and certain tangible assets located in the United States) held by the controlled foreign corporation regardless of whether such controlled foreign corporation makes any distributions. Failure to comply with these reporting obligations (or related tax payment obligations) may subject such United States shareholder to significant monetary penalties and may prevent the statute of limitations with respect to such United States shareholder’s U.S. federal income tax return for the year for which reporting (or payment of tax) was due from starting. An individual that is a United States shareholder with respect to a controlled foreign corporation generally would not be allowed certain tax deductions or foreign tax credits that would be allowed to a United States shareholder that is a U.S. corporation. Paysafe cannot provide any assurances that it will assist holders in determining whether any of its non-U.S. subsidiaries are treated as a controlled foreign corporation or whether any holder is treated as a United States shareholder with respect to any of such controlled foreign corporations or furnish to any holder information that may be necessary to comply with reporting and tax paying obligations. United States persons should consult with their tax advisor regarding the potential application of these rules.

If Paysafe were a passive foreign investment company for U.S. federal income tax purposes for any taxable year, U.S. holders of Company Common Shares could be subject to adverse U.S. federal income tax consequences.

If Paysafe is or becomes a “passive foreign investment company,” or a PFIC, within the meaning of Section 1297 of the Code for any taxable year during which a U.S. holder (as defined in “Taxation—Material U.S. Federal Income Tax Considerations”) holds Company Common Shares, certain adverse U.S. federal income tax consequences may apply to such U.S. holder. Paysafe does not believe that it was a PFIC for its prior taxable year and does not expect to be a PFIC for U.S. federal income tax purposes for the current taxable year or in the foreseeable future. However, PFIC status depends on the composition of a company’s income and assets and the fair market value of its assets from time to time, as well as on the application of complex statutory and regulatory rules that are subject to potentially varying or changing interpretations. Accordingly, there can be no assurance that Paysafe will not be treated as a PFIC for any taxable year.

If Paysafe were treated as a PFIC, a U.S. holder of Company Common Shares may be subject to adverse U.S. federal income tax consequences, such as taxation at the highest marginal ordinary income tax rates on capital gains and on certain actual or deemed distributions, interest charges on certain taxes treated as deferred, and additional reporting requirements. See “Taxation—Material U.S. Federal Income Tax Considerations—Passive Foreign Investment Company Rules.” U.S. holders of Company Common Shares should consult with their tax advisor regarding the potential application of these rules.

Risks Related to Paysafe’s Common Shares and Corporate Structure

Paysafe will rely on its operating subsidiaries to provide it with funds necessary to meet Paysafe’s financial obligations and Paysafe’s ability to pay dividends may be constrained.

Paysafe operates through a holding structure. Paysafe is a holding company with no material, direct business operations. Paysafe’s only assets are its direct and indirect equity interests in its operating subsidiaries. As a result, Paysafe is dependent on loans, dividends and other payments from these subsidiaries to generate the funds necessary to meet its financial obligations, including the payment of dividends. The ability of Paysafe’s subsidiaries to make such distributions and other payments depends on their earnings and may be subject to contractual or statutory limitations, such as limitations imposed by Paysafe’s financing facilities to which Paysafe’s subsidiaries are borrowers or guarantors or the legal requirement of having distributable profits or distributable reserves. For additional information, see “Item 8.A. Consolidated Statements and Other Financial Information” of this Report. As an equity investor in Paysafe’s subsidiaries, Paysafe’s right to receive assets upon a subsidiary’s liquidation or reorganization will be structurally subordinated to the claims of such subsidiary’s creditors. To the extent that Paysafe is recognized as a creditor of a subsidiary, its claims may still be

subordinated to any security interest in or other lien on such subsidiary's assets and to any of its debt or other obligations that are senior to Paysafe's claims.

The actual payment of future dividends on the Company Common Shares and the amounts thereof depend on a number of factors, including, inter alia, the amount of distributable profits and reserves, including capital contribution reserves (which can be reduced by losses in a current year or carried forward from previous years), Paysafe's capital expenditure and investment plans, revenue, profits, financial condition, Paysafe's level of profitability, leverage ratio (as such term is defined under our credit agreements), applicable restrictions on the payment of dividends under applicable laws, compliance with credit covenants, general economic and market conditions, future prospects and such other factors as the Paysafe board of directors may deem relevant from time to time. There can be no assurance that the above mentioned factors will facilitate or allow adherence to Paysafe's dividend policy. Paysafe's ability to pay dividends may be impaired if any of the risks described in this section "Risk Factors" were to occur. As a result, Paysafe's ability to pay dividends in the future may be limited and Paysafe's dividend policy may change. Paysafe's board of directors will revisit Paysafe's dividend policy from time to time.

Our Principal Shareholders control 47% of our Company and their interests may conflict with ours or yours in the future.

Our Principal Shareholders beneficially own approximately 47% of our Company Common Shares. Moreover, under the Company Bye-laws and the Shareholders Agreement with our Principal Shareholders, for so long as our Principal Shareholders retain significant ownership of us, we will agree to nominate to our board individuals designated by such shareholders. Even if our Principal Shareholders do not own common shares representing a majority of the total voting power of our issued and outstanding shares carrying the right to vote at general meetings at the relevant time, for so long as each such shareholder continues to own a significant percentage of our Company Common Shares, such shareholder will still be able to significantly influence the composition of our board of directors and the approval of actions requiring shareholder approval through their voting power. Accordingly, for such period of time, our Principal Shareholders will have significant influence with respect to our management, business plans and policies, including the appointment and removal of our officers. In particular, for so long as our Principal Shareholders continue to own a significant percentage of our Company Common Shares, such shareholder will be able to cause or prevent a change of control of our company or a change in the composition of our board of directors and could preclude any unsolicited acquisition of our company. The concentration of ownership could deprive you of an opportunity to receive a premium for your Company Common Shares as part of a sale of our company and ultimately might affect the market price of our Company Common Shares.

If we are unable to maintain effective internal controls over financial reporting, we may not be able to produce timely and accurate financial statements or comply with applicable laws and regulations, which could have a material adverse effect on our business.

Our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business. Further, weaknesses in our disclosure controls and internal control over financial reporting may be discovered in the future. Any failure to develop or maintain effective controls or any difficulties encountered in their implementation or improvement may prevent us from detecting errors on a timely basis, could harm our operating results or cause us to fail to meet our reporting obligations and may result in a restatement of our financial statements for prior periods. Effective internal control is necessary for us to produce reliable financial reports and is important to prevent fraud.

Beginning with the fiscal year ended December 31, 2022, our independent registered public accounting firm was required to attest to the effectiveness of our internal control over financial reporting on an annual basis. Matters impacting our internal controls may cause us to be unable to report our financial information on a timely basis and thereby subject us to adverse regulatory consequences, including sanctions by the SEC or violations of applicable stock exchange listing rules, which may result in a breach of the covenants under our financing arrangements. There also could be a negative reaction in the financial markets due to a loss of investor confidence in us and the reliability of our financial statements. Confidence in the reliability of our financial statements also could suffer if we or our independent registered public accounting firm were to report a material weakness in our internal controls over financial reporting. This could materially adversely affect us and lead to a decline in the price of our Company Common Shares.

As a foreign private issuer we are exempt from a number of rules under the U.S. securities laws and are permitted to file less information with the SEC than a U.S. company. This may limit the information available to holders of the Company Common Shares.

We were founded in the UK in 1996 and were previously listed on the London Stock Exchange. Additionally, U.S. residents do not comprise a majority of our executive officers or directors, and most of our assets are located, and our business is principally administered, outside of the United States. As a result, we report under the Exchange Act as a non-U.S. company with foreign private issuer status. Under Rule 405 of the Securities Act, the determination of foreign private issuer status is made annually on the last business day of an

issuer's most recently completed second fiscal quarter and, accordingly, the next determination will be made with respect to us on June 30, 2024.

As a foreign private issuer, we are not subject to all of the disclosure requirements applicable to public companies organized within the United States. For example, we are exempt from certain rules under the Exchange Act that regulate disclosure obligations and procedural requirements related to the solicitation of proxies, consents or authorizations applicable to a security registered under the Exchange Act, including the U.S. proxy rules under Section 14 of the Exchange Act. In addition, our officers and directors are exempt from the reporting and "short-swing" profit recovery provisions of Section 16 of the Exchange Act and related rules with respect to their purchases and sales of our securities. Moreover, while we expect to submit quarterly interim consolidated financial data to the SEC under cover of the SEC's Form 6-K, we will not be required to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. public companies and will not be required to file quarterly reports on Form 10-Q or current reports on Form 8-K under the Exchange Act. Accordingly, there may be less publicly available information concerning our business than there would be if we were a U.S. public company. Additionally, certain accommodations in the NYSE corporate governance standards allow foreign private issuers, such as us, to follow "home country" corporate governance practices in lieu of the otherwise applicable corporate governance standards. The Company Bye-laws do not require shareholder approval for the issuance of authorized but unissued shares, including (i) in connection with the acquisition of shares, stock or assets of another company; (ii) when it would result in a change of control; (iii) when a share option or purchase plan is to be established or materially amended or other equity compensation arrangement made or materially amended, pursuant to which shares may be acquired by officers, directors, employees, or consultants; or (iv) in connection with certain private placements. We are also not required to have a majority of independent directors. To this extent, our practice varies from the requirements of the corporate governance standards of NYSE, which generally requires an issuer to obtain shareholder approval for the issuance of securities in connection with such events and requires a majority of the board to be independent. While we do not currently intend to rely on any other home country accommodations, for so long as we qualify as a foreign private issuer, we may take advantage of them.

There can be no assurance we will be able to comply with the continued listing standards of the NYSE for our securities.

If we fail to continue to meet the listing requirements of the NYSE, the Company Common Shares and Company Warrants may be delisted, and Paysafe and its shareholders could face significant material adverse consequences, including:

- limited availability of market quotations for its securities;
- limited amount of news and analyst coverage for Paysafe; and
- decreased ability to issue additional securities or obtain additional financing in the future.

We may lose our foreign private issuer status which would then require us to comply with the Exchange Act's domestic reporting regime and cause us to incur significant legal, accounting and other expenses.

For so long as we qualify as a foreign private issuer, we are not required to comply with all of the periodic disclosure and current reporting requirements of the Exchange Act applicable to U.S. domestic issuers. We may no longer be a foreign private issuer as early as June 30, 2024 (the last business day of the second fiscal quarter of 2024), which would require us to comply with all of the periodic disclosure and current reporting requirements of the Exchange Act applicable to U.S. domestic issuers as of January 1, 2025. In order to maintain our current status as a foreign private issuer, either (a) a majority of our securities must be either directly or indirectly owned of record by non-residents of the United States or (b)(i) a majority of our executive officers or directors cannot be U.S. citizens or residents, (ii) more than 50% of our assets must be located outside the United States and (iii) our business must be administered principally outside the United States. If we lose our status as a foreign private issuer, we would be required to comply with the Exchange Act reporting and other requirements applicable to U.S. domestic issuers, which are more detailed and extensive than the requirements for foreign private issuers. We may also be required to make changes in our corporate governance practices in accordance with various SEC and NYSE rules. For example, the annual report on Form 10-K requires domestic issuers to disclose executive compensation information on an individual basis with specific disclosure regarding the domestic compensation philosophy, objectives, annual total compensation (base salary, bonus, and equity compensation) and potential payments in connection with change in control, retirement, death or disability, while the annual report on Form 20-F permits foreign private issuers to disclose compensation information on an aggregate basis. We would also have to comply with U.S. federal proxy requirements, and our officers, directors, and principal shareholders will become subject to the short-swing profit disclosure and recovery provisions of Section 16 of the Exchange Act.

The regulatory and compliance costs to us under U.S. securities laws if we are required to comply with the reporting requirements applicable to a U.S. domestic issuer may be significantly higher than the cost we would incur as a foreign private issuer. As a result, we expect that a loss of foreign private issuer status would increase our legal and financial compliance costs and is likely to make some activities highly time consuming and costly. We also expect that if we were required to comply with the rules and regulations applicable to U.S. domestic issuers, it could make it more difficult and expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage.

The Company Bye-laws and Shareholders Agreement, as well as Bermuda law, contain provisions that could discourage acquisition bids or merger proposals, which may adversely affect the market price of our Company Common Shares.

The Company Bye-laws and Shareholders Agreement, as well as Bermuda law, contain provisions that may discourage, delay or prevent a merger, amalgamation, acquisition, or other change in control that shareholders may consider favorable, including transactions in which you might otherwise receive a premium for your Company Common Shares. These provisions may also prevent or frustrate attempts by our shareholders to replace or remove our management. Our corporate governance documents include provisions:

- authorizing blank check preference shares, which could be issued without shareholder approval and with voting, liquidation, dividend and other rights superior to our Company Common Shares;
- providing that any action required or permitted to be taken by our shareholders must be taken at a duly called annual or special meeting of such shareholders and may not be taken by any consent in writing by such shareholders; provided that for so long as our Principal Shareholders beneficially own, collectively, at least 30% of the issued and outstanding shares carrying the right to vote at general meetings at the relevant time, any action (except the removal of a director or an auditor) which may be done by resolution of the shareholders in a general meeting may also be done by resolution in writing, signed by the shareholders who at the date of the notice of the resolution in writing represent not less than the minimum number of votes as would be required to pass the resolution if the resolution was voted on at a quorate meeting of the shareholders;
- requiring, to the fullest extent permitted by applicable law, advance notice of shareholder proposals for business to be conducted at meetings of our shareholders and for shareholder-proposed nominations of candidates for election to our board of directors;
- establishing a classified board of directors, so that not all members of our board are elected at one time, with the election of directors requiring only a plurality of votes cast;
- providing that certain actions required or permitted to be taken by our shareholders, including amendments to the Company Bye-laws and certain specified corporate transactions, may be effected only with the approval of our board of directors, in addition to any other vote required by the Company Bye-laws and/or applicable law;
- prohibiting us from engaging in a business combination with a person who acquires at least 10% of our Company Common Shares for a period of three years from the date such person acquired such common shares unless approved by the Company Board and authorized at an annual or special meeting of shareholders by the affirmative vote of at least two-thirds of our issued and outstanding voting shares that are not owned by such person, subject to certain exceptions. This provision shall not apply to our Principal Shareholders and any of their respective direct or indirect transferees;
- limiting the filling of vacancies or newly created seats on the Company Board between general meetings to the decision of our board of directors then in office at any time when our Principal Shareholders beneficially own, collectively, less than 30% of the issued and outstanding shares carrying the right to vote at general meetings at the relevant time, subject to the rights granted to one or more series of preference shares then outstanding or the rights granted under the Shareholders Agreement; and
- providing that directors may be removed by shareholders only by resolution with or without cause upon the affirmative vote of a majority of our issued and outstanding voting shares; provided, however, at any time when our Principal Shareholders beneficially own, collectively, less than 30% of the issued and outstanding shares carrying the right to vote at general meetings at the relevant time, directors may only be removed for cause (as determined by the Company Board), and only upon the affirmative vote of holders of at least 66 2/3% of the issued and outstanding shares carrying the right to vote at general meetings at the relevant time, voting together as a single class.

The existence of the foregoing provisions and anti-takeover measures could limit the price that investors might be willing to pay in the future for common shares. They could also deter potential acquirers of our Company, thereby reducing the likelihood that you could receive a premium for your Company Common Shares in an acquisition.

You may have difficulty enforcing judgments of U.S. courts against us in Bermuda courts.

We are organized as an exempted company pursuant to the laws of Bermuda. In addition, a number of our directors and executive officers are not residents of the United States, and a substantial portion of our assets and their assets are or may be located in jurisdictions outside the United States. As a result, it may be difficult for you to effect service of process within the United States upon those persons or us or to recover against them or us on judgments of U.S. courts, including judgments predicated upon civil liability provisions of the U.S. federal securities laws.

We have been advised that there is no treaty in force between the United States and Bermuda providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters. As a result, whether a U.S. judgment would be enforceable in Bermuda against us or our directors and officers depends on whether the U.S. court that entered the judgment is recognized by the Bermuda court as having jurisdiction over us or our directors and officers, as determined by reference to Bermuda conflict of law rules. A judgment debt from a U.S. court that is final and for a sum certain based on U.S. federal securities laws will not be automatically enforceable in Bermuda unless the judgment debtor had submitted to the jurisdiction of the U.S. court, and the issue of submission and jurisdiction is a matter of Bermuda (not U.S.) law.

In addition, and irrespective of jurisdictional issues, the Bermuda courts will not enforce a U.S. federal securities law that is either penal or contrary to Bermuda public policy. We have been advised that an action brought pursuant to a public or penal law, the purpose of which is the enforcement of a sanction, power or right at the instance of the state in its sovereign capacity, will not be entertained by a Bermuda court. Certain remedies available under the laws of U.S. jurisdictions, including certain remedies under U.S. federal securities laws, would not be available under Bermuda law or enforceable in a Bermuda court, as they would be contrary to Bermuda public policy. Further, no claim may be brought in Bermuda against us or our directors and officers in the first instance for violation of U.S. federal securities laws because these laws have no extraterritorial jurisdiction under Bermuda law and do not have force of law in Bermuda. A Bermuda court may, however, impose civil liability on us or our directors and officers if the facts alleged in a complaint constitute or give rise to a cause of action under Bermuda law.

Our shareholders may have more difficulty protecting their interests than shareholders of a U.S. corporation.

The rights of shareholders under Bermuda law are not as extensive as the rights of shareholders under legislation or judicial precedent in many U.S. jurisdictions. Class actions and derivative actions are generally not available to shareholders under Bermuda law. However, Bermuda courts ordinarily would be expected to follow English case law precedent, which would permit a shareholder to commence an action in the name of a company to remedy a wrong done to a company where the act complained of is alleged to be beyond the corporate power of a company, is illegal, or would result in the violation of that company's memorandum of association or bye-laws. Furthermore, consideration would be given by a Bermuda court to allow derivative action rights where acts that are alleged to constitute a fraud against the minority shareholders or where an act requires the approval of a greater percentage of our shareholders than actually approved it. The winning party in such an action generally would be able to recover a portion of attorneys' fees incurred in connection with such action.

We may issue additional Company Common Shares or other securities without shareholder approval, which would dilute existing ownership interests and may depress the market price of Company Common Shares.

Paysafe may issue additional Company Common Shares or other equity securities of equal or senior rank in the future in connection with, among other things, repayment of outstanding indebtedness or Paysafe's equity incentive plan, without shareholder approval, in a number of circumstances.

Paysafe's issuance of additional Company Common Shares or other equity securities of equal or senior rank would have the following effects:

- Existing Paysafe Shareholders' proportionate ownership interest in Paysafe may decrease;
- the amount of cash available per share, including for payment of dividends in the future, may decrease;
- the relative voting strength of each previously outstanding Company Common Shares may be diminished; and
- the market price of Company Common Shares may decline.

Future sales of the Company Common Shares issued to the Existing Paysafe Shareholders and other significant shareholders may cause the market price of Company Common Shares to drop significantly, even if Paysafe's business is doing well.

Under the Merger Agreement, the Existing Paysafe Shareholders received, among other things, a significant amount of Company Common Shares.

Subject to the Shareholders Agreement, the Existing Paysafe Shareholders and certain other shareholders party to the Shareholders Agreement may sell Company's securities pursuant to Rule 144 under the Securities Act, if available.

Upon satisfaction of the requirements of Rule 144 under the Securities Act, the Existing Paysafe Shareholders and certain other significant shareholders may sell large amounts of the Company's securities in the open market or in privately negotiated transactions,

which could have the effect of increasing the volatility in Paysafe's share price or putting significant downward pressure on the price of the Company Common Shares.

Because we have no current plans to pay cash dividends on our Company Common Shares, you may not receive any return on your investment unless you sell your Company Common Shares for a price greater than that which you paid for it.

We have no current plans to pay cash dividends. The declaration, amount and payment of any future dividends on our Company Common Shares will be at the sole discretion of our board of directors. Our board of directors may take into account general and economic conditions, our financial condition and results of operations, our available cash and current and anticipated cash needs, capital requirements, contractual, legal, tax and regulatory restrictions and implications on the payment of dividends by us to our shareholders or by our subsidiaries to us and such other factors as our board of directors may deem relevant. In addition, our ability to pay dividends is limited by our credit facilities and may be limited by covenants of other indebtedness we or our subsidiaries incur in the future. As a result, you may not receive any return on an investment in our Company Common Shares unless you sell your Company Common Shares for a price greater than that which you paid for it.

The market price of our Company Common Shares may be volatile, which could cause the value of your investment to decline.

The market price of our Company Common Shares may be highly volatile and could be subject to wide fluctuations. Securities markets worldwide experience significant price and volume fluctuations. This market volatility, as well as general economic, market or political conditions, could reduce the market price of our Company Common Shares regardless of our operating performance. In addition, our operating results could be below the expectations of public market analysts and investors due to a number of potential factors, including variations in our quarterly operating results or dividends, if any, to shareholders, additions or departures of key management personnel, failure to meet analysts' earnings estimates, publication of research reports about our industry, litigation and government investigations, changes or proposed changes in laws or regulations or differing interpretations or enforcement thereof affecting our business, adverse market reaction to any indebtedness we may incur or securities we may issue in the future, changes in market valuations of similar companies or speculation in the press or investment community, announcements by our competitors of significant contracts, acquisitions, dispositions, strategic partnerships, joint ventures or capital commitments, adverse publicity about the industries we participate in or individual scandals, and in response the market price of our Company Common Shares could decrease significantly. You may be unable to resell your Company Common Shares at or above the price you paid or the initial public offering price.

In the past few years, stock markets have experienced extreme price and volume fluctuations. In the past, following periods of volatility in the overall market and the market price of a company's securities, securities class action litigation has often been instituted against these companies. This litigation, if instituted against us, could result in substantial costs and a diversion of our management's attention and resources.

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

Paysafe Limited was incorporated under the laws of Bermuda on November 23, 2020 for the purpose of effectuating the Transaction described herein and became the parent company of the combined business following the consummation of the Transaction, which was consummated on March 30, 2021. See "Explanatory Note" for further details regarding the Transaction. See "Item 5. Operating and Financial Review and Prospects" for a discussion of Paysafe's principal capital expenditures and divestitures for each of the three years in the period ended December 31, 2023. There are no material capital expenditures or divestitures currently in progress as of the date of this Report.

The mailing address of Paysafe Limited's registered office is c/o M Q Services Ltd., Victoria Place, 31 Victoria Street, Hamilton HM10, Bermuda. The principal executive office is located at 2 Gresham Street London, United Kingdom EC2V 7AD and its telephone number is +44 (0) 207 608 8460. The Company's principal website address is www.paysafe.com. We do not incorporate the information contained on, or accessible through, the Company's websites into this Report, and you should not consider it as a part of this Report. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The SEC's website is <https://www.sec.gov>.

B. Business Overview

Overview

Paysafe is one of the leaders in digital commerce with over \$140 billion in volume processed in 2023 and \$130 billion processed in 2022, generating \$1.6 billion in revenue in 2023 and \$1.5 billion in revenue in 2022. Our integrated payments platform offers the full spectrum of payment solutions ranging from credit and debit card processing to digital wallet, eCash and real-time banking solutions. The combination of this breadth of solutions, our sophisticated risk management and our deep regulatory expertise and deep industry knowledge across target verticals enables us to empower 18 million active users in more than 120 countries and over 250,000 SMBs to conduct secure and friction-less commerce across online, mobile, in-app and in-store channels. We primarily provide solutions in the large entertainment verticals such as iGaming (which encompasses a broad selection of online betting related to sports, e-sports, fantasy sports, poker and other casino games), travel, streaming/video gaming, retail/hospitality and digital assets. We organize our business in two segments, Digital Wallets represented approximately \$734 million or 46%, of our revenue and Merchant Solutions represented approximately \$867 million, or 54%, of our revenue for the year ended December 31, 2023. We believe that an increasing percentage of digital commerce around the world is becoming too complex for traditional retail payment services, many of which still use legacy business processes and technologies that were developed years ago to address an earlier generation of eCommerce. These legacy platforms lack the specialized functionality, sophisticated risk management and robust regulatory compliance infrastructures that we believe are required to address this large area of the market.

To address this opportunity, we have developed a suite of innovative, proprietary digital commerce solutions for Business to Business (“B2B”) and Business to Consumer (“B2C”) relationships. We believe these solutions help (1) solve the complexities of facilitating digital commerce, (2) remove significant friction and pain points from the customer experience, (3) enable our business and consumer clients to transact in a faster, safer and more convenient manner and (4) help our business customers grow their operations by bringing active users to their platforms. Our solutions extend well beyond the basic card-based payments functionality of traditional payment vendors by providing the advanced capabilities of digital wallets, alternative payment methods (“APMs”) and digital currency transactions. These include:

- *A Global Stored-Value Digital Wallet Solution*—that enables users to upload, store, withdraw, pay and send funds from a branded, or embedded, virtual account that can transact in over 14 languages and over 40 currencies and is integrated with close to 260 alternative payment methods, or APMs, from around the world;
- *An eCash Network*—that enables users to transform cash at over a million locations across over 50 countries into a proprietary digital currency accessed by a mobile app, a virtual account or a user code and used for online gaming, video games, mobile commerce, or in-app purchases; and
- *An Independent Merchant Acquiring Solution*—that enables SMBs to conduct eCommerce, software-integrated commerce and in-store commerce more effectively by utilizing our single API, proprietary gateway, data tokenization, risk management and fraud tools and approximately 150 integrated software vendor (“ISV”) integrations to process credit card, debit card and APM services seamlessly.

We combine key elements of our business to create distinct competitive advantages in the market, as illustrated below. These include:

1. Our global digital commerce solutions;
2. Our 20+ years of global expertise and entrepreneurial culture in solving and simplifying the complexities of digital commerce beyond traditional payments; and
3. Our global platform of capabilities, which includes:
 - Unity, a proprietary, cloud-based technology platform, with modular, next-generation capabilities delivered through a micro-services architecture. This provides us with a highly scalable, integrated, single point of access to our products and services and facilitates the customization and delivery of market-specific payment solutions that meet the requirements and purchasing preferences of local markets;
 - Highly sophisticated global risk management and compliance operations. In order to successfully serve our markets, we run highly sophisticated risk management and regulatory compliance operations with global capabilities. Our risk management processes include stringent operating policies, multi-layered customer onboarding procedures and best-in-class transaction monitoring capabilities. We have over 350 professionals in our compliance and risk teams and have significant expertise in managing risk and regulatory requirements across the entire payments landscape. We believe these skills are a key strategic advantage for us and will serve as part of the foundation for our continued growth and expansion; and
 - Our proven ability to source, consolidate and unlock value from emerging digital commerce solutions and ecosystems. We have successfully acquired and integrated 19 companies (including our acquisition of SafetyPay in 2022) since our foundation and have an advantaged platform for consolidation. As such we have: (a) global capabilities that enable us to source acquisition targets from a large and fragmented pool of attractive candidates that we can evaluate and learn from; (b) a “plug and play” platform infrastructure, such as *Unity*, that we can leverage to generate revenue and

cost synergies from an acquired company; (c) a significant amount of deal experience and expertise across a seasoned team that enables us to source, identify, negotiate and execute deals effectively; and (d) strong integration capabilities powered by our strong entrepreneurial culture and global HR infrastructure that enable us to welcome, integrate and empower new company founders, management teams and employee bases around the world.

We believe this unique combination has enabled us to become a global leader in the global entertainment verticals, but which also have specific service requirements that are difficult for traditional vendors to provide. For example:

•**Paysafe is a global leader in iGaming payment services**, which encompasses a broad selection of online sports betting, e-sports, fantasy sports, poker and other casino games. This vertical is highly regulated and requires significant technology development and compliance infrastructure to facilitate cross-border commerce and the penetration of new markets, such as the United States and Latin America, which are opening due to favorable secular and regulatory trends and the increasing use of smartphones as a primary interface. Paysafe serves around 1,500 operators across our global iGaming market. Paysafe re-launched its iGaming services in Canada in 2010 and the United States in 2013.

•**Paysafe is a global leader in payments services to eSports, console games and multi-player online games.** We support payments across the leading gaming merchants, including Sony PlayStation, Xbox/Microsoft, Google Play, Stadia, Samsung, Huawei, Steam, Wargaming.net, Riot Games, Roblox, Twitch, EPIC Games, Ubisoft, Innogames, Activision Blizzard and others. *paysafecard* enables these gaming merchants to accept eCash payments, resulting in higher conversion rates and new customer acquisition, which comes from a customer segment untapped by the conventional payment options. Based on the success of our eCash services, we have also begun to cross-sell our Digital wallet and merchant solutions to some of these gaming merchants, increasing the continuity of our relationships.

•**Paysafe is a leader in eCommerce payment services.** We support numerous eCommerce platforms and online marketplaces to enable them to accept various payments inside of their ecosystems. Our Skrill digital wallet supports a wide range of eCommerce platforms, including Shopify, Wix, Magento, WooCommerce, and PrestaShop. We have also integrated our services with large online marketplaces that sell their own goods and services as well as the inventories of third-party merchants. We enable *paysafecard* users to pay for content and services across various Google platforms in over 16 countries, such as the Google Play Store, YouTube and Stadia, and have enabled the push-provisioning of our Skrill prepaid and NET+ cards into Google Pay.

•**Paysafe has a strong global banking infrastructure**—Paysafe leverages a network of nearly 100 commercial banks across 30 countries. We work with top tier institutions such as J.P. Morgan Chase, Bank of America, and BBVA, BMO and PNC as well as employ a network of regional and domestic banks across the Americas, the EMEA region, and Asia to augment our reach and serve our markets locally. In addition, nine large corporate and investment banks provide us with liquidity for our foreign exchange activities, with sizeable trading capacity.

Consumers in these and other verticals are also attracted to the differentiated functionality of our digital wallet and digital currency solutions that enable them to load funds onto a stored value account that can be used easily and flexibly online, through a mobile device or an integrated app. Many of our consumer clients come from the younger demographic of millennial and generation Z users, who either do not have a bank account, credit or debit card or who often prefer not to use their bank account, credit or debit cards online, are attracted to the additional security of our solutions and want to control their spending more effectively.

We go to market, serve and support our clients through an omni-channel model that leverages our global reach and our B2B and B2C relationships. This enables us to manage and serve our clients through our network of offices around the world with strong knowledge of local and regional markets, customs and regulatory environments. We sell our solutions through a combination of direct and indirect sales strategies. We have a direct sales force that builds and develops relationships with larger merchants and helps them configure or develop digital and point-of-sale commerce solutions from our suite of technology services. Our enterprise sales organization is structured to match our target verticals and is enabled through sales operations, deal operations, pre-sales and demand generation. We sell our solutions online to smaller merchants using targeted marketing campaigns designed to address specific use cases across verticals, geographies and user profiles. We also leverage a network of partners, such as ISVs and independent sales organizations (“ISOs”), who integrate our solutions into their own services or resell our solutions by utilizing their own sales initiatives.

We typically generate revenue across our solutions through transaction fees that are calculated as a percentage of the transaction dollar volume, a fixed per transaction fee or a combination of both. We generate these fees when funds are loaded onto wallets or cards, when funds are used to make transactions or when we process a transaction on behalf of our merchants or partners. In certain cross-border transactions, we may also generate revenue from foreign exchange fees.

For the year ended December 31, 2023, we generated \$140 billion of total payment volume and \$1.6 billion in revenue. During the same period, we had a net loss of \$20 million and generated \$459 million of Adjusted EBITDA. For the year ended December 31, 2022, we generated \$130 billion of total payment volume and \$1.5 billion in revenue. During the same period, we had a net loss of \$1.9 billion

and generated \$410 million of Adjusted EBITDA See “Item 5. Operating and Financial Review and Prospects” of this Report for additional information relating to non-GAAP measures presented in this Report and for a reconciliation of such non-GAAP measures to the most directly comparable measures calculated and presented in accordance with GAAP.

Our Journey & Evolution as a Pioneer in Digital Commerce

Since our foundation in 1996, we have pioneered and continue to innovate around the development of digital payment solutions that help reduce complexity and expand payment alternatives for merchants and consumers. We have evolved since then by strengthening our domain expertise, adding new capabilities and extending our market reach to build on our early mover advantages in digital commerce and establish ourselves as a scaled market leader across all of our business segments. Some of the key milestones in our evolution include:

- **Our Foundations and Pioneering of Digital Commerce**—NETBANX began in 1996 with Arsenal Football Club as the first to sign up for the system. Separately, the NETeller Group was established in 1999 in Canada to commercialize an e-Wallet concept it had been developing to fund internet-based transactions without the security risk of processing each transaction at each separate merchant site.

- **Our Expansion and Consolidation**—Adoption of the NETELLER system grew rapidly in the early 2000s as merchants and consumers benefited from the ease of use of our solutions and the growing number of funding sources and alternative payment methods that could be used to fund our digital accounts.

- In 2004, NETELLER plc conducted an initial public offering and listed its shares on the AIM Stock Exchange in 2004 and in 2005 it acquired NETBANX.

- In 2008 the company changed its name to Neovia Financial plc (“Neovia”) as part of a wider rebranding strategy to differentiate the company from its various solutions, NETELLER, NETBANX and NET+, a prepaid card product.

- In 2011, Neovia acquired substantially all of the assets of 7012985 Canada Inc. and changed its name to Optimal Payments plc (“Optimal Payments”).

- In 2014 and 2015, Optimal Payments acquired five additional companies including the Skrill Group, which included the Skrill and paysafecard businesses. In November 2015, Optimal Payments changed its name to Paysafe Group plc, incorporated in the Isle of Man.

- In December 2015, Paysafe Group plc listed its shares on the main market of the London Stock Exchange.

- **Our Privatization and Significant Investment in the Business**—In December 2017, a consortium led by CVC Capital Partners and Blackstone agreed to acquire Paysafe for approximately a \$4 billion U.S. dollar equity value and the Company’s shares were delisted from the London Stock Exchange in December 2017.

- **Our Transaction** —Paysafe Limited was incorporated under the laws of Bermuda on November 23, 2020 for the purpose of effectuating the Transaction described herein and became the parent company of the combined business following the consummation of the Transaction, which was consummated on March 30, 2021.

Our Large & Fast-Growing Market Opportunity

We believe that an increasing percentage of digital commerce around the world is becoming too complex for traditional payment and eCommerce services providers using legacy business models, payment solutions and risk management platforms to support an aging generation of retail eCommerce solutions. These legacy platforms and vendors lack the specialized functionality, sophisticated risk management and robust regulatory compliance infrastructures required to address a large and fast-growing area of the market, which includes digital wallets, APMs and digital currency transactions. Consumers in these markets are attracted to the differentiated functionality of these next-generation solutions, which enable them to load funds or cash onto a virtual stored-value account that can be used easily and flexibly online, through a mobile device, or inside an integrated app. Many of these users come from the demographic of millennials and generation Z users, who either do not have a bank account or often prefer to use alternative payment methods as they are less comfortable sharing their financial details online. Instead they are attracted to the additional functionality and security features of these solutions, which enable them to engage in digital commerce and control their spending more effectively.

Key Market Trends

We are positioned in key market segments:

•**Growth in Digital Wallets**—According to IBM, COVID-19 has accelerated the transition from physical stores to digital by roughly 5 years, increasing consumer and merchant appetite for digital payment methods at a much faster rate. We believe this migration will continue and stay as market demographics shift to a digital shopping experience as emerging trends including seamless commerce, blockchain in e-commerce and mobile commerce expands. Consumer adoption of digital and mobile wallets is expected to continue growing at a rapid pace with wallets capturing market share from traditional payment methods.

•**Growth in Merchant Acquiring**—SMB businesses are increasingly using more technologies at the point of sale (“POS”) to help them run their operations more effectively and satisfy consumer demand. As a result, technology companies, such as smart device vendors and ISVs, are adding more commerce-enabling features, such as payments and loyalty applications, into their core offerings. These firms are increasingly partnering with digital commerce solutions providers to integrate these features as seamlessly as possible.

•**Emerging Markets** — We believe our acquisition of both Safetypay, a platform that enables eCommerce transactions in Latin American countries, and PagoEfectivo, the leading alternative payment platform and Brand in Peru, positions us to compete well in this growing market.

•**Embedded Finance**— For Paysafe, embedded finance includes our white-label wallet. As an example, this would include the integration of our payment services into a consumer brand’s ecosystem, allowing the consumer brand to maintain control and its identity, whilst benefiting from our financial offerings. We believe Paysafe’s broad range of offerings, from payment processing of cards, APM’s and pay in pay out functionality of wallets positions us to grow in this market.

•**Adoption of Prepaid and eCash in the Digital World**—Prepaid and eCash payments acceptance allows merchants to access a large market of cash-based security-conscious and unbanked consumers, especially within emerging economies. We believe that we are a leading player in the eCash market, connecting merchants with millions of cash-based consumers across a number of high-growth verticals and geographies.

•**Digital Leisure**—We believe consumer demand for digital goods & services are increasing, this includes leisure-related goods and services bought online, e-commerce, streamed video & audio, digital sports betting, NFTs, video game software and services and digital advertising. Given Paysafe’s market positioning, we believe we are uniquely positioned to benefit from this trend.

•**Digital Assets** — The digital asset space has proven to be a focus within the financial sector, growing at a rapid pace globally, despite volatility. The continued investment by financial institutions, continuing momentum within the NFT space and decentralized finance applications challenging traditional financial products, have accelerated the mainstream adoption of cryptocurrency and other digital assets. We believe the complexity of regulatory and compliance requirements and extremely high volume demands of clients in this vertical presents a good fit for Paysafe capabilities and expertise.

•**Shift to Universal Commerce Engagement**—Consumer shopping habits are increasingly involving engagement across channels and the combination of payments and loyalty applications, such as digital offers and smart incentives. For example, a consumer can view items online and purchase in-store with a digital reward or buying online using targeted digital incentives. We believe these trends are incentivizing businesses to manage their customer-facing operations, including their retail presence, inventory, incentive programs, payment acceptance alternatives, returns and customer service, across all available channels—in store, online and mobile. As a result, businesses are gravitating to payments partners with the capability to provide integrated solutions that can manage across all channels with highly sophisticated engagement, payment, reporting and data management and analytics capabilities.

•**The Payments Industry is Continuing to Rapidly Consolidate**—Strategic and financial buyers of payments businesses are expected to continue to pursue deals that enhance scale, technology capabilities and vertical and geographic expansion. We believe M&A will continue to be an attractive growth opportunity for the sector and believe we are well-positioned to be a leading M&A platform in the space. We have a broad and successful track-record of M&A execution and integration and believe there are a number of targets across our business segments.

•**Real-Time Payments**— With our recent acquisitions of SafetyPay and PagoEfectivo we believe we are now well positioned to exploit the high growth real-time banking market in Latin America and Europe.

Key Market Challenges

As a result of these market trends, we believe businesses and consumers are facing challenges, which pose risks and opportunities for vendors in our market. These include:

•**Need for Omni-Channel Engagement**—Consumers are increasingly demanding the ability to engage with businesses and merchants seamlessly across in-store, online and mobile channels, using traditional and alternative payment methods, across geographic borders, with feature-rich yet simple customer experiences. As a result, we believe businesses are looking for

commerce enabling partners that can assist them with these capabilities and the advanced data and insights needed to manage their businesses more effectively, through a unified offering and a single integration.

•**Need for Global Capabilities**—Businesses are increasingly demanding service providers and partners capable of serving their needs across a broad range of geographic markets and do not want to manage the complexity associated with having multiple providers and partners in separate markets. As a result, the need for global platforms with global service, support and risk management capabilities are becoming more important.

•**Need for Strong Regulatory & Risk Management**—As commerce across borders, channels and technologies continues to evolve, we believe risk management and regulatory compliance requirements will become more complex. This will present both challenges and opportunities for participants and require digital commerce enabling partners to build and provide a strong regulatory compliance expertise that will not expose customers to unnecessary risks.

•**Need for Strong Security & Data Protection**—The shift to digital commerce and increasing use of data has resulted in larger amounts of sensitive information being transmitted and stored electronically by a growing number of consumers, businesses and government entities. High-profile data breaches have increased awareness, concern and regulation covering data use, storage and protection. As a result, we believe consumers and businesses are increasingly looking to engage with vendors that have strong global risk management expertise and infrastructures.

Our Competitive Strengths

Over the course of our evolution, we have developed highly differentiated attributes, assets and capabilities that we combine to create powerful competitive advantages. We believe these advantages have enabled us to establish our leadership position in the market and positioned us favorably to continue to innovate, grow and expand the markets we serve. These strengths include:

Global Digital Solutions & Reach

We offer our business and consumer clients a comprehensive suite of advanced, differentiated, commerce-enabling solutions and specialized payment services to help them transact in a faster, safer and more convenient manner around the world. The advantages of our global digital solutions include:

•**Differentiated Value Propositions**—Our solutions are highly differentiated in the market and help solve the complexities of digital commerce, remove significant friction and pain points from the customer experience and enable our business and consumer clients to transact in a faster, safer and more convenient manner. We also leverage our technology, risk management expertise and compliance infrastructure to empower buyers and sellers to connect and transact in more complex verticals where traditional services do not work well, such as iGaming and gaming. We also offer more traditional services, such as eCommerce payments and SMB merchant acquiring and differentiate these by integrating new technologies to make them more powerful and convenient, such as our global gateway and smart devices to create a differentiated value proposition.

•**Superior Client Experiences**—Our solutions create superior experiences for our business and consumers across their customer journey, including in-store, online, mobile, as well as hybrid models such as pay online/pick up in-store and cash-funded online purchases. This begins in our product development phase as we prioritize solving the friction and pain points of more traditional commerce, listen to our clients' specific needs and develop tangible solutions that are designed to solve real-world problems. We also provide dedicated support to our channel partners in our Merchant Solutions segment.

•**Global Reach with Local Capabilities**—Our *Paysafe Network* enables us to reach our clients and distribute our solutions in over 120 countries around the world and across multiple digital and physical channels. This enables us to utilize a combination of global commerce expertise with a strong knowledge of local and regional markets, customs, and regulatory environments to facilitate cross-border commerce. For example, our digital wallets accommodate a wide range of funding options and allow funds to be securely sent and received instantly, empowering online gaming companies and their consumers to conduct commerce together more efficiently. Our eCash Solutions also enable online purchases for cash-pay consumers and can be purchased at over one million distribution points in over 50 countries.

Unique Global Culture & Expertise

Since we were a pioneer in the early days of eCommerce, we developed strong company characteristics over the last 20 years that we believe provide us with material advantages, including:

•**Entrepreneurial Culture and Client-Centric Focus**—We have proactively developed an entrepreneurial culture within Paysafe to foster a highly energetic, innovative and collaborative mindset for our employees by promoting four core employee value statements:

- Pioneering**—We are curious and collaborate to find innovative ways to improve our business;
- Focused**—We are results driven, achieving our goals by delivering relevant solutions that meet our clients’ needs;
- Open**—We are open and transparent in the way we work together, building trustworthy relationships with our colleagues, customers and shareholders; and
- Courageous**—We encourage empowered people to be brave when challenging the status quo, and decisive when proposing and implementing the resulting change.

We believe we have curated an attractive workplace environment for employees. We encourage a strong client-centric mentality across all our functions to prioritize solving the friction and pain points that our clients experience when trying to conduct commerce online rather than trying to sell undifferentiated payment services. Together, our entrepreneurial culture and client-centric focus form the core spirit of our company, which has enabled us to: (1) pioneer and establish a leadership position empowering digital commerce throughout the world; (2) develop our Paysafe Network and its various advantages and capabilities; and (3) differentiate our solutions, service quality and client relationships from the more traditional legacy payment vendors that sell increasingly commoditized products and services.

•**Deep Expertise in Solving and Simplifying the Complexity of Digital Commerce**—We have been able to learn from our experiences to develop a deep expertise in digital commerce and in highly regulated markets with complex compliance requirements. This has enabled us to develop new ways for consumers, merchants and integrated partners to conduct commerce and open new markets for commercial transactions across channels, verticals and geographies.

Our Growth Strategies

We will leverage the leadership, scale and competitive advantages of our leading digital solutions, global expertise and global platforms to grow our business around the world. Building upon our core foundations, we will continue to grow our business by:

- optimizing our current operations to help our business and consumer clients transact more effectively;
- innovating to create new solutions that reduce friction and unlock new areas for digital commerce to flourish;
- and expanding into new markets and verticals.

In general, we have organized our growth and expansion initiatives around five key strategies. These are:

•**Sales Acceleration and Focus**- We intend to continue to generate new revenue and earnings growth from a series of initiatives that we have begun implementing to drive new volumes, revenue yield and operating efficiencies from our large, existing client base and operations. These include:

- Enterprise-Wide Sales**—we continue to focus on an enterprise-wide sales strategy and combined sales team. We are modernizing our sales organization with a holistic proposition focusing on our top tier clients.
- Cross-Sell**- we continue to focus on cross-selling the full breath of our product portfolio and we intend to focus on growth within our existing client base.

•**Product Innovation**- We intend to focus on money movement within the entertainment sector and focus on strategic partnerships for speed to market and scale opportunities. We will continue to innovate and develop new functionalities and solutions to capture greater volume and revenue opportunities. Our global gateway will enable us to integrate, market and deploy these additional capabilities quickly and more effectively into our installed base of clients and promote them to new clients. In addition, we are capitalizing on the increasing demand for integrated payments functionality and are working to make Paysafe a partner of choice for software developers by enabling them to integrate seamlessly with our *Unity* platform. We are also connecting our digital wallet gateway with our acquiring services to provide a unified and more powerful gateway solution that supports our enterprise sales and enables our business clients to secure, authorize and execute different types of transactions through a convenient and seamless service experience.

•**Customer Experience**-We intend to focus on simplification and automation of our client experience.

•**Platform Optimization**—we are implementing a series of initiatives to create new synergies and greater operating efficiencies within our platform. For example:

o**Data & Insights**—we are leveraging the significant amount of data across our global ecosystem to (i) provide our business clients with valuable insights into consumer preferences and spending trends that help them grow their sales volumes and (ii) optimize our underwriting and onboarding capabilities to increase our acceptance rates and reduce the number of declined transactions due to false positive triggers; and

o**Artificial Intelligence & Automation**—we are leveraging the implementation of A.I. and process automation technologies to optimize the speed and operating efficiencies of our technology and risk management platforms as well as our internal processes and back office systems to generate better marginal cost efficiencies.

•**International Expansion**- We believe the combination of our brand, breadth of solutions, our ability to serve both businesses and consumers, our ease of integration and our strong risk management and regulatory compliance provide us with powerful competitive advantages to capture additional market share.

•**iGaming**. We intend to continue to leverage our privileged position as the global leader of digital commerce solutions in the iGaming market to benefit from the very fast growth and large addressable market opportunity in North America iGaming.

•**Increase Share in Existing Markets**—We intend to increase our market share in key, high-growth verticals where we currently operate, such as iGaming, gaming, crypto, Remittances, Digital Trading, Property Management and Rentals, Wellness and Membership, Utilities and Subscriptions. To achieve these share gains, we will (a) continue marketing the advantages of our solutions across channels, (b) continue innovating to add vertical-specific functionalities that help drive new client adoption and (c) continue pursuing new distribution and partnerships. We will also pursue the same strategy in our Merchant Solutions segment, with a focus on growing our eCommerce volumes, growing our base of SMB merchants and ISV partners and growing our base of clients in specialized verticals, such as Petroleum stations, where we have differentiated sales and service capabilities.

•**Enter New Vertical and Geographic Markets**—We intend to enter high growth adjacent verticals, such as expanding digital assets across wallet trading, crypto payments and processing and enter new geographic markets where we can successfully leverage our competitive advantages to provide superior digital commerce solutions and gain share. For example, our recent acquisitions of SafetyPay and PagoEfectivo solidifies our position in the Latin American market. Similarly, while we are the second largest global stored-value digital wallet solution in the world, we are still in the early stages of penetrating a large and fast-growing ecosystem of eCommerce platforms. We will continue to integrate our digital commerce solutions with new eCommerce platforms to enable our approximately 18 million digital wallet active users to purchase goods and services online.

•**Pursue Strategic Acquisitions** - We will pursue acquisitions to gain access to strategically important technology, products and distribution, as well as to enter new markets or supplement our position in markets we currently serve. We have a demonstrated track record of growth through acquisitions as shown by our successful acquisition and integration of 19 companies since our foundation (including our acquisition of SafetyPay in 2022 which we continue to integrate). Since the digital commerce market is still relatively fragmented and regional in nature, we believe there are a large number of potential acquisition opportunities to evaluate and consolidate around the world. However, they represent an opportunity for us to add specific features, distribution and active users which can be incorporated into our global digital wallet solutions. Similar to this, we believe there are attractive consolidation opportunities to add distribution, capabilities and client bases in eCash, Online, APMs and iGaming value-added services around the world.

Our Segments & Solutions

We offer a broad selection of business-to-business and business-to-consumer digital commerce solutions to online businesses, small and medium sized merchants and consumers through our proprietary *Paysafe Network*. While we manage our business holistically and in an integrated manner, we provide our solutions across two business segments to optimize our management of each.

Our reportable segments are Merchant Solutions and Digital Wallets. Our reportable segments were revised as of December 31, 2022. Accordingly, our segment financial information is presented on this revised basis and financial information for the year ended December 31, 2021 has been revised to reflect this change. Please refer to Note 21, *Operating segments*, within Item 18, Financial Statements for further details.

Overview by Segment

Merchant Solutions

The Merchant Solutions segment is the combination of our historical US Acquiring segment and Integrated & eCommerce Solutions business and services markets primarily in North America, Canada and Europe. For the year ended December 31, 2023, this segment generated \$119 billion of total payment volume, \$867 million in revenue and \$222 million in Adjusted EBITDA. We provide a comprehensive suite of payment acceptance and processing services enabling SMBs to accept payments in over 40 currencies through in store, online, or mobile channels. We sell our solutions directly and indirectly through partners, to a diverse set of merchants and integrated service providers. Our Merchant Services are targeted towards online small and medium sized merchants and software-integrated merchants with integrated payment capabilities for approximately 150 integrated software vendors (“ISV”). We provide a comprehensive, full-featured Online toolkit that allows merchants and ISVs in the United States, Canada and Europe to build and scale their online commerce presence. Our solution, which can easily integrate with merchant websites addresses the full range of online commerce requirements. We also offer merchants and ISVs a global turn-key payments gateway solution, providing critical connectivity between merchant online sites and payment acceptance and transaction processing providers. Through our global feature-rich gateway, we manage and provide all connections to card processing networks, acquiring banks and transaction processors. We continually expand our gateway functionality with emerging payment types to ensure that our merchant customers can serve the largest target market possible. Our solutions offer a highly flexible, feature-rich package, including: gateway connectivity, shopping carts, tokenization and encryption, fraud and risk management and support a broad selection of payment alternative. Additionally, we offer seamless integrations into leading eCommerce platforms and multiple APMs to offer targeted, localized payment methods in key markets. In the United States, we service over 250k SMB merchants and approximately 150 ISV partners. In Europe, where we have our own acquiring license, our target merchants are larger e-commerce clients.

Digital Wallets

The Digital Wallets segment is the combination of our legacy Digital Wallet and eCash solutions and services markets primarily in Europe, UK, North America and Latin America. For the year ended December 31, 2023, this segment generated \$22 billion of total payment volume, \$734 million in revenue and \$319 million in Adjusted EBITDA. Through our single API, we can offer legacy Digital Wallet and eCash solutions to customers through a single integration. Additionally, we believe we can leverage our position as a global leader of digital commerce solutions in the iGaming market to benefit from the very fast growth and large addressable market opportunity in North America iGaming.

Our proprietary digital wallet solutions are marketed under the NETELLER and Skrill brand names, as well as a proprietary pay-by-bank solution marketed in Europe under the Rapid Transfer brand. Skrill and NETELLER remove friction from complex commerce situations and dramatically simplify the complexity of traditional payment mechanisms, such as card-based payments, enabling our active users to send, spend, store and accept funds online more easily. Our Rapid Transfer solution is a pay-by-bank alternative for eCommerce applications that provides a safe, low-cost payment alternative for consumers and merchants.

Our digital wallets are an internet-based account used by merchants and consumers that enables account holders to send and receive funds instantly, conveniently and securely using a wide selection of funding options. Our digital wallets allow consumers to pay for goods and services online without exposing personal financial data, as well as to receive money from merchants, such as winnings from an internet-based gambling website or payments from an auction website. Our digital wallets support a wide selection of funding alternatives including close to 260 alternative payment method integrations, including cryptocurrency and is offered in over 120 countries, over 40 currencies and over 14 languages. The Money transfer feature allows Skrill wallet holder to transfer funds to over 40 countries. NETELLER has a significant presence and strong market share in emerging markets, including in Latin America and Asia. Our Skrill and NET+ Prepaid Mastercards are companion products enabling NETELLER and Skrill digital wallets active users to access and use stored funds anywhere that Mastercard products are accepted.

Our proprietary eCash solutions are marketed under the paysafecard and Paysafecash brands and also the viafintech, SafetyPay and PagoEfectivo brands following our recent acquisitions of these three companies. These solutions provide consumers with a safe and easy way to purchase goods and services online without the need for a bank account or credit card and allow merchants to expand their target market to include consumers who prefer to pay with cash. paysafecard and Paysafecash are available at over one million locations in 50 countries worldwide and can be used to make purchases at online stores and online platforms. They are available in various denominations in each respective country’s local currency. Purchasers receive a secure 16-digit PIN code or bar code. The user receives the PIN or bar code transaction identifier that is displayed in a digital wallet, uploaded to a mobile phone, or is sent via e-mail to be printed out. The transaction is completed when the users makes a cash payment at a designated retail location authorized to accept the bar code or PIN identifier.

We also offer a *paysafecard* prepaid Mastercard that can be linked to a digital *paysafecard* account and used to make purchases anywhere in the world, online or offline, where Mastercard is accepted. The *paysafecard* Mastercard, which can be funded with cash through a fully verified digital *paysafecard* account, or with credits from online gaming merchants, is currently available to our customers in 18 countries.

In Latin America we offer Safetypay, a platform that enables eCommerce transactions in 12 Latin American countries, and PagoEfectivo, the leading alternative payment platform and Brand in Peru which positions us to compete well in this growing market.

Our Distribution & Sales

In 2023, we reached 18 million active users in more than 120 countries and over 250 thousand merchants across North America, Latin America and Europe. In 2023, we generated approximately 56% of our revenue in North America, 32% in Europe, 7% in Latin America and 5% in the rest of the world, based on the region where a transaction was initiated or the merchant location. We go to market and reach our clients through a combination of online and physical channels that we sell into utilizing a range of direct and indirect sales strategies across our two business segments. These sales strategies include:

- **Direct Sales**—We market and sell our solutions directly to our clients through online marketing, our various branded solutions portals and a dedicated sales team.

- **Online Sales**—We sell our solutions online to consumers using targeted marketing campaigns and search engine optimization tools designed to address specific verticals, geographies and user profiles. Users can sign up for our services at one of our proprietary online portals such as *skrill.com*, *neteller.com* and *paysafecard.com*.

- **Relationship & Call Center Sales**—We have a direct sales force that builds and develops relationships with larger merchants or responds to their inquiries via our dedicated sales centers that respond to calls or online inquiries. These sales personnel help businesses learn about our solutions and then will help configure a commercial solution for them from our suite of offerings.

- **Indirect Sales**—We have built a network of resellers and partners, such as online portals, ISVs, Payment Facilitators and ISOs, who integrate our solutions into their own services or resell our solutions by utilizing their own salesforces or online marketing initiatives.

- **Online Resellers**—We work with selected merchants and partners in specific verticals, such as iGaming and gaming, who promote our solutions or sell them in store.

- **Distribution Partners**—We work with distribution partners in over 50 countries across over one million distribution points-of-sale for Paysafecard and Paysafecash.

- **ISVs**—We work with approximately 150 ISVs who develop vertical-specific business management SaaS solutions for industries such as restaurants, spa/salon, gyms, charities, property managers, and field service companies, among others. These ISVs service downstream merchants in Canada, the US, the UK and the EU. We provide development tools and APIs to help these software companies integrate our payment solutions into their software to facilitate membership billing, subscriptions, online or in person payments while minimizing their PCI obligations. We also provide onboarding tools that allow the ISV to provide a seamless and embedded onboarding experience, risk tools that protect the ISV and their downstream merchants against fraud, and data and reporting services that allow the ISV to consume payment data within their own applications to offer a true *one-stop-shop* experience to their merchant customers. ISVs leveraging our payment technology can act as referral partners, be registered ISOs or registered payment facilitators. Our technology can support any of these models.

- **Independent Resellers**—We work with independent resellers, such as agents, ISOs, referral partners or bank partners who typically resell our solutions and services to SMB merchants in North America for commissions, revenue share agreements or referral fees.

- **Payment Facilitators (PayFacs)**—We work with sponsored payment facilitators in our portfolio and also help our ISO, ISV or platform clients to easily embed a custom payment solution into their offerings to create a “payfac-lite” or “payfac-in-a-box” solution. This enables our clients to get all of the features and benefits of being a PayFac without the risk, extensive underwriting and registration burdens, cash reserve requirements, or compliance and monitoring overhead.

Our Customer Service & Support

We provide customer support services that have been designed to address the specific support issues of each of our two business segments. These include:

Merchant Solutions Support — We provide support through dedicated service centers in the North America and the UK. We support customers across a variety of channels including calls, email, chat and social media.

Digital Wallets Support — Our teams are trained and equipped with a broad range of tools including communication templates and a state-of-the-art knowledge base.

Our Global Risk and Compliance Management Program

Paysafe's global risk and compliance program includes the development, deployment and management of proprietary models to detect and prevent compliance risk, card scheme risk, fraud risk and credit risk. We leverage the vast amount of data in our ecosystem and the learnings derived from our global and local operating experts to continuously update and improve our compliance and risk management practices. We utilize real-time detection and prevention processes and create alerts, which are then reviewed by our risk and compliance teams to ensure we act quickly to stop any potential fraudulent behavior. The outcomes of our reviews are driven back into our machine learning models for continuous improvement in accuracy. Our risk and compliance teams are geographically aligned with our business footprint around the world and include both global and local expertise in compliance and regulatory requirements across the entire payments landscape. The focus areas of our global risk, regulatory and compliance operations include:

- Global Expertise & Policies**—We have leveraged our deep domain expertise and over 20 years of experience in solving the complexities of digital commerce to develop a series of stringent proprietary operating policies that enable us to operate a broad global business with deep local risk and regulatory compliance capabilities;
- Licenses & Certifications**—We have built a network of relationships with regulators, networks and financial institutions, undergone numerous certification and registration processes and successfully acquired numerous operating licenses that enable us to operate in multiple jurisdictions in a safe and compliant manner. We maintain strict controls over these licenses and leverage our expertise to add new ones as we move into new markets;
- Underwriting & Risk Management**—We have created sophisticated underwriting and real-time risk mitigation processes through a range of machine learning models and behavioral detection systems to identify potentially suspicious activity and reduce fraud. Our risk management infrastructure enables us to safely process billions of dollars in payments on a monthly basis.
- Credit Risk Management**—Proprietary credit risk management system that monitors the top credit risks across the enterprise and allows expert analysts to conduct periodic reviews and make recommendations to mitigate large credit exposures.
- Account On-Boarding & Monitoring**—We developed a series of multi-layered onboarding procedures to review new merchants and consumers. We validate and confirm information provided against government and other agency records or government issued documents to complete KYC checks at onboarding and then undertake further checks during the consumer lifecycle. We also employ models and monitoring rules to detect potential fraud and AML activity and report suspicious activity to the relevant government entities as appropriate as well as cooperating with any inquiries.
- Transaction Encryption & Management**—We have developed strong transaction security capabilities that enable us to secure and monitor transactions within our own wallet and digital currency networks and safely encrypt and decrypt transactions from third- party networks and alternative payment methods. We also provide automation technologies and transaction management tools to help identify and manage chargebacks and transaction reversals in a convenient and easy to use manner for our clients.
- Enterprise Risk and Risk Appetite**—We have integrated a robust enterprise risk framework to our strategic decision making, which ensures we have ongoing and reasonable assurance regarding the achievement of our strategic objectives. This framework consists of a multi-layered governance structure to identify, assess, respond to and manage risks in line with our global risk appetite. Our global risk appetite has qualitative and quantitative measures in place, to support our business with broad-based guidance on the amount and type of risk we are willing to accept in pursuit of our strategic objectives.
- Core Risk Tracking System**—We leverage governance, risk and compliance tools to track enterprise-wide risks, document improvement actions, identify accountable owners and track progress towards closure of key risks.

•**Centralized Risk Repository**—We have centralized a repository of core risk policies, processes and control documentation via global risk governance and Enterprise Risk Management.

Licensing and Regulation

Laws and regulations in jurisdictions around the world apply to many key aspects of our business. Any actual or perceived failure to comply with these requirements may result in, among other things, revocation of required licenses or registrations, loss of approved status, private litigation, regulatory or governmental investigations, administrative enforcement actions, sanctions (including public fines), civil and criminal liability, public censures and constraints on our ability to continue to operate, as well as potentially adverse effects on our brand and position with respect to competitors. It is also possible that current or future laws or regulations could be interpreted or applied in a manner that would prohibit, alter, or impair our existing or planned products and services, or that could require costly, time-consuming, or otherwise burdensome compliance measures from us. This discussion is not exhaustive, and there are numerous other regulatory agencies that have or may assert jurisdiction over our activities. The laws and regulations applicable to the payments industry in any given jurisdiction are subject to interpretation and change.

Various laws and regulations govern the global payments industry. In Europe, certain of our subsidiaries are authorized by the FCA under the Electronic Money Regulations 2011 to perform the regulated activity of issuing e-money and the provision of payment services (which has the meaning specified in the Second Electronic Money Directive) as well as to provide account information services and payment initiation services to support our *Rapid Transfer* service. Additionally, we are authorized by the CBI under the European Communities (Electronic Money) Regulations 2011 for two of our entities in Ireland to act as e-money issuers and to provide payment services (including account information and payment initiation services to support our *Rapid Transfer* service) and have completed the necessary passporting notifications to operate in other EEA jurisdictions. E-money means electronically (including magnetically) stored monetary value, as represented by a claim on the electronic money issuer, which (a) is issued on receipt of funds for the purpose of making payment transactions; (b) is accepted by a person other than the electronic money issuer; and (c) is not excluded by regulation. An e-money issuer is someone who issues and redeems electronic money and provides payment services in accordance with the Second Electronic Money Directive.

Both the UK and Ireland prescribe that, with respect to our payment services entities, no person may hold or acquire, alone or together with others, a direct or indirect stake of 10% or more of our shares, 10% of the voting rights attached to our shares, or exercise, directly or indirectly, significant influence over any of the regulated subsidiaries (or increase an existing holding of 10% or more of our shares or the voting rights attached to our shares crossing a control threshold (20%, 30% or 50%)) without first obtaining the prior approval of the FCA and the CBI.

Certain of our subsidiaries are considered Foreign Money Service Businesses (“FMSBs”) under Canadian Proceeds of Crime (Money Laundering) and Terrorist Financing Act and are therefore required to hold FMSB licenses with FINTRAC, the Canadian Regulator. These licensed subsidiaries are subject to record keeping and reporting requirements for all activity involving money transferring and foreign exchange dealing. Some of these subsidiaries are also licensed as money service businesses with Revenu Quebec and are subject to record keeping requirements for all money transfers and foreign exchange transactions involving Quebec residents. Furthermore, with the enactment of the Canadian Retail Payments Activities Act, several subsidiaries will need to apply for registration with the Bank of Canada in November 2024 as payment service providers. There will be no, inter alia, safeguarding requirements, transaction monitoring requirements and recordkeeping requirements, among others.

In the United States, Skrill USA Inc. (“Skrill USA”), is registered with FinCEN as a money services business and regarded as a money transmission business. Money transmitting businesses are subject to numerous regulations in the United States at the federal and state levels, and we have obtained or applied for money transmitter licenses (or applicable similar licenses) in all U.S. states and territories in which we are required to do so, with one license pending. These licenses and registrations subject us, among other things, to record-keeping requirements, reporting requirements, bonding requirements, limitations on the investment of customer funds, and inspection by state and federal regulatory agencies. We are also subject to inspections, examinations, supervision, and regulation by each state in which we are licensed. Furthermore, to the extent that our activities cause us to be deemed to be engaged in other business involving digital currency activities that are regulated in any state in which we operate, we may be required to seek a license or otherwise register with a state regulator and comply with state regulations. If we are required to register in these states and comply with their individual requirements, we can expect to incur significant compliance costs, including increased legal expenses, accounting expenses and internal costs. Without a required money transmitter license, we could not engage in money transmitter activities with such state).

Since the enactment of the Dodd-Frank Act, there have been substantial reforms to the supervision and operation of the financial services industry, including numerous new regulations that have imposed compliance costs on us and our financial institution partners and clients. Among other things, the Dodd-Frank Act established the CFPB, which is empowered to conduct rule-making and supervision related to, and enforcement of, federal consumer financial protection laws. Certain money transmitters engaged in international money transfers such as Skrill USA are required to provide additional consumer information and disclosures, adopt error resolution standards and adjust refund procedures for international transactions originating in the United States, and certain money transmitters that are deemed by

regulation to be “larger participants” in the international money transfer market, such as Skrill USA, are subject to direct supervision by the CFPB. In addition, the CFPB may adopt other regulations governing consumer financial services, including regulations defining unfair, deceptive, or abusive acts or practices, and new model disclosures. Skrill USA could be subject to fines or other penalties if it is found to have violated the Dodd-Frank Act’s prohibition against unfair, deceptive or abusive acts or practices or other consumer financial protection laws enforced by the CFPB. The CFPB’s authority to change regulations adopted in the past by other regulators could increase our compliance costs and litigation exposure. The legislation and implementation of regulations associated with the Dodd-Frank Act have increased Skrill USA’s costs of compliance and required changes in the way it and its agents conduct business. In addition, Skrill USA is subject to examination by the CFPB from time to time.

The Dodd-Frank Act also empowers state attorneys general and other state officials to enforce federal consumer protection laws under specified conditions. We, including Skrill USA, have periodically been involved in reviews, investigations, proceedings (both formal and informal), and information-gathering requests, by various government offices and agencies, including various state agencies and state attorneys general (as well as the CFPB and the U.S. Department of Justice). These examinations, inquiries and proceedings could result in, among other things, substantial fines, penalties or changes in business practices that may require us to incur substantial costs.

Although we have the licenses and authorizations referred to above, our Digital Wallets segment issues e-money to customers in over 120 countries and territories, a majority in which we are not licensed as an e-money issuer. We take the view that, in general, we are not conducting regulated activities in these other jurisdictions on the basis that our activities of issuing e-money are not conducted in each jurisdiction in which our relevant customers reside, but rather e-money is issued in jurisdictions in which we are licensed. We acknowledge that local regulators in these jurisdictions may take a different view and, as transaction volumes increase and/or the matter is brought to our attention by local regulators, we will take advice in respect of local requirements on a case-by-case basis. Failure to comply with local regulations in these jurisdictions could also lead to examinations, inquiries and proceedings that could result in, among other things, fines, penalties, prohibitions on operating in jurisdictions or changes in business practices that may require us to incur substantial costs.

Due to ongoing developments in e-money regulation, we obtain advice from outside legal counsel as required in order to assess any applicable risk and, where necessary, will limit the extent of our operations in a particular jurisdiction or will consider whether to obtain a license in such jurisdiction. We believe that the likelihood of any enforcement action by a regulator is low due to factors such as the operation of the services through the internet on a cross-border basis from a country in which the relevant entity holds a license, the limited extent of our activities in the respective jurisdictions, the lack of enforcement action against similar payment processors, the lack of a physical presence in the respective jurisdictions, and the effective management of our relationships with our customers. However, the adoption of new money transmitter statutes in other jurisdictions, changes in regulators’ interpretation of existing state and federal money transmitter or money services business statutes or regulations, or disagreement by a regulatory authority with our interpretation of such statutes or regulations, could require additional registrations or licenses, limit certain of our business activities until they are appropriately licensed and expose us to financial penalties. See “Item 3.D. Risk Factors—Risks Related to Our Business and Industry—Regulatory, Legal and Tax Risks—We are subject to financial services regulatory risks.”

Crypto related services

In connection with the Skrill and NETELLER Cryptocurrency Services, we have been registered as a crypto asset business with the FCA in the UK and with the CBI in Ireland and is supervised for anti-money laundering purposes by each Regulator. Both the EU and UK are proposing changes to law that could result in additional licensing requirements and regulatory compliance obligations in respect of the provision of crypto related services which will require additional effort to analyze and comply with.

Payment Network Rules and Standards and Relationships with Partner Banks

Payment networks, such as Visa, Mastercard and American Express, establish their own rules and standards that allocate liabilities and responsibilities among the payment networks and their participants. These rules and standards, including the Payment Card Industry Data Security Standards, govern a variety of areas, including how consumers and clients may use their cards, the security features of cards, security standards for processing, data security and allocation of liability for certain acts or omissions, including liability in the event of a data breach. With respect to the payment networks of which we are a participant, those payment networks rules apply to us directly. In addition, where we partner with a member bank to access payment networks, as described below, those payment networks’ rules may apply to us indirectly, as the rules may impact the nature of our relevant bank partnership. The payment networks may change these rules and standards from time to time as they may determine in their sole discretion and with or without advance notice to their participants. These changes may be made for any number of reasons, including as a result of changes in the regulatory environment, to maintain or attract new participants, or to serve the strategic initiatives of the networks, and may impose additional costs and expenses on or be disadvantageous to certain participants. Participants are subject to audit by the payment networks to ensure compliance with applicable rules and standards. The networks may fine, penalize or suspend the registration of participants for certain acts or omissions or the failure of the participants to comply with applicable rules and standards.

In order for our Merchant Solutions business to process and settle transactions for our merchants, we have entered into sponsorship agreements with banks that are members of the payment systems. Because we are not a “member bank” as defined by the major payment networks’ rules and standards, we are not permitted to access those networks directly; instead, we are required to access the payment networks through our sponsor banks. Our bank partners sponsor our adherence to the rules and standards of the payment networks and enable us to route transactions under the sponsor banks’ control and BINs across the payment networks to authorize and clear transactions. Payment network rules restrict us from performing funds settlement directly and require that merchant settlement funds be in the possession of the member bank until the merchant is funded. These restrictions place the settlement assets and liabilities under the control of the member bank.

Our sponsorship agreements with our bank partners also give our sponsor banks substantial discretion in approving certain aspects of our business practices, including our solicitation, application and qualification procedures for clients and the terms of our agreements with clients, and provide them with the right to audit our compliance with the payment network rules and guidelines. We are also subject to network operating rules and guidelines promulgated by the National Automated Clearing House Association (“NACHA”) relating to payment transactions we process using the Automated Clearing House Network. Like the payment networks, NACHA may update its operating rules and guidelines at any time, which could require us to take more costly compliance measures or to develop more complex monitoring systems. Similarly, our ACH sponsor banks have the right to audit our compliance with NACHA’s rules and guidelines, and are given wide discretion to approve certain aspects of our business practices and terms of our agreements with ACH clients.

We have obtained Principal Membership designation from Mastercard Europe and Visa Europe to offer merchant acquiring services to merchants in the European Union. With the Principal Membership of Visa and Mastercard, Paysafe is able to act as the acquiring bank. This means that we are solely responsible for the adherence to the rules and standards of these payment networks, and it enables us to route transactions under our own payment network licenses to authorize and clear transactions. Under our payment network licenses, we are allowed to perform funds settlement directly to merchants. In addition, our European payment processing business has similar relationships with sponsor banks in order to access other European payment networks.

Indirect and Direct Regulatory Requirements

Our sponsor banks and certain of our merchants are financial institutions that are directly subject to various regulations and compliance obligations issued by their regulators and in the countries in which they operate. While these regulatory requirements and compliance obligations do not apply directly to us, many of these requirements materially affect the services we provide to our clients and us overall. For example, many regulators require financial institutions to manage their third-party service providers, including us. In turn, we also have certain direct obligations to oversee our critical suppliers. Among other things, these requirements include performing appropriate due diligence when selecting third-party service providers; evaluating the risk management, information security, and information management systems of third-party service providers; imposing contractual protections in agreements with third-party service providers (such as performance measures, audit and remediation rights, indemnification, compliance requirements, confidentiality and information security obligations, insurance requirements and limits on liability); and conducting ongoing monitoring, diligence and audit of the performance of third-party service providers. Accommodating these requirements applicable to our clients imposes additional costs and risks in connection with our relationships with financial institutions. We expect to expend significant resources on an ongoing basis in an effort to assist our clients in meeting their legal requirements. Similarly, we need to work very closely with our third-party core processors who sit between us and the payments network in the payment cycle.

Unfair, Deceptive or Abusive Acts or Practices (“UDAAP”) and Other Consumer Protection Standards

We and many of our clients are subject to laws and regulations prohibiting unfair or deceptive acts or practices in jurisdictions around the world. In the United States, this includes Section 5 of the Federal Trade Commission Act (“FTCA”) and various state laws in the United States similar in scope and subject matter thereto. In addition, laws prohibiting these activities and other laws, rules and or regulations, including the Telemarketing Sales Rule, which gives effect to the Telemarketing and Consumer Fraud and Abuse Prevention Act, and the Telephone Consumer Protection Act, may directly impact the activities of certain of our clients, and in some cases may subject us, as the client’s payment processor or provider of certain services, to investigations, fees, fines and disgorgement of funds if we are deemed to have aided and abetted or otherwise provided the means and instrumentalities to facilitate the illegal or improper activities of a client through our services. In the UK, the FCA implements, maintains and enforces a range of rules covering (among other things) management and control, market conduct, communications, financial prudence, the fair treatment of customers and the protection of vulnerable customers. These rules are contained in various sources including the FCA handbook of Rules and Guidance and the Payment Services Regulations 2017 and apply to the regulated activities we carry out. In July 2023, the FCA’s new Consumer Duty rules will come into effect which will set a higher standard of protection for consumers and microenterprise merchants that goes beyond, and delivers benefits not currently delivered by, the FCA’s current rules and principles. The Consumer Duty principle will require firms to deliver good outcomes for customers, by acting in good faith towards them, avoiding causing them foreseeable harm and supporting them to pursue their financial objectives. It identifies key outcomes in product and services design, price and value, communications, and consumer support. Breach of these rules may result in fines, public censures, customer remediation and redress

and ultimately in the revocation of our regulatory license. In addition, the Consumer Rights Act 2015 sets out a framework of statutory consumer protection measures, and protects consumers in almost all purchases they make, through enforcing that products and services are of satisfactory quality, fit for purpose and are as described before the purchase. In addition, and of particular relevance to our business, the Consumer Rights Act 2015 sets out a framework for the assessment of unfair terms in consumer contracts, including a list of terms which will always be considered to be unfair and those terms which may be considered unfair. These provisions apply to our terms of business, as well as to “consumer notices” which includes items such as marketing material and pre-contractual discussions with customers. Consumers have the right to challenge unfair contract terms, such as disproportionate fees and charges, terms which create a significant imbalance between a customer’s rights and ours, as terms which may exclude any statutory duties we owe. Additionally, the FCA enforces and oversees compliance with the Consumer Rights Act 2015 in relation to regulated firms. Breach of the Consumer Rights Act 2015 may result in contracts or certain terms being unenforceable, damages liability and/or regulatory action.

In Ireland, the CBI also implements, maintains and enforces a range of rules covering (among other things) market conduct, communications with customers, the safeguarding of users’ funds and the fair treatment of consumers and other vulnerable customers. These rules are contained in various sources including the Consumer Protection Code and the European Union (Payment Services) Regulations 2018 and apply to the regulated activities we carry out from Ireland across the EEA. Breach of these rules may result in fines, public censures, customer remediation and redress and ultimately in the revocation of our regulatory licenses in Ireland.

Various regulatory enforcement agencies in jurisdictions around the world, including the Federal Trade Commission and the states attorneys general in the United States, and the FCA in the UK, have authority to take action against payment processors who violate such laws, rules and regulations. To the extent we are processing payments or providing services for a client suspected of violating such laws, rules and regulations, we may face enforcement actions and, as a result, incur losses and liabilities that may adversely affect our business. In the absence of a Federal privacy law, the Federal Trade Commission in particular has prosecuted privacy misdemeanors under Section 5 of FTCA, which are also open to prosecution by the CFPB.

The CFPB has attempted to extend certain provisions of the Dodd-Frank Act that prevent the employment of unfair, deceptive or abusive practices to payment processors. Though there is still litigation and uncertainty involving the meaning of “abusiveness” under the Dodd-Frank Act and whether payment processing companies are subject to these provisions (and the extent of their application), these provisions may apply or be applicable to us in the future. UDAPs could involve omissions or misrepresentations of important information to consumers or practices that take advantage of vulnerable consumers, such as elderly or low-income consumers. The CFPB has initiated enforcement actions against a variety of bank and non-bank market participants with respect to a number of consumer financial products and services that has resulted in those participants expending significant time, money and resources to adjust to the initiatives being pursued by the CFPB. Such enforcement actions may serve as precedent for how the CFPB interprets and enforces consumer protection laws, including UDAP, which may result in the imposition of higher standards of compliance with such laws and, as a result, limit, restrict or adversely affect our business of our business. The CFPB has indicated that it is considering whether future rulemaking may clarify the meaning of “abusiveness” under the Dodd-Frank Act UDAP rule, though the scope and content of any such future rulemaking (and the extent to which any such future rulemaking may affect our business) remains uncertain.

Anti-Money Laundering and Financial Crimes

We are subject to various anti-money laundering and counter-terrorist financing laws and regulations that prohibit, among other things, our involvement in transferring the proceeds of criminal activities. Facilitating financial transactions over the internet creates a risk of fraud. See “Item 3.D. Risk Factors—Risks Related to Our Business and Industry—Regulatory, Legal and Tax Risks—We must comply with money laundering regulations in the UK, Ireland, Switzerland, the United States, Canada and elsewhere, and any failure to do so could result in severe financial and legal penalties.” Applicable money laundering regulations require firms to put preventative measures in place and to perform KYC procedures, including conducting customer identification and verification and undertaking ongoing monitoring. In addition, regulations require companies to keep records of identity and to train their staff on the requirements of the relevant money laundering regulations. We are also subject to rules and regulations imposed by, amongst others, HM Treasury and OFAC, regarding watch lists published by such bodies restricting the transfer of funds to certain specifically designated countries. If we are not in compliance with U.S. or other anti-money laundering laws, we may be subject to criminal and civil penalties and other remedial measures, which could have an adverse effect on our business, results of operations, financial condition and cash flows. Any investigation of any potential violations of anti-money laundering laws by U.S. or international authorities could harm our reputation and could have a material adverse effect on our business, prospects, results of operations, financial condition and cash flows.

Our customers are resident in over 120 countries and territories. However, we believe that we do not conduct regulated activities in all of these jurisdictions. Rather, we conduct regulated activity in only a limited number of jurisdictions, and our wider customer base accesses our services online. We are subject to anti-money laundering regulation in the UK, Ireland, Switzerland, Canada, the United States and in any other jurisdiction, including other member states of the EEA, where we are established and performing activities that would require that we apply anti-money laundering regulation. Our merchants are subject to due diligence in accordance with our policies and procedures before acceptance and, subject to the below, we intend for all customers to be subjected to progressive, risk-based KYC procedures with levels of identity verification through a combination of screening, monitoring of activity patterns and

transaction volumes surpassing pre-set limits (in accordance with applicable regulations in Europe, the UK and in North America). Our systems are designed to have all consumer transactions be subject to strict, real-time transaction monitoring. Certain of our products and services, such as paysafecard e-vouchers, are exempted from KYC regulations due to the low monetary value of the transactions. We have put into place procedures designed to mitigate money laundering risks in these circumstances, including (i) strict, real-time transaction monitoring on the use of the vouchers, (ii) certain limitations on spending and (iii) limiting the frequency of voucher issuance in respect of a single customer or through certain points of sale or distributors. We conduct additional due diligence and verification when we detect high risk or suspicious activity. As a result, we believe that we have the appropriate processes in place to comply with the anti-money laundering laws and regulations to which we are subject and will become subject.

The UK Regulatory authorities have focused on the impact of fraudulent activity on consumers and are seeking to mitigate the perceived risk to customers through the introduction of changes to law and thematic supervisory inspections. Regulators are particularly focusing on regulated firms' ability to identify new fraud typologies and risk of the exploitation of financial services for financial crime and to then mitigate that risk. Any perceived inherent susceptibility of a particular financial services to very high risk of financial crime will result in the Regulators forming the view that if the identified risk cannot be mitigated to an acceptable level, it should be discontinued, resulting in lost revenue.

Online Gambling Regulation

We do not provide gambling services and, as a result, in most jurisdictions outside of the United States and Canada, do not require any gambling licenses or associated regulatory permissions. Where any associated regulatory permission is required to supply merchants in this sector we work to ensure that we hold the appropriate permission. However, our digital wallets business offers an online alternative to traditional payment methods and a large proportion of the customers and merchants of those businesses are engaged in the use or provision of online gambling services.

For the year ended December 31, 2023, we derived approximately 30% of our revenue directly or indirectly from processing transactions for merchants and customers in the online gambling sector.

Given the importance of the online gambling sector to our business, we expend significant time and resources to ensure that we have an in-depth understanding of the regulatory environment in the main territories in which our gambling industry merchants operate and customers reside, monitoring closely the developing regulatory regimes in those territories and adapting our business acceptance policies where necessary. Currently, we monitor legal and regulatory developments in all of our material markets closely and generally seek to keep abreast of legal and regulatory developments affecting the gambling industry as a whole. We adapt our regulatory policies and, therefore, the scope of our ongoing monitoring on the basis that an individual market's materiality to us may change. We have adopted a market presence policy that assesses a number of factors, including the legislative regime applicable to the relevant country, whether we have a presence in such country and the overall environment for online gambling activities in that country; we then consider whether any changes are required to the extent of our business activities in those countries. We also engage external counsel to conduct an assessment of our top 20 online gambling revenue producing countries to assist in our assessments of risk. However, we do not necessarily monitor, on a continuous basis, the laws and regulations in every jurisdiction where we facilitate payments for merchants or customers. See "Item 3.D. Risk Factors—Risks Related to Our Business and Industry—Regulatory, Legal and Tax Risks—Our business is subject to extensive regulation and oversight in a variety of areas, all of which are subject to change and uncertain interpretation, including in such ways as could criminalize certain of our activities."

The global online gambling market is characterized by regulatory inconsistencies across many jurisdictions and frequent changes in the laws and regulations governing online gambling. For instance, due to the borderless nature of online gaming and sports betting and foreign exchange trading, a merchant properly licensed in its home jurisdiction may still provide services to consumers in other jurisdictions, knowingly or unknowingly including in jurisdictions whose regulations are ambiguous or where gaming, sports betting and/or foreign exchange trading are prohibited. For example, the Latvian Financial and Capital Market Commission (the "Commission") notified us of their belief that we were in breach of Latvian law as a result of processing gambling payments between Latvian customers and gambling operators that do not have a local license. Following engagement with the Commission, we asserted that we were not in breach of Latvian law and currently have not received a response. See "Item 3.D. Risk Factors—Risks Related to Our Business and Industry—Regulatory, Legal and Tax Risks—We generate a significant portion of our revenue by processing online payments for merchants and customers engaged in the online gambling and foreign exchange trading sectors."

Risk Assessment Process

We have designed risk management systems to identify the geographic locations of our customers, identify the regulatory system to which such customers are subject and then determine whether such customers should be permitted to transact payments for online gambling through our system. Where we have made a decision for legal and/or policy reasons not to accept gambling transactions from customers in particular territories, we endeavor to implement those decisions rigorously using our risk management platform.

Before we accept business from merchants or customers for gambling activities, we are careful to assess the risk for us of accepting such business. Our determination as to whether or not to permit online gambling customers in a given jurisdiction to access our services is based on a number of factors. These factors include, among others, our understanding of:

- what licenses are held by our merchants and the strength of their legal position that the licenses permit their activities or that no license is required;
- the laws and regulations of the jurisdiction where the merchants and customers are located, interpreted in accordance with applicable law;
- the approach to the application or enforcement of such laws and regulations by regulatory and other authorities, including the approach of such authorities to the extraterritorial application and enforcement of such laws;
- the willingness of online gambling merchants and other e-money and/or payment processing businesses to offer their services for gambling purposes in a particular jurisdiction;
- the willingness of financial institutions in our network (principally banks and card payment companies) and our competitors to process funds in relation to online gambling by customers in a particular jurisdiction; and
- the potential for a challenge of a local licensing regime based on the Treaty of the Functioning of the European Union (“TFEU”).

When the legal position is unclear, we will consider the above factors and make a decision whether to do business based on a review and weighting of the above factors. We re-evaluate our assessment of individual jurisdictions as required and the categorization applied and may change our view. For example, we consider planned changes to legislation or court judgments which may affect our categorization of any jurisdiction and our willingness to transact gambling payments for customers located there. Such reviews take place as soon as practicable after becoming aware of them and when a review can meaningfully be undertaken. These reviews comprise the solicitation of legal advice (and updated advice) as well as the assessment of market intelligence, which are then assessed and determined by our Market Presence Committee. Other gambling operators, regulators and other payments businesses and financial institutions may, however, take a different view of the legal environment in any particular jurisdiction. In this regard, we have created and used the following categories of classification for the Group:

- *Sanctioned countries.* We currently regard four countries (Cuba, Iran, North Korea and Syria) and five territories (Luhansk, Donetsk, Crimea, Kherson and Zaporizhzhia) as “sanctioned,” in respect of our services, due to geographic sanctions imposed by the U.S., the E.U. and the U.K. We decline any individual or entity located in that market (irrespective of whether the end user intends to use the products and services for gambling) and customers resident in other countries should not be able to access their accounts when present in any of the sanctioned countries. We have a policy in place to screen our customers upon customer account registration against the Specially Designated Nationals list published by OFAC and the HM Treasury sanctions list. Decisions to add or remove countries from our sanctioned country list are taken on a country-by-country basis and we adopt a risk based approach when making such decisions and, among other things, will conduct an assessment of the legal environment.
- *Non-Serviced countries and territories.* We designate certain countries and territories as non-serviced, which could either mean we do not provide any of our services in that particular country or territory or that we do not provide payment services in relation to a particular industry such as online gambling in that country or territory. A decision to classify a country or territory or an industry as non-serviced is made after a careful analysis of business, legal and financial crime risks associated with such activity.
- *Limited service countries.* In certain countries we are prepared to provide payment services in relation to a particular industry but subject to certain requirements or restrictions (e.g., we accept online gambling business in these types of countries provided the merchant is licensed). Those countries have introduced regulations that permit online gambling merchants provided that they are licensed by the regulator in that country (as in Italy, France, UK and Spain). In some jurisdictions, we have also agreed not to support certain black-listed gambling operators after an assessment of the relevant regulatory regime.
- *Accepted markets.* Where the market is not classified as either sanctioned, non-serviced or limited service, we categorize it as accepted and support processing payments in relation to online gambling from such jurisdictions. An example of an accepted market is a market in which an online gambling licensing regime has been implemented where we believe that the regime could be subject to challenge under EU law, such as where only a limited number of operators have been granted licenses or impediments exist in the application process for which there is no obvious market justification. We closely monitor the regulatory position in the major markets that we have categorized as accepted markets to ensure that the level of risk to us, our merchants and customers is acceptable. To implement this monitoring process, we have created an experienced team with in-depth industry knowledge, who take a number of measures in order to ensure that they are well

placed to make decisions to accept or decline business in particular jurisdictions and to deploy our technology platform in order to best apply these decisions. These measures include taking specific legal advice, attending conferences and industry meetings, reviewing market studies on what banks and other payment processors do, exploring the regulatory position with others in the sector (including competitors and their own merchant base), and continually developing our technology platform in order to best implement our business acceptance policies. We augment this review with risk mitigation in ensuring that our operations, people and assets are not located in jurisdictions (even temporarily) where it is not clear that online gambling is legal.

In making the assessment for each relevant country, we will assess the risk in the market, the approach of our competitors and the likelihood of enforcement action being taken. We regularly review our categorization of jurisdictions of existing gambling merchants and customers as the regulatory environment within countries changes over time which may, along with a potential change in our attitude towards risk, result in us reconsidering our approach. It is also possible that, while our assessment of a jurisdiction may not change, enforcement action could still be taken against us and/or our executive officers or directors, depending upon the local laws in the relative jurisdiction. Although we have designed these systems with the intention of effectively assessing risk, our risk assessment processes may not always be effective. See “Item 3.D. Risk Factors—Risks Related to Our Business and Industry—We may become an unwitting party to fraud or be deemed to be handling proceeds resulting from the criminal activity of our customers.”

Regulatory Change: Trends and Outlook

Although the general trend in gambling regulation over the last ten years has been to seek to restrict the activities of online-based operators, in the EU this has generally resulted in a move towards controlled regulation, rather than absolute prohibition. For example, the regimes in Italy and France have both moved away from state-run monopoly-based markets to controlled regulation and Germany has moved from prohibition to controlled regulation. Not all regimes license all types of gambling products. Changes in the regulation of online gambling in the markets described above and elsewhere may impact us both positively (where the markets are liberalized or become regulated) and negatively (where markets are restricted or become prohibited). See “Item 3.D. Risk Factors—Risks Related to Our Business and Industry—Regulatory, Legal and Tax Risks—Our business is subject to extensive regulation and oversight in a variety of areas, all of which are subject to change and uncertain interpretation, including in such ways as could criminalize certain of our activities.”

Data Protection and Information Security

We process personal data, some of which may be sensitive, as part of our business and are subject to increasingly complex regulations related to privacy, data protection and information security in the jurisdictions in which we do business. Ensuring customer data security, privacy, and ongoing compliance with applicable regulations requires significant capital expenditure. Moreover, these regulations could result in negative impacts to our business. In the EU, we are also subject to enhanced compliance and operational requirements under the GDPR, which became effective in May 2018. The GDPR expands the scope of the EU data protection law to all foreign companies processing personal data of EU residents anywhere in the world imposes a strict data protection compliance regime with severe penalties of up to the greater of 4% of worldwide turnover or €20 million, and includes new rights such as the “portability” of personal data. Although the GDPR applies across the EU without a need for local implementing legislation, each EU member state has the ability to interpret the GDPR opening clauses, which permit country-specific data protection legislation and has created inconsistencies, on a country-by-country basis.

Since 2016, we have engaged in a large, transformative program regarding data privacy in connection with GDPR compliance requirements. However, policymakers around the globe are using these requirements as a reference to adopt new or updated privacy laws that could result in similar or stricter requirements in other jurisdictions. In the United States, the Gramm-Leach-Bliley Act of 1999 (along with its implementing regulations) restricts certain collection, processing, storage, use and disclosure of personal financial information, requires notice to individuals of privacy practices and provides individuals with certain rights to prevent the use and disclosure of certain nonpublic or otherwise legally protected information. These rules also impose requirements for the safeguarding and proper destruction of such information through the issuance of data security standards or guidelines. Within Canada, the Personal Information Protection and Electronic Documents Act (“PIPEDA”) law is under consultation review in order to align more closely to GDPR and ensure continuation of its adequacy status from the European Commission and the provincial Quebec privacy law was amended in 2023 and requires further registration for biometric processing.

In addition, there are state laws in the United States governing the collection of personal information (including, as of January 1, 2020, the California Consumer Privacy Act of 2018 (the “CCPA”) and, as of March 2, 2021, the Virginia Consumer Data Protection Act (“VCDPA”), which will become effective January 1, 2023), including those restricting the ability to collect and use certain types of information such as Social Security and driver’s license numbers. The CCPA imposes stringent data privacy and data protection requirements for the data of California residents, and provides for penalties for noncompliance of up to \$7,500 per violation, if willful, and provides for a private right of action in the event of a data breach affecting specified personal information of California residents. Implementing regulations for the CCPA were released in August 2020, and on November 3, 2020, California voters approved a new

law, the California Privacy Rights Act (“CPRA”). The CPRA expands the rights of consumers and establishes the California Privacy Protection Agency, providing the agency with investigative, enforcement and rule-making powers. Certain other state laws impose or are in the process of imposing similar privacy obligations, including Virginia, Colorado, Utah and Connecticut. The following states are in the process of active implementation of privacy laws: Florida, Oregon, Montana, Iowa, Texas, Delaware, New Jersey, Tennessee and Indiana. Some US state laws, like GDPR, are extra-territorial in nature and thus apply outside the USA. Certain other state laws impose similar privacy obligations as well and, in addition, all 50 states have laws with varying obligations to provide notification of security breaches of computer databases that contain personal information to affected individuals, state officers and others. Additionally, the use or generation of biometric data as an aid to fraud prevention is becoming increasingly regulated through a patchwork of laws in both the EU and across the United States, with a number of state laws now requiring consent to such use. We have also seen recent privacy law developments within South America. See “Item 3.D. Risk Factors—Risks Related to Our Business and Industry—Regulatory, Legal and Tax Risks—We are subject to current and proposed regulation addressing both consumer and business privacy and data use, which could adversely affect our business, financial condition and results of operations.”

Section 13(r) Disclosure

Pursuant to Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012, which added Section 13(r) of the Exchange Act, the Company hereby incorporates by reference herein Exhibit 99.1 of this report, which includes disclosures made to Blackstone by Atlantia S.p.A, which may be considered our affiliate.

Intellectual Property and R&D

We rely upon a combination of copyrights, trade secrets, trademarks, license agreements, confidentiality policies and procedures, nondisclosure agreements and technical measures designed to protect the intellectual property and commercially valuable confidential information and data used in our business in jurisdictions around the world. We seek to protect our intellectual property rights by relying on applicable laws and regulations in the United States and internationally, as well as a variety of administrative procedures. We also rely on contractual restrictions to protect our proprietary rights when offering or procuring products and services. We have not applied for any patents in respect of our electronic payment processing systems and cannot give assurances that any patent applications will be made by us or that, if they are made, they will be granted. Additionally, it is possible that third parties, including our competitors, may obtain patents relating to technologies that overlap or compete with our technology. If third parties obtain patent protection with respect to such technologies, they may assert that our technology infringes their patents and seek to charge us a licensing fee or otherwise preclude us from using our technology.

The steps we have taken to protect our copyrights, trade secrets, trademarks and other intellectual property may not be adequate, and third parties could infringe, misappropriate or misuse our intellectual property. If this were to occur, it could harm our reputation and adversely affect our competitive position or results of operations.

We also license from third parties a variety of content, data and other intellectual property. Although we believe that alternative technologies and work-arounds are likely to be available should these agreements terminate or expire, there is no guarantee that third-party technologies will continue to be available to us on commercially reasonable terms or that work-arounds would be readily available for deployment in a commercially reasonable time frame. See “Item 3.D. Risk Factors—Risks Related to Our Business and Industry—Regulatory, Legal and Tax Risks—We may not be able to adequately protect or enforce our intellectual property rights, or third parties may allege that we are infringing their intellectual property rights,” “Item 3.D. Risk Factors—Risks Related to Our Business and Industry—Regulatory, Legal and Tax Risks—Our use of open source software could compromise our ability to offer our products or services and subject us to possible litigation” and “Item 3.D. Risk Factors—Risks Related to Our Business and Industry—Regulatory, Legal and Tax Risks—If we fail to comply with our obligations under license or technology agreements with third parties, we may be required to pay damages and we could lose license rights that are critical to our business.”

Our total research and development expense for the year ended December 31, 2023 and 2022 was \$7,278 and \$7,377, respectively.

Competition

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 businesses that are larger than we are, have a dominant and secure position, or offer other products and services to consumers and merchants that we do not offer, as well as smaller companies that may be able to respond more quickly to regulatory and technological changes than we can. We compete against all forms of payments, including credit and debit cards; automated clearing house and bank transfers; other online payment services, local alternative payment methods, and digital wallets; mobile payments; cryptocurrencies and distributed ledger technologies; and offline payment methods, including cash and check. We also compete against banks, merchant acquirers, and third-party payment processors, including Chase Merchant Services, Bank of America Merchant Services, Wells Fargo Merchant Services, U.S. Bank’s Elavon division, Fiserv, FIS, Global Payments, PayPal and Square. We compete primarily on the basis of brand recognition; distribution network and channel options;

convenience; variety of payment methods; product and service offerings; customer service for both consumers and merchants; trust and reliability; speed; data protection and security; price; and innovation.

Employees

As of December 31, 2023, we had approximately 3,200 employees globally. None of these employees are represented by a labor union and we consider our relationship with our employees to be good.

Properties

The mailing address of Paysafe Limited's registered office is c/o M Q Services Ltd., Victoria Place, 31 Victoria Street, Hamilton HM10, Bermuda. The principal executive office of the Company is located at 2 Gresham Street, 1st Floor, London, United Kingdom, EC2V 7AD. We also lease a number of operations, business, data center and sales offices and facilities which include 15 offices in 12 countries and 7 data centers. Our business is not capital intensive. We believe that our facilities are generally adequate for our current anticipated and future use, although we may from time to time lease additional facilities or vacate existing facilities as our operations require.

Seasonality

Our business is subject to seasonal influences. Both of the Company's Merchant Solutions and Digital Wallets businesses historically experience increased activity during the traditional holiday period and around other nationally recognized holidays, when certain of our game's operators may run promotions, consumers enjoy more leisure time and younger consumers may receive our products as gifts. Our Digital Wallets segment experiences increased activity based on the occurrence and timing of sporting events.

Legal Proceedings

We are, from time to time, party to general legal proceedings and claims, which arise in the ordinary course of business. We may be and in some cases have been subject to claims, lawsuits, government or regulatory investigations, subpoenas, inquiries or audits, and other proceedings involving areas such as online gambling regulation, intellectual property, consumer protection, privacy, data protection, labor and employment, immigration, import and export practices, product labeling, competition, accessibility, securities, tax, marketing and communications practices, commercial disputes, anti-money laundering, anti-corruption, counter-terrorist financing, sanctions and other matters.

On December 10, 2021, a class action complaint, *Lisa Wiley v Paysafe Limited f/k/a/Foley Trasimene Acquisition Corp. II*, Richard N Massey, Bryan D. Coy, Philip McHugh and Ismail (Izzy) Dawood, was filed in the United States District Court for the Southern District of New York, naming among others the Company, our former Chief Executive Officer and our former Chief Financial Officer, as defendants. The complaint asserts claims, purportedly brought on behalf of a class of shareholders, under Sections 10(b) of the Securities Exchange Act of 1934, and Rule 10b-5 promulgated thereunder, and allege that the Company and individual defendants made false and misleading statements to the market regarding the Company's financial outlook in light of gambling regulations in key European markets, performance challenges in the company's Digital Wallets segment and the modified scope and timing of new eCommerce customer agreements. In addition, the complaint asserts claims against the individual defendants, under Sections 20(a) of the Exchange Act, alleging that the individual defendants filed false financial statements, misled the public and induced the public to buy shares. On January 21, 2022, a related complaint was brought by John Paul O'Brien also in the Southern District of New York which additionally named William P. Foley II as a defendant. On May 5, 2022, the Southern District of New York consolidated the Wiley case and the O'Brien case and recaptioned the new case *In re: Paysafe Ltd. f/k/a Foley Trasimene Acquisition Corp. II Securities Litigation*. The complaints seek unspecified damages and an award of costs and expenses, including reasonable attorneys' fees, on behalf of a purported class of purchasers of our ordinary shares between December 7, 2020 and November 10, 2021.

We believe that the allegations contained in the complaint are without merit and are defending the case vigorously. We cannot predict at this point the length of time that this action will be ongoing or the liability, if any, which may arise therefrom.

While it is not possible to quantify the financial impact or predict the outcome of all pending claims and litigation, management does not anticipate that the outcome of any current proceedings or known claims, either individually or in aggregate, will have a material adverse effect upon our financial position, results of operations or cash flows.

C. Organizational Structure

Paysafe Limited was incorporated by PGHL under the laws of Bermuda on November 23, 2020 for the purpose of effectuating the Transaction and became the parent company of the combined business following the consummation of the Transaction, which was consummated on March 30, 2021. A list of the significant subsidiaries of the Company is included in Exhibit 8.1 to this Report.

Each of the Founder, Cannae LLC, the CVC Investors and the Blackstone Investors, to whom we refer collectively as the “Principal Shareholders,” are party to the Shareholders Agreement described in “Certain Relationships and Related Person Transactions—Certain Relationships and Related Person Transactions—Paysafe—Shareholders Agreement,” set forth in this report, pursuant to which, among other things, they have each agreed to vote in favor of their respective nominees to the Company Board. Accordingly, the Principal Shareholders constitute a group within the meaning of Section 13(d) of the Exchange Act representing approximately 47% of the outstanding voting securities of the Company. See “Item 7.A. Major Shareholders” and “Item 8.A. Consolidated Statements and Other Financial Information.”

D. Property, Plants and Equipment

See “Item 4.B. Information on the Company—Business Overview—Properties” for additional information.

ITEM 4A. UNRESOLVED STAFF COMMENTS

The Company has received no written comments regarding its periodic or current reports from the staff of the SEC that were issued 180 days or more preceding the end of fiscal 2023 that remain unresolved.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our Paysafe Consolidated Financial Statements included elsewhere in this Report.

In addition to historical information, the following discussion contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause such differences are discussed in “Cautionary Note Regarding Forward-Looking Statements” and “Risk Factors.”

A discussion regarding our financial condition and results of operation for the fiscal year ended December 31, 2023, compared to the fiscal year ended December 31, 2022, is presented below. A discussion regarding our financial condition and results of operations for fiscal year ended December 31, 2022, compared to the fiscal year ended December 31, 2021, unless otherwise noted, can be found under Item 5 in our Annual Report on Form 20-F for the fiscal year ended December 31, 2022, filed with the SEC on March 15, 2023, which is available on the SEC’s website at <https://www.sec.gov> and on the SEC Filings section of the Investors section of our website at: <https://ir.paysafe.com/regulatory-filings>.

Any reference to “we,” “us,” “Paysafe,” the “Company,” “management” and “our” as used herein refer to Pi Jersey Holdco 1.5 Limited and its subsidiaries prior to the consummation of the Transaction and Paysafe Limited subsequent to the consummation of the Transaction. Amounts preceded with a dollar sign are denominated in U.S. dollars in thousands, unless otherwise noted.

A. Operating Results

Our Company

Paysafe is a leading, global pioneer in digital commerce with over \$140 billion in volume processed in 2023 and \$130 billion on processed in 2022, generating \$1.6 billion in revenue in 2023 and \$1.5 billion in revenue in 2022. Our specialized, integrated payments platform offers the full spectrum of payment solutions ranging from credit and debit card processing to digital wallet, prepaid card and real-time banking solutions. The combination of this breadth of solutions, our sophisticated risk management and our deep regulatory expertise and deep industry knowledge across specialized verticals enables us to empower 18 million active users in more than 120 countries and over 250,000 SMBs to conduct secure and friction-less commerce across online, mobile, in-app and in-store channels. We also provide digital commerce solutions for specialized industry verticals, including iGaming (which encompasses a broad selection of online betting related to sports, e-sports, fantasy sports, poker and other casino games), gaming, digital goods, cryptocurrencies, travel and financial services, as well as Merchant Solutions services for SMBs and direct marketing clients.

We go to market, serve and support our clients through an omni-channel model that leverages our global reach and our B2B and B2C relationships. This enables us to manage and serve our clients through our network of offices around the world with strong knowledge of local and regional markets, customs and regulatory environments. We sell our solutions through a combination of direct and indirect sales strategies. We have a direct sales force that builds and develops relationships with larger merchants and helps them configure or develop digital and point-of-sale commerce solutions from our suite technology services. We sell our solutions online to smaller merchants using targeted marketing campaigns designed to address specific use cases across verticals, geographies and user profiles. We also leverage a network of partners, such as ISVs and independent sales organizations (“ISOs”), who integrate our solutions into their own services or resell our solutions by utilizing their own sales initiatives.

We operate across two business segments, which provide our digital commerce solutions to different end markets: our Merchant Solutions Segment and our Digital Wallets Segment. In the fourth quarter of 2022, we revised our reportable segments, which are the same as our operating segments, as a result of a change in our Chief Operating Decision Maker (“CODM”) and how our CODM regularly reviews financial information to allocate resources and assess performance. The prior year information has been revised to reflect this change.

Merchant Solutions: Merchant Solutions is marketed under the *Paysafe* and *Petroleum Card Services* brands. These solutions include a full range of PCI-compliant payment acceptance and transaction processing solutions for merchants and integrated service providers including merchant acquiring, transaction processing, gateway solutions, fraud and risk management tools, data and analytics, point of sale systems and merchant financing solutions, as well as comprehensive support services that we provide to our independent distribution partners.

Digital Wallets: Our Digital Wallets is marketed under multiple brand names including the *NETELLER*, *Skrill*, *paysafecard*, *Paysafecash*, as well as a proprietary pay-by-bank solution marketed in Europe under the *Rapid Transfer* brand. *Skrill* and *NETELLER* remove friction from complex commerce situations and dramatically simplify the complexity of traditional payment mechanisms, such as card-based payments, enabling our active users to send, spend, store and accept funds online more easily. The *Paysafecard* and *Paysafecash* brands provide consumers with a safe and easy way to purchase goods and services online without the need for a bank account or credit card and allow merchants to expand their target market to include consumers who prefer to pay with cash.

Trends and Factors Affecting Our Future Performance

Significant trends and factors that we believe may affect our future performance include the items noted below. For a further discussion of trends, uncertainties and other factors that could affect our operating results see the section entitled “Information on the Company – Business Overview” and “Risk Factors” in this Report.

Global and regional economic conditions

Our operations and performance depend significantly on global and regional economic conditions. Uncertainty about global and regional economic events and conditions may impact our ability to conduct business in certain areas and may result in consumers and businesses postponing or lowering spending. This includes the impact of acts of war and terrorism, such as the military hostilities commenced in Ukraine during the first quarter of 2022. Operations within Russia, Ukraine and Israel represented approximately 1% of our revenues and were predominantly within the Digital Wallets segment. For year ended December 31, 2023, we have not experienced significant decline in revenues from the impact of war-regions on the Digital Wallets segment.

Foreign currency impact

Our revenues and expenses are subject to changes in foreign currencies against the U.S. dollar which can impact our results of operations. It is difficult to predict the fluctuations of foreign currency exchange rates and how those fluctuations will impact our consolidated statements of comprehensive income / (loss) in the future. As a result of the relative size of our international operations, these fluctuations may be material. During the year ended December 31, 2023, our Digital Wallets segment was impacted by favorable foreign exchange. On a net basis, foreign exchange losses on external debt offset operational foreign exchange gains.

Fair value gain / (loss) on warrant liabilities

The Company’s warrants represent the right to purchase one share of the Company’s common shares at a price of \$138.00 per share. The warrants were initially recorded as a liability at fair value on the closing date of the Transaction (March 30, 2021) based on the public warrants listed trading price (NYSE: PSFE.WS) and are subsequently remeasured at the balance sheet date with the changes in fair value recognized within “Other income, net” within the consolidated statements of comprehensive income / (loss). It is difficult to predict the fluctuations in public share price and how those fluctuations will impact our Consolidated Statements of Comprehensive Loss in the future. As a result of the number of warrants held, subsequent changes in fair value may result in a material gain or loss that is recognized in the consolidated statements of comprehensive income / (loss).

Public company costs

We incur additional costs associated with operating as a public company. These costs include additional personnel, legal, consulting, regulatory, insurance, accounting, investor relations and other expenses that were not incurred as a private company. While at the time of this filing we qualify as a foreign private issuer under the Exchange Act, this status is subject to change pending our ability to qualify in the future. The Sarbanes-Oxley Act, as well as rules adopted by the SEC and national securities exchanges, requires public companies to implement specified corporate governance practices that were not applicable to us as a private company. These additional rules and regulations have increased our legal, regulatory and financial compliance costs and have made certain activities more costly.

Recent Company Initiatives and Events

Recent events

In November 2023, our Board approved a share repurchase program (the “Share Repurchase Program”), authorizing us to repurchase up to \$50 million of our common shares. We expect to fund future repurchases, if any, through a combination of cash on hand, cash generated by operations and future financing transactions, if appropriate. Accordingly, our Share Repurchase Program is subject to us having available cash to fund repurchases. Under the Share Repurchase Program, management is authorized to purchase shares of our common stock from time to time through open market purchases or privately negotiated transactions at prevailing prices as permitted by securities laws and other legal requirements, and subject to market conditions and other factors.

In October 2023, the Board accepted the resignation of James Murren and Hilary Stewart-Jones from their positions as members of the Board of Directors of the Company and from all of its committees.

On June 15, 2023, the Company announced that Afshin Yazdian was stepping down as President of Merchant Solutions, effective July 1, 2023.

On April 13, 2023, following the Financial Conduct Authority (“FCA”) decision to phase out the use of LIBOR by June 30, 2023, the Company entered into an amendment agreement to replace LIBOR with the term SOFR reference rate administered by CME Group Benchmark Administration Limited.

On February 9, 2023, the Company announced that Chirag Patel was stepping down as President of Digital Wallets.

Components of Our Operating Results

Revenue

Revenue consists primarily of fees derived from transaction processing services through two main lines of business: Merchant Solutions and Digital Wallets. Substantially all of our Merchant Solutions revenue stream is earned by charging merchants processing fees for facilitating payment processing transactions. The Digital Wallets revenue streams are almost entirely derived from charging merchants fees for allowing payments on their platforms using our services or from charging customers on a transactional basis for using our services.

The Company’s promise to stand ready to provide electronic payment services is not based on a specified number of transactions, but rather is a promise to process all the transactions needed each day. Therefore, we measure revenue for our payment service daily based on the services that are performed on that day. We recognize revenue net of taxes collected from customers. These taxes are subsequently remitted to governmental authorities.

Cost of services (excluding depreciation and amortization)

Cost of services (excluding depreciation and amortization) consists primarily of the cost of transaction processing systems through two main lines of business: Merchant Solutions and Digital Wallets. Cost of services (excluding depreciation and amortization) for Merchant Solutions consists primarily of merchant residual payments to our network of independent sales organizations, as well as other fees incurred by the Company in the processing of transactions. Cost of services (excluding depreciation and amortization) does not include interchange fees charged by the card issuing financial institutions and fees charged by payment networks in this segment, which are presented net within revenue. Cost of services (excluding depreciation and amortization) for Digital Wallets consists primarily of commission paid to distributors, and the costs to accept a customer’s funding source of payment and subsequent withdrawals from the wallet. These costs include fees paid to payment processors and other financial institutions. These expenses exclude any depreciation or amortization, which is described below.

Selling, general and administrative

Selling, general and administrative consists primarily of employee related costs, including salaries and benefits, share based compensation, credit losses, information technology expenses and other administrative costs as noted below. Selling expenses are comprised of sales and marketing personnel-related costs, including salaries, and benefits. General and administrative expenses are comprised of expenses associated with operational and supporting personnel-related costs, including salaries and benefits, as well as credit losses on financial assets, corporate management, information technology, office infrastructure, external professional services and other activities.

Depreciation and amortization

Depreciation and amortization consist of depreciation and amortization expenses related to computer and communication equipment, furniture and equipment, right-of-use assets, leasehold improvements, acquired and internally developed software, customer relationships and other intangible assets. Research and development costs for software development projects are capitalized when it is probable that the project will be completed, and the software will be used to perform the function intended. These costs are amortized over their useful life.

Impairment expense on goodwill and intangible assets

Impairment expense on goodwill and intangible assets relates to loss on impairment of goodwill and intangible assets.

Restructuring and other costs

Restructuring and other costs include acquisition costs related to the Company’s merger and acquisition activity, restructuring costs, and professional consulting and, in prior years, provision related to customer payments, advisory fees related to public company

readiness activities. This includes certain professional advisory costs, office closure costs and resulting severance payments to certain executives.

Transaction costs that are incremental and directly attributable to an equity transaction are deferred and charged against the gross proceeds received upon completion of the equity transaction.

Loss on disposal of subsidiaries and other assets, net

During the year ended December 31, 2022, PAYS Services UK Limited, a subsidiary of the Company, disposed of 100% of the equity interest of Pay Services India, LLC. The loss on disposal of subsidiaries recognized in 2022 relates to the sale of Pay Services India, LLC. The loss on disposal in 2023 relates to the disposition of certain equipment.

Other income, net

Other income, net consists primarily of foreign exchange gains and losses, gains on loan note repurchases and fair value movement in contingent consideration, derivative instruments and warrants.

Interest expense, net

Interest expense, net primarily consists of the interest associated with our outstanding debt obligations and the amortization of debt issuance costs.

Income tax (benefit)/expense

Income tax (benefit)/expense represents income taxes generated in the United Kingdom and numerous foreign jurisdictions. These foreign jurisdictions have different statutory tax rates than the United Kingdom. Our effective tax rates will vary depending on the relative proportion of foreign to domestic income, interest, penalties, changes in the valuation of our deferred tax assets and liabilities, changes in uncertain tax positions, and changes in tax laws.

Key Performance Indicators

We regularly monitor the following key performance indicators to evaluate our business and trends, measure our performance, prepare financial projections and make strategic decisions. We believe that these key performance indicators are useful in understanding the underlying trends in the Company's businesses.

There are limitations inherent in key performance indicators. Investors should consider any key performance indicator together with the presentation of our results of operations and financial condition under GAAP, rather than as an alternative to GAAP financial measures. These measures may not be comparable to other performance measures used by the Company's competitors.

Volume and Take Rate

Gross dollar volume is calculated as the dollar value of payment transactions processed by the Company. To reflect the distinct nature of our products across each segment, this includes, but is not limited to, the following:

- For Merchant Solutions: Credit card and debit card transactions
- For Digital Wallets: Deposits, withdrawals, transfers to merchants from consumers, transfers from merchants to consumers, wallet-to-wallet transfers, pre-paid Mastercard, and vouchers redeemed at merchants transactions

Volume (also known as gross dollar volume) is a meaningful indicator of our business and financial performance, as we typically generate revenue across our solutions based on per transaction fees that are calculated as a percentage of transaction dollar volume. In addition, volume provides a measure of the level of payment traffic we are handling for our consumers and merchants. Many marketing initiatives are focused on driving more volume, either through encouraging greater adoption of our payment products or increasing activity through existing merchants or consumers.

Take rate is calculated as operating segment revenue divided by gross dollar volume. Take-rate is a meaningful indicator of our business and financial performance as it describes the percentage of revenue collected by Paysafe on the volume of transactions processed. This is used by management as an indication of pricing or product mix trends over time rather than absolute pricing within each segment,

due to the mix of product types and pricing agreements that will be in place with specific merchants. It will also factor in revenue from fees that are not directly linked to volume-based transactions, such as inactivity fees charged on dormant accounts.

The following table sets forth our gross dollar volume and take rate for the years ended December 31, 2023 and 2022:

(U.S. dollars in millions)		For the year ended December 31, 2023				Total
		Merchant Solutions	Digital Wallets	Intersegment		
Gross dollar volume ⁽¹⁾	\$	118,675	\$ 22,445	\$ (906)	\$	140,214
Take Rate		0.7 %	3.3 %	1.3 %		1.1 %

(U.S. dollars in millions)		For the year ended December 31, 2022				Total
		Merchant Solutions	Digital Wallets	Intersegment		
Gross dollar volume ⁽¹⁾	\$	110,080	\$ 20,603	\$ (541)	\$	130,142
Take Rate		0.7 %	3.3 %	1.4 %		1.1 %

(U.S. dollars in millions)		Increase / (Decrease) - 2023 vs 2022				Total
		Merchant Solutions	Digital Wallets	Intersegment		
Gross dollar volume ⁽¹⁾	\$	8,595	\$ 1,842	\$ (365)	\$	10,072
Take Rate		0.0 %	0.0 %	(0.1) %		0.0 %

(1) Volumes for the year ended December 31, 2023 and 2022 exclude embedded finance related volumes of \$20.5 billion and \$37.5 billion, respectively.

Non-GAAP Financial Measure

We report our financial results in accordance with GAAP, which includes the standards, conventions, and rules accountants follow in recording and summarizing transactions and in the preparation of financial statements. In addition to reporting financial results in accordance with GAAP, we have provided Adjusted EBITDA as a non-GAAP financial measure.

We include a non-GAAP measure in this Report because it is a basis upon which our management assess our performance and we believe it reflects the underlying trends and an indicator of our business. Although we believe the non-GAAP measure is useful for investors for the same reasons, the measure is not a substitute for GAAP financial measures or disclosures.

Our non-GAAP measure may not be comparable to other similarly titled measures used by other companies and has limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of the operating results as reported under GAAP.

An explanation of the relevance of the non-GAAP measure, a reconciliation of the non-GAAP measure to the most directly comparable measure calculated and presented in accordance with GAAP is set out below. The non-GAAP measure has limitations in that it does not reflect all of the amounts associated with our results of operations as determined in accordance with GAAP. We do not regard the non-GAAP measure as a substitute for, or superior to, the equivalent measure calculated and presented in accordance with GAAP or the one calculated using a financial measure that is calculated in accordance with GAAP.

Adjusted EBITDA

Adjusted EBITDA is defined as net income/(loss) before the impact of income tax (benefit)/expense, interest expense, net, depreciation and amortization, share-based compensation expense, impairment expense on goodwill and intangible assets, restructuring and other costs, loss/(gain) on disposal of subsidiaries and other assets, net, and other (expense)/income, net. These adjustments include certain costs and transactions that are not reflective of the underlying operating performance of the Company. Management believes these adjustments improve the comparability of operating results across reporting periods.

We use Adjusted EBITDA as our measure of segment profitability to assess the performance of our businesses. Additionally, we believe it is important to consider our profitability on a basis that is consistent with that of our operating segments. Adjusted EBITDA reported for our segments is not, however, considered a non-GAAP measure as it is presented in conformity with Accounting Standards Codification 280, *Segment Reporting*, and is excluded from the definition of a non-GAAP measure under the Securities and Exchange Commission's Regulation G and Item 10(e) of Regulation S-K. We believe that Adjusted EBITDA should be made available to securities analysts, investors and other interested parties to assist in their assessment of the performance of our businesses.

Despite the importance of this measure in analyzing our business, measuring and determining incentive compensation and evaluating our operating performance, as well as the use of Adjusted EBITDA by securities analysts, lenders and others in their evaluation of companies, Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for net income (loss) or other methods of analyzing our results as reported under GAAP. We do not use or present Adjusted EBITDA as a measure of liquidity or cash flow.

Some of the limitations of Adjusted EBITDA are:

- It does not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;
- It does not reflect changes in, or cash requirements for, our working capital needs;
- It does not reflect the interest expense or the cash requirements to service interest or principal payments on debt;
- It does not reflect income tax payments we are required to make;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized often will have to be replaced in the future and Adjusted EBITDA does not reflect any cash requirements for such replacements; and
- Other companies in our industry may calculate Adjusted EBITDA differently, limiting its usefulness as a comparative measure.

Results of Operations

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

The following table sets forth our results of operations for the years ended December 31, 2023 and 2022:

(U.S. dollars in thousands)	Year ended December 31,		Variance	
	2023	2022	\$	%
Revenue	1,601,138	1,496,137	105,001	7.0 %
Cost of services (excluding depreciation and amortization)	663,212	614,025	49,187	8.0 %
Selling, general and administrative	508,136	534,515	(26,379)	(4.9)%
Depreciation and amortization	263,433	266,819	(3,386)	(1.3)%
Impairment expense on goodwill and intangible assets	1,254	1,887,223	(1,885,969)	(99.9)%
Restructuring and other costs	6,061	64,132	(58,071)	(90.5)%
Loss on disposal of subsidiaries and other assets, net	386	1,359	(973)	(71.6)%
Operating income / (loss)	158,656	(1,871,936)	2,030,592	n/m
Other income, net	13,081	83,778	(70,697)	(84.4)%
Interest expense, net	(151,148)	(126,628)	(24,520)	19.4 %
Income / (loss) before taxes	20,589	(1,914,786)	1,935,375	n/m
Income tax expense / (benefit)	40,840	(52,502)	93,342	(177.8)%
Net loss	(20,251)	(1,862,284)	1,842,033	n/m
Less: net income attributable to non-controlling interest	-	371	(371)	(100.0)%
Net loss attributable to the Company	(20,251)	(1,862,655)	1,842,404	n/m

Revenue

Revenue increased by \$105,001, or 7.0%, to \$1,601,138 for the year ended December 31, 2023 from \$1,496,137 for the year ended December 31, 2022. The increase was driven by \$60,993, or 7.5%, additional revenue in our Merchant Solutions segment due to higher volumes, as well as an increase of \$48,504 or 7.1%, in our Digital Wallets segment due to growth initiatives, higher interest income and favorable foreign exchange rates. For further detail on our segments, see “Analysis by Segments” below.

Cost of services (excluding depreciation and amortization)

Cost of services (excluding depreciation and amortization) increased \$49,187, or 8.0%, to \$663,212 for the year ended December 31, 2023 from \$614,025 for the year ended December 31, 2022. The increase is largely attributable to an increase of \$51,878, or 12.4% in our Merchant Solutions segment due to the increase in volume and revenue as noted above.

Selling, general and administrative

Selling, general and administrative expenses decreased \$26,379, or 4.9%, to \$508,136 for the year ended December 31, 2023 from \$534,515 for the year ended December 31, 2022. This movement is primarily driven by a decrease in share-based compensation expense of \$33,481 mainly driven by forfeitures, reduced expense associated with performance awards and non-recurring and immediately vesting awards for the year ended December 31, 2022. This decrease was partly offset by an increase in personnel costs primarily relating to performance compensation as well as higher severance costs.

Depreciation and amortization

Depreciation and amortization decreased \$3,386, or 1.3%, to \$263,433 for the year ended December 31, 2023 from \$266,819 for the year ended December 31, 2022. This was mainly driven by certain intangible assets that became fully amortized subsequent to December 31, 2022, partially offset by amortization related to new intangible assets.

Impairment expense on goodwill and intangible assets

Impairment expense on goodwill and intangible assets decreased by \$1,885,969 or 99.9%, to \$1,254 for the year ended, December 31, 2023 from \$1,887,223 for the year ended December 31, 2022. For the year ended December 31, 2023, no goodwill impairment was recognized. For the year ended December 31, 2022, due to a sustained decline in stock price and market capitalization, as well as current market and macroeconomic conditions, goodwill impairment expense of \$1,159,145 and \$723,042 was recognized in Merchant Solutions and Digital Wallets, respectively.

Restructuring and other costs

Restructuring and other costs decreased \$58,071, or 90.5%, to \$6,061 for the year ended December 31, 2023 from \$64,132 for the year ended December 31, 2022. The decrease was primarily driven by a \$33,603 provision recorded during the year ended December 31, 2022 related to certain customer payments as well as acquisition costs related to the SafetyPay acquisition and higher restructuring spend during the year ended December 31, 2022.

Loss on disposal of subsidiaries and other assets, net

Loss on disposal of subsidiaries and other assets, net was \$386 for the year ended December 31, 2023 compared to \$1,359 for the year ended December 31, 2022. The loss in the prior year was related to the disposal of Pay Services India, LLC. The loss on disposal of subsidiaries and other assets, net in the current year related to the disposition of certain equipment.

Other income, net

Other income, net decreased \$70,697, or 84.4%, to an income of \$13,081 for the year ended December 31, 2023 from an income of \$83,778 for the year ended December 31, 2022. The decrease was primarily driven by a foreign exchange loss of \$7,434 in the current year compared to a foreign exchange gain of \$38,289 in the prior year along with a decrease in the fair value gain on the Company's warrant liabilities from \$32,481 in the prior year compared to \$1,671 in the current year. The remainder of the change is predominately driven by fluctuations in the fair value loss on contingent consideration and gain on derivatives.

Interest expense, net

Interest expense, net increased by \$24,520, or 19.4%, to \$151,148 for the year ended December 31, 2023 from \$126,628 for the year ended December 31, 2022. The increase in interest expense, net was due to an increase in variable interest rates on the Term Loan facilities, partially offset by debt repurchases that occurred subsequent to December 31, 2022.

Income tax expense / benefit

Income tax expense was \$40,840 for the year ended December 31, 2023 compared to an income tax benefit of \$52,502 for the year ended December 31, 2022. Effective April 1, 2023, the U.K. statutory tax rate increased from 19% to 25% and a weighted average of 23.5% has been applied as the effective statutory rate for the full year 2023. The effective tax rate of 198.4% for the year ended December 31, 2023 is higher than the statutory rate due to our valuation allowance on restricted interest carryforwards, the deferred impact on the shortfall on share-based compensation and adjustments related to the prior period.

The effective tax rate for the year ended December 31, 2022 was 2.7%. The change in the effective tax rate for the year ended December 31, 2023 compared to year ended December 31, 2022 primarily arises as a result of the deferred tax impact of the goodwill impairment in 2022. A reconciliation between the statutory income tax rate and the income tax benefit / provision reported in the Consolidated Statements of Comprehensive Loss is summarized in Note 4, *Taxation*, within Item 18, Financial Statements included elsewhere in this Report.

Net loss

Net loss decreased by \$1,842,033 to \$20,251 for the year ended December 31, 2023 from \$1,862,284 for the year ended December 31, 2022. The decrease in net loss was largely driven by the goodwill impairment expense in the prior period as described above, as well as a decrease in restructuring and other costs, partly offset by an increase in income tax expense and decrease in other income, net.

Non-GAAP financial measure

Adjusted EBITDA

Adjusted EBITDA for the Company increased by \$48,712, or 11.9%, to \$458,663 for the year ended December 31, 2023 from \$409,951 for the year ended December 31, 2022. This increase was primarily driven by increased revenue of \$105,001, offset by increased cost of services of \$49,187 as described above. For further explanation on the year-over-year change on these financial statement line items, please refer to the commentary above in “Results of Operations.”

A reconciliation of Net loss to Adjusted EBITDA is as follows for the years ended December 31, 2023 and 2022:

(U.S. dollars in thousands)	Year Ended December 31,	
	2023	2022
Net Loss	\$ (20,251)	\$ (1,862,284)
Income tax expense / (benefit)	40,840	(52,502)
Interest expense, net	151,148	126,628
Depreciation and amortization	263,433	266,819
Share-based compensation	28,873	62,354
Impairment expense on goodwill and intangible assets	1,254	1,887,223
Restructuring and other costs ⁽¹⁾	6,061	64,132
Loss on disposal of subsidiaries and other assets, net	386	1,359
Other income, net ⁽²⁾	(13,081)	(83,778)
Adjusted EBITDA	\$ 458,663	\$ 409,951

(1)As noted above, restructuring and other costs include acquisition costs related to the Company’s merger and acquisition activity and restructuring costs. This includes certain professional advisory costs, office closure costs and resulting severance payments to employees. For the year ended December 31, 2023, restructuring costs were \$3,168, and other costs were \$2,893, which primarily consisted of legal costs. For the year ended December 31, 2022, restructuring costs were \$13,393, inclusive of CEO severance costs, and other costs were \$50,739, which primarily consisted of a \$33,603 provision related to certain customer payments and acquisition costs.

(2)As noted above, other income, net, consists primarily of foreign exchange gains and losses and fair value movement in contingent consideration, derivative instruments and warrants, as well as gains on debt repurchases. For the year ended December 31, 2023, other income, net includes fair value gain on debt repurchases of \$10,758, gain on derivative instruments of \$3,314, gain on warrant liabilities of \$1,671, and other income of \$5,720, offset by a loss on foreign exchange of \$7,434 and fair value loss on contingent consideration of \$948. For the year ended December 31, 2022, other expense, net includes fair value gain of warrant liabilities of \$32,481, gain on foreign exchange of \$38,289, fair value loss on contingent consideration of \$9,075, gain on debt repurchases of \$11,534, gain on derivative instruments of \$17,458 and other costs of \$6,909.

Analysis by Segment

We operate in two operating segments: Merchant Solutions and Digital Wallets. Our reportable segments are the same as our operating segments. Adjusted EBITDA at the segment level is reported to the Chief Operating Decision Maker for purposes of making decisions about allocating resources to the segments and assessing their performance. Adjusted EBITDA of each operating segment includes the revenues of the segment less ordinary operating expenses that are directly related to those revenues and an allocation of shared costs. For this reason, Adjusted EBITDA, as it relates to our segments, is presented in conformity with Accounting Standards Codification 280, Segment Reporting, and is excluded from the definition of non-GAAP financial measures under the Securities and Exchange Commission’s Regulation G and Item 10(e) of Regulation S-K.

The Company allocates shared costs to the two segments. Shared costs are the cost of people and other resources consumed in activities that provide a benefit across more than one segment. Shared costs are allocated to each segment primarily based on applicable drivers including headcount, revenue and Adjusted EBITDA.

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

Our results by operating segment for the year ended December 31, 2023 comprised of the following:

(U.S. dollars in thousands)	Merchant Solutions		Digital Wallets		Corporate ⁽²⁾		Intersegment		Total
Revenue	\$	878,346	\$	734,669	\$	—	\$	(11,877)	\$ 1,601,138
Adjusted EBITDA ⁽¹⁾	\$	222,154	\$	318,706	\$	(82,197)	\$	—	\$ 458,663

(1)For a reconciliation of the Company’s net loss to Adjusted EBITDA for the period presented, see “Results of Operations.”

(2)Corporate consists of corporate overhead and unallocated shared costs of people and other resources consumed in activities that provide a benefit across the Company.

Our results by operating segment for the year ended December 31, 2022 comprised of the following:

<i>(U.S. dollars in thousands)</i>	Merchant Solutions		Digital Wallets		Corporate ⁽²⁾		Intersegment	Total
Revenue	\$	817,353	\$	686,165	\$	—	\$ (7,381)	\$ 1,496,137
Adjusted EBITDA ⁽¹⁾	\$	200,304	\$	289,413	\$	(79,766)	\$ -	\$ 409,951

(1) For a reconciliation of the Company's net loss to Adjusted EBITDA for the period presented, see "Results of Operations."

(2) Corporate consists of corporate overhead and unallocated shared costs of people and other resources consumed in activities that provide a benefit across the Company

The increase (decrease) in results by operating segment is shown in the following table:

<i>(U.S. dollars in thousands)</i>	Merchant Solutions		Digital Wallets		Corporate ⁽²⁾		Intersegment	Total
Revenue	\$	60,993	\$	48,504	\$	—	\$ (4,496)	\$ 105,001
Adjusted EBITDA ⁽¹⁾	\$	21,850	\$	29,293	\$	(2,431)	\$ -	\$ 48,712

(1) For a reconciliation of the Company's net loss to Adjusted EBITDA for the period presented, see "Results of Operations."

(2) Corporate consists of corporate overhead and unallocated shared costs of people and other resources consumed in activities that provide a benefit across the Company.

Merchant Solutions

Revenue increased by \$60,993, or 7.5%, to \$878,346 for the year ended December 31, 2023 from \$817,353 for the year ended December 31, 2022. This increase was due to higher volumes.

Adjusted EBITDA increased by \$21,850 or 10.9%, to \$222,154 for the year ended December 31, 2023 from \$200,304 for the year ended December 31, 2022. This increase was due to an increase in revenue as noted above, as well as a reduction in credit losses and personnel costs. This increase was offset by an increase in cost of services (excluding depreciation and amortization) of \$51,878, or 12.4% for the year ended December 31, 2023 largely due to higher volumes as well as an increase in legal and professional fees and marketing expenses.

Digital Wallets

Revenue increased by \$48,504, or 7.1%, to \$734,669 for the year ended December 31, 2023 from \$686,165 for the year ended December 31, 2022. This increase was primarily due to growth initiatives, higher interest income and favorable foreign exchange rates.

Adjusted EBITDA increased by \$29,293 or 10.1%, to \$318,706 for the year ended December 31, 2023 from \$289,413 for the year ended December 31, 2022. This increase was largely due to increased revenues as noted above, partly offset by an increase in personnel cost, technology cost and marketing expenses.

Corporate

Corporate Adjusted EBITDA comprising of corporate overhead decreased \$2,431 or 3.0% to a loss of \$82,197 for the year ended December 31, 2023 from a loss of \$79,766 for the year ended December 31, 2022. This reduced Adjusted EBITDA was primarily driven by an increase in personnel costs.

Seasonality

We have experienced in the past, and expect to continue to experience, seasonal fluctuations in our business. For instance, both of the Company's Merchant Solutions and Digital Wallets businesses historically experience increased activity during the traditional holiday period and around other nationally recognized holidays, when certain of our game's operators may run promotions, consumers enjoy more leisure time and younger consumers may receive our products as gifts. Our Digital Wallets segment experiences increased activity based on the occurrence and timing of sporting events. Volatility in our revenue, key operating metrics or their rates of growth could result in fluctuations in our financial condition or results of operations.

Quantitative and Qualitative Disclosure about Market Risk

Our market risk includes the potential loss arising from adverse changes in foreign currency exchange rates and interest rates. We monitor risk exposures on an ongoing basis. The Company utilizes derivative financial instruments to manage interest rate risk on its variable rate debt facilities and term loans. The company does not apply hedge accounting for its derivative financial instruments.

Interest Rate Risk

We are exposed to interest rate risk relating to our borrowings and investment revenue. The Company actively manages interest rate risk through the use of interest rate swaps and caps. Interest rate swaps convert floating rates to fixed, and interest rate caps limit the potential impact of rising interest rates.

As of December 31, 2023, an increase of 100 basis points in interest rates offered on the bank borrowings would result in a \$16.0 million unfavorable impact on net loss and a decrease of 100 basis points would have an equal and opposite effect on net earnings related to the Company's borrowings. Due to the interest rate floors within the Company's facility agreement of 0.5% on USD SOFR and 0% on EURIBOR, we may not realize the benefit of a decrease of 10% in the applicable interest rates.

Foreign Currency Risk

We have global operations and trade in various foreign currencies, primarily the Great British Pound, Euro, Canadian Dollar, Norwegian Krone, Swiss Franc, Swedish Krona and Polish Zloty. In addition, we are exposed to currency risk associated with translating our functional currency financial statements into its reporting currency, which is the U.S. dollar. As a result, we are exposed to movements in the exchange rates of various currencies against the U.S. dollar.

We manage the exposure to currency risk by commercially transacting materially in U.S. dollars, Euros and Great British Pounds, the currencies in which we materially incur operating expenses. We limit the extent to which we incur operating expenses in other currencies, wherever possible, thereby minimizing the realized and unrealized foreign exchange gain/(loss). The currency of the Company's borrowings is in part matched to the currencies expected to be generated from the Company's operations. Intercompany funding is typically undertaken in the functional currency of the operating entities or undertaken to ensure offsetting currency exposures.

As of December 31, 2023, had the U.S. dollar strengthened by 10% in relation to all the other currencies, with all other variables held constant, the net assets of the Company would have decreased by \$27.5 million. A weakening of the U.S. dollar by 10% against the above currencies would have had an equal and opposite effect.

Credit Risk

Credit risk is the risk of financial loss if a consumer or merchant counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from our cash and cash equivalents, settlement receivables, restricted cash in respect to customer accounts, and trade receivables.

The Company is also exposed to potential losses from merchant-related chargebacks. A chargeback occurs when a dispute between a cardholder and a merchant, including a claim for non-delivery of the product or service by the merchant, is not resolved in favor of the merchant and the transaction is charged back to the merchant resulting in a refund of the purchase price to the cardholder. If the Company is unable to collect this chargeback amount from the merchant due to closure, bankruptcy or other reasons, the Company bears the loss for the refund paid to the cardholder. The risk of chargebacks is typically greater for those merchants that promise future delivery of goods and services rather than delivering goods or rendering services at the time of payment.

The cash and cash equivalents and restricted cash in respect to customer accounts are deposited with different banking partners with a variety of credit ratings. Credit exposures are regularly monitored and managed by the Group's Treasury function with oversight from the Group Safeguarding and Treasury Committee ("STC").

Settlement receivables primarily relate to receivables from third party payment institutions arising in both our Merchant Solutions and Digital Wallets businesses, as well as receivables from distribution partners arising in our Digital Wallets business. These receivables are closely monitored on an ongoing basis. The Digital Wallets business utilizes credit limits and insurance to limit its overall gross exposure to distribution partners.

Credit quality of a customer and distributor is assessed based on their industry, geographical location and financial background, with credit risk managed based on this assessment (i.e. trading limits, shortened payment period and/or requiring collateral, usually in the form of bank guarantees, insurance or cash deposits or holdbacks which can legally be claimed by the Group to cover unpaid receivables). Outstanding trade receivables are regularly monitored to flag any unusual activities such as chargebacks. Having a

significant number of consumers and merchants across multiple geographies and industries helps mitigate the Group's exposure to concentration risk. Through the Group's global credit risk framework we forecast, under normal business conditions, the probability of the occurrence of credit events before they occur. An estimate for credit losses is recorded utilizing a combination of aging and probability of default methods, depending on the nature and risk profile of the underlying asset pool. For further details regarding the accounting policy related to the allowance for credit losses, refer to *Note 1, Basis of presentation and summary of significant accounting policies*, within Item 18, Financial Statements included elsewhere in this Report. Customer credit risk is managed by each business unit subject to our established customer credit risk management policies, procedures and controls.

Liquidity Risk

Liquidity risk is the risk that we may be unable to meet our financial obligations as they fall due. We control and monitor both cash levels and cash flow on a regular basis, including forecasting future cash flows. Our objective to managing liquidity is to ensure that, as far as possible, we always have sufficient liquidity to meet our liabilities as they become due.

In order to mitigate short-term liquidity risk and fund future merger and acquisition activity, we have a \$305,000 revolving credit facility available, from which we make draw downs and repayments throughout the period. The balance drawn on the revolving credit facility as of December 31, 2023 and 2022 was \$35,640 and \$21,408, respectively.

As of December 31, 2023 and 2022, the total principal amount of our external borrowings was \$2,519,857 and \$2,658,023, respectively. Subject to the limits contained in the credit agreements that govern our credit facilities, we may be able to incur substantial additional debt from time to time to finance working capital, capital expenditures, investments or acquisitions, or for other purposes. All interest and mandatory debt repayments were satisfied during the years ended December 31, 2023 and 2022.

Our key debt covenant governing these facilities is financial and is monitored monthly. Our primary financial covenant is to maintain a first lien debt ratio below 7.5x a Last Twelve Months EBITDA measure adjusted for certain items as stipulated in the company's facilities agreement. As of December 31, 2023 and 2022, the Company was in compliance with all financial covenants associated with its debt.

In addition, the Company is required to maintain minimum levels of liquidity within its regulated businesses within the United Kingdom and Ireland in accordance with our regulatory requirements. We monitor liquidity levels within our regulated entities on an ongoing basis, in accordance with our liquidity and capital adequacy assessment framework.

B. Liquidity and Capital Resources

Our primary sources of liquidity have been funds generated from operations, issuance of debt, the use of our revolving credit facilities and a line of credit. We assess our liquidity through an analysis of our working capital together with our other sources of liquidity. As of December 31, 2023 and 2022, we had \$202,322 and \$260,219 in cash and cash equivalents. Furthermore, we had \$269,360 available under our \$305,000 Revolving Credit Facility as of December 31, 2023. We had \$283,592 available under our Revolving Credit Facility as of December 31, 2022.

In connection with the Transaction, we underwent a series of transactions that impacted our financial position and overall liquidity profile. This included the cash consideration for the Pi Jersey acquisition of \$2,448,799, debt repayment of \$1,155,743 in connection with the Transaction and payment of transaction costs of \$151,722. These transactions were offset by the \$1,616,673 in net proceeds from the merger with FTAC and \$2,000,000 in proceeds from private placement ("PIPE Investment").

We have various contractual obligations in the normal course of our operations and financing activities. Our most significant contractual obligations relate to the principal outstanding amount of the Company's debts, including interest payments, and operating lease obligations. For further information on these contractual obligations, see Note 9, *Debt*, and Note 18, *Leases*, within Item 18, Financial Statements included elsewhere in this Report.

As discussed in Note 4, *Taxation*, within Item 18, Financial Statements as of December 31, 2023 the Company has \$8,035 of liabilities associated with uncertain tax positions in the various jurisdictions in which the Company conducts operations. Due to the uncertain and complex application of the tax regulations, combined with the difficulty in predicting when tax audits throughout the world may be concluded, the Company cannot make precise estimates of the timing of cash outflows relating to these liabilities.

During the years ended December 31, 2023 and 2022, we did not have any off-balance sheet arrangements, as defined in Item 303(a)(4)(ii) of Regulation S-K, other than letters of credit and financial guarantee contracts entered into in the ordinary course of business.

In addition to our cash and cash equivalents on our Consolidated Statements of Financial Position, we expect to continue to generate cash from our normal operations as well as the ability to draw down on our credit facilities, disclosed below, as required. We believe that we have sufficient financial resources to fund our activities and execute our business plans during the next 12 months.

Customer accounts and other restricted cash is subject to certain safeguarding requirements. For further information on these requirements, see *Note 1, Basis of presentation and summary of significant accounting policies* within Item 18, Financial Statements included elsewhere in this Report.

Debt

For further discussion regarding our debt facilities, refer to *Note 9, Debt*, within Item 18, Financial Statements.

As market conditions warrant, we and/or our majority equity holders, Blackstone, CVC and/or our respective affiliates, may from time to time, seek to repurchase securities that we have issued or loans that we have borrowed in privately negotiated or open market transactions, by tender offer or otherwise. Subject to any applicable limitations contained in the agreements governing our indebtedness, any such purchases may be funded by existing cash or by incurring new secured or unsecured debt, including borrowings under our credit facilities. The amounts involved in any such purchase transactions, individually or in the aggregate, may be material. Any such purchases may relate to a substantial amount of a particular tranche of debt, with a corresponding reduction, where relevant, in the trading liquidity of that debt. In addition, any such purchases made at prices below the “adjusted issue price” (as defined for U.S. federal income tax purposes) may result in taxable cancellation of indebtedness income to us, which may be material, and result in related adverse tax consequences to us.

Cash Flow

Operating Activities

Net cash flows provided by operating activities mainly consists of our net loss adjusted for non-cash items and movements in working capital.

Non-cash items usually arise as a result of timing differences between expenses recognized and actual cash costs incurred or as a result of other non-cash income or expenses. Non-cash items include: depreciation and amortization; unrealized foreign exchange gain/(loss); deferred tax (expense)/benefit; share-based compensation, non-cash interest expense, net; other (expense)/income, net; impairment expense on goodwill and intangible assets; allowance for credit losses; gain/(loss) on disposal of subsidiaries and other assets, net; and non-cash lease expense.

Movements in working capital include the movements in: accounts receivable, net; prepaid expenses, other current assets and related party receivables; accounts payable, other liabilities, and income tax payable / (receivable). Movements in working capital are affected by several factors including the timing of month-end and transaction volume.

Net cash flows provided by operating activities decreased by \$3,179 to an inflow of \$234,022 for the year ended December 31, 2023 from an inflow of \$237,201 for the year ended December 31, 2022 which is comparable year over year.

For the year ended December 31, 2023, net cash flows provided by operating activities of \$234,022 primarily consists of a net loss of \$20,251 adjusted for non-cash items of \$321,727, largely driven by depreciation and amortization of \$264,145, share-based compensation of \$28,873 and deferred tax benefit of \$19,692, offset by other income, net of \$20,515. This was partly offset by cash outflows of \$67,454 in working capital.

For the year ended December 31, 2022, net cash flows provided by operating activities of \$237,201 primarily consists of a net loss of \$1,862,284 adjusted for non-cash items of \$2,112,202, largely driven by depreciation and amortization of \$266,819, impairment expense on goodwill and intangible assets of \$1,887,223, and share-based compensation of \$62,354, offset by deferred tax benefit of \$82,876. This was partly offset by cash outflows of \$12,717 in working capital.

Investing Activities

Net cash used in investing activities decreased \$440,357 to \$135,237 for the year ended December 31, 2023 from \$575,594 for the year ended December 31, 2022. This decrease is primarily attributed to net cash outflow on acquisition of subsidiaries for the year ended December 31, 2022 related to the acquisition of SafetyPay.

Financing Activities

Net cash used in / provided by financing activities changed \$1,377,363 to an outflow of \$771,028 for the year ended December 31, 2023 from an inflow of \$606,335 for the year ended December 31, 2022. This change primarily resulted from the outflow of the movement

in settlement funds - merchant and customers, net of \$588,151 for the year ended December 31, 2023, compared to an inflow of \$686,877 for the year ended December 31, 2022.

The Company's regulatory obligations in the United Kingdom and Ireland include the requirement to safeguard customer funds that have been received either in exchange for electronic money ("e-money") issued or within the transaction settlement cycle to merchants. Such amounts are recorded as an asset in our Consolidated Statements of Financial Position, in customer accounts and other restricted cash, net which is presented as part of cash, cash equivalents, customer accounts and other restricted cash, net as reported in the Consolidated Statements of Cash Flows.

The Company also has a corresponding liability to its customers recognized in our Consolidated Statements of Financial Position as funds payable and amounts due to customers, as well as settlement receivables, net, that represent timing differences in the settlement process between the cash settlement of a transaction and the recognition of the associated liability. The movements in these account balances are presented net within financing activities (collectively "Settlement funds - merchant and customer, net"). The current year outflow in Settlement funds - merchant and customers, net is consistent with the decline in customer accounts and other restricted cash, net.

Other factors contributing to the decrease include the repurchase of borrowings of \$167,424 during the year ended December 31, 2023 compared to \$45,511 in the prior year, partially offset by an increase in borrowings on the revolving credit facility. Borrowings and repayments on all facilities, excluding voluntary repurchases, were \$1,025,597 and \$1,021,724, respectively, for the year ended December 31, 2023 and \$917,269 and \$920,519, respectively for the year ended December 31, 2022.

We believe that our current level of cash and borrowing capacity under debt facilities, together with future cash flows from operations will be sufficient to meet the needs of our existing operations and planned requirements for the foreseeable future.

Commitments and Contingencies

From time to time we enter into certain types of contracts that contingently require us to indemnify parties against certain categories of losses they might incur including as a result of third-party claims. The contracts primarily relate to: (i) certain bank sponsor agreements, under which we may be required to provide indemnification to the bank in respect of losses they may incur as a result of processing card payments for relevant merchants; (ii) certain merchant and vendor agreements where we may be required to indemnify the merchant or vendor against any third party claims resulting from a violation of intellectual property rights or for any breach of the representations, warranties, obligations, or covenants in the agreement or against losses resulting from a data breach suffered by the Company; (iii) certain business purchase agreements, under which we may provide customary indemnification to the seller of the business being acquired; and (iv) certain real estate leases, under which we may be required to indemnify property owners for environmental and other liabilities, and other claims arising from our use of the applicable premises.

The terms of such obligations vary by contract and in most instances a specific or maximum dollar amount is not explicitly stated therein. Generally, amounts under these contracts cannot be reasonably estimated until a specific claim is asserted. Consequently, with the exception of estimated credit losses, no liabilities have been recorded for these obligations on our Consolidated Statements of Financial Position for any of the periods presented.

We periodically become a party to litigation proceedings arising in the normal course of our business operations. The Company maintains liabilities for losses from legal actions that are recorded when they are determined to be both probable in their occurrence and can be reasonably estimated.

Additionally, the Company has contingent consideration payables associated with several historical acquisitions. Such contingent consideration payable was recognized at fair value on the acquisition date and is remeasured each reporting period. Amounts payable by the Company are contingent upon the achievement of certain financial performance targets. The Company also recognizes contingent consideration receivables associated with the disposal of a previous subsidiary. Such contingent consideration receivable was recognized at fair value on the acquisition date and is remeasured each reporting period. The contingent consideration to be received is based on the future distributable cash generated by the disposed subsidiary.

C. Research and Development, patents and licenses, etc.

For further discussion regarding research and development refer to Item 4.B. Information on the Company—Business Overview, and Note 1, *Basis of Presentation and Summary of Significant Accounting Policies*, within Item 18, Financial Statements.

D. Trend Information

Other than as disclosed elsewhere in this annual report, we are not aware of any trends, uncertainties, demands, commitments or events for the year ended December 31, 2023 that are reasonably likely to have a material and adverse effect on our net revenues, income,

profitability, liquidity or capital resources, or that would cause the disclosed financial information to be not necessarily indicative of future results of operations or financial conditions.

E. Critical Accounting Estimates

Our consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States, which often require the judgment of management in the selection and application of certain accounting principles and requires us to make estimates that affect the reported amounts of assets, liabilities, revenue, expenses, and related disclosures. We evaluate our critical accounting policies and estimates on an ongoing basis. Our estimates are based on historical experience, current conditions and various other assumptions that we believe to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

The critical accounting policies and estimates that we believe to have the most significant impact on our consolidated financial statements are described below.

Business Combinations

The valuation of assets acquired in a business combination requires the use of significant estimates and assumptions. The acquisition method of accounting for business combinations requires us to estimate the fair value of assets acquired and liabilities assumed to properly allocate purchase price consideration between assets that are amortized and goodwill. Although we believe the assumptions and estimates we have made are reasonable, they are based in part on historical experience, market conditions and information obtained from management of the acquired companies and are inherently uncertain. Examples of critical estimates in valuing acquired assets and assumed liabilities include but are not limited to:

- Future expected cash flows;
- Historical and expected customer attrition rates and anticipated growth in revenue from acquired customers;
- Expected use of acquired assets; and
- Discount rates

When a business combination involves contingent consideration, we record a liability for the estimated cost of such contingencies when expenditures are probable and reasonably estimable. A significant amount of judgment is required to estimate and quantify the potential liability in these matters. We engage outside experts as deemed necessary or appropriate to assist in the calculation of the liability, however management is responsible for evaluating the estimate. We measure our contingent liabilities at fair value on a recurring basis using significant unobservable inputs classified within Level 3 of the fair value hierarchy. We reassess the estimated fair value of the contingent consideration each financial reporting period over the term of the arrangement. Any resulting changes identified subsequent to the measurement period are recognized in earnings and could have a material effect on our results of operations. In the current year, the Company did not complete any business combinations.

Revenue Recognition

Application of the accounting principles in GAAP related to the measurement and recognition of revenue requires us to make certain judgments. Complex arrangements with nonstandard terms and conditions may require significant contract interpretation to determine the appropriate accounting.

An area of significant judgment for the Company is the determination of the principal agent consideration as it relates to the payment processing services provided by the Company. In making this evaluation, we consider whether the Company has the ability to direct the use of and obtain substantially all of the benefits from services provided by the card issuing financial institutions and the fees charged by payment networks. We consider indicators including determination of the party that is responsible for fulfillment of the performance obligations in the contract, as well as the party who has the ability to determine the pricing of the related services in our contracts with customers.

For the Company's Merchant Solutions segment, the Company has concluded that its performance obligation is to facilitate payment services that are provided by other parties and therefore the nature of the Company's performance obligation is that of an agent. The Company does not have the ability to direct the use of and obtain substantially all the benefits from the services provided by these parties before those services are transferred to the customer. As a result, the Company presents revenue for its Merchant Solutions segment net of the interchange fees charged by the card issuing financial institutions and the fees charged by the payment networks.

For the Company's Digital Wallet segment, the Company has concluded that we have the ability to direct the use of and obtain the benefits of these services provided by these parties prior to transferring these services to our customers. As a result, the Company presents revenue for its Digital Wallets segment gross of interchange fees and fees charged by payment networks.

Another area of significant judgment involves determining whether goods and services are considered distinct performance obligations that should be accounted for separately, or together as one performance obligation. The primary services offered by the Company to its customers comprise a series of distinct performance obligations that are substantially the same with the same pattern of transfer. Hence, these services are considered a single performance obligation and revenue is recognized as the Company satisfies its performance obligation by transferring control over the service to a customer.

Allowance for credit losses

The Company has exposure to credit losses for financial assets including customer accounts and other restricted cash, settlement receivables, accounts receivable, and financial guarantee contracts to the extent that a chargeback claim is made against the Company directly or to the Company's merchants on card purchases.

We utilize a combination of aging and probability of default methods to develop an estimate of credit losses, depending on the nature and risk profile of the underlying asset pool. A broad range of information is considered in the estimation process, including historical loss information adjusted for current conditions and expectations of future trends. The estimation process also includes consideration of qualitative and quantitative risk factors associated with the age of asset balances, expected timing and probability of default, loss given default, exposure at default, merchant risk profiles, and relevant macro-economic factors. Determining the appropriate current expected credit loss allowance is an inherently uncertain process requiring significant judgment and ultimate losses may vary from the current estimates. More specifically, a significant change in the estimate of the probability of default or loss given default for financial guarantee contracts could result in a material change to the allowance. While there has not been a significant change in assumptions during the year, the allowance for credit losses and associated credit loss expense has declined due to factors described in further detail in Note 8, *Allowance for credit losses*, of Item 18, Financial Statements.

Income Taxes

We are subject to income tax in most of the jurisdictions in which we operate. Management is required to exercise significant judgment in determining our provision for income taxes. The provision for income taxes is determined taking into account guidance related to uncertain tax positions. Judgment is required in assessing the timing and amounts of deductible and taxable items. Deferred tax assets are amounts available to reduce income taxes payable on taxable income in future years and are initially recognized at enacted tax rates. To the extent deferred tax assets are not expected to be realized, we record a valuation allowance. Recognized income tax positions are measured at the largest amount that has a greater than 50% likelihood of being realized upon settlement. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

As of December 31, 2023, we had \$17,849 of net deferred tax assets in the UK. At this time, we consider it more likely than not that we will have sufficient taxable income in the future to allow us to realize these deferred tax assets. However, it is possible that some or all of these DTAs will not be realized, especially if we incur losses in the UK in the future. Therefore, unless we are able to generate sufficient taxable income from our operations, a substantial valuation allowance to reduce our UK deferred tax assets may be required, which may materially increase our expenses in the period in which we recognize the allowance. The exact timing and amount of the valuation allowance recognition are subject to change on the basis of the net income that we are able to actually achieve. We will continue to evaluate the possible recognition of a valuation allowance on a quarterly basis.

Although we believe that we have adequately reserved for our uncertain tax positions, we can provide no assurance that the final tax outcome of these matters will not be materially different. We make adjustments to these reserves when facts and circumstances change, such as the closing of a tax audit or the refinement of an estimate. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences may affect the provision for income taxes in the period in which such determination is made and could have a material impact on our financial condition and results of operations.

Goodwill

Goodwill is tested for impairment at least annually at the reporting unit level by first performing a qualitative assessment to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying value. If the reporting unit does not pass the qualitative assessment, then quantitative assessment is performed to compare the reporting unit's carrying value to its fair value. Alternatively, we are permitted to bypass the qualitative assessment and proceed directly to performing the quantitative assessment. Goodwill is considered impaired if the carrying value of the reporting unit exceeds its fair value. The fair value of the reporting unit is based on a weighted combination of an income approach and market approach, both involving several assumptions which require significant judgment.

The market approach is based on guideline comparable companies and the key assumptions included selected Earnings Before Interest Tax Depreciation and Amortization ("EBITDA") multiples. The income approach is based on a discounted cash flow model and the key assumptions included the discount rate and future cash flows such as long term growth rates.

Selected multiples are determined based on guideline comparable companies' and discounted based on business-specific considerations. The cash flow forecast, including long term growth rates, considers past experience and future market expectations. Discount rate assumptions are based on determining a cost of debt and equity and an assessment as to whether there are risks not adjusted for in the future cash flows of the respective reporting unit.

An indicator of impairment was identified in the Digital Wallets reporting unit as of December 31, 2023 related to reduced forecast revenue and earnings. Based on the analysis performed, no goodwill impairment expense was recognized.

The estimated fair value of each reporting unit exceeded its carrying value as of the latest goodwill impairment test. The reporting unit with a fair value not substantially in excess of their carrying value included Digital Wallets (within the Digital Wallets segment), which had a goodwill balance of \$1,385,956 as of December 31, 2023. The percentage by which the fair value of the Digital Wallets reporting unit exceeded the carrying value is 1%, based on the most recent goodwill impairment analysis performed.

Changes in assumptions or circumstances, including increases in the discount rate, sustained decline in our stock price, or reduced forecast revenue and earnings could result in a material impairment of goodwill in future periods.

Finite-lived Intangible Assets

We regularly review finite-lived intangible assets, such as brands, computer software and customer relationships, for impairment. If events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable and the expected undiscounted future cash flows attributable to the asset are less than the carrying amount of the asset group, an impairment loss equal to the excess of the asset groups carrying value over its fair value is recorded.

Fair values are determined based on a discounted cash flow analysis. Assumptions and estimates about future values and remaining useful lives are complex and often subjective. They can be affected by a variety of factors, including industry and economic trends, and internal factors such as changes in our business strategy and our internal forecasts. Key assumptions often include revenue growth rate, EBITDA margin, attrition rates, royalty rates, estimated useful-lives and discount rates. These valuations are considered to be Level 3 in the fair value hierarchy due to the inputs often being unobservable.

For the years ended December 31, 2023 and 2022, intangible asset impairments of \$1,254 and \$5,036 were recognized within the Merchant Solutions and Digital Wallets segments. Reduced earnings, loss of key customer relationships, obsolescence or other factors may result in additional material impairments of intangible assets in future periods.

Litigation provision

Through the normal course of the Company's business, the Company is subject to a number of litigation proceedings both brought against and brought by the Company. The Company maintains liabilities for losses from legal actions that are recorded when they are determined to be both probable in their occurrence and can be reasonably estimated.

The Company vigorously defends its position on all open cases. While the Company considers a material outflow for any one individual case unlikely, it is noted that there is uncertainty over the final timing and amount of any potential settlements. These claims require management judgment in the assessment of the potential outcome and the impact on the Company's assets and liabilities. The actual outcome of these claims or liabilities could materially differ to management judgments.

Accounting Pronouncements Not Yet Adopted

Recently issued accounting pronouncements that may be relevant to our operations but have not yet been adopted are outlined in Note 1, *Basis of Presentation and Summary of Significant Accounting Policies*, within Item 18, Financial Statements appearing elsewhere in this Report.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Executive Officers

The following table sets forth the names, ages and positions of our executive officers and directors as of February 26, 2024.

Name	Age	Position
Bruce Lowthers	58	Chief Executive Officer and Director
Alexander Gersh	60	Chief Financial Officer
Roy Aston	45	Chief Operating Officer
Robert Gatto	59	Chief Revenue Officer
Richard Swales	51	Chief Risk & Compliance Officer
Elliott Wiseman	50	Chief Legal & People Officer
Nicole Carroll	55	Chief Growth Officer
Gustavo Ruiz	56	President, Latin America
Daniel Henson	62	Chairman of the Board of Directors
Mark Brooker	52	Director
Matthew Bryant	40	Director
Anthony Jabbour	56	Director
Dagmar Kollmann	59	Director
Jonathan Murphy	40	Director
Eli Nagler	38	Director
Peter Rutland	44	Director

Bruce Lowthers has been our Chief Executive Officer since May 2022. He has also served as Executive Director on the Paysafe Board since May 2022. A high profile payments and fintech executive, Mr. Lowthers joined Paysafe following a 15-year tenure at FIS, a Fortune 500 company operating in the payments, merchant solutions and banking space. While at FIS, Mr. Lowthers most recently served as President, responsible for growing the global organization. Earlier executive roles in FIS saw Mr. Lowthers leading and modernizing some of the company's largest businesses including the Banking and Merchant Solutions and Payments businesses. Before FIS, Mr. Lowthers was an executive at eFunds, an electronic payments company, where he was responsible for all payment and risk products. Before eFunds, he was a serial entrepreneur and successfully co-founded and led four start-up companies and two payments industry associations -namely the Board for American Transaction Processors Coalition (ATPC) and Payments 20 (P20), the global payments body. Mr. Lowthers holds a bachelor's degree in business administration from the University of Massachusetts and began his career as a certified public accountant.

Alexander Gersh has been our Chief Financial Officer since October 2022. Mr. Gersh joined Paysafe from Sportradar, a leading global sports technology company creating immersive experiences for sports fans and bettors. Earlier in his career he spent six years in the online betting industry, most recently as CFO and Board Director of Paddy Power Betfair plc, which was formed in February 2016 following the merger of Paddy Power plc and Betfair Group plc - two online betting operators. Before entering the online betting industry, Mr. Gersh spent nearly eight years as CFO for NDS Group London, a leading global provider of digital pay TV software solutions. In his earlier career, Mr. Gersh held finance leadership roles for high profile organizations in the telecommunications industry including British Telecom and Motorola. Mr. Gersh is a certified public accountant (CPA) and holds a degree in business administration from the City University of NY (Baruch College), US.

Roy Aston has been our Chief Operating Officer since October 2022 and he joined Paysafe in February 2019 as our Chief Information Officer. Mr. Aston has global responsibility for leading Paysafe's technology and operations functions. As part of this, his remit includes global IT strategy, cyber security, transformation and running our 24/7 technology and customer operations. Before joining Paysafe, Mr. Aston gained extensive experience in IT and operations working for various high profile global financial services organizations and smaller UK-based fintech. His prior role was working for Barclays where he held the position of Group CIO Barclaycard since April 2013. Before that he held senior roles at Citi, where he was Director of Business and Technology Transformation, as well as egg, where his extensive Agile IT Development skills were deployed to help build the UK's leading online digital bank.

Robert Gatto has been our Chief Revenue Officer since July 2022. In his role, Mr. Gatto is charged with spearheading Paysafe's international sales function across a range of sectors including gaming, travel, entertainment, digital assets including crypto, and fintech. Mr. Gatto brings 30+ years' experience of delivering transformational growth and 'go to market' functions for both private and public businesses of all sizes. Before Paysafe, he co-founded and served as President of Ureka Inc. a community to help small businesses go to market and grow rapidly. Before that, he held senior roles for a wide range of high-performing technology companies including COO at Tubemogul, a programmatic video platform acquired by Adobe Systems for \$540m; SVP, Global Sales at NeuStar, Inc., a cloud-based, information services company; CEO at PointRoll, Inc., a leading provider of digital marketing technology; and Vice President Sales for ShopLocal Inc. known for its innovative, localized digital marketing solutions for retailers. Rob holds a Bachelor of Science in Communications from Northern Illinois University, U.S.A.

Richard Swales has been our Chief Risk Officer since October 2019 and became our Chief Compliance Officer in October 2022. Mr. Swales has global responsibility for Risk, Compliance, Regulatory Affairs and ESG Reporting. Mr. Swales brings extensive knowledge of these various disciplines gained during a 30+ year career which has seen him work in Europe, Asia and the US. He started his career working in the public sector as an Officer for the UK's HM Customs & Excise followed by more than 25 years in

banking, commercial finance, insurance, telecoms and payments with a focus on risk management, compliance, operational effectiveness, regulatory affairs, strategy and business development. Before Paysafe he worked for PayPal where he spent nine years leading their global risk and compliance strategy and was instrumental in supporting significant growth for the business.

Elliott Wiseman has been our Chief Legal & People Officer since October 2023. Mr Wiseman joined Paysafe in October 2011 and served as our General Counsel and Chief Compliance Officer until July 2022 after which he served as our General Counsel until October 2023. Mr. Wiseman has responsibility for human resources, internal comms, legal, privacy and company secretarial matters. Mr. Wiseman started life as a corporate lawyer working at a number of different London-based law firms principally on mergers, acquisitions and other corporate transactions. He made his first move in-house in 2008 when he became Senior Legal Counsel at MoneyGram with responsibility for legal affairs in their Northern Europe and Asia Pacific regions. He also serves as Non-Executive Director at Seedrs Ltd. Mr. Wiseman holds a Master's Degree in Geography from Oxford University in the UK.

Nicole Carroll has been our Chief Growth Officer since October 2023. She joined the Company in April 2023 as the Chief Strategy and Innovation Officer. Ms. Carroll brings an extensive track record of driving growth and innovation across high profile global organizations in the technology, fintech and payments sectors. Her primary responsibilities in the role are to further develop the company's corporate vision and long-term growth strategy, and lead on its product innovation, capital expenditure and marketing programmes. Ms. Carroll joined the Company from Experian, where she was Chief Product Officer for their Decisions Analytics business. Prior to that, she was a Senior Vice President at Visa where she led the company's next generation of global software acceptance. Before Visa, Ms. Carroll spearheaded the digital transformation of Discover Financial Services, launching their first comprehensive API-driven digital product platform. In her earlier career, she held leadership roles driving innovation for the Citi Group and was also Chief Marketing Officer for Transys where she successfully launched the Oyster Card™ - the UK's trailblazing travel smartcard. Ms. Carroll is a graduate of Georgetown University, U.S.

Gustavo Ruiz has been our President, Latin America since 2022. He joined the Company in 2022 following the Company's acquisition of payments company, SafetyPay, where he was CEO for nine years. Since joining the Company, Mr. Ruiz has been charged with driving forward the Company's strategy in Latin America and continuing to leverage its investments in the fast-growing region. Mr. Ruiz brings extensive experience in the payments, banking and travel industries to the role. Prior to SafetyPay, he was VP and General Manager for American Express Membership Travel in Latin America. He also successfully led American Express Bank in Mexico. Mr. Ruiz holds a bachelor's business degree in Agronomy from Colorado State University, U.S.A., and a Diploma in Foreign Trade from the Universidad de las Americas, Mexico.

Daniel Henson has served as a member of the Company Board since 2022. Mr. Henson currently serves as non-executive chairman of IntraFi Network (formerly Promontory Intrafinancial Network), a leading provider of deposit placement services operating in the Washington D.C. area. He also serves as a Director of Alight Solutions. Previously, Mr. Henson served as non-executive chairman of Tempo Holdings until its merger and subsequent listing as Alight Inc in July of 2021. He also served as non-executive chairman of Exeter Finance, a leading auto finance company headquartered in Irving, TX. Previously, Mr. Henson served as a Director of Healthcare Trust of America and OnDeck Capital. Mr. Henson worked with the General Electric Company for 29 years and held a variety of senior positions at GE and GE Capital, including Chief Marketing Officer of GE and Six Sigma Quality Leader at GE Capital. He also served as the CEO of a number of GE Capital's financial services businesses in the U.S. and internationally. Starting in 2008, Mr. Henson was responsible for all GE Capital commercial leasing and lending businesses in North America. From 2009 to 2015, Mr. Henson also oversaw capital markets activities at GE Capital and GE Capital's industrial loan company bank in Utah. Mr. Henson holds a B.B.A. in Marketing from George Washington University.

Mark Brooker has served as a member of the Company Board since 2021. Mr. Brooker was previously Chief Operating Officer for Trainline, Europe's largest independent retailer of rail and coach tickets. Before Trainline, he was Chief Operating Officer of Betfair Group PLC, a leading online gambling operator and now part of Flutter Entertainment. In his earlier career, Mark spent 17 years in investment banking working for Morgan Stanley, Merrill Lynch, NatWest and NM Rothschild & Sons. Mark also brings a diverse range of Non-Executive Board Director experience and currently sits on the boards of Findmypast, a leader in online genealogy, where he is Chairman; Future PLC, a global platform for specialist media and member of the FTSE250; eCogra Holdings Limited, an independent software testing agency for the online gaming industry (Chairman), and Heathrow Airport Holdings Limited. He also recently served as a Non-Executive Director of William Hill PLC, one of the largest gambling operators in the UK, before the Board was dissolved following its acquisition by Caesars Entertainment in April 2021 and was a director at Seedrs Ltd. Mark holds a Master's Degree in Engineering, Economics and Management from Oxford University in the UK.

Matthew Bryant has served as a member of the Company Board since 2019. Mr. Bryant is a Senior Managing Director at CVC, based in London. He joined CVC in 2019 and is a member of the financial services group. Prior to joining CVC, he was an investor at Bain Capital from May 2009 until April 2019. Prior to that, he was a Senior Associate Consultant at L.E.K. Consulting. Mr. Bryant holds a master's degree in Physics from the University of Oxford.

Anthony Jabbour has served as a member of the Company Board since 2021. Mr. Jabbour has also served as the Chief Executive Officer and a director of Dun & Bradstreet (and its predecessors), a leading global provider of business decision data and analytics, since February 2019. From May 2022 until its acquisition by ICE in 2023, Mr. Jabbour became the Executive Chairman of Black Knight, Inc., a premier provider of software and data analytics to the mortgage and consumer loan, real estate and capital markets verticals. He previously served as Chairman and CEO of Blacknight. Prior to joining Black Knight, Mr. Jabbour served as Corporate Executive Vice President and Co-Chief Operating Officer of FIS from December 2015 through December 2017. Mr. Jabbour served as Corporate Executive Vice President of the Integrated Financial Solutions segment of FIS from February 2015 until December 2015. He served as Executive Vice President of the North America Financial Institutions division of FIS from February 2011 to February 2015. Prior to that, Mr. Jabbour held positions of increasing responsibility in operations and delivery from the time he joined FIS in 2004. Prior to joining FIS, Mr. Jabbour worked for Canadian Imperial Bank of Commerce and for IBM's Global Services group managing complex client projects and relationships. Mr. Jabbour holds a bachelor's degree in electrical engineering from the University of Toronto.

Dagmar Kollmann has served as a member of the Company Board since 2021. Ms. Kollmann is Chairperson of Citigroup Global Markets Europe AG and Audit Committee Chair. She is a member of the Supervisory Board and Chairperson of the Audit Committee of Deutsche Telekom AG, member of the Supervisory Boards of Unibail-Rodamco-Westfield SE and of Coca Cola Europacific Partners. Previously, she has been Deputy Chairperson of the Supervisory Board and Chairperson of the Audit Committee of Deutsche Pfandbriefbank AG, Deputy Chairperson of the Supervisory Board as well as Chairperson of the Audit Committee of Hypo Real Estate Holding AG, and a member of the Supervisory Boards of KfW-IPEX Bank GmbH and Bank Gutmann AG. Dagmar is a Commissioner in the Monopolies Commission in Germany, a permanent and independent expert committee, which advises the German government and legislature in the areas of competition policy-making, competition law and regulation. Its reports are published. Previously, Dagmar was CEO of Morgan Stanley Bank AG in Frankfurt. In addition to her role as CEO and Country Head for Germany and Austria, she was a member of the Boards of Directors of Morgan Stanley International Ltd. and Morgan Stanley & Co International, Ltd. in London. Prior to joining Morgan Stanley, Dagmar worked at UBS Philips & Drew Ltd, both in M&A and subsequently in the Equities Division. Past mandates include a membership in the Advisory Board of the EUREX Group and the role of "Sherpa" in the "Initiative Finanzplatz Deutschland." She holds a Master Degree in Law from the University of Vienna.

Jonathan Murphy has served as a member of the Company Board since 2021. Mr. Murphy joined Blackstone in 2021 and is a Senior Managing Director in the firm's Private Equity Group, where he focuses on investments in the technology and financial technology industries. Prior to Blackstone, Mr. Murphy spent over eight years at Francisco Partners, a U.S.-based private equity fund that focuses on investments in the technology industry. While at Francisco Partners, Mr. Murphy was involved in the firm's investments in Civitas Learning, Dynamo Software, eFront, Lucidworks and Operative. Before joining Blackstone, Mr. Murphy worked at CPPIB in the Direct Investment Group and Morgan Stanley in the Investment Banking Division. Mr. Murphy received a Bachelor of Commerce from University College Dublin where he graduated with First Class Honors.

Eli Nagler has served as a member of the Company Board since 2018. Mr. Nagler is a Senior Managing Director in the Private Equity Group of Blackstone, where he focuses on investments in the Technology and Financial Services sectors. Since initially joining Blackstone in 2007, Mr. Nagler has been involved in the execution of the firm's investments in Alight Solutions, BankUnited, Bayview Asset Management, Ellucian, Exeter Finance, IntraFi Network, Lendmark Financial Services, MB Aerospace, Paysafe, Refinitiv, Sphera, Tradeweb, Viva Capital, Vivint, and Vivint Solar. In addition to the Company, he currently serves as a Director of Ellucian, IntraFi Network, Renaissance Learning, and Sphera. Before rejoining Blackstone after the completion of an MBA, Mr. Nagler worked at the United States Treasury Department in the Office of Capital Markets. Mr. Nagler received an AB magna cum laude from Harvard College and an MBA with distinction from Harvard Business School, where he graduated as a John L. Loeb Fellow. He is also a Term Member of the Council on Foreign Relations.

Peter Rutland has served as a member of the Company Board since 2017. Mr. Rutland joined CVC in 2007 and is Head of CVC's Financial Services Group and a Managing Partner. Prior to joining CVC, he worked for Advent International and Goldman Sachs. Mr. Rutland holds an MA Degree from the University of Cambridge and an MBA from INSEAD.

Per the Shareholders Agreement, the CVC Investors, the Blackstone Investors and Cannae LLC jointly designated Dagmar Kollmann and Mark Brooker as independent directors, the CVC Investors designated Matthew Bryant and Peter Rutland as directors, the Blackstone Investors designated Jonathan Murphy and Eli Nagler as directors and the FTAC Investors designated Daniel Henson and Anthony Jabbour as directors. See "C. Board Practices—Composition of the Board of Directors" and "Item 7.B. Related Party Transactions" of this Report for additional information.

B. Compensation

Non-Executive Directors

For the year ended December 31, 2023, our non-executive directors consisted of Daniel Henson, Mark Brooker, Anthony Jabbour, Dagmar Kollman, Hilary Stewart-Jones (through October 2023) and Jim Murren (through October 2023). We do not currently pay our

directors who are either employed by CVC or Blackstone, any compensation for their service as directors. Our non-executive directors who receive compensation receive an annual cash fee ranging from \$90,000 to \$150,000, committee and chairmanship fees ranging from \$10,000 to \$40,000 and are eligible to participate in the Paysafe equity program with annual equity grants ranging from \$125,000 to \$350,000, granted at the Annual General Meeting. In addition, certain directors may receive one-time grants upon joining the Board. The aggregate compensation paid in cash and equity to non-executive directors in 2023 was \$597,415 and \$783,932, respectively. In addition, all of our directors receive reimbursement for all reasonable and properly documented expenses.

Senior Management

For the year ended December 31, 2023, our senior management team consisted of Bruce Lowthers, Alexander Gersh, Rob Gatto, Elliott Wiseman, Nick Walker (through March 2023), Roy Aston, Richard Swales, Afshin Yazdian (through June 2023), Gustavo Ruiz (as of April 2023), Nicole Carroll (as of October 2023) and Chirag Patel (through July 2023). The aggregate amount of compensation, including cash, equity awards and other benefits, paid to our senior management team for the year ended December 31, 2023 was \$23,301,066, of which \$1,025,932 was related to an Executive's employment and/or termination agreement and not part of their normal compensation programs. The Cash compensation for our senior management team in 2023 consisted of aggregate base salary of \$4,684,219. The description below provides detail on the equity grants.

Annual Bonus Program

The Executive Short-Term Bonus Program is an incentive program based on the achievement of performance targets which are measured over a one-year period. Performance targets are based on group and business unit financial metrics, including Revenue and Adjusted EBITDA, and individual goals. The bonus program is intended to strengthen the connection between individual compensation and Company success, reinforce our pay-for-performance philosophy by awarding higher bonuses to higher performing executives and help ensure that our compensation is competitive. Under the terms of the performance bonus program, the Compensation Committee will approve the final bonus pay-out based on the achieved objectives.

The annual target level is determined as a percentage of the base salary. The Compensation Committee determines if the bonus is to be paid at target, under target or above target for the CEO, and approves the CEO's proposal for the remaining Executive Management members. Depending on achieved performance, the incentive can be paid above or below target depending on performance to targets.

In 2023, the Adjusted EBITDA metric did not achieve the threshold performance target and, therefore, the program was not funded to be paid to executives. As such, the Compensation Committee did not award any payments for the annual incentive program to executives and other senior leadership staff.

Long-Term Incentive Program

The Compensation Committee met several times to discuss the 2023 Long-Term Incentive Program of the Company for the executives and other employees under the Omnibus Incentive Program. After careful consideration of the current economy, retention concerns and company stock performance, the Compensation Committee approved the granting of time-based restricted stock units vesting annually over a three-year period. The Long-Term Incentive Program was created to align the interests of executives with the interests of our shareholders while also allowing for a more longer-term focus on key business objectives.

The annual grant value target level of the long-term incentive program is determined as a percentage of target earnings, or base salary plus the annual incentive at target level payout. With Management's recommendations, the Compensation Committee shall determine the approved program parameters related to the grant value allocation, vesting, the conditions and deadlines for the exercise thereof, and any retention periods or conditions of expiration. It may provide that, contingent upon the occurrence of certain events determined in advance, such as a change in control or the termination of an employment relationship, that the conditions and deadlines for the exercise of rights, or retention periods, or vesting conditions are to be shortened or canceled, that remuneration is to be paid based on an assumption of the achievement of target values, or that remuneration is to be forfeited. Long term variable compensation may be awarded in the form of restricted shares units, stock options or equivalent instruments or units.

In aggregate, the value of the long-term incentive awards granted to executives is equal to \$16,479,132 for the year ended December 31, 2023. Grant values for 2023 included the following programs:

Grant Type		Value at Grant (\$)
2023 Annual RSU Grant	\$	15,942,051
Performance-Based RSU		537,081

We also maintained a Stock Ownership Guideline program that consists of executives holding ownership of Paysafe equity ranging from 1x to 5x depending on the level of the executive.

Retirement Programs

We utilize defined contribution plans in accordance with the local conditions and practices in the countries in which we operate.

Material Terms of the Omnibus Incentive Plan

Purpose. The purpose of the Omnibus Incentive Plan is to provide a means through which to attract and retain key personnel and to provide a means whereby our directors, officers, employees, consultants and advisors can acquire and maintain an equity interest in us, or be paid incentive compensation, including incentive compensation measured by reference to the value of Company Common Shares, thereby strengthening their commitment to our welfare and aligning their interests with those of our shareholders.

Eligibility. Eligible participants are any (i) individual employed by the Company or any of its subsidiaries, which shall be collectively referred to herein as the “Company Group”; provided, however, that no employee covered by a collective bargaining agreement will be eligible to receive awards under the Omnibus Incentive Plan unless and to the extent that such eligibility is set forth in such collective bargaining agreement or in an agreement or instrument relating thereto; (ii) director or officer of any member of the Company Group; or (iii) consultant or advisor to any member of the Company Group who may be offered securities registrable pursuant to a registration statement on Form S-8 under the Securities Act, who, in the case of each of clauses (i) through (iii) above, has entered into an award agreement or who has received written notification from the Compensation Committee (as defined below) or its designee that they have been selected to participate in the Omnibus Incentive Plan. As of the date of this registration statement, there were approximately 3,300 such persons eligible to participate in the programs to be approved under the Omnibus Incentive Plan.

Administration. The Omnibus Incentive Plan will be administered by the compensation committee of the Company’s Board, or such other committee of the Company’s Board to which it has properly delegated power, or if no such committee or subcommittee exists, the Company’s Board (such administering body referred to herein, for purposes of this description of the Omnibus Incentive Plan, as the “Committee”). Except to the extent prohibited by applicable law, the Compensation Committee may allocate all or any portion of its responsibilities and powers to any one or more of its members and may delegate all or any part of its responsibilities and powers to any person or persons selected by it in accordance with the terms of the Omnibus Incentive Plan. The Compensation Committee is authorized to: (i) designate participants; (ii) determine the type or types of awards to be granted to a participant; (iii) determine the number of Company Common Shares to be covered by, or with respect to which payments, rights or other matters are to be calculated in connection with, awards; (iv) determine the terms and conditions of any award; (v) determine whether, to what extent and under what circumstances awards may be settled in, or exercised for, cash, Company Common Shares, other securities, other awards or other property, or canceled, forfeited or suspended and the method or methods by which awards may be settled, exercised, canceled, forfeited or suspended; (vi) determine whether, to what extent, and under what circumstances the delivery of cash, Company Common Shares, other securities, other awards, or other property and other amounts payable with respect to an award will be deferred either automatically or at the election of the participant or of the Compensation Committee; (vii) interpret, administer, reconcile any inconsistency in, correct any defect in, and/or supply any omission in the Omnibus Incentive Plan and any instrument or agreement relating to, or award granted under, the Omnibus Incentive Plan; (viii) establish, amend, suspend, or waive any rules and regulations and appoint such agents as the Compensation Committee may deem appropriate for the proper administration of the Omnibus Incentive Plan; (ix) adopt sub-plans; and (x) make any other determination and take any other action that the Compensation Committee deems necessary or desirable for the administration of the Omnibus Incentive Plan. Unless otherwise expressly provided in the Omnibus Incentive Plan, all designations, determinations, interpretations and other decisions under or with respect to the Omnibus Incentive Plan or any award or any documents evidencing awards granted pursuant to the Omnibus Incentive Plan are within the sole discretion of the Compensation Committee, may be made at any time, and are final, conclusive and binding upon all persons or entities, including, without limitation, us, any participant, any holder or beneficiary of any award and any of the Company’s shareholders.

Awards Subject to the Omnibus Incentive Plan. The Omnibus Incentive Plan provides that the total number of Company Common Shares that may be issued under the Omnibus Incentive Plan is 10,580,754, or the “Absolute Share Limit”; provided, however, that the Absolute Share Limit shall be increased on the first day of each fiscal year beginning with the 2022 fiscal year in an amount equal to the least of (x) 5,290,377 Company Common Shares, (y) 7.5% of the total number of Company Common Shares outstanding on the last day of the immediately preceding fiscal year, and (z) a lower number of Company Common Shares as determined by the Company’s Board. Of this amount, the maximum number of Company Common Shares for which incentive share options may be granted is 10,580,754. Except for “Substitute Awards” (as described below), to the extent that an award expires or is canceled, forfeited, terminated, settled in cash, or otherwise is settled without issuance to the participant of the full number of Company Common Shares to which the award related, the unissued shares will again be available for grant under the Omnibus Incentive Plan. Company Common Shares withheld in payment of the exercise price, or taxes relating to an award, and shares equal to the number of shares surrendered in payment of any exercise price, or taxes relating to an award, shall be deemed to constitute shares not issued; provided, however, that such shares shall not become available for issuance if either: (i) the applicable shares are withheld or surrendered following the termination of the Omnibus Incentive Plan or (ii) at the time the applicable shares are withheld or surrendered, it would constitute a material revision of the Omnibus Incentive Plan subject to shareholder approval under any then-applicable rules of the national securities exchange on which the Company Common Shares are listed. No award may be granted under the Omnibus Incentive Plan after the tenth anniversary of the Effective Date

(as defined in the Omnibus Incentive Plan), but awards granted before then may extend beyond that date. Awards may, in the sole discretion of the Compensation Committee, be granted in assumption of, or in substitution for, outstanding awards previously granted by an entity directly or indirectly acquired by the Company or with which the Company combines, or Substitute Awards, and such Substitute Awards will not be counted against the Absolute Share Limit, except that Substitute Awards intended to qualify as “incentive share options” will count against the limit on incentive share options described above.

Grants. All awards granted under the Omnibus Incentive Plan will vest and become exercisable in such manner and on such date or dates or upon such event or events as determined by the Compensation Committee, including, without limitation, attainment of Performance Conditions. For purposes of this annual report, “Performance Conditions” means specific levels of performance of any member of the Company Group (and/or one or more of its divisions or operational and/or business units, product lines, brands, business segments, administrative departments, or any combination of the foregoing), which may be determined in accordance with GAAP or on a non-GAAP basis on, without limitation, the following measures: (i) net earnings, net income (before or after taxes), adjusted net income after capital charges or consolidated net income; (ii) basic or diluted earnings per share (before or after taxes); (iii) net revenue or net revenue growth; (iv) gross revenue or gross revenue growth, gross profit or gross profit growth; (v) net operating profit (before or after taxes); (vi) return measures (including, but not limited to, return on investment, assets, capital, employed capital, invested capital, equity, or sales); (vii) cash flow measures (including, but not limited to, operating cash flow, free cash flow, or cash flow return on capital), which may be but are not required to be measured on a per share basis; (viii) actual or adjusted earnings before or after interest, taxes, depreciation, and/or amortization (including EBIT and EBITDA) or earnings before taxes, interest, depreciation, amortization and restructuring costs (EBITDAR); (ix) gross or net operating margins; (x) productivity ratios; (xi) share price (including, but not limited to, growth measures and total shareholder return); (xii) expense targets or cost reduction goals, general and administrative expense savings; (xiii) operating efficiency; (xiv) objective measures of customer/client satisfaction; (xv) working capital targets; (xvi) measures of economic value added or other ‘value creation’ metrics; (xvii) enterprise value; (xviii) sales; (xix) shareholder return; (xx) customer/client retention; (xxi) competitive market metrics; (xxii) employee satisfaction, employment practices and employee benefits or employee retention; (xxiii) supervision of litigation and information technology; (xxiv) objective measures of personal targets, goals, or completion of projects (including, but not limited to, succession and hiring projects, completion of specific acquisitions, dispositions, reorganizations, divestitures of subsidiaries and/or other affiliates or joint ventures, other monetization or liquidity events relating to subsidiaries, or other corporate transactions or capital-raising transactions, expansions of specific business operations, and meeting divisional or project budgets); (xxv) comparisons of continuing operations to other operations; (xxvi) market share; (xxvii) cost of capital, debt leverage, year-end cash position, book value, book value per share, tangible book value, tangible book value per share, cash book value or cash book value per share; (xxviii) strategic objectives; or (xxix) any combination of the foregoing. Any one or more of the aforementioned performance criteria may be stated as a percentage of another performance criteria, or used on an absolute or relative basis to measure the performance of one or more members of the Company Group as a whole or any divisions or operational and/or business units, product lines, brands, business segments, or administrative departments of the applicable member of the Company Group or any combination thereof, as the Compensation Committee may deem appropriate, or any of the above performance criteria may be compared to the performance of a selected group of comparison companies, or a published or special index that the Compensation Committee, in its sole discretion, deems appropriate, or as compared to various stock market indices.

Options. Under the Omnibus Incentive Plan, the Compensation Committee may grant non-qualified share options and incentive share options with terms and conditions determined by the Compensation Committee that are not inconsistent with the Omnibus Incentive Plan; provided, that all share options granted under the Omnibus Incentive Plan are required to have a per share exercise price that is not less than 100% of the fair market value of the Company Common Shares underlying such share options on the date such share options are granted (other than in the case of options that are Substitute Awards), and all share options that are intended to qualify as “incentive stock options” must be granted pursuant to an award agreement expressly stating that the options are intended to qualify as “incentive stock options,” and will be subject to the terms and conditions that comply with the rules as may be prescribed by Section 422 of the Code. The maximum term for share options granted under the Omnibus Incentive Plan will be ten years from the initial date of grant, or with respect to any share options intended to qualify as “incentive stock options,” such shorter period as prescribed by Section 422 of the Code. However, if a non-qualified share option would expire at a time when trading of the Company Common Shares is prohibited by the Company’s insider trading policy (or “blackout period” imposed by us), the term will automatically be extended to the 30th day following the end of such period. The purchase price for the Company Common Shares as to which a share option is exercised may be paid to us, to the extent permitted by law (i) in cash, check, cash equivalent and/or Company Common Shares valued at the fair market value at the time the option is exercised; provided, that such Company Common Shares are not subject to any pledge or other security interest and have been held by the participant for at least six months (or such other period as established from time to time by the Compensation Committee in order to avoid adverse accounting treatment applying generally accepted accounting principles or (ii) by such other method as the Compensation Committee may permit in its sole discretion, including, without limitation: (a) in other property having a fair market value on the date of exercise equal to the exercise price, (b) if there is a public market for the Company Common Shares at such time, by means of a broker-assisted “cashless exercise” pursuant to which the Company delivered (including telephonically to the extent permitted by the Compensation Committee) a copy of irrevocable instructions to a stockbroker to sell the Company Common Shares otherwise issuable upon the exercise of the option and to deliver promptly to Company Common Shares an amount equal to the exercise price or (c) a “net exercise” procedure effected by withholding the minimum number of Company Common

Shares otherwise issuable in respect of an option that is needed to pay the exercise price. Any fractional Company Common Shares shall be settled in cash.

Share Appreciation Rights. The Compensation Committee may grant SARs under the Omnibus Incentive Plan, with terms and conditions determined by the Compensation Committee that are not inconsistent with the Omnibus Incentive Plan. The Compensation Committee may award SARs in tandem with or independent of any option. Generally, each SAR will entitle the participant upon exercise to an amount (in cash, Company Common Shares or a combination of cash and shares, as determined by the Compensation Committee) equal to the product of (i) the excess of (a) the fair market value on the exercise date of one Company Common Share over (b) the strike price per Company Common Share covered by the SAR, times (ii) the number of Company Common Shares covered by the SAR, less any taxes that are statutorily required to be withheld. The strike price per Company Common Share covered by a SAR will be determined by the Compensation Committee at the time of grant but in no event may such amount be less than 100% of the fair market value of a Company Common Share on the date the SAR is granted (other than in the case of SARs granted in substitution of previously granted awards).

Restricted Shares and Restricted Share Units. The Compensation Committee may grant restricted Company Common Shares or restricted share units, representing the right to receive, upon vesting and the expiration of any applicable restricted period, one Company Common Share for each restricted share unit, or, in the sole discretion of the Compensation Committee, the cash value thereof (or any combination thereof). As to restricted Company Common Shares, subject to the other provisions of the Omnibus Incentive Plan, the holder will generally have the rights and privileges of a shareholder as to such restricted Company Common Shares, including, without limitation, the right to vote such restricted Company Common Shares.

Other Equity-Based Awards and Other Cash-Based Awards. The Compensation Committee may grant other equity-based or cash-based awards under the Omnibus Incentive Plan, with terms and conditions determined by the Compensation Committee that are not inconsistent with the Omnibus Incentive Plan.

Effect of Certain Events on the Omnibus Incentive Plan and Awards. In the event of (i) any dividend (other than regular cash dividends) or other distribution (whether in the form of cash, Company Common Shares, other of the Company's securities or other property), recapitalization, share split, reverse share split, reorganization, merger, consolidation, split-up, split-off, spin-off, combination, repurchase or exchange of Company Common Shares or other securities, issuance of warrants or other rights to acquire Company Common Shares or other of the Company's securities, or other similar corporate transaction or event that affects the Company Common Shares (including a "Change in Control," as defined in the Omnibus Incentive Plan); or (ii) unusual or nonrecurring events affecting us, including changes in applicable rules, rulings, regulations, or other requirements, that the Compensation Committee determines, in its sole discretion, could result in substantial dilution or enlargement of the rights intended to be granted to, or available for, participants (any event in (i) or (ii), an "Adjustment Event"), the Compensation Committee will, in respect of any such Adjustment Event, make such proportionate substitution or adjustment, if any, as it deems equitable, to any or all of (a) the Absolute Share Limit, or any other limit applicable under the Omnibus Incentive Plan with respect to the number of awards which may be granted thereunder; (b) the number of other Company Common Shares or other of the Company's securities (or number and kind of other securities or other property) which may be issued in respect of awards or with respect to which awards may be granted under the Omnibus Incentive Plan; and (c) the terms of any outstanding award, including, without limitation, (x) the number of Company Common Shares or other of the Company's securities (or number and kind of other securities or other property) subject to outstanding awards or to which outstanding awards relate; (y) the exercise price or strike price with respect to any award; or (z) any applicable performance measures; provided, that in the case of any "equity restructuring" (within the meaning of the FASB ASC Topic 718 (or any successor pronouncement thereto)), the Compensation Committee will make an equitable or proportionate adjustment to outstanding awards to reflect such equity restructuring. In connection with any Adjustment Event, the Compensation Committee may, in its sole discretion, provide for any one or more of the following: (i) substitution or assumption of awards, acceleration of the exercisability of, lapse of restrictions on, or termination of, awards or a period of time for participants to exercise outstanding awards prior to the occurrence of such event (and any such award not so exercised will terminate upon the occurrence of such event); and (ii) subject to any limitations or reductions as may be necessary to comply with Section 409A of the Code, cancellation of any one or more outstanding awards and payment to the holders of such awards that are vested as of such cancellation (including, without limitation, any awards that would vest as a result of the occurrence of such event but for such cancellation or for which vesting is accelerated by the Compensation Committee in connection with such event) the value of such awards, if any, as determined by the Compensation Committee (which value, if applicable, may be based upon the price per Company Common Share received or to be received by other holders of Company Common Shares in such event), including, without limitation, in the case of share options and SARs, a cash payment equal to the excess, if any, of the fair market value of the Company Common Shares subject to the option or SAR over the aggregate exercise price or strike price thereof, or, in the case of restricted Company Common Shares, restricted share units, or other equity-based awards that are not vested as of such cancellation, a cash payment or equity subject to deferred vesting and delivery consistent with the vesting restrictions applicable to such award prior to cancellation of the underlying shares in respect thereof.

Amendment and Termination. The Company's Board may amend, alter, suspend, discontinue or terminate the Omnibus Incentive Plan or any portion thereof at any time; provided, that no such amendment, alteration, suspension, discontinuance or termination may be

made without shareholder approval if (i) such approval is required under applicable law; (ii) it would materially increase the number of securities which may be issued under the Omnibus Incentive Plan (except for adjustments in connection with certain corporate events); or (iii) it would materially modify the requirements for participation in the Omnibus Incentive Plan; provided, further, that any such amendment, alteration, suspension, discontinuance or termination that would materially and adversely affect the rights of any participant or any holder or beneficiary of any award will not to that extent be effective without such individual's consent.

The Compensation Committee may, to the extent consistent with the terms of any applicable award agreement, waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, any award granted or the associated award agreement, prospectively or retroactively (including after a Termination); provided, that, except as otherwise permitted in the Omnibus Incentive Plan, any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would materially and adversely affect the rights of any participant with respect to such award will not to that extent be effective without such individual's consent; provided, further, that without shareholder approval, except as otherwise permitted in the Omnibus Incentive Plan, (i) no amendment or modification may reduce the exercise price of any option or the strike price of any SAR; (ii) the Compensation Committee may not cancel any outstanding option or SAR and replace it with a new option or SAR (with a lower exercise price or strike price, as the case may be) or other award or cash payment that is greater than the value of the canceled option or SAR; and (iii) the Compensation Committee may not take any other action which is considered a "repricing" for purposes of the shareholder approval rules of any securities exchange or inter-dealer quotation system on which the Company's securities are listed or quoted.

Dividends and Dividend Equivalents. The Compensation Committee in its sole discretion may provide as part of an award dividends or dividend equivalents, on such terms and conditions as may be determined by the Compensation Committee in its sole discretion. Any dividends payable in respect of restricted share awards that remain subject to vesting conditions shall be retained by the Company and delivered to the participant within 15 days following the date on which such restrictions on such restricted share awards lapse and, if such restricted share is forfeited, the participant shall have no right to such dividends. Dividends attributable to restricted share units shall be distributed to the participant in cash or, in the sole discretion of the Compensation Committee, in Company Common Shares having a fair market value equal to the amount of such dividends, upon the settlement of the restricted share units and, if such restricted share units are forfeited, the participant shall have no right to such dividends.

Clawback/Repayment. All awards are subject to reduction, cancellation, forfeiture or recoupment to the extent necessary to comply with (i) any clawback, forfeiture or other similar policy adopted by the Company's Board or the Compensation Committee and as in effect from time to time and (ii) applicable law. Unless otherwise determined by the Compensation Committee, to the extent that a participant receives any amount in excess of the amount that the participant should otherwise have received under the terms of the award for any reason (including, without limitation, by reason of a financial restatement, mistake in calculations or other administrative error), the participant will be required to repay the Company any such excess amount.

Detrimental Activity. If a participant has engaged in any detrimental activity, as defined in the Omnibus Incentive Plan, as determined by the Compensation Committee, the Compensation Committee may, in its sole discretion and to the extent permitted by applicable law, provide for one or more of the following: (i) cancellation of any or all of such participant's outstanding awards or (ii) forfeiture and repayment to the Company on any gain realized on the vesting, exercise or settlement of any awards previously granted to such participant.

Tax Consequences. The following is a brief summary of the principal U.S. federal income tax consequences of transactions under the Omnibus Incentive Plan based on current U.S. federal income tax laws. This summary is not intended to be exhaustive, does not constitute tax advice and, among other things, does not describe state, local or foreign tax consequences.

Non-Qualified Options. No taxable income is realized by a participant upon the grant of a share option. Upon the exercise of a nonqualified share option, the participant will recognize ordinary compensation income in an amount equal to the excess, if any, of the fair market value of the Company Common Shares for which the option is exercised over the aggregate option exercise price. Income and payroll taxes are required to be withheld by the participant's employer on the amount of ordinary income resulting to the participant from the exercise of a share option. The amount recognized as income by the participant is generally deductible by the participant's employer for federal income tax purposes, subject to the possible limitations on deductibility of compensation paid to some executives under Section 162(m). The participant's tax basis in Company Common Shares acquired by exercise of a share option will be equal to the exercise price plus the amount taxable as ordinary income to the participant.

Upon a sale of the Company Common Shares received by the participant upon exercise of the share option, any gain or loss will generally be treated for federal income tax purposes as long-term or short-term capital gain or loss, depending upon the holding period of that share. The participant's holding period for shares acquired upon the exercise of a share option begins on the date of exercise of that share option.

Incentive Share options. No taxable income is realized by a participant upon the grant or exercise of an incentive share option; however, the exercise of an incentive share option will give rise to an item of tax preference that may result in alternative minimum tax liability

for the participant. If Company Common Shares are issued to a participant after the exercise of an incentive share option and if no disqualifying disposition of those shares is made by that participant within two years after the date of grant or within one year after the receipt of those shares by that participant, then:

- upon the sale of those shares, any amount realized in excess of the option exercise price will be taxed to that participant as a long-term capital gain;
- and the applicable member of the Company Group will be allowed no deduction.

If Company Common Shares acquired upon the exercise of an incentive share option are disposed of prior to the expiration of either holding period described above, that disposition would be a “disqualifying disposition,” and generally:

- the participant will realize ordinary income in the year of disposition in an amount equal to the excess, if any, of the fair market value of the shares on the date of exercise, or, if less, the amount realized on the disposition of the shares, over the option exercise price; and
- the applicable member of the Company Group will be entitled to deduct that amount.

Any other gain realized by the participant on that disposition will be taxed as short-term or long-term capital gain and will not result in any deduction to us. If an incentive share option is exercised at a time when it no longer qualifies as an incentive share option, the option will be treated as a nonqualified option. Subject to some exceptions for disability or death, an incentive share option generally will not be eligible for the federal income tax treatment described above if it is exercised more than three months following a termination of employment.

Share Appreciation Rights. Upon the exercise of a SAR, the participant will recognize compensation income in an amount equal to the cash received plus the fair market value of any Company Common Shares received from the exercise. The participant’s tax basis in the Company Common Shares received on exercise of the SAR will be equal to the compensation income recognized with respect to the Company Common Shares. The participant’s holding period for shares acquired after the exercise of a SAR begins on the exercise date. Income and payroll taxes are required to be withheld on the amount of compensation attributable to the exercise of the SAR, whether the income is paid in cash or shares. Upon the exercise of a SAR, the participant’s employer will generally be entitled to a deduction in the amount of the compensation income recognized by the participant, subject to the requirements of Section 162(m) of the Code, if applicable.

Restricted Shares, Restricted Share Units and Other Share-Based Awards. Restricted Company Common Shares that are subject to a substantial risk of forfeiture generally result in income recognition by the participant in an amount equal to the excess of the fair market value of the shares over the purchase price, if any, of the restricted Company Common Shares at the time the restrictions lapse. However, if permitted by the Company, a recipient of restricted Company Common Shares may make an election under Section 83(b) of the Code to instead be taxed on the excess of the fair market value of the shares granted, measured at the time of grant and determined without regard to any applicable risk of forfeiture or transfer restrictions, over the purchase price, if any, of such restricted shares. A participant who has been granted Company Common Shares that are not subject to a substantial risk of forfeiture for federal income tax purposes will realize ordinary income in an amount equal to the fair market value of the shares at the time of grant. A recipient of restricted share units, performance awards or other share-based awards (other than restricted shares) will generally recognize ordinary income at the time that the award is settled in an amount equal to the cash and/or fair market value of the shares received at settlement. In each of these cases, the applicable member of the Company Group will have a corresponding tax deduction at the same time the participant recognizes such income, subject to the limitations of Section 162(m) of the Code, if applicable.

On January 2, 2018, Pi Topco adopted its memorandum of association and entered into a management investment agreement with certain members of senior management which authorized certain executive officers and other senior managers of the Company to invest in A ordinary shares and B ordinary shares. A ordinary shares have been purchased by members of management only, while B ordinary shares are held by certain executives and senior managers, as well as investor shareholders of Pi Topco. All management shareholders of Pi Topco are bound by its charter and the management investment agreement. In the case of certain managers (other than executive officers/senior management), they are also bound by restricted share award agreements with Pi Topco (the “RSAA’s”). The total number of authorized A ordinary shares under the Pi Topco memorandum of association is 600,000.

The A ordinary shares include a service-based vesting condition for all holders. The B ordinary shares held by certain managers (other than executive officers/senior management) are also subject to a service-based vesting condition. Vesting for these managers is subject to continuous service until the achievement of an Exit (as defined in the applicable RSAA, which includes the Transactions). Vesting for executive officers/senior management is subject to (i) the achievement of an Exit and (ii) the Investors (as defined below) receiving at least one times their cost.

In addition, the A ordinary shares are subject to a ratchet in connection with the Transactions (and upon subsequent receipts of proceeds by the CVC Investors and the Blackstone Investors, whom we refer to as the “Investors”) which allows management to participate in a

greater share of returns if certain IRR (i.e., total internal rate of return achieved by the Investors in relation to their investment) thresholds are satisfied. To the extent that the IRR is equal to or less than 22.5%, the A ordinary shares, including those held by the executive officers and non-executive directors, will not participate in a greater share of returns. To the extent that upon the operation of the ratchet the IRR is greater than 22.5% and the total return to the Investors is greater than or equal to 2.25 times their cost, the A ordinary shares will participate in up to an additional percentage equal to 50% of the fully diluted ordinary share capital represented by the A ordinary shares issue immediately prior to the Transactions.

The equity in Pi Topco held by our executive officers and non-executive directors will be governed by the Management Investment Agreement (as defined below). Please see “Certain Relationships and Related Persons Transactions—Paysafe—Management Investment Agreement” for additional information.

Incentive Compensation Recovery Policy

In October 2023, the Board adopted the Incentive Compensation Recovery Policy in compliance with NYSE and SEC rules. The Incentive Compensation Recovery Policy provides for the recovery of erroneously awarded incentive-based compensation from Executive Officers when there is an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements (a “Big R” restatement), or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (a “little r” restatement). The Incentive Compensation Recovery Policy also provides for recovery of incentive-based compensation from certain covered employees due to the employee's fraud or misconduct (regardless of whether there is a financial restatement or a material error in calculating the compensation paid).

C. Board Practices

Composition of the Board of Directors

Our business and affairs are managed under the direction of the Company Board. The Company Bye-laws provide for a classified board of directors, with two directors in Class I (Bruce Lowthers and Jonathan Murphy), three directors in Class II (Matthew Bryant, Mark Brooker, and Dagmar Kollmann) and four directors in Class III (Daniel Henson, Anthony Jabbour, Eli Nagler and Peter Rutland). The Class I directors term expires in 2025, the Class II directors term expires in 2026 and the Class III directors term expires in 2024. The Company Board has determined that Daniel Henson, Anthony Jabbour, Dagmar Kollmann, and Mark Brooker qualify as independent directors under the NYSE listing standards. We entered into the Shareholders Agreement with our Principal Shareholders in connection with the Transaction. This agreement grants our Principal Shareholders the right to designate nominees to the Company Board subject to the maintenance of certain ownership requirements in us. For additional information, see “Item 7.B. Related Party Transactions” of this Report.

Foreign Private Issuer Status

We were founded in the UK in 1996 and were previously listed on the London Stock Exchange. U.S. residents do not comprise a majority of our executive officers or directors, and most of our assets are located, and our business is principally administered, outside of the United States. As a result, we report under the Exchange Act as a non-U.S. company with foreign private issuer status. Under Rule 405 of the Securities Act, the determination of foreign private issuer status is made annually on the last business day of an issuer's most recently completed second fiscal quarter and, accordingly, the next determination will be made with respect to us on June 30, 2024. For so long as we qualify as a foreign private issuer, we will be exempt from certain provisions of the Exchange Act that are applicable to U.S. domestic public companies, including:

- the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act;
- the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and imposing liability for insiders who profit from trades made within a short period of time;
- the rules under the Exchange Act requiring the filing with the SEC of an annual report on Form 10-K (although we will file annual reports on a corresponding form for foreign private issuers), quarterly reports on Form 10-Q containing unaudited financial and other specified information (although we will file semi-annual reports on a current reporting form for foreign private issuers), or current reports on Form 8-K, upon the occurrence of specified significant events (although we may file the occurrence of certain corporate developments on a current reporting form for foreign private issuers); and
- Regulation Fair Disclosure or Regulation FD, which regulates selective disclosure of material non-public information by issuers.

Accordingly, there may be less publicly available information concerning our business than there would be if we were a U.S. public company. Additionally, certain accommodations in the NYSE corporate governance standards allow foreign private issuers, such as us, to follow “home country” corporate governance practices in lieu of the otherwise applicable corporate governance standards. The Company Bye-laws do not require shareholder approval for the issuance of authorized but unissued shares, including (i) in connection with the acquisition of stock, shares or assets of another company; (ii) when it would result in a change of control; (iii) when a share option or purchase plan is to be established or materially amended or other equity compensation arrangement made or materially amended, pursuant to which shares may be acquired by officers, directors, employees, or consultants; or (iv) in connection with certain private placements. We are also not required to have a majority of independent directors. To this extent, our practice varies from the requirements of the corporate governance standards of the NYSE, which generally requires an issuer to obtain shareholder approval for the issuance of securities in connection with such events and requires a majority of the board to be independent. While we do not currently intend to rely on any other home country accommodations related to the foregoing corporate governance standards, for so long as we qualify as a foreign private issuer, we may take advantage of them.

Board Committees

The Company Board has established the following committees: an audit committee, a compensation committee, a nominating and corporate governance committee and a risk oversight committee. The composition and responsibilities of each committee are described below. The Company Board may also establish from time to time any other committees that it deems necessary or desirable. Members serve on these committees until their resignation or until otherwise determined by the Company Board.

Audit Committee

Our audit committee consists of Dagmar Kollmann, Mark Brooker, and Daniel Henson, with Dagmar Kollmann serving as chair and as the audit committee financial expert. The Company Board has determined that Dagmar Kollmann, Mark Brooker and Daniel Henson qualify as independent directors under the independence standards of Rule 10A-3 of the Exchange Act, and that Dagmar Kollmann qualifies as an “audit committee financial expert” as such term is defined in the rules of the SEC. Our audit committee is responsible for, among other things:

- selecting and hiring our independent auditors, and approving the audit and non-audit services to be performed by our independent auditors;
- assisting the Company Board in evaluating the qualifications, performance and independence of our independent auditors;
- assisting the Company Board in monitoring the quality and integrity of our financial statements and our accounting and financial reporting;
- assisting the Company Board in monitoring our compliance with legal and regulatory requirements;
- reviewing the adequacy and effectiveness of our internal control over financial reporting processes;
- assisting the Company Board in monitoring the performance of our internal audit function;
- monitoring the performance of our internal audit function;
- reviewing with management and our independent auditors our annual and quarterly financial statements; and
- establishing procedures for the receipt, retention and treatment of complaints received by us regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by our employees of concerns regarding questionable accounting or auditing matters.

Compensation Committee

Our compensation committee consists of Daniel Henson and Mark Brooker, with Daniel Henson serving as chair. The compensation committee is responsible for, among other things:

- reviewing and approving corporate goals and objectives relevant to the compensation of our CEO, evaluating our CEO’s performance in light of those goals and objectives, and, either as a committee or together with the other independent directors (as directed by the board of directors), determining and approving our CEO’s compensation level based on such evaluation;
- reviewing and approving, or making recommendations to the Company Board with respect to, the compensation of our other executive officers, including annual base salary, bonus and equity-based incentives and other benefits;
- reviewing and recommending the compensation of the Company Board;
- reviewing and approving the Incentive Compensation Recovery Policy;

- reviewing and discussing annually with management our compensation disclosure required by SEC rules; and
- reviewing and making recommendations with respect to our equity compensation plans.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee consists of Mark Brooker and Daniel Henson with Mark Brooker serving as chair. The nominating and corporate governance committee is responsible for, among other things:

- assisting the Company Board in identifying prospective director nominees and recommending nominees to the Company Board;
- overseeing the evaluation of the Company Board and management;
- reviewing developments in corporate governance practices and developing and recommending a set of corporate governance guidelines; and
- recommending members for each committee of the Company Board.

Risk Oversight Committee

In addition to the above committees, the Company Board has established a risk oversight committee. The risk oversight committee consists of Daniel Henson, Dagmar Kollmann, Jonathan Murphy and Matthew Bryant, with Daniel Henson serving as chair. The risk oversight committee is responsible for the oversight of risk assessment, including with respect to enterprise risks, relevant to the business and operations of the Company, risk governance and internal control systems (other than internal control over financial reporting, that sits with the audit committee). In addition to operational risks, the risk oversight committee routinely reviews the material risks and mitigation of the Company, including cybersecurity and human capital management. The risk oversight committee regularly receives updates from the Company's Chief Risk and Compliance Officer. The review of environmental risks currently sits with the full Board.

Compensation Committee Interlocks and Insider Participation

None of our executive officers currently serve, or has served during the last completed fiscal year as a member of the board of directors or compensation committee (or other committee performing equivalent functions) of any entity that has one or more executive officers serving on the Company Board or our compensation committee. We are party to certain transactions with affiliates of our Principal Shareholders described in "Item 7.B. Related Party Transactions" of this Report.

Code of Ethics

The Company has adopted the Paysafe Code, which applies to all of our officers, directors and employees and sets forth our Company's values as well as certain policies and procedures related to, among other things, risk management and control, information management, privacy, information security, conflicts of interest, anti-corruption and financial reporting. We also adopted a Code of Business Conduct and Ethics that applies to our principal executive officer, principal financial officer, principal accounting officer and controller, or persons performing similar functions, each of which are posted on our website at <https://ir.paysafe.com/corporate-governance/governance-documents>. Our Code of Business Conduct and Ethics is a "code of ethics," as defined in Item 406(b) of Regulation S-K. We will make any legally required disclosures regarding amendments to, or waivers of, provisions of our Code of Business Conduct and Ethics on our website. The information contained on, or accessible from, our website is not part of this Report by reference or otherwise.

D. Employees

As of December 31, 2023, we had approximately 3,200 employees globally.

None of these employees are represented by a labor union and we consider our relationship with our employees to be good.

E. Share Ownership

Ownership of Company Common Shares by the directors and executive officers of Paysafe is set forth in "Item 7.B. Related Party Transactions" of this Report.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

The following table sets forth information regarding the actual beneficial ownership of Company Common Shares as of February 26, 2024:

- each person known to us to be the beneficial owner of more than 5% of Company Common Shares;
- each of our directors and Company Officers; and
- all our directors and Company Officers as a group.

Beneficial ownership is determined according to the rules of the SEC, which generally provide that a person has beneficial ownership of a security if he, she or it possesses sole or shared voting or investment power over that security, and includes shares underlying options and shares underlying the Company Warrants that are currently exercisable or exercisable within 60 days.

Unless otherwise indicated, we believe that all persons named in the table below have sole voting and investment power with respect to all Company Common Shares beneficially owned by them. Except as otherwise indicated, the address for each shareholder listed below is 2 Gresham Street, 1st Floor, London, United Kingdom EC2V 7AD.

Name and Address of Beneficial Owner	Number ⁽¹⁾ of Company Common Shares	Percentage of Company Common Shares
Company Officers, Directors and 5% Holders		
Parties to our shareholders agreement as a group ⁽²⁾	28,932,356	47 %
CVC ⁽³⁾	12,999,672	21 %
Blackstone ⁽⁴⁾	10,914,696	18 %
Cannae ⁽⁵⁾	3,379,887	5 %
FNF Holders ⁽⁶⁾	3,750,000	6 %
William P. Foley II ⁽⁷⁾	1,638,101	3 %
Bruce Lowthers	*	*
Alexander Gersh	*	*
Elliott Wiseman	*	*
Roy Aston	*	*
Richard Swales	*	*
Nicole Carroll	*	*
Gustavo Ruiz	*	*
Daniel Henson	*	*
Mark Brooker	*	*
Matthew Bryant	*	*
Anthony Jabbour	*	*
Dagmar Kollmann	*	*
Jonathan Murphy	*	*
Eli Nagler	*	*
Peter Rutland	*	*
All Company directors and executive officers as a group	*	*

*Less than 1%.

(1)Numbers have been updated to reflect the reverse stock split.

(2)Shareholders Agreement means the agreement entered into by the Company, Pi Topco, PGHL, the Founder, Cannae LLC, the CVC Investors and the Blackstone Investors.

(3)Based on the most recently available Schedule 13D filed with the SEC on January 3, 2022, as of December 31, 2022. The “CVC Investors” shall refer to Pi Holdings Jersey Limited and Pi Syndication LP. Reflects 8,158,241 Company Common Shares directly held by Pi Holdings Jersey Limited and 4,841,431 Company Common Shares directly held by Pi Syndication LP. The registered address for each CVC Investor is c/o Saltgate Limited, 27 Esplanade, St Helier, Jersey, JE1 1SG, United Kingdom.

(4)Based on the most recently available Schedule 13D filed with the SEC on January 3, 2022, as of December 31, 2022. Reflects 8,402,943 Company Common Shares directly held by BCP Pi Aggregator (Cayman) L.P., 1,490,243 Company Common Shares directly held by Blackstone Pi Co-Invest (Cayman) L.P., 378,290 Company Common Shares directly held by BCP VII Co-Invest—Star (Cayman) L.P., and 39,055 Company Common Shares directly held by Blackstone Family Investment Partnership (Cayman) VII-ESC L.P. The “Blackstone Funds” shall refer to BCP Pi Aggregator (Cayman) L.P., Blackstone Pi Co-Invest (Cayman) L.P., BCP VII Co-Invest—Star (Cayman) L.P., and Blackstone Family Investment Partnership (Cayman) VII-ESC L.P. The general partner of BCP PI Aggregator (Cayman) L.P. is BCP VII Holdings Manager (Cayman) L.L.C. Blackstone Management Associates (Cayman) VII L.P. is the managing member of BCP VII Holdings Manager (Cayman) L.L.C. and the general partner of each of Blackstone Pi Co-Invest (Cayman) L.P. and BCP VII Co-Invest-Star (Cayman) L.P. The general partners of Blackstone Management Associates (Cayman) VII L.P. and Blackstone Family Investment Partnership (Cayman) VII-ESC L.P. are BCP VII

GP L.L.C. and Blackstone LR Associates (Cayman)VII Ltd., with BCP VII GP L.L.C. controlling Blackstone Management Associates (Cayman) VII L.P. with respect to all matters other than voting of securities of underlying portfolio companies, which power is held by the Class B shareholders of Blackstone LR Associates (Cayman) VII Ltd., who are certain senior personnel of Blackstone. Blackstone Holdings III L.P. is the sole member of BCP VII GP L.L.C. and the sole Class A shareholder of Blackstone LR Associates (Cayman)VII Ltd. Blackstone Holdings III GP L.P. is the general partner of Blackstone Holdings III L.P. Blackstone Holdings III GP Management L.L.C. is the general partner of Blackstone Holdings III GP L.P. Blackstone Inc. is the sole member of Blackstone Holdings III GP Management L.L.C. The sole holder of the Series II preferred common stock of Blackstone Inc. is Blackstone Group Management L.L.C. Blackstone Group Management L.L.C. is wholly owned by Blackstone's senior managing directors and controlled by its founder, Stephen A. Schwarzman. Each of such Blackstone entities and Mr. Schwarzman may be deemed to beneficially own the shares beneficially owned by the Blackstone Funds directly or indirectly controlled by it or him, but each (other than the Blackstone Funds to the extent of their direct holdings) disclaims beneficial ownership of such shares. The address of each of the entities listed in this footnote is c/o Blackstone Inc., 345 Park Avenue, New York, New York 10154

(5)Based on the most recently available Schedule 13D/A filed with the SEC on January 26, 2024, as of January 26, 2024. "Cannae" shall refer to Cannae Holdings, Inc., a Delaware corporation ("CHI"); and Cannae Holdings, LLC, a Delaware limited liability company and wholly-owned subsidiary of CHI ("CHL"). Reflects 3,379,887 Company Common Shares directly held by CHL. The address of each of the entities listed in this footnote is 1701 Village Center Circle, Las Vegas, Nevada 89134.

(6)Based on the most recently available Schedule 13G/A filed with the SEC on February 13, 2023, as of December 31, 2022. "Fidelity" shall refer to (i) Fidelity National Financial, Inc. ("FNF"), a Delaware corporation, (ii) Commonwealth Land Title Insurance Company ("CLTIC"), a Florida corporation, (iii) Fidelity National Title Insurance Company ("FNTIC"), a Florida corporation, (iv) Chicago Title Insurance Company ("CTIC"), a Florida corporation, and (v) Fidelity & Guaranty Life Insurance Company ("FGLIC", and collectively with FNF, CLTIC, FNTIC and CTIC, the "FNF Investors"), an Iowa corporation. Reflects 1,251,725 Company Common Shares directly held by Chicago Title Insurance Company, 1,431,608 Company Common Shares directly held by Fidelity National Title Insurance Company, 650,000 Company Common Shares directly held by Commonwealth Land Title Insurance Company, and 416,667 Company Common Shares directly held by Fidelity & Guaranty Life Insurance Company. Each of the FNF Holders shares the power to vote and the power to dispose of the Company Common Shares held by it with FNF, and as such, FNF may be deemed to beneficially own the securities held by each of the FNF Investors. The address of FNF, CLTIC, FNTIC, and CTIC is 601 Riverside Ave, Jacksonville, Florida 32204. The address of FGLIC is 801 Grand Ave., Suite 2600, Des Moines, Iowa 50309.

(7)Based on the most recently available Schedule 13D/A filed with the SEC on November 15, 2022, as of December 31, 2022. Reflects 1,638,101 Company Common Shares. Trasimene Capital FT, LLC II has sole voting and dispositive power over the Company Common Shares owned by Trasimene Capital FT, LP II. William P. Foley, II is the sole member of Trasimene Capital FT, LLC II, and therefore may be deemed to beneficially own the Company Common Shares described in this footnote, and ultimately exercises voting and dispositive power over such shares held by Trasimene Capital FT, LP II. Mr. Foley disclaims beneficial ownership of these shares except to the extent of any pecuniary interest therein. The address of William Foley, II and each entity listed in this footnote is 1701 Village Center Circle, Las Vegas, Nevada 89134.

Please refer to "B. Related Party Transactions" and the Paysafe Consolidated Financial Statements for further information related to the Transaction. Other than the various rights set forth in such sections, the major shareholders set forth in the table above do not have different voting rights on their Company Common Shares.

B. Related Party Transactions

Policies and Procedures for Related Person transactions

The Company Board has adopted a written related person transaction policy that sets forth the following policies and procedures for the review and approval or ratification of related person transactions. A "Related Person Transaction" is a transaction, arrangement or relationship in which the post-combination company or any of its subsidiaries was, is or will be a participant, the amount of which involved exceeds \$120,000, and in which any related person had, has or will have a direct or indirect material interest. A "Related Person" means:

- any person who is, or at any time during the applicable period was, one of the post-combination company's executive officers or one of the post-combination company's directors;
- any person who is known by the post-combination company to be the beneficial owner of more than 5% of Paysafe's voting stock;
- any immediate family member of any of the foregoing persons, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of a director, executive officer or a beneficial owner of more than 5% of Paysafe's voting stock, and any person (other than a tenant or employee) sharing the household of such director, executive officer or beneficial owner of more than 5% of Paysafe's voting stock; and

•any firm, corporation or other entity in which any of the foregoing persons is a partner or principal or in a similar position or in which such person has a 10% or greater beneficial ownership interest.

Paysafe has policies and procedures designed to minimize potential conflicts of interest arising from any dealings it may have with its affiliates and to provide appropriate procedures for the disclosure of any real or potential conflicts of interest that may exist from time to time. Specifically, pursuant to its audit committee charter, the audit committee has the responsibility to review related party transactions.

Certain Relationships and Related Person Transactions

Shareholders Agreement

In connection with the Transaction, concurrently with the Closing, the Company, Pi Topco, PGHL, Cannae LLC, the Founder, the CVC Investors and the Blackstone Investors entered into the Shareholders Agreement. Pursuant to the Shareholders Agreement, each of the Principal Shareholders are entitled to nominate a certain number of directors to the Company Board, based on each such holder's ownership of the voting securities of the Company. The number of directors that each of (i) the CVC Investors, (ii) the Blackstone Investors and (iii) Cannae LLC and the Founders (the "FTAC Investors") will separately be entitled to designate to the Company Board increases and/or decreases on a sliding scale.

The Shareholders Agreement requires us to, among other things, nominate a number of individuals designated by the CVC Investors or the Blackstone Investors, as applicable, for election as directors of the Company Board as follows: (i) if the CVC Investors or the Blackstone Investors, as the case may be, collectively directly hold or indirectly, as set forth in the books and records of PGHL or Pi Topco, as applicable, are attributed at least 7.5% of the aggregate outstanding Company Common Shares, such applicable investors will be entitled to designate two directors; and (ii) if the CVC Investors or the Blackstone Investors, as the case may be, collectively directly hold or indirectly, as set forth in the books and records of PGHL or Pi Topco, as applicable, are attributed at least 2.5% (but less than 7.5%) of the aggregate outstanding Company Common Shares, such applicable investors will be entitled to designate one director (which director may be a U.S. citizen or resident) (in each case, each such person a "CVC Designee" or a "Blackstone Designee," as applicable). In addition, if the CVC Investors or the Blackstone Investors, as the case may be, collectively directly hold or indirectly, as set forth in the books and records of PGHL or Pi Topco, as applicable, are attributed at least 7.5% of the aggregate outstanding Company Common Shares, the CVC Investors or the Blackstone Investors, as the case may be, shall have the right, but not the obligation, to (i) jointly with Cannae and the Blackstone Investors (in the case of the CVC Investors) or the CVC Investors (in the case of the Blackstone Investors), designate two directors (such two directors, the "Jointly Designated Directors") and (ii) consent to any individual nominated for election as a director to the Company Board seat initially occupied by the Chief Executive Officer of PGHL.

Additionally, for so long as the FTAC Investors collectively continue to hold at least 50% of the aggregate outstanding Company Common Shares held by the FTAC Investors as of the Closing Date, the Shareholders Agreement will require us to, among other things, nominate four individuals designated by FTAC for election as directors of the Company Board, and Cannae shall have the right, but not the obligation, to (i) jointly with the CVC Investors and the Blackstone Investors, designate the Jointly Designated Directors and (ii) consent to any individual nominated for election as a director to the Company Board seat initially occupied by the Chief Executive Officer of PGHL. If the FTAC Investors collectively hold less than 50% of the aggregate outstanding Company Common Shares held by the FTAC Investors as of the Closing Date, the Shareholders Agreement requires us to, among other things, nominate a number of individuals designated by FTAC for election as directors of the Company Board as follows: (i) if the FTAC Investors collectively hold at least 7.5% of the aggregate outstanding Company Common Shares, four directors; (ii) if the FTAC Investors collectively hold at least 6.25% (but less than 7.5%) of the aggregate outstanding Common Shares, two directors; and (iii) if the FTAC Investors collectively hold at least 2.5% (but less than 6.25%) of the aggregate outstanding Common Shares, one director, which director may be a U.S. citizen or resident (in each case, each such person a "FTAC Designee"). In addition, if the FTAC Investors collectively hold at least 7.5% of the aggregate outstanding Company Common Shares, Cannae shall have the right, but not the obligation, to (i) jointly with the CVC Investors and the Blackstone Investors, designate the Jointly Designated Directors and (ii) consent to any individual nominated for election as a director to the Company Board seat initially occupied by the Chief Executive Officer of PGHL. Further, for so long as the Company remains a "foreign private issuer" as defined in Rule 3b-4 under the Exchange Act, at any time FTAC has the right under the Shareholders Agreement to appoint more than one director to the Company Board, at least one of the FTAC Designees shall be neither a citizen nor a resident of the United States.

For so long as the Shareholders Agreement remains in effect, directors designated by a Principal Shareholder may be removed only with the consent of the Principal Shareholder that nominated such director. In the case of a vacancy on the Company Board created by the removal or resignation of a director designed by a Principal Shareholder, the Shareholders Agreement requires the Company to nominate an individual designated by the Principal Shareholder that nominated such director for election to fill the vacancy. Additionally, any increase in the total number of directors on the Company Board to greater than eleven will require the consent of (i) the CVC Investors, for so long as the CVC Investors collectively directly hold or indirectly, as set forth in the books and records of PGHL or Pi Topco, as

applicable, are attributed at least 7.5% of the aggregate outstanding Company Common Shares, (ii) the Blackstone Investors, for so long as the Blackstone Investors collectively directly hold or indirectly, as set forth in the books and records of PGHL or Pi Topco, as applicable, are attributed at least 7.5% of the aggregate outstanding Company Common Shares, and (iii) FTAC, for so long as the FTAC Investors collectively hold at least 7.5% of the aggregate outstanding Company Common Shares.

Per the Shareholders Agreement, the CVC Investors, the Blackstone Investors and Cannae LLC jointly designated Dagmar Kollmann and Mark Brooker as independent directors, the CVC Investors designated Matthew Bryant and Peter Rutland as directors, the Blackstone Investors designated Jonathan Murphy and Eli Nagler as directors and the FTAC Investors designated Daniel Henson and Anthony Jabbour as directors.

The Shareholders Agreement also provides each Principal Shareholder with basic information and management rights, as well as detailed venture capital operating company covenants. In addition, the Shareholders Agreement provides that each Principal Shareholder may, without the consent of the Company or any other person, assign its rights to designate directors to the Company Board to any transferee of Company Common Shares so long as any right to designate directors to the Company Board will not result in the transferee receiving the right to designate more than two directors where such designation rights would result in the transferee receiving the right to designate a percentage of the total number of directors on the Company Board that is greater than the percentage of the aggregate outstanding Company Common Shares held by such transferee after giving effect to such transfer. The Principal Shareholders are otherwise not able to assign their rights and obligations under the agreement, in whole or in part, without the prior written consent of the Company.

Furthermore, the Shareholders Agreement also requires the Company to cooperate with the Principal Shareholders in connection with certain future pledges, charges, hypothecations, grants of security interest in or transfers (including to third party investors) of any or all of the Company Common Shares held by the Principal Shareholders, including to banks or financial institutions as collateral or security for loans, advances or extensions of credit.

Registration Rights Agreement

In connection with the Transaction, concurrently with the Closing, the Company, Pi Topco, PGHL, Cannae LLC, the Founder, the CVC Party and the Blackstone Investors entered into the Restated Registration Rights Agreement. Pursuant to the Registration Rights Agreement, the Company filed a registration statement to permit the public resale of all of the registrable securities held by the Principal Shareholders from time to time. In addition, pursuant to the Registration Rights Agreement, upon the demand of any Principal Shareholder, the Company is required to facilitate a registered offering of the Company Common Shares requested by such Principal Shareholder to be included in such offering. Any demanded registered offering will also include registrable shares to be sold by holders that exercise their related piggyback rights in accordance with the Registration Rights Agreement, subject to customary cut-backs. Within 60 days (in the case of a demand for a registration on Form F-1) or 30 days (in the case of a demand for a registration on Form F-3) after receipt of a demand for such registration, the Company will file a registration statement relating to such demand and use its best efforts to cause such registration statement to be declared effective by the SEC as soon as practicable thereafter. In certain circumstances, Principal Shareholders will be entitled to piggyback registration rights in connection with the demand of a registered offering.

In addition, the Registration Rights Agreement entitles the Principal Shareholders to demand and be included in a shelf registration when the Company is eligible to sell its Company Common Shares in a secondary offering on a delayed or continuous basis in accordance with Rule 415 of the Securities Act. Within 30 days of the Company becoming qualified to register the offer and sale of securities under the Securities Act pursuant to a registration statement on Form F-3, the Company will file a registration statement that covers all registrable securities then outstanding and use its best efforts to cause such shelf registration statement to be declared effective by the SEC as soon as practicable thereafter. Moreover, upon the demand of a Principal Shareholder, the Company is required to facilitate in the manner described in the Registration Rights Agreement a “takedown” off of an effective shelf registration statement of registrable shares requested by such Principal Shareholder.

The Registration Rights Agreement also provides that the Company pay certain expenses relating to such registrations and indemnify the registration rights holders against (or make contributions in respect of) certain liabilities which may arise under the Securities Act.

Consortium Agreement

In connection with the Transaction, concurrently with the Closing, the existing consortium agreement related to Pi Topco between Pi Holdings Jersey Limited (the “CVC Party”), BCP Pi Aggregator (Cayman) L.P. and Blackstone Family Investment Partnership (Cayman) VII—ESC L.P. (together, the “Blackstone Parties”), and BCP VII Co-Invest—Star (Cayman) L.P., Blackstone Pi Co-Invest L.P., Pi Syndication LP, Francisco Partners IV, L.P., Francisco Partners IV-A, L.P., Chatham Holdings II, LLC, AB High Income Fund, Inc., AB Bond Fund, Inc.—AB Income Fund, AllianceBernstein Global High Income Fund, Inc., AB FCP I—Global High Yield

Portfolio (together, the “Co-Investors”) and Paysafe Group Holdings Limited and Pi Topco (together, the “Holdcos”) was amended and restated (such amended and restated agreement being the “Consortium Agreement”).

The Consortium Agreement sets out provisions related to the governance of the Holdcos, which cross-refer to the governance provisions in the Management Investment Agreement. The Co-Investors will not take part in the management or control of the business or affairs of the Holdcos. In addition, the Consortium Agreement provides that the terms of the management equity plan (comprising the securities that certain employees of the Paysafe group of companies will hold in Pi Topco) shall be governed by the Management Investment Agreement (and related documents).

The Consortium Agreement also sets out provisions to allow the CVC Party, the Blackstone Parties and the Co-Investors to automatically “flip-down” their holdings of securities in Pi Topco so that they hold shares directly in Pubco upon expiry of the lock-up undertakings imposed on their holdings of securities in Pi Topco or earlier so long as the Pubco shares remain subject to such lock-up undertakings. When the “flip-down” mechanic is operated, PGHL shall (and Pi Topco shall procure that PGHL shall), subject to applicable law, transfer (whether by distribution or otherwise) such number of Company Common Shares in Paysafe Limited to Pi Topco to enable Pi Topco to transfer such shares to the CVC Party, the Blackstone Parties and the Co-Investors in exchange for the requisite number of securities in Pi Topco held by them. If reasonably required by the CVC Party and the Blackstone Parties, the CVC Party and the Blackstone Parties may elect to “flip-down” their holdings of securities in Pi Topco at or prior to or any time following closing. In addition, the Holdcos are obliged to reimburse the Lead Investors (as defined in the Consortium Agreement) and, with the consent of the Lead Investors, any other Co-Investor for their costs and expenses incurred in connection with their holdings of securities in Pi Topco from time to time. Similar provisions are also included in the Management Investment Agreement (described below).

Finally, the Consortium Agreement imposes standard confidentiality undertakings on the parties to the agreement (and standard permitted disclosure rights). The Holdcos are also required to comply with obligations and information requests in connection with the Lead Investors’ U.S. tax requirements.

Management Investment Agreement

In connection with the Transaction, concurrently with the Closing, the management investment agreement related to Pi Topco between certain employees of the Paysafe group of companies (the “Managers”), the CVC Party, the Blackstone Parties, SJT Limited (in its capacity as trustee of the Pi Employee Benefit Trust) (the “EBT”), SJT Limited (in its capacity as trustee of the Pi Shareholder Benefit Trust) (the “SBT”) and each Holdco was amended and restated (such amended and restated agreement being the “Management Investment Agreement”).

The Management Investment Agreement sets out provisions related to the governance of the Holdcos. Each Holdco board (and any committee thereof) shall be comprised of up to three persons appointed by each of the CVC Party and Blackstone. The Managers are obliged to procure that such directors are promptly appointed to the boards and committees as required from time to time. In addition, the CVC Party and the Blackstone Parties are entitled at any time to appoint a non-executive director to the Paysafe Group Holdings Limited board who shall be the chairman of the board. The quorum requirements for each board require at least one director appointed by each of the CVC Party and the Blackstone Parties.

The Managers shall provide a customary tax indemnity in respect of their holdings of securities in any Holdco. In addition, the Managers, the EBT and the SBT are obliged to provide such cooperation or assistance as the CVC Party and the Blackstone Parties may require in connection with any transfer of their securities in Pi Topco or a winding-up of Pi Topco.

The Management Investment Agreement also provides that, until the CVC Party and the Blackstone Parties realize a 1 times return on their original investment in the Paysafe group of companies:

- If a Manager becomes a Bad Leaver (as defined in the Management Investment Agreement) by reason of voluntary resignation, the Manager’s securities that derive from the Manager’s holdings of A ordinary shares prior to the amendment of the Management Investment Agreement can be acquired by the CVC Party and the Blackstone Parties (or such person nominated by them) at fair market value for vested securities and at the lower of FMV and cost for unvested securities.
- If a Manager becomes a Bad Leaver by reason of fraud, summary dismissal or breach of restrictive covenant, the Manager’s securities that derive from the Manager’s holdings of A ordinary shares prior to the amendment of the Management Investment Agreement can be acquired by the CVC Party and the Blackstone Parties (or such person nominated by them) at the lower of fair market value and cost.

Securities subject to this repurchase right are considered vested as follows:

- First anniversary of acquisition of A Ordinary Shares—20%

- Each additional quarter—5%
- Up to a maximum of 80%

In connection with the Transactions, the equity held by Managers are fully vested other than with respect to the repurchase right described above. The Management Investment Agreement also includes provisions that entitle the Managers who held A ordinary shares prior to the amendment of the Management Investment Agreement to additional value if the CVC Party and the Blackstone Parties receive a certain level of liquid return on their investment. Please see Item 6.B. “Compensation—Equity Program” for additional information.

In addition, the Management Investment Agreement also sets out provisions such that the Managers will automatically “flip-down” their holdings of securities in Pi Topco so that they hold Company Common Shares directly upon expiry of the lock-up undertakings imposed on their holdings of securities in Pi Topco. If reasonably required by the CVC Party and the Blackstone Parties, the CVC Party and the Blackstone Parties may elect to “flip-down” their holdings of securities in Pi Topco at or prior to or any time following closing. When the “flip-down” mechanic is operated, PGHL shall (and Pi Topco shall procure that PGHL shall), subject to applicable law, transfer (whether by distribution or otherwise) such number of Company Common Shares in Paysafe Limited to Pi Topco to enable Pi Topco to transfer such shares to the Managers in exchange for the requisite number of securities in Pi Topco held by them. The CVC Party and the Blackstone Parties will have the flexibility to require the Managers to “flip-down” prior to expiry of the lock-up undertakings. To the extent that any Managers are required to “flip-down” prior to the expiry of the lock-up period, any Company Common Shares held by such Manager will be subject to the same lock-up undertakings that applied to the securities held by such Manager in Pi Topco prior to the “flip-down.”

Other related party transactions

The Company has provided and purchased services to and from various affiliates of certain directors or entities under common control, this includes entities under the common control of CVC and Blackstone.

In September 2021, we entered into a 10-year license and risk management agreement with Dun & Bradstreet. Pursuant to the agreement, Dun & Bradstreet will provide data license and risk management solution services to Paysafe. The agreement is cancellable by either party without penalty at each annual anniversary of the contract effective date by providing written notice not less than 90 days prior to the anniversary date. Additionally, in December 2022, we entered into a 63 month lease agreement in Jacksonville, Florida, with Dun & Bradstreet, as lessor. Both agreements were approved by our Audit Committee. In 2023, we recognized \$12.8 million of expense associated with Dun & Bradstreet in connection with the license and risk management agreement. Mr. Jabbour is the Chief Executive Officer and a director of Dun & Bradstreet. In addition, Dun & Bradstreet is an affiliate of Cannae.

For additional information on related party transactions, see Note 22, *Related party transactions*, within Item 18, Financial Statements appearing elsewhere in this Report.

Loans Granted to Members of the Board or Executive Management

As of the date of this annual report, Paysafe has no outstanding loan or guarantee commitments to members of the board or Executive Management.

Indemnification Agreements

We entered into indemnification agreements with our directors and executive officers. These agreements will require us to indemnify these individuals to the fullest extent permitted by Bermuda law against liabilities that may arise by reason of their service to us, and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors or executive officers, we have been informed that in the opinion of the SEC such indemnification is against public policy and is therefore unenforceable.

C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

Financial Statements

The financial statements of the Company are set forth in “Item 18. Financial Statements” of this Report.

Legal Proceedings

Information regarding legal proceedings is set forth in “Item 4.B. Information on the Company—Business Overview—Legal Proceedings” of this Report.

Dividend Policy

We have no current plans to pay cash dividends. The declaration, amount and payment of any future dividends on our Company Common Shares will be at the sole discretion of our board of directors. Our board of directors may take into account general and economic conditions, our financial condition and results of operations, our available cash and current and anticipated cash needs, capital requirements, contractual, legal, tax and regulatory restrictions and implications on the payment of dividends by us to our shareholders or by our subsidiaries to us and such other factors as our board of directors may deem relevant. In addition, our ability to pay dividends is limited by our credit facilities and may be limited by covenants of other indebtedness we or our subsidiaries incur in the future. As a result, you may not receive any return on an investment in our Company Common Shares unless you sell your Company Common Shares for a price greater than that which you paid for it.

B. Significant Changes

None / Not applicable.

ITEM 9. THE OFFER AND LISTING

A. Offer and Listing Details

Company Common Shares and Company Warrants have been listed on the NYSE under the symbols “PSFE” and “PSFE.WS”, respectively, since March 31, 2021. Holders of Company Common Shares and Company Warrants should obtain current market quotations for their securities. A description of Paysafe’s securities is set forth in Exhibit 2.3 “Description of Securities” of this Report and is incorporated herein by reference.

B. Plan of Distribution

Not applicable.

C. Markets

Information related to markets is set forth in “Item 9.A. The Offer and Listing -- Offer and Listing Details” of this Report.

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

The memorandum of association of the Company (the “Company Charter”) is filed as Exhibit 1.1 to this Report and the information set forth in Exhibit 2.3 “Description of Securities” of this Report is incorporated herein by reference.

C. Material Contracts

Information pertaining to Paysafe’s material contracts is set forth in the in the sections entitled “Item 5. Operating and Financial Review and Prospects” and “Item 7. Major Shareholders and Related Party Transactions,” each of which is incorporated herein by reference.

D. Exchange Controls

Information pertaining to exchange controls is set forth in this Report in the section entitled “Item 10. Additional Information—B. Memorandum and Articles of Association—Description of the Company’s Securities—Transfer of Shares” and “—Certain Provisions of Bermuda Law”, each of which is incorporated herein by reference.

E. Taxation

Material U.S. Federal Income Tax Considerations

The following is a discussion of the material U.S. federal income tax considerations to U.S. holders (as defined below) relating to the ownership and disposition of Company Common Shares and Company Warrants (collectively, the “Company’s Securities”). This discussion only applies to holders of Company Securities that hold their Company Securities as capital assets for U.S. federal income tax purposes and does not describe all of the tax consequences that may be relevant to holders of Company Securities in light of their particular circumstances, including alternative minimum tax and Medicare contribution tax consequences, or holders who are subject to special rules, such as:

- banks, thrifts, mutual funds and other financial institutions or financial services entities;
- insurance companies;
- tax-exempt organizations, pension funds or governmental organizations;
- regulated investment companies and real estate investment trusts;
- U.S. expatriates and former citizens or former long-term residents of the United States;
- persons that acquired securities pursuant to an exercise of employee share options, in connection with employee incentive plans or otherwise as compensation;
- dealers or traders subject to a mark-to-market method of tax accounting with respect to the Company Securities;
- brokers or dealers in securities or foreign currency;
- individual retirement and other deferred accounts;
- persons holding their Company Securities as part of a “straddle,” hedge, conversion, constructive sale or other risk reducing transactions;
- persons who purchase or sell their shares as part of a wash sale for tax purposes;
- grantor trusts;
- U.S. holders whose functional currency is not the U.S. dollar;
- partnerships or other pass-through entities for U.S. federal income tax purposes or investors in such entities;
- holders that are “controlled foreign corporations” or “passive foreign investment companies,” referred to as “PFICs,” and corporations that accumulate earnings to avoid U.S. federal income tax;
- persons subject to the alternative minimum tax;

- a person required to accelerate the recognition of any item of gross income with respect to Company Securities as a result of such income being recognized on an applicable financial statement;
- U.S. holders actually or constructively owning 5% or more of the Company Common Shares; or
- a person who owns or is deemed to own 10% or more (by vote or value) of the Company Common Shares.

This discussion does not consider the tax treatment of entities that are partnerships or other pass-through entities for U.S. federal income tax purposes or persons who hold our securities through such entities. If a partnership or other pass-through entity for U.S. federal income tax purposes is the beneficial owner of Company Securities, the U.S. federal income tax treatment of partners of the partnership will generally depend on the status of the partners and the activities of the partner and the partnership.

This discussion is based on the Code, administrative pronouncements, judicial decisions and final, temporary and proposed regulations, including proposed and temporary regulations, promulgated under the Code (“Treasury Regulations”), all as of the date hereof, changes to any of which subsequent to the date hereof may affect the tax consequences described herein. This discussion does not take into account potential suggested or proposed changes in such tax laws which may impact the discussion below and does not address any aspect of State, local or non-U.S. taxation, or any U.S. federal taxes other than income taxes. Each of the foregoing is subject to change, potentially with retroactive effect. Holders of Company Securities are urged to consult their tax advisors with respect to the application of U.S. federal tax laws to their particular situation, as well as any tax consequences arising under the laws of any State, local or non-U.S. jurisdiction.

For purpose of this discussion, a “U.S. holder” is a beneficial owner of Company Securities who or that is for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any State thereof or the District of Columbia;
- an estate the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source; or
- a trust if (1) a U.S. court can exercise primary supervision over the administration of such trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (2) it has a valid election in place to be treated as a U.S. person.

ALL HOLDERS OF COMPANY SECURITIES SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE TAX CONSEQUENCES OF THE OWNERSHIP AND DISPOSITION OF COMPANY SECURITIES TO THEM, INCLUDING THE EFFECTS OF U.S. FEDERAL, STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS.

Passive Foreign Investment Company Rules

Certain adverse U.S. federal income tax consequences could apply to a U.S. holder if Paysafe is treated as a PFIC for any taxable year during which the U.S. holder holds Company Securities. A non-U.S. corporation, such as Paysafe, will be classified as a PFIC for U.S. federal income tax purposes for any taxable year in which, after applying certain look-through rules, either (i) 75% or more of its gross income for such year consists of certain types of “passive” income or (ii) 50% or more of the value of its assets (determined on the basis of a quarterly average) during such year produce or are held for the production of passive income. Passive income generally includes dividends, interest, royalties, rents, annuities, net gains from the sale or exchange of property producing such income and net foreign currency gains. For purposes of the PFIC income test and asset test described above, if Paysafe owns, directly or indirectly, 25% or more of the total value of the outstanding shares of another corporation, Paysafe will be treated as if it (a) held a proportionate share of the assets of such other corporation and (b) received directly a proportionate share of the income of such other corporation.

Paysafe is not currently expected to be treated as a PFIC for U.S. federal income tax purposes for this taxable year or for foreseeable future taxable years. This conclusion is a factual determination, however, that must be made annually at the close of each taxable year and, thus, is subject to change. There can be no assurance that Paysafe will not be treated as a PFIC for any taxable year.

If Paysafe were to be treated as a PFIC, U.S. holders holding Company Securities could be subject to certain adverse U.S. federal income tax consequences with respect to gain realized on a taxable disposition of such Company Securities (or shares of any Paysafe subsidiaries that are PFICs) and certain distributions received on such Company Securities (or shares of any Paysafe subsidiaries that are PFICs). Certain elections (including a mark-to-market election) may be available to U.S. holders to mitigate some of the adverse tax consequences resulting from PFIC treatment. U.S. holders should consult their tax advisors regarding the application of the PFIC rules to their investment in Company Securities.

Taxation of Distributions

A U.S. holder generally will be required to include in gross income the amount of any cash distribution paid on the Company Common Shares treated as a dividend. A cash distribution on such shares generally will be treated as a dividend for U.S. federal income tax purposes to the extent the distribution is paid out of Paysafe's current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Such dividends paid by Paysafe will be taxable to a corporate U.S. holder at regular rates and will not be eligible for the dividends-received deduction generally allowed to domestic corporations in respect of dividends received from other domestic corporations.

Distributions in excess of such earnings and profits generally will be applied against and reduce the U.S. holder's basis in such holder's shares (but not below zero), and any excess will be treated as gain from the sale or exchange of such shares as described below under "—Gain or Loss on Sale, Taxable Exchange or Other Taxable Disposition of Company Common Shares and Company Warrants." It is not expected that Paysafe will determine earnings and profits in accordance with U.S. federal income tax principles. Therefore, U.S. holders should expect that a distribution will generally be treated as a dividend.

Any dividends received by a U.S. holder (including any withheld taxes) will be includible in such U.S. holder's gross income as ordinary income on the day actually or constructively received by such U.S. holder. Such dividends received by a non-corporate U.S. holder will not be eligible for the dividends received deduction allowed to corporations under the Code. With respect to non-corporate U.S. holders, certain dividends, referred to as "qualified dividend income," received from a "qualified foreign corporation" may be subject to reduced rates of taxation. A qualified foreign corporation includes a foreign corporation that is eligible for the benefits of a comprehensive income tax treaty with the United States that the U.S. Treasury Department determines to be satisfactory for these purposes and that includes an exchange of information provision. A foreign corporation is also treated as a "qualified foreign corporation" with respect to dividends paid by that corporation, on shares that are readily tradable on an established securities market in the United States. U.S. Treasury Department guidance indicates that Company Common Shares, which are intended to be listed on the NYSE, will be readily tradable on an established securities market in the United States. There can be no assurance, however, that Company Common Shares will be considered readily tradable on an established securities market in later years or that Paysafe will be eligible for the benefits of such a treaty. Non-corporate U.S. holders that do not meet a minimum holding period requirement during which they are not protected from the risk of loss or that elect to treat the dividend income as "investment income" pursuant to Section 163(d)(4) of the Code will not be eligible for the reduced rates of taxation regardless of Paysafe's status as a qualified foreign corporation. In addition, the rate reduction will not apply to dividends if the recipient of a dividend is obligated to make related payments with respect to positions in substantially similar or related property. This disallowance applies even if the minimum holding period has been met. U.S. holders should consult their own tax advisors regarding the application of these rules to their particular circumstances.

Non-corporate U.S. holders will not be eligible for reduced rates of taxation on any dividends received from Paysafe if it is a PFIC in the taxable year in which such dividends are paid or in the preceding taxable year (see "—Passive Foreign Investment Company Rules" above).

Gain or Loss on Sale, Taxable Exchange or Other Taxable Disposition of Company Common Shares and Company Warrants

Upon a sale or other taxable disposition of Company Securities and subject to the PFIC rules discussed above, a U.S. holder generally will recognize capital gain or loss in an amount equal to the difference between the amount realized and the U.S. holder's adjusted tax basis in the Company Securities.

Any such capital gain or loss generally will be long-term capital gain or loss if the U.S. holder's holding period for the Company Securities so disposed of exceeds one year. Long-term capital gains recognized by non-corporate U.S. holders will be eligible to be taxed at reduced rates. The deductibility of capital losses is subject to limitations.

Generally, the amount of gain or loss recognized by a U.S. holder is an amount equal to the difference between (i) the sum of the amount of cash and the fair market value of any property received in such disposition and (ii) the U.S. holder's adjusted tax basis in its Company Common Securities so disposed of.

Exercise or Lapse of a Company Warrant

Except as discussed below with respect to the cashless exercise of a Company Warrant, a U.S. holder generally will not recognize gain or loss upon the acquisition of a Company Common Share on the exercise of a Company Warrant for cash. A U.S. holder's tax basis in a Company Common Share received upon exercise of the Company Warrant generally will be an amount equal to the sum of the U.S. holder's tax basis in the Company Warrant exchanged therefor and the exercise price. The U.S. holder's holding period for a Company Common Share received upon exercise of the Company Warrant will begin on the date following the date of exercise (or possibly the date of exercise) of the Company Warrant and will not include the period during which the U.S. holder held the Company Warrant. If a

Company Warrant is allowed to lapse unexercised, a U.S. holder generally will recognize a capital loss equal to such holder's tax basis in such Company Warrant.

The tax consequences of a cashless exercise of a Company Warrant are not clear under current tax law. A cashless exercise may be tax-free, either because the exercise is not a gain realization event or because the exercise is treated as a recapitalization for U.S. federal income tax purposes. In either tax-free situation, a U.S. holder's basis in the Company Common Shares received would equal the holder's basis in the Company Warrants exercised therefor. If the cashless exercise were treated as not being a gain realization event, a U.S. holder's holding period in the Company Common Shares would be treated as commencing on the date following the date of exercise (or possibly the date of exercise) of the Company Warrants. If the cashless exercise were treated as a recapitalization, the holding period of the Company Common Shares would include the holding period of the Company Warrants exercised therefor. It is also possible that a cashless exercise of a Company Warrant could be treated in part as a taxable exchange in which gain or loss would be recognized. In such event, a U.S. holder would recognize gain or loss with respect to the portion of the exercised Company Warrants treated as converted to pay the exercise price of the Company Warrants (the "converted Company Warrants"). The U.S. holder would recognize capital gain or loss with respect to the converted Company Warrants in an amount generally equal to the difference between (i) the fair market value of the Company Common Shares that would have been received with respect to the converted Company Warrants in a regular exercise of the Company Warrants and (ii) the sum of the U.S. holder's tax basis in the converted Company Warrants and the aggregate cash exercise price of such Warrants (if they had been exercised in a regular exercise). In this case, a U.S. holder's tax basis in the Company Common Shares received would equal the U.S. holder's tax basis in the Company Warrants exercised plus (or minus) the gain (or loss) recognized with respect to the converted Company Warrants. A U.S. holder's holding period for the Company Common Shares would commence on the date following the date of exercise (or possibly the date of exercise) of the Company Warrants.

Due to the absence of authority on the U.S. federal income tax treatment of a cashless exercise of Company Warrants, there can be no assurance which, if any, of the alternative tax consequences and holding periods described above would be adopted by the IRS or a court of law. Accordingly, U.S. holders should consult their tax advisors regarding the tax consequences of a cashless exercise of Company Warrants.

Possible Constructive Distributions

The terms of each Company Warrant provide for an adjustment to the number of Company Common Shares for which the Company Warrant may be exercised or to the exercise price of the Company Warrant in certain events. An adjustment which has the effect of preventing dilution generally is not taxable. A U.S. holder of a Company Warrant would, however, be treated as receiving a constructive distribution from the Company if, for example, the adjustment increases the holder's proportionate interest in the Company's assets or earnings and profits (e.g., through an increase in the number of Company Common Shares that would be obtained upon exercise of such Company Warrant) as a result of a distribution of cash to the holders of the Company Common Shares which is taxable to the U.S. holders of such shares as described under "—Taxation of Distributions" above. Such constructive distribution would be subject to tax as described under that section in the same manner as if the U.S. holder of such Company Warrant received a cash distribution from the Company equal to the fair market value of such increased interest.

FATCA Reporting

Under FATCA, a 30% U.S. federal withholding tax may apply to payments of U.S.-source dividends paid to "foreign financial institutions" (which is broadly defined for this purpose and in general includes investment vehicles) and certain other non-U.S. entities unless various U.S. information reporting and due diligence requirements (generally relating to ownership by U.S. persons of interest in or accounts with those entities) have been satisfied, or an exemption applies. An intergovernmental agreement between the United States and the entity's jurisdiction may modify these requirements. If FATCA withholding is imposed, a beneficial owner that is not a foreign financial institution generally will be entitled to a refund of any amounts withheld by filing a U.S. federal income tax return containing the required information (which may entail significant administrative burden). Non-U.S. Holders are urged to consult their tax advisors regarding the application of FATCA to a redemption of Company Common Shares.

Reporting and Backup Withholding

Dividend payments with respect to the Company Common Shares and proceeds from the sale, exchange or redemption of the Company Securities may be subject to information reporting to the IRS and possible U.S. backup withholding. Backup withholding will not apply, however, to a U.S. holder who furnishes a correct taxpayer identification number and makes other required certifications, or who is otherwise exempt from backup withholding and establishes such exempt status. Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a U.S. holder's U.S. federal income tax liability, and a holder generally may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing the appropriate claim for refund with the IRS and furnishing any required information.

Individuals and certain domestic entities that are U.S. holders will be required to report information with respect to such U.S. holder's investment in "specified foreign financial assets" on IRS Form 8938, subject to certain exceptions. An interest in Paysafe constitutes a specified foreign financial asset for these purposes. Persons who are required to report specified foreign financial assets and fail to do so may be subject to substantial penalties. U.S. holders are urged to consult with their tax advisors regarding the foreign financial asset reporting obligations and their application to Company's securities.

THE FOREGOING IS A SUMMARY OF THE MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE OWNERSHIP AND DISPOSITION OF COMPANY SECURITIES WITHOUT REGARD TO THE PARTICULAR FACTS AND CIRCUMSTANCES OF EACH HOLDER OF COMPANY SECURITIES. HOLDERS OF COMPANY SECURITIES ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE SPECIFIC TAX CONSEQUENCES TO THEM INCLUDING THE APPLICABILITY AND EFFECT OF U.S. FEDERAL, STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS.

Certain United Kingdom Tax Considerations

The following statements are of a general nature and do not purport to be a complete analysis of all potential United Kingdom ("UK") tax consequences of acquiring, holding, and disposing of Company Common Shares and Company Warrants (collectively, the "Company Securities"). They are based on current UK tax law (including rates of tax) and on the current published practice of Her Majesty's Revenue and Customs ("HMRC") (which may not be binding on HMRC), as of the date hereof, all of which are subject to change, possibly with retrospective effect. They are intended to address only certain UK tax consequences for holders of Company Securities who are not tax resident in the UK, who are the absolute beneficial owners of their Company Securities (and any dividends paid on them) and who hold their Company Securities as investments (other than in an individual savings account or a self- invested personal pension). They do not address the UK tax consequences which may be relevant to certain classes of holders of Company Securities such as traders, brokers, dealers, banks, financial institutions, insurance companies, investment companies, collective investment schemes, tax-exempt organizations, trustees, persons connected with Paysafe or any member of a group of which Paysafe forms part, persons holding their Company Securities as part of hedging or conversion transactions, shareholders who have (or are deemed to have) acquired their Company Securities by virtue of an office or employment, and shareholders who are or have been officers or employees of Paysafe or a company forming part of a group of which Paysafe forms part. The statements do not apply to any shareholder who directly or indirectly holds or controls 10% or more of Paysafe's share capital (or class thereof), voting power or profits.

The following is intended only as a general guide and is not intended to be, nor should it be considered to be, legal or tax advice to any particular prospective subscriber for, or purchaser of, Company Securities.

Accordingly, prospective subscribers for, or purchasers of, Company Securities who are in any doubt as to their tax position regarding the acquisition, ownership or disposition of Company Securities or who are tax resident in the UK should consult their own tax advisers.

The Company

It is the intention that the affairs of Paysafe will be conducted so that the central management and control of Paysafe is exercised in the UK and, as a result, that it will be treated as a resident in the UK for UK tax purposes.

Taxation of dividends paid on Company Common Shares

Withholding tax

Paysafe will not be required to withhold UK tax at source when paying dividends.

Income tax

An individual holder of Company Common Shares who is not resident for tax purposes in the UK should not be chargeable to UK income tax on dividends received from Paysafe, unless he or she carries on (whether solely or in partnership) any trade, profession, or vocation in the UK through a branch or agency in the UK to which their Company Common Shares are attributable. There are certain exceptions for trading in the UK through independent agents, such as some brokers and investment managers.

Corporation tax

Corporate holders of Company Common Shares who are not resident for tax purposes in the UK but who are carrying on a trade in the UK through a permanent establishment in the UK in connection with which Company Common Shares are used or held, should not be subject to UK corporation tax on any dividend received from Paysafe so long as the dividends qualify for exemption and certain conditions are met (including anti-avoidance conditions). Corporate holders of Company Common Shares who are not resident in the UK and who are not carrying on a trade in the UK through a permanent establishment in the UK in connection with which Company Common Shares are used or held or acquired will not generally be subject to UK corporation tax on dividends.

A holder of Company Common Shares who is resident outside the UK may be subject to non-UK taxation on dividend income under local law.

Taxation of Disposal of Company Securities

Holders of Company Securities who are not resident in the UK and, in the case of an individual shareholder, not temporarily non-resident, should not be liable for UK tax on capital gains realized on a sale or other disposal of Company Securities unless such Company Securities are used, held or acquired for the purposes of a trade, profession or vocation carried on in the UK through a branch or agency in the UK or, in the case of a corporate holder of Company Securities used, held, or acquired for the purposes of a trade carried on in the UK through a permanent establishment in the UK. Holders of Company Securities who are not resident in the UK may be subject to non-UK taxation on any gain under local law.

Generally, an individual holder of Company Securities who has ceased to be resident in the UK for UK tax purposes for a period of five years or less and who disposes of Company Securities during that period may be liable on their return to the UK to UK taxation on any capital gain realized (subject to any available exemption or relief).

UK Stamp Duty (“stamp duty”) and UK Stamp Duty Reserve Tax (“SDRT”)

The statements in this section are intended as a general guide to the current position relating to UK stamp duty and SDRT and apply to any holders of Company Securities irrespective of their place of tax residence.

No stamp duty or SDRT will be payable on the issue of Company Common Shares (including the issue of Company Common Shares upon exercise of the Company Warrants).

Stamp duty will technically be payable on any instrument of transfer of Company Securities that is executed in the UK or that relates to any property situated, or to any matter or thing done or to be done, in the UK and the stamp duty position for any transfer will therefore depend on the circumstances of transfer. An exemption from stamp duty is available on an instrument transferring Company Securities where the amount or value of the consideration is £1,000 or less and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions in respect of which the aggregate amount or value of the consideration exceeds £1,000. Holders of Company Securities should be aware that, even where an instrument of transfer is technically subject to stamp duty, stamp duty is not required to be paid unless it is necessary to rely on the instrument for legal purposes, for example to register a change of ownership or in litigation in a UK court. As a practical matter, so long as the register of holders of Company Securities is maintained outside the UK, generally, a purchaser of the Company Securities may not have to pay stamp duty.

Paysafe currently does not intend that any register of holders of the Company Securities will be maintained in the UK and it does not intend that the Company Securities will be paired with any shares issued by a UK incorporated company. Whilst this remains the case, any agreement to transfer Company Securities will not be subject to SDRT.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

We are subject to certain of the informational filing requirements of the Exchange Act. As a foreign private issuer, we are not subject to all of the disclosure requirements applicable to public companies organized within the United States. For example, we are exempt from certain rules under the Exchange Act that regulate disclosure obligations and procedural requirements related to the solicitation of proxies, consents or authorizations applicable to a security registered under the Exchange Act, including the U.S. proxy rules under Section 14 of the Exchange Act. In addition, our officers and directors are exempt from the reporting and “short-swing” profit recovery provisions of Section 16 of the Exchange Act and related rules with respect to their purchases and sales of our securities. Moreover, while we expect to submit quarterly interim consolidated financial data to the SEC under cover of the SEC’s Form 6-K, we will not be required to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. public companies and will not be required to file quarterly reports on Form 10-Q or current reports on Form 8-K under the Exchange Act. The SEC maintains a website at <https://www.sec.gov> that contains reports and other information that we file with or furnish electronically with the SEC.

I. Subsidiary Information

Not applicable.

J. Annual Report to Security Holders

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to the market risks described in “Risk Factors,” “Forward-Looking Statements” and elsewhere in this annual report. We are also exposed to a variety of risks in the ordinary course of our business, including foreign currency exchange risk, interest rate risk, customer and credit risk and liquidity risk. We regularly assess each of these risks to minimize any adverse effects on our business as a result of those factors. The information pertaining to quantitative and qualitative disclosures about market risk is set forth in “Item 5. Operating and Financial Review and Prospects— Quantitative and Qualitative Disclosure about Market Risk” of this Report.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES**A. Debt Securities**

Not applicable.

B. Warrants and Rights

A description of Paysafe’s warrants is set forth in this Report, in Exhibit 2.3 “Description of Securities” of this Report and is incorporated herein by reference.

C. Other Securities

Not applicable.

D. American Depositary Shares

Not applicable.

PART II**ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES**

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

The memorandum of association of the Company is filed as Exhibit 1.1

E. Use of Proceeds

None.

ITEM 15. CONTROL AND PROCEDURES**A. Disclosure Controls and Procedures**

We maintain disclosure controls and procedures (as such term is defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) designed to provide reasonable assurance that information required to be disclosed in the Company’s reports under the Exchange Act, as amended, is recorded, processed, summarized and reported within the time period specified in the SEC’s rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

Our management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, has performed an evaluation of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Annual Report.

Based on such evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2023.

B. Management's Report on Internal Controls over Financial Reporting

Management of the Company is responsible for establishing and maintaining internal control over financial reporting as defined in Rules 13a-15(f) and 15(d)-15(f) of the Securities Exchange Act of 1934. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Internal control over financial reporting includes maintaining records that in reasonable detail accurately and fairly reflect our transactions; providing reasonable assurance that transactions are recorded as necessary for preparation of our financial statements; providing reasonable assurance that receipts and expenditures are made in accordance with management authorization; and providing reasonable assurance that unauthorized acquisition, use or disposition of Company assets that could have a material effect on our financial statements would be prevented or detected on a timely basis. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements and can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate. Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2023. In making this assessment management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control - Integrated Framework (2013). Based on our assessment and the criteria discussed above, management has concluded that the Company's internal control over financial reporting is effective as of December 31, 2023. The effectiveness of our internal control over financial reporting as of December 31, 2023 has been audited by Deloitte, as stated in their report which appears in Item 15 herein.

C. Attestation Report of Registered Public Accounting Firm

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Paysafe Limited

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Paysafe Limited and subsidiaries (the "Company") as of December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2023, of the Company and our report dated March 20, 2024, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Report on Internal Control Over Financial Reporting*. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ DELOITTE & TOUCHE LLP

Houston, Texas

March 20, 2024

D. Effect of Changes in Internal Controls Over Financial Reporting

There were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under Exchange Act) that occurred during the period covered by this Annual Report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our Board of Directors has determined that Dagmar Kollmann is an "audit committee financial expert" as defined in Item 16A of Form 20-F under the Exchange Act and that Ms. Kollmann satisfies the "independence" requirements set forth in Rule 10A-3 under the Exchange Act and NYSE listing standards.

ITEM 16B. CODE OF ETHICS

We have adopted the Paysafe Code, which applies to all of our officers, directors and employees and sets forth our Company's values as well as certain policies and procedures related to, among other things, risk management and control, information management, privacy, information security, conflicts of interest, anti-corruption and financial reporting. We also adopted a Code of Business Conduct and Ethics that applies to our principal executive officer, principal financial officer, principal accounting officer and controller, or persons performing similar functions, each of which will be posted on our website at <https://ir.paysafe.com/corporate-governance/governance-documents>. Our Code of Business Conduct and Ethics is a "code of ethics," as defined in Item 406(b) of Regulation S-K. We will make any legally required disclosures regarding amendments to, or waivers of, provisions of our Code of Business Conduct and Ethics on our website. The information contained on, or accessible from, our website is not part of this Report by reference or otherwise.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Fees Paid to Independent Registered Public Accounting Firm

The following table represents aggregate fees billed to us for professional services rendered by Deloitte & Touche, our independent registered public accounting firm, for the fiscal year ended December 31, 2023 and 2022.

	For the Year Ended December 31, 2023		For the Year Ended December 31, 2022	
	(\$ in thousands)		(\$ in thousands)	
Audit Fees	\$	6,763	\$	7,275
Audit-Related Fees		297		300
Total	\$	7,060	\$	7,575

Audit fees of Deloitte & Touche for the fiscal year ended December 31, 2023 and 2022 reflect professional services rendered regarding statutory audits of the Company and its subsidiaries, audits of annual consolidated financial statements and review of interim financial statements. Audit-related fees reflect professional services provided that are related to the performance of the audit and attributable to events or transactions that are non-recurring in nature.

Audit Committee Pre-Approval

The Audit Committee has adopted a policy regarding pre-approval of any audit and permissible non-audit services. Under this policy, the Audit Committee preapproves all audit and permissible non-audit services to be provided by the independent registered public accounting firm. These services may include audit services, audit-related services, tax services and other services. The Audit Committee Chair may also pre-approve particular services on a case-by-case basis within a de minimis threshold. All services provided by Deloitte US in 2023 and 2022 were pre-approved by the Audit Committee.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

We do not rely on any exemptions from the independence standards for our audit committee.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

In November 2023, our Board approved a share repurchase program (the “Share Repurchase Program”), authorizing us to repurchase up to \$50 million of our common shares. We expect to fund future repurchases, if any, through a combination of cash on hand, cash generated by operations and future financing transactions, if appropriate. Accordingly, our Share Repurchase Program is subject to us having available cash to fund repurchases. Under the Share Repurchase Program, management is authorized to purchase shares of our common stock from time to time through open market purchases or privately negotiated transactions at prevailing prices as permitted by securities laws and other legal requirements, and subject to market conditions and other factors. There is no expiration date under the Share Repurchase Program. During the fiscal period ended December 31, 2023 no purchases of our equity securities were made by or on behalf of the Company or any affiliated purchaser.

ITEM 16F. CHANGE IN REGISTRANT’S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE

We are a “foreign private issuer” under applicable U.S. federal securities laws. As a result, we are permitted to follow certain corporate governance rules that conform to Bermuda requirements in lieu of certain NYSE corporate governance rules. The Company Bye-laws do not require shareholder approval for the issuance of authorized but unissued shares, including (i) in connection with the acquisition of shares, stock or assets of another company; (ii) when it would result in a change of control; (iii) when a share option or purchase plan is to be established or materially amended or other equity compensation arrangement made or materially amended, pursuant to which shares may be acquired by officers, directors, employees, or consultants; or (iv) in connection with certain private placements. To this extent, our practice varies from the requirements of the corporate governance standards of NYSE, which generally requires an issuer to obtain shareholder approval for the issuance of securities in connection with such events. While we do not currently intend to rely on any other home country accommodations, for so long as we qualify as a foreign private issuer, we may take advantage of them. In addition, unlike the corporate governance requirements of the NYSE, our “home country” corporate governance practices do not require us to (i) have a board that is composed of a majority of “independent directors” as defined under the rules of the NYSE; (ii) have a compensation committee that is composed entirely of independent directors; and (iii) have a nominating and corporate governance committee that is composed entirely of independent directors. Currently, our Board is not composed of a majority of independent directors as defined under the rules of the NYSE. Our Board expects to return to a majority of independent directors in the future. For as long as we qualify as a foreign private issuer, we may take advantage of these exemptions.

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

ITEM 16J. INSIDER TRADING POLICIES

Not applicable.

ITEM 16K. CYBERSECURITY

Risk Management and Strategy

We have established an enterprise-wide information security program, which includes a robust security controls framework, a broad range of cyber defenses, round the clock security operations capability, and processes and systems to identify security threats and vulnerabilities. Our approach to cyber security is designed to protect our networks and systems, safeguard customer and commercial data against cyber-attacks, whilst enabling an effective response and recovery to cyber-attacks to ensure continued business operations.

Operating within a three-lines-of-defense model, external third parties, as well as our own Internal Audit department regular assess the effectiveness of our information security program. We also actively engage with key vendors, industry participants, and cyber intelligence communities to ensure that the program outpaces cyber threats.

Our processes for assessing, identifying and managing material risks from cybersecurity threats are embedded within our overall risk management framework. We have integrated a robust enterprise risk framework to inform strategic decision making, which ensures we have ongoing and reasonable assurance regarding the achievement of our strategic objectives. This framework consists of a multi-layered governance structure to identify, assess, respond to, and manage risks in line with our global risk appetite. Our global risk appetite has qualitative and quantitative measures in place, to provide our businesses and executive leadership with guidance on the amount and type of risk we are exposed to and the acceptable level which each business is willing to accept in pursuit of our strategic objectives. We leverage governance, risk, and compliance tools to track enterprise-wide risks, document improvement actions, identify accountable owners and track progress towards mitigation of key risks. We have centralized a repository of core risk policies, processes and control documentation via global risk governance and Enterprise Risk Management. Our Enterprise Risk Management framework is further described in “Item 4.B Business Overview - Our Global Risk and Compliance Management Program.”

We monitor privacy and cybersecurity laws, regulation and guidance applicable to us in the regions where we do business to inform our privacy and cybersecurity policies. See “Item 4.B Business Overview – Licensing and Regulation – Data Protection and Information Security.”

We routinely undergo external evaluations by third parties, including penetration testing, as well as independent external audits of our cybersecurity programs and data security controls. We also conduct internal audits of our security controls and processes no less than annually.

We also undertake reviews of the cybersecurity programs of our third party providers to ensure that the measures they have in place safeguard the Company’s data in accordance with our global risk appetite. Such third parties are contractually obligated to maintain their own cybersecurity, disaster recovery and system management practices in accordance with our regulatory, statutory and contractual obligations, as defined in our core risk policies and standards.

As described in “Item 3.D Risk Factors – Risks Related to Paysafe’s Business and Industry - *Cyberattacks and security vulnerabilities could result in disruption, loss of customer and merchant funds and personal data, including financial data, as well as serious harm to our reputation, business, and financial condition*” and “Item 3.D Risk Factors – Risks Related to Paysafe’s Business and Industry - *Our business and products are dependent on the availability, integrity and security of internal and external IT transaction processing systems and services,*” our operations rely on our IT security systems, software and networks and those of the customers and third parties with whom we interact. Unauthorized access (from the Internet, from within or by third parties), computer viruses or other malicious code,

denial of service or other cybersecurity threats could result in the unauthorized access, loss, theft, changes to, unavailability, destruction, or disclosure of confidential, proprietary, financial, or personal information relating to merchants, customers and employees.

Such adverse effects could result in identity theft, misuse of pin codes, the loss of card payment details that are stored on our system, and/or the loss of funds stored in customers' wallets and prepaid cards and other monetary loss or have other material impacts on our business. We, like other financial technology organizations, as well as third parties with whom we interact, are routinely subject to cybersecurity threats and our respective technologies, IT systems and networks have been victims of cyberattacks in the past. While we have experienced cybersecurity incidents, we are not aware that we have experienced a material cybersecurity incident during the 2023 fiscal year.

Paysafe recognizes that information security risks for payment and technology companies such as ours have significantly increased in recent years, driven by increasingly sophisticated threat actors such as organized crime, hackers, terrorists and other external parties, the proliferation of new technologies, and changes in ways of working driven by the pandemic. Geopolitical events and resulting government activity could also lead to information security threats and attacks by affected jurisdictions and their sympathizers.

Governance

To more effectively prevent, detect and respond to information security threats, we maintain a cyber risk management program, which is supervised by a dedicated Chief Information Security Officer (CISO) whose team is responsible for leading enterprise-wide cybersecurity strategy, policy, standards, architecture, and processes. The Risk Oversight Committee receives regular reports from the CISO on, among other things, the Company's cyber risks and threats, the status of projects to strengthen the Company's information security systems, assessments of the Company's security program and the emerging threat landscape. The CISO also reports quarterly to the full Board.

Our CISO, who has been a chief information security officer for 10 years and is certified by ISC2 as a Certified Information Systems Security Professional (CISSP), has prior experience working in Consulting, and in Financial Services and Payment sectors, and Critical National Infrastructure environments. He holds a BSc (Hons) degree in Computing from Oxford Brookes University and has over 25 years of professional experience in security, technology, operational, and business leadership positions. The CISO oversees the implementation and compliance of our information security standards and mitigation of information security related risks.

We also have management level committees and an incident response team who support our processes to assess and manage cybersecurity risk as follows:

The Joint Chief Operating Officer (COO) Risk Committee is chaired by the Chief Operating Officer and is comprised of senior leaders across business segments, including the CISO, SVP Technology Operations, the Chief Risk and Compliance Officer, and the Chief Privacy Officer, among others. The Joint COO Risk Committee assists in the oversight of risk strategy and performance for the areas of information technology, information security, operations and data management; the Company's risk governance structure; the Company's risk management and risk assessment guidelines and policies regarding technology, information security, operational and data management risks; and the Company's risk appetite statement, including risk tolerance levels and limits. The Joint COO Risk Committee reviews, at least quarterly, the major information security risk exposures of the Company and the steps management has taken to monitor and control such exposures. The Joint COO Risk Committee also reviews at least quarterly the major data management risk exposures, and the steps management has taken to monitor and control such exposures. The Joint COO Risk Committee also provides quarterly validation of information technology, information security, operational and data management risks at the Company and divisional levels in accordance with the Enterprise Risk Governance Policy, Enterprise Risk Lifecycle Policy, and Global Enterprise Risk Management Policy. The Committee reports to the Risk Oversight Committee of the Board.

The Technology Operations Committee is chaired by the Chief Operating Officer and is comprised of senior leaders across Technology and Operations departments, including the CISO. The Technology Operations Committee meets monthly and reviews key metrics across the Chief Operating Officer's organization, including cybersecurity events & incidents, network & endpoint controls, vulnerability management, security awareness, phishing simulation results, regulatory training, access management, IT incidents, and change management.

The Company operates a Business Continuity Management System which is certified as compliant with ISO22301:2019. In support of this program, our Operational Resilience Steering Committee sits quarterly and is chaired by our Chief Operating Officer. The remit of this committee is to ensure the Operational Resiliency program is suitable to maintain the delivery of services and minimize impact to our customers in the event of an unplanned disruption, along with oversight of operational resiliency, business continuity, disaster recovery, and crisis management achievements and provide support and direction to overcome challenges in realizing the program's aims & objectives. Core members of this committee include our Chief Information Security Officer, Chief Legal and People Officer, Chief Financial Officer, Chief Risk and Compliance Officer and Chief Growth Officer, along with representation from our Technology

Operations leadership. This committee is used as a vehicle to present overall performance of the program including delivery of metrics regarding business impact assessments (BIAs), Disaster Recovery Testing results, along with any audit findings and non-conformities,

The Company also has various steering committees created for specific security improvement initiatives, as deemed necessary, to ensure that management oversight is facilitated and progress is achieved as intended. Each of these committees provides summaries on their activities, which the CISO communicates to the Risk Oversight Committee or the full Board.

At the employee level, we maintain an experienced information technology team who are tasked with supporting our privacy and cybersecurity programs and implementing strategic and tactical security improvements. We also issue a range of mandatory regulatory trainings for all employees on subject matters including privacy, cybersecurity, records and information management, along with conducting phishing simulation campaigns on a monthly basis.

PART III

TEM 17. FINANCIAL STATEMENTS

Not applicable.

TEM 18. FINANCIAL STATEMENTS

The financial statements are filed as part of this Report beginning on page F-1.

ITEM 19. EXHIBITS

The agreements and other documents filed as exhibits to this Report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and for the benefit of the other parties to the agreements and they may not describe the actual state of affairs as of the date they were made or at any other time.

The exhibit index attached hereto is incorporated herein by reference.

EXHIBIT INDEX

Exhibit No.	Description
1.1	<u>Memorandum of Association of Paysafe Limited (incorporated by reference to Exhibit 3.1 to the Form F-4 filed on December 21, 2020 (file no. 333-251552)).</u>
1.2	<u>Seconded Amended Bye-Laws of Paysafe Limited (incorporated by reference to Exhibit 99.2 to the Form 6-K filed on December 12, 2022 (file no. 001-40302)).</u>
2.1	<u>Warrant Agreement, dated August 21, 2020, by and between Foley Trasimene Acquisition Corp. II and Continental Stock Transfer & Trust Company, as warrant agent (incorporated by reference to Exhibit 4.1 to the Quarterly Report on Form 10-Q filed November 6, 2020).</u>
2.2	<u>Warrant Assumption Agreement, dated March 30, 2021, among Foley Trasimene Acquisition Corp. II, Paysafe Limited and Continental Stock Transfer & Trust Company, as warrant agent (incorporated by reference to Exhibit 2.2 to the Form 20-F filed on April 1, 2021 (file no. 001-40302)).</u>
2.3	<u>Description of Paysafe Securities.*</u>
4.1	<u>Agreement and Plan of Merger, dated as of December 7, 2020, by and among Foley Trasimene Acquisition Corp. II, Paysafe Limited, Paysafe Merger Sub Inc., Paysafe Bermuda Holding LLC, Pi Jersey Holdco 1.5 Limited and Paysafe Group Holdings Limited (incorporated by reference to Exhibit 2.1 to the Form F-4 filed on December 21, 2020 (file no. 333-251552)).</u>
4.2	<u>Shareholders Agreement, dated as of March 30, 2021, among Paysafe Limited, Pi Jersey Topco Limited, Paysafe Group Holdings Limited and each of the shareholders party thereto (incorporated by reference to Exhibit 4.2 to the Form 20-F filed on April 1, 2021 (file no. 001-40302)).</u>
4.3	<u>Amended and Restated Registration Rights Agreement, dated as of March 30, 2021, among Paysafe Limited, Pi Jersey Topco Limited, Paysafe Group Holdings Limited and each investor party thereto (incorporated by reference to Exhibit 4.3 to the Form 20-F filed on April 1, 2021 (file no. 001-40302)).</u>
4.4	<u>Form of Subscription Agreement (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed December 7, 2020).</u>
4.5	<u>Investment Management Trust Agreement, dated August 21, 2020, by and between FTAC and Continental Stock Transfer & Trust Company as Trustee (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q filed November 6, 2020).</u>
4.6	<u>Indenture, dated as of June 28, 2021, by and among Paysafe Finance PLC and Paysafe Holdings (US) Corp as the issuers, the guarantors named therein, Lucid Trustee Services Limited, as trustee and security agent, The Bank of New York Mellon, London Branch, as Dollar and Euro paying agent and The Bank of New York Mellon SA/NV, Dublin Branch as Dollar and Euro transfer agent and registrar. (incorporated by reference to Exhibit 4.11 to the Form 20-F filed on April 1, 2021 (file no. 001-40302)).</u>
4.7	<u>Senior Facilities Agreement, dated as of June 24, 2021, by and among Paysafe Group Holdings II Limited, Paysafe Group Holdings III limited and JP Morgan Securities PLC, Credit Suisse AG, London Branch and Credit Suisse Loan Funding LLC, as arrangers and bookrunners, JP Morgan AG, as agent and Luci Trustee Services Limited, as security agent* (incorporated by reference to Exhibit 4.7 to the Form 20-F filed on March 15, 2023 (file no. 001-40302)).</u>
4.8	<u>Intercreditor Agreement, dated as of June 24, 2021, by and among J.P. Morgan AG, as senior facility agent, the companies named therein and Lucid Trustee Services Limited, as security agent. (incorporated by reference to Exhibit 4.8 to the Form 20-F filed on March 15, 2023 (file no. 001-40302)).</u>

4.9	<u>US Collateral Agreement, dated as of June 24, 2021, by and among Paysafe US Holdco Limited, Paysafe Holdings (US) Corp. and each other Grantor party thereto and Lucid Trustee Services Limited, as Security Agent.*(incorporated by reference to Exhibit 4.9 to the Form 20-F filed on March 15, 2023 (file no. 001-40302)).</u>
4.10	<u>Debenture, dated as of June 24, 2021, by and among Paysafe Group Holdings II Limited and each of the entities listed on Schedule 1, as the original chargors. (incorporated by reference to Exhibit 4.10 to the Form 20-F filed on March 15, 2023 (file no. 001-40302)).</u>
4.11	<u>Security Accession Deed, dated as of June 25, 2021, by and between Paysafe Finance PLC and Lucid Trustee Services Limited, as security agent (incorporated by reference to Exhibit 4.11 to the Form 20-F filed on March 15, 2023 (file no. 001-40302)).</u>
4.12	<u>Third Party Security Agreement, dated as of June 24, 2021, by and between Paysafe Group Limited and Lucid Trustee Services Limited, as security agent (incorporated by reference to Exhibit 4.12 to the Form 20-F filed on March 15, 2023 (file no. 001-40302)).</u>
4.13	<u>Amendment Agreement dated April 13, 2023 to the Senior Facilities Agreement, dated as of June 24, 2021, by and among Paysafe Group Holdings II Limited, Paysafe Group Holdings III limited and JP Morgan Securities PLC, Credit Suisse AG, London Branch and Credit Suisse Loan Funding LLC, as arrangers and bookrunners, JP Morgan AG, as agent and Lucid Trustee Services Limited, as security agent.*</u>
4.14	<u>Paysafe Limited Employee Stock Purchase Plan (incorporated by reference to Exhibit 4.3 of Form S-8 filed on March 15, 2023 (file no. 333-270582)).</u>
8.1	<u>List of Subsidiaries of Paysafe Limited*</u>
12.1	<u>Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*</u>
12.2	<u>Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 *</u>
13.1	<u>Certification by the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*</u>
13.2	<u>Certification by the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*</u>
15.1	<u>Consent Deloitte & Touche LLP.*</u>
97.1	<u>Paysafe Incentive Compensation Recovery Policy*</u>
99.1	<u>Section 13 (r) Disclosure*</u>
101.INS	Inline XBRL Instance Document*
101.SCH	Inline XBRL Taxonomy Extension Schema with Embedded Linkbase Document*
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)*

* Filed herewith

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Report on its behalf.

March 20, 2024

PAYSAFE LIMITED

By: /s/ Bruce Lowthers
Name: Bruce Lowthers
Title: Chief Executive Officer

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Paysafe Limited

Audited Financial Statements

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Paysafe Limited

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of Paysafe Limited and subsidiaries (the "Company") as of December 31, 2023 and 2022, the related consolidated statements of comprehensive loss, shareholders' equity, and cash flows, for each of the three years in the period ended December 31, 2023, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 20, 2024, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Goodwill — Refer to Notes 1 and 5 to the financial statements

Critical Audit Matter Description

The Company's evaluation of goodwill for impairment involves comparing the fair value of each reporting unit to its carrying value. The Company uses a combination of the income and market approaches to estimate reporting unit fair value, which requires management to make significant estimates and assumptions related to forecasts of future revenues, market multiples and discount rates. Changes in these assumptions could have a significant impact on either the carrying value of goodwill, the amount of any impairment charge, or both.

We identified goodwill as a critical audit matter because of the significant judgments required to estimate the fair value including projected revenues, market multiples, and discount rates and the difference between its fair value and carrying value. This required a high degree of auditor judgement and extensive effort to evaluate the reasonableness of those estimates, including the involvement of internal fair value specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to forecasted revenues, market multiples, and discount rates used by management to estimate the fair value of the reporting units included the following, among others:

- We tested the effectiveness of controls over management's goodwill impairment evaluation, including those over the determination of the fair value for the reporting units, such as controls related to management's forecasts of future revenues, discount rates and market multiples.
- We performed sensitivity analyses to evaluate the change in fair value resulting from changes in assumptions.
- We evaluated management's ability to accurately forecast future revenues by comparing actual results to management's historical forecasts.
- We evaluated the reasonableness of management's forecasted revenues by comparing to (1) internal communications to management, (2) information included in Company press releases and (3) analyst and industry reports for the Company and companies in its peer group.
- With the assistance of our fair value specialists, we evaluated the reasonableness of the valuation methodology, and reasonableness of the discount rates and market multiples by:
 - Testing the source information underlying the determination of the discount rates and the mathematical accuracy of the calculation.
 - Testing the source information underlying the determination of the market multiples and the mathematical accuracy of the calculation, and comparing the multiples selected by management to its guideline companies.
 - Developing a range of independent estimates and comparing those to the discount rates and market multiples selected by management.

/s/ DELOITTE & TOUCHE LLP

Houston, Texas
March 20, 2024

We have served as the Company's auditor since 2021.

Paysafe Limited
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(U.S. dollars in thousands, except per share data)

	For the Year Ended December 31,		
	2023	2022	2021
Revenue	\$ 1,601,138	\$ 1,496,137	\$ 1,487,013
Cost of services (excluding depreciation and amortization)	663,212	614,025	599,778
Selling, general and administrative	508,136	534,515	545,107
Depreciation and amortization	263,433	266,819	261,372
Impairment expense on goodwill and intangible assets	1,254	1,887,223	324,145
Restructuring and other costs	6,061	64,132	25,883
Loss on disposal of subsidiaries and other assets, net	386	1,359	—
Operating income / (loss)	158,656	(1,871,936)	(269,272)
Other income, net	13,081	83,778	239,661
Interest expense, net	(151,148)	(126,628)	(165,827)
Income / (loss) before taxes	20,589	(1,914,786)	(195,438)
Income tax expense / (benefit)	40,840	(52,502)	(85,110)
Net loss	\$ (20,251)	\$ (1,862,284)	\$ (110,328)
Less: net income attributable to non-controlling interest	-	371	626
Net loss attributable to the Company	\$ (20,251)	\$ (1,862,655)	\$ (110,954)
Net loss per share attributable to the Company - basic	\$ (0.33)	\$ (30.78)	\$ (1.84)
Net loss per share attributable to the Company - diluted	\$ (0.33)	\$ (30.78)	\$ (1.84)
Net loss	\$ (20,251)	\$ (1,862,284)	\$ (110,328)
Other comprehensive loss, net of tax of \$0:			
Gain / (loss) on foreign currency translation	14,330	(34,251)	(1,406)
Total comprehensive loss	\$ (5,921)	\$ (1,896,535)	\$ (111,734)
Less: comprehensive income attributable to non-controlling interest	—	371	626
Total comprehensive loss attributable to the Company	\$ (5,921)	\$ (1,896,906)	\$ (112,360)

The accompanying notes are an integral part of these Consolidated Financial Statements.

Paysafe Limited
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(U.S. dollars in thousands, except share data)

	As of December 31,	
	2023	2022
Assets		
Current assets		
Cash and cash equivalents	\$ 202,322	\$ 260,219
Customer accounts and other restricted cash	1,295,947	1,866,976
Accounts receivable, net of allowance for credit losses of \$5,240 and \$10,558, respectively	162,081	159,324
Settlement receivables, net of allowance for credit losses of \$5,197 and \$5,398, respectively	171,224	147,774
Prepaid expenses and other current assets	74,919	60,810
Total current assets	1,906,493	2,495,103
Deferred tax assets	77,273	104,538
Property, plant and equipment, net	17,213	11,947
Operating lease right-of-use assets	22,120	35,509
Derivative asset	10,427	17,321
Intangible assets, net	1,163,935	1,291,458
Goodwill	2,023,402	1,999,132
Other assets – non-current	6,838	2,048
Total assets	\$ 5,227,701	\$ 5,957,056
Liabilities and equity		
Current liabilities		
Accounts payable and other liabilities	\$ 202,699	\$ 241,529
Short-term debt	10,190	10,190
Funds payable and amounts due to customers	1,477,017	1,997,867
Operating lease liabilities – current	8,233	7,953
Income taxes payable	—	11,325
Contingent and deferred consideration payable – current	11,828	18,171
Liability for share-based compensation – current	2,701	11,400
Total current liabilities	1,712,668	2,298,435
Non-current debt	2,491,643	2,633,269
Operating lease liabilities – non-current	16,963	29,913
Deferred tax liabilities	111,705	118,791
Warrant liabilities	1,423	3,094
Liability for share-based compensation – non-current	3,108	4,942
Contingent and deferred consideration payable – non-current	6,878	8,975
Total liabilities	4,344,388	5,097,419
Commitments and contingent liabilities		
Shareholders' equity		
Common shares - \$0.012 par value; 1,600,000,000 shares authorized; 61,719,443 and 60,788,816 shares issued and outstanding as of December 31, 2023 and 2022, respectively	741	730
Additional paid in capital	3,166,012	3,136,426
Accumulated deficit	(2,259,694)	(2,239,443)
Accumulated other comprehensive loss	(23,746)	(38,076)
Total shareholders' equity	883,313	859,637
Total liabilities and shareholders' equity	\$ 5,227,701	\$ 5,957,056

The accompanying notes are an integral part of these Consolidated Financial Statements.

Paysafe Limited
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(U.S. dollars in thousands)

	Common shares / Share capital	Additional paid in capital / Share premium	Accumulated Deficit	Accumulated other comprehensive loss	Shareholders' equity in the Company	Non-controlling interest	Total Shareholders' equity
January 1, 2021	\$ 1,252	\$ 2,188,706	\$ (265,834)	\$ (2,419)	\$ 1,921,705	\$ 11,298	\$ 1,933,003
Net (loss) / income	—	—	(110,954)	—	(110,954)	626	(110,328)
Loss on foreign currency translation, net of tax of \$0	—	—	—	(1,406)	(1,406)	—	(1,406)
Contributions from non-controlling interest holders (see Note 22)	—	—	—	—	—	26,000	26,000
Contribution from Topco (see Note 2)	—	1,648	—	—	1,648	—	1,648
Capital injection in Legacy Paysafe (See Note 22)	2	10,692	—	—	10,694	—	10,694
Shared based compensation	—	90,007	—	—	90,007	—	90,007
Share issuance, net of transaction expenses, for the Transaction (See Note 2)	200	1,848,078	—	—	1,848,278	—	1,848,278
Capital reorganization (See Note 2)	(921)	(2,447,879)	—	—	(2,448,800)	—	(2,448,800)
Merger recapitalization (See Note 2)	190	1,258,401	—	—	1,258,591	100,081	1,358,672
Restricted stock units issued	—	—	—	—	—	—	—
Shares issued upon warrants exercised	—	1	—	—	1	—	1
December 31, 2021	\$ 723	\$ 2,949,654	\$ (376,788)	\$ (3,825)	\$ 2,569,764	\$ 138,005	\$ 2,707,769
Net (loss) / income	—	—	(1,862,655)	—	(1,862,655)	371	(1,862,284)
Loss on foreign currency translation, net of tax of \$0	—	—	—	(34,251)	(34,251)	—	(34,251)
Shared based compensation	—	48,400	—	—	48,400	—	48,400
Restricted stock units issued	5	(5)	—	—	—	—	—
Shares issued upon warrants exercised	1	2	—	—	3	—	3
Reverse stock split (Note 1)	1	(1)	—	—	—	—	—
LLC Units Surrendered (Note 2)	—	100,081	—	—	100,081	(100,081)	—
Contributions from non-controlling interest holders (Note 1)	—	38,295	—	—	38,295	(38,295)	—
December 31, 2022	\$ 730	\$ 3,136,426	\$ (2,239,443)	\$ (38,076)	\$ 859,637	\$ —	\$ 859,637
Net loss	—	—	(20,251)	—	(20,251)	—	(20,251)
Gain on foreign currency translation, net of tax of \$0	—	—	—	14,330	14,330	—	14,330
Shared based compensation	—	19,609	—	—	19,609	—	19,609
Restricted stock units issued	11	(11)	—	—	—	—	—
Shares issued upon warrants exercised	—	5	—	—	5	—	5
Contribution from Topco (see Note 2)	—	3,707	—	—	3,707	—	3,707
Conversion of liability classified award to equity	—	6,276	—	—	6,276	—	6,276
December 31, 2023	\$ 741	\$ 3,166,012	\$ (2,259,694)	\$ (23,746)	\$ 883,313	\$ —	\$ 883,313

The accompanying notes are an integral part of these Consolidated Financial Statements.

Paysafe Limited
CONSOLIDATED STATEMENTS OF CASH FLOWS
(U.S. dollars in thousands)

	For the Year Ended December 31,		
	2023	2022	2021
Cash flows from operating activities			
Net loss	\$ (20,251)	\$ (1,862,284)	\$ (110,328)
Adjustments for non-cash items:			
Depreciation and amortization	264,145	266,819	261,372
Unrealized foreign exchange loss / (gain)	411	(44,157)	4,383
Deferred tax expense / (benefit)	19,692	(82,876)	(96,993)
Interest expense, net	(2,642)	24,394	74,282
Share-based compensation	28,873	62,354	101,770
Other income, net	(20,515)	(45,489)	(232,539)
Impairment expense on goodwill and intangible assets	1,254	1,887,223	324,145
Allowance for credit losses and other	21,186	35,541	15,102
Loss on disposal of subsidiaries and other assets, net	386	1,359	—
Non-cash lease expense	8,937	7,034	9,523
Movements in working capital:			
Accounts receivable, net	(18,813)	(34,224)	(42,592)
Prepaid expenses, other current assets, and related party receivables	6,953	(13,085)	3,456
Accounts payable, other liabilities, and related party payables	(32,974)	17,400	(25,733)
Income tax (receivable) / payable	(22,620)	17,192	(24,386)
Net cash flows provided by operating activities	234,022	237,201	261,462
Cash flows from investing activities			
Purchase of property, plant & equipment	(12,849)	(4,543)	(5,616)
Purchase of merchant portfolios	(30,735)	(56,438)	(63,906)
Other intangible asset expenditures	(89,319)	(89,065)	(78,227)
Acquisition of businesses, net of cash acquired	—	(424,722)	(263,520)
Net cash outflow on disposal of subsidiaries	—	(826)	—
Receipts under derivative financial instruments	10,208	—	—
Cash inflow from merchant reserves	12,200	—	—
Cash outflow for merchant reserves	(24,400)	—	—
Other investing activities, net	(342)	—	—
Net cash flows used in investing activities	(135,237)	(575,594)	(411,269)
Cash flows from financing activities			
Cash settled equity awards	(484)	(990)	—
Repurchases of shares withheld for taxes	(8,467)	(6,937)	—
Proceeds from exercise of warrants	5	3	—
Net cash inflow from reorganization and recapitalization	—	—	1,167,874
Payment of equity issuance costs	—	—	(151,722)
Settlement funds - merchants and customers, net	(588,151)	686,877	(36,994)
Repurchases of borrowings	—	—	—
Proceeds from loans and borrowings	125,597	120,669	2,962,112
Repayment of loans and borrowings	(121,724)	(148,919)	(3,433,206)
Cash outflow on foreign exchange forward contract	—	—	(6,504)
Payment of debt issuance costs	—	(6,781)	(7,077)
Proceeds under line of credit	900,000	796,600	600,000
Repayments under line of credit	(900,000)	(771,600)	(600,000)
Receipts / (payments) under derivative financial instruments	—	137	(48,457)
Contingent consideration received	300	2,621	7,942
Contingent and deferred consideration paid	(10,680)	(19,834)	(7,681)
Net cash flows (used in) / provided by financing activities	(771,028)	606,335	446,287
Effect of foreign exchange rate changes	43,317	(112,465)	(88,614)
(Decrease) / increase in cash and cash equivalents, including customer accounts and other restricted cash, net during the year	(628,926)	155,477	207,866
Cash and cash equivalents, including customer accounts and other restricted cash, net at beginning of the year	2,127,195	1,971,718	1,763,852
Cash and cash equivalents, including customer accounts and other restricted cash, net at end of the year	\$ 1,498,269	\$ 2,127,195	\$ 1,971,718

	For the Year Ended December 31,		
	2023	2022	2021
Supplemental cash flow disclosures:			
Cash paid for interest	\$ 153,790	\$ 102,230	\$ 91,545
Cash paid/(received) for Income taxes, net	\$ 43,768	\$ (13,182)	\$ 36,269

The table below reconciles cash, cash equivalents, customer accounts and other restricted cash as reported in the Consolidated Statements of Financial Position to the total of the same amounts shown in the Consolidated Statements of Cash Flows:

	For the Year Ended December 31,					
	2023		2022		2021	
Cash and cash equivalents	\$	202,322	\$	260,219	\$	313,439
Customer accounts and other restricted cash, net		1,295,947		1,866,976		1,658,279
Total cash and cash equivalents, including customer accounts and other restricted cash, net	\$	1,498,269	\$	2,127,195	\$	1,971,718

The accompanying notes are an integral part of these Consolidated Financial Statements.

Paysafe Limited
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(U.S. dollars in thousands)

1. Basis of presentation and summary of significant accounting policies

Description of the Business and Basis of Presentation

In these Consolidated Financial Statements and related notes, Paysafe Limited and its consolidated subsidiaries are referred to collectively as “Paysafe,” “we,” “us,” and “the Company” unless the context requires otherwise. Paysafe is a leading global provider of end-to-end payment solutions. Our core purpose is to enable businesses and consumers to connect and transact seamlessly through our payment platforms.

Paysafe Limited was originally incorporated as an exempted limited company under the laws of Bermuda on November 23, 2020 for purposes of acquiring Foley Trasimene Acquisition Corp. II (“FTAC”). FTAC was originally incorporated in the State of Delaware on July 15, 2020 as a special purpose acquisition company for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, recapitalization, reorganization or similar transaction with one or more businesses. FTAC completed its Initial Public Offering (“IPO”) in August 2020.

On December 7, 2020, Paysafe Limited, FTAC, Merger Sub Inc., (a Delaware corporation and direct, wholly owned subsidiary of Paysafe Limited, herein referred to as “Merger Sub”), Paysafe Bermuda Holding LLC (a Bermuda exempted limited liability company and direct, wholly owned subsidiary of Paysafe Limited, herein referred to as “LLC”), Pi Jersey Holdco 1.5 Limited (a private limited company incorporated under the laws of Jersey, Channel Islands on November 17, 2017, herein referred to as “Legacy Paysafe” or “Accounting Predecessor”), and Paysafe Group Holdings Limited (a private limited company incorporated under the laws of England and Wales, herein referred to as “PGHL”), entered into a definitive agreement and plan of merger which was consummated on March 30, 2021. This is further discussed in Note 2 under Reorganization and Recapitalization (the “Transaction”). In connection with the Transaction, the Company’s common shares and warrants were listed on the New York Stock Exchange under the symbols PSFE and PSFE.WS, respectively.

Prior to the Transaction, Legacy Paysafe was a direct, wholly owned subsidiary of Paysafe Group Holdings Limited and was primarily owned by funds advised by affiliates of CVC Capital Partners (such funds collectively, “CVC”) and The Blackstone Group Inc. (“Blackstone”). This ownership was through the ultimate parent entity, Pi Jersey Topco Limited (“Topco” or the “Ultimate Parent”), who directly wholly owns PGHL. As a result of the Transaction, Legacy Paysafe is a wholly owned subsidiary of the Company. Subsequent to the Transaction, Topco, CVC and Blackstone retain ownership in the Company.

The accompanying Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Reverse Stock Split (“RSS”)

On December 12, 2022, we effected a 1-for-12 reverse stock split of our issued and outstanding common stock (the “Reverse Stock Split”). As a result of the Reverse Stock Split, each issued and outstanding share of our common stock, and the per share exercise price of and number of shares of our common stock underlying our outstanding equity awards, were automatically proportionally adjusted based on the 1-for-12 Reverse Stock Split ratio. No fractional shares of common stock were issued in connection with the reverse stock split, and all such fractional interests were rounded up to the nearest whole number.

Except as otherwise provided herein, all share and per-share amounts of our common stock, equity awards, warrants and other outstanding equity rights have been adjusted to give effect to the Reverse Stock Split for all periods presented. The Reverse Stock Split amended the par value of our common stock to \$0.012 per share, but did not modify any voting rights or other terms of our common stock.

Principles of consolidation

The accompanying consolidated financial statements for the year ended December 31, 2023, 2022 and 2021 include the accounts of the Company, and its subsidiaries after giving effect to the transaction with FTAC completed on March 30, 2021.

All intercompany transactions have been eliminated in consolidation. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for the fair statement of the Company’s financial position, results of operations and cash flows have been included.

Reclassifications

Certain prior period amounts have been reclassified in order to conform with the current period presentation. These reclassifications have no impact on the Company's previously reported consolidated net loss.

Changes in presentation

During the fourth quarter of 2023, the Company elected to change its presentation of the cash flows associated with "Settlement receivables, net" and "Funds payable and amounts due to customers" from operating activities, to present them as financing activities within its Consolidated Statements of Cash Flows. Comparative amounts have been recast to conform to current period presentation. These recasts had no impact on the Consolidated Statements of Comprehensive Loss, Consolidated Statements of Financial Position or Consolidated Statements of Shareholders' Equity.

The following tables present the effects of the changes in presentation within the Statements of Cash Flows:

	For the Year Ended December 31, 2022		
	As Previously Reported	Adjustment	As Adjusted
Consolidated Statement of Cash Flows			
Cash flows from operating activities			
Settlement receivables, net	(11,978)	11,978	-
Funds payable and amounts due to customers	698,855	(698,855)	-
Net cash provided by operating activities	924,078	(686,877)	237,201
Cash flows from financing activities			
Settlement funds - merchants and customers, net	-	686,877	686,877
Net cash provided by financing activities	(80,542)	686,877	606,335

	For the Year Ended December 31, 2021		
	As Previously Reported	Adjustment	As Adjusted
Consolidated Statement of Cash Flows			
Cash flows from operating activities			
Settlement receivables, net	58,896	(58,896)	-
Funds payable and amounts due to customers	(95,890)	95,890	-
Net cash provided by operating activities	224,468	36,994	261,462
Cash flows from financing activities			
Settlement funds - merchants and customers, net	-	(36,994)	(36,994)
Net cash provided by financing activities	483,281	(36,994)	446,287

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reported period. Actual results could differ materially from those estimates.

The Company's significant estimates relate to allocation of the purchase price paid for acquired businesses, valuation of goodwill and intangible assets, credit losses, income taxes, and litigation provision.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Variable Interest Entities

A variable interest entity ("VIE") is an entity in which the equity investors as a group lack the power through voting or similar rights to direct the activities of such entity that most significantly impact such entity's economic performance or the equity investment at risk is insufficient to finance that entity's activities without additional subordinated financial support.

The Company will be considered to have a controlling financial interest and will consolidate a VIE if it has both (i) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and (ii) the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE.

Prior to January 1, 2022, the Company had a variable interest in Skrill USA, a company that provides digital wallet services to U.S. customers. Under the terms of a 2015 agreement for the sale and purchase of the original family of Skrill-related entities, Skrill USA was fully separated from Paysafe ownership as a result of U.S. regulatory considerations. Skrill Ltd, an entity of Paysafe, has a market support arrangement which supports the business and operations of Skrill USA for the purpose of expanding the Skrill brand and business in the U.S. market. In addition, Skrill Ltd and Optimal Payment Services Inc., both Paysafe entities, have an outsourcing arrangement with Skrill USA for a license to offer money transfer and related services in the U.S. market. Through these arrangements, the Company assumes all or a portion of the risk and cost of the operations of Skrill USA representing a variable interest. These arrangements also provide the Company with economic interest in Skrill USA, as well as implied power in making significant decisions through its partnerships with certain products, overall strategic advice, operating support, and use of Company technology. As a result, Skrill USA was determined to be a VIE and the Company deemed the primary beneficiary. The assets, liabilities, and results of operations of Skrill USA are consolidated in the Company's consolidated financial statements.

However, as the Company had no direct equity ownership in Skrill USA, 100% of the equity (net assets) and results of operations were presented as a non-controlling interest in the Company's consolidated financial statements prior to January 1, 2022. Non-controlling interests include the portion of equity (net assets) in a subsidiary not attributable, directly or indirectly, to the Company.

During the first quarter of 2022, the Company completed its agreement with Skrill-related entities by which it acquired 100% of the equity interest of Skrill USA. As a result, Skrill USA has been accounted for as a wholly owned subsidiary and no longer represents a VIE or non-controlling interest to the Company subsequent to December 31, 2021. The change in ownership was accounted for as an equity transaction, with no gain or loss recognized. The carrying amount of the non-controlling interest was adjusted to reflect the change in ownership interest and is reflected as a capital contribution in the Consolidated Statements of Shareholders' Equity.

Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and high quality, short-term money market instruments with an original maturity of three months or less. Cash equivalents are based on quoted market prices, a Level 1 fair value measure.

Customer accounts and other restricted cash, net

As part of the settlement cycle, the Company receives customer funds either in exchange for electronic money ("e-money") issued or within the transaction settlement cycle to merchants. The Company operates and holds this type of customer fund in both regulated and non-regulated entities.

For regulated entities, the Company is required to comply with certain safeguarding requirements of customer funds. Depending on the underlying regulations, the Company may satisfy these safeguarding requirements either by placing cash or cash equivalents in a segregated bank account, by ensuring the funds are with an authorized insurer or by obtaining guarantees from an authorized credit institution. The cash and cash equivalents held in a segregated bank account to meet these safeguarding requirements are included in "customer accounts and other restricted cash, net" and represent a majority of the balance. For non-regulated entities, all customer funds held in a segregated bank account are included within "customer accounts and other restricted cash, net."

Customer accounts and other restricted cash, net include cash and cash equivalents with a maturity of three months or less. The Company holds these cash and cash equivalents in its own segregated bank accounts and has the ability to direct the use of funds, even if safeguarded.

As of December 31, 2021, \$387,456 of cash held in escrow related to the draw down of the USD Incremental Term Loan is presented within "Customer accounts and other restricted cash, net." This cash was restricted from use until the completion of the SafetyPay acquisition which completed in the first quarter of 2022 (See Note 14). This has been presented as a financing inflow in the Consolidated Statements of Cash Flows for the year ended December 31, 2021.

Settlement receivables, net

Settlement receivables, net include balances arising from timing differences in the Company's settlement process between the cash settlement of a transaction and the recognition of the associated liability (for example, liabilities to customers and merchants). These balances mainly arise in the Digital Wallets segment. When customers fund their digital wallet account using their bank account or a credit card or debit card, there is a clearing period before the cash is received or settled, usually within 5 business days.

Settlement receivables, net also includes receivables from distribution partners within Digital Wallets. These receivables represent amounts collected by the distribution partners in exchange for the issuance of a prepaid payment voucher, prior to settlement with the Company.

The Company had settlement receivables, net from the following parties:

	As of December 31,	
	2023	2022
Third party payment processors	\$ 86,515	\$ 75,573
Distribution partners	84,709	72,201
Total	<u>\$ 171,224</u>	<u>\$ 147,774</u>

Settlement receivables are initially measured at fair values and subsequently measured at their amortized cost less allowance for credit losses. Refer to *Allowance for credit losses* below for the measurement of the allowance for credit losses.

The cash flows associated with "Settlement receivables, net" and "Funds payable and amounts due to customers" (collectively, "Settlement funds - merchants and customers, net") are presented on a net basis within financing activities within the Consolidated Statements of Cash Flows.

Accounts receivable

Accounts receivable includes receivables mainly from Merchant Solutions merchants that represent processing revenues earned but not yet collected. Accounts receivable are classified as current assets if receipts are due within one year or less. If not, they are presented as non-current assets. Accounts receivable, net are initially measured at fair value and subsequently measured at their amortized cost less allowance for expected credit losses. Refer to *Allowance for credit losses* below for the measurement of the allowance for credit losses.

Allowance for credit losses

The Company has exposure to credit losses for financial assets including customer accounts and other restricted cash, settlement receivables, accounts receivable, and financial guarantee contracts to the extent that a chargeback claim is made against the Company directly or to the Company's merchants on card purchases.

We utilize a combination of aging and probability of default methods to develop an estimate of credit losses, depending on the nature and risk profile of the underlying asset pool. A broad range of information is considered in the estimation process, including historical loss information adjusted for current conditions and expectations of future trends. The estimation process also includes consideration of qualitative and quantitative risk factors associated with the age of asset balances, expected timing and probability of default, loss given default, exposure at default, merchant risk profiles, and relevant macro-economic factors.

Financial assets are presented net of the allowance for credit losses in the Consolidated Statements of Financial Position. The allowance for credit losses related to financial guarantees and merchant overdrafts are recorded as a liability and included within "Accounts payable and other liabilities" within the Consolidated Statements of Financial Position.

The measurement of the allowance for credit losses is recognized through current expected credit loss expense. Current expected credit loss expense is included as a component of "Selling, general and administrative" in the Consolidated Statements of Comprehensive Loss. Write-offs are recorded in the period in which the asset is deemed to be uncollectible.

Recoveries from freestanding credit enhancements, such as certain insurance contracts are not included in the estimate of expected credit losses. An insurance recovery asset is recognized in "Prepaid expenses and other current assets" in the Consolidated Statements of Financial Position at the time an incurred loss and the recovery of the receivable is probable. Recoveries are recognized within "Selling, general & administrative" within the Consolidated Statements of Comprehensive Loss.

Credit risk characteristics and concentration

Customer accounts and other restricted cash are deposited with different banking partners with a variety of credit ratings and credit exposure are regularly monitored and managed by the Company's Safeguarding and Treasury Committee ("STC"). Management considers the risk of loss from these financial instruments to be low.

Settlement receivables primarily relate to receivables from third party payment institutions arising in both the Company's Merchant Solutions and Digital Wallets businesses, as well as receivables from distribution partners arising in the Company's Digital Wallets

business. These receivables are closely monitored on a regular basis and are not considered to give rise to material credit risk. The Digital Wallets business utilizes insurance and credit limits with its distribution partners to limit its overall gross exposure. Credit quality of a customer and distributor is assessed based on their industry, geographical location and financial background, with credit risk managed based on this assessment (i.e. trading limits, shortened payment period and/or requiring collateral usually in the form of bank guarantees, insurance or cash deposits or holdbacks which can legally be claimed by the Company to cover unpaid receivables).

Accounts Receivable balances are regularly monitored to flag any unusual activities such as chargebacks. Having a significant number of consumers and merchants which are geographically widespread and the merchants active in various industries, the exposure to concentration risk is also mitigated. The global credit risk framework allows the Company to forecast under normal business conditions the probability of the occurrence of credit events before they occur. Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and controls relating to customer credit risk management.

The Company issues financial guarantee contracts to its sponsor banks mainly within its Merchant Solutions business for which the Company is exposed to losses from potential chargeback claims. A significant portion of the Company's exposure to credit risk arises from the threat of chargeback claims against Paysafe directly or Paysafe merchants on card purchases. Chargebacks result in credit exposure to Paysafe when either the merchant or other partners become bankrupt or are otherwise unable to meet their financial obligation. The Company manages the exposure to credit risk by employing various online identification verification techniques, enacted transaction limits, reserves or guarantees held and a number of credit risk management and monitoring tools such as an internally developed credit risk calculator, early warning system and daily credit agency and other third party alerts where potential signs of financial stress on merchants and partners are flagged.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment loss. Depreciation is recognized over the estimated useful lives of the corresponding assets, using the straight-line method, on the following basis:

Computer and communication equipment	2 - 5 years
Furniture and other equipment	3 - 5 years

Other assets are depreciated over their estimated useful lives, using the straight-line method, on the following basis:

Leasehold improvements	Over the lesser of the lease term or 10 years
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Depreciation expense is recorded in the Consolidated Statements of Comprehensive Loss in "Depreciation and amortization" or "Selling, general and administrative" depending on the nature of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Consolidated Statements of Comprehensive Loss.

Leases

The Company determines whether an arrangement is a lease at inception. The Company has operating leases for offices, data centers, and corporate apartments. Leases have remaining lease terms of less than one year to ten years, some of which have the option to extend the lease term for an additional five years. Certain leases also include the option to terminate the lease within one year. We recognize lease extension and termination options that we are reasonably certain to exercise when determining the lease term used to establish our right-of-use assets and lease liabilities. As of December 31, 2023, the Company is not aware of any unrecognized leases. The Company's lease agreements do not contain any residual value guarantees or restrictive covenants.

For short term leases, the Company recognizes lease payments on a straight-line basis in the Consolidated Statements of Comprehensive Loss in the period in which the obligation is incurred. During the year ended December 31, 2023, short term lease expense was not significant. For the Company's data center leases, where the consideration for lease and non-lease components is not separated, we apply the practical expedient to combine the lease and non-lease components.

The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise, fixed lease payments (including in-substance fixed payments) less any lease incentives received and receivable, and variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date. During the years ended December 31, 2023, 2022 and 2021 the amount of variable lease expense incurred was not significant.

The right-of-use asset is initially measured at the amount equal to the lease liability, adjusted for any lease payments made at or before lease commencement, lease incentives and any initial direct costs. Subsequently, the right-of-use asset is subject to amortization which is recognized on a straight-line basis over the lease term in the Consolidated Statements of Comprehensive Loss in "Selling, general and administrative."

The lease liabilities are presented as separate lines in the Consolidated Statements of Financial Position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The interest on the lease liability is recognized in the Consolidated Statements of Comprehensive Loss in "Selling, general and administrative." The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.
- When a lease term has changed or been modified, variable lease payments that depend on an index or a rate shall be remeasured using the index or rate as of the date the remeasurement is required.

Finite-lived intangible assets

Acquired computer software is stated at cost less accumulated amortization and accumulated impairment losses. Other intangible assets, including customer relationships and brands that are acquired by the Company and have finite useful lives, are recognized at fair value at the acquisition date and amortized using the straight-line method over the estimated useful life of the intangible asset. Amortization expense is recorded in the Consolidated Statements of Comprehensive Loss in "Depreciation and amortization."

In addition to customer relationships that are derived from the acquisition of a business, customer relationships also include acquisitions of merchant portfolios. An intangible asset is recorded for the acquisition of the merchant portfolio when: 1) the merchant portfolio acquired is identifiable and has a contract in place that provides the rights and obligations related to the merchant relationship, 2) the legal rights to future revenues from the acquired merchant portfolios can be obtained, and 3) future economic benefits will be generated from the merchant portfolio. Customer relationships relating to acquisitions of merchant portfolios are initially measured at their acquisition date fair values and subsequently measured at carrying amount less accumulated amortization and accumulated impairment losses. On occasion, the cost of a merchant portfolio will include both an initial ("up-front") and a contingent element of the consideration. The Company assesses the fair value of the contingent consideration at each reporting period and any adjustments are recognized as an adjustment to the cost of the asset.

In estimating the useful lives of customer relationships, the Company considers the expected use of the asset; legal, regulatory and contractual provisions; historical attrition rates of the customer relationships, as well as the Company's historical experience in renewing or extending similar customer relationships; and economic factors. Management reassesses the estimated useful lives of our intangible assets on an annual basis. See Note 6 for further information.

Intangible assets are amortized using the straight-line method over the expected life of the intangible asset on the following basis:

Brands	3 - 14 years
Computer Software	3 - 10 years
Customer Relationships	2 - 15 years

Software development costs

The Company develops software that is used in providing services to customers. Costs incurred during the preliminary project stage are expensed as incurred. Capitalization of costs begins when both of the following occur: 1) the preliminary project stage is completed, and 2) management, with the relevant authority, authorizes and commits to funding the project and it is probable that the project will be completed and the software will be used to perform the function intended. Capitalization of costs ceases when the software is substantially complete and ready for its intended use. Capitalized costs include payroll and payroll-related costs, including external consulting fees. Capitalized costs incurred to develop software for internal use are capitalized to "Intangible assets, net" and amortized on a straight-line basis over an estimated useful life of three to ten years and are recorded as "Depreciation and amortization" on the Consolidated Statements of Comprehensive Loss. Costs related to maintenance of internal use software are expensed as incurred.

Expenses for research and development activities (except for certain computer software and web site development costs) are expensed as incurred unless the expenditure relates to an item with an alternative future use. Research and development expense for the year ended December 31, 2023, 2022 and 2021 were \$7,278, \$7,377, and \$8,574.

Cloud computing arrangements

For cloud computing arrangements that are a service contract, the Company capitalizes certain implementation costs that are directly related to the configuration of the cloud computing software for internal use, which includes certain employee costs and third-party costs. Capitalized implementation costs are expensed on a straight-line basis over the term of the associated hosting arrangement, which is the non-cancellable period of the arrangement and periods covered by renewal options that the Company is reasonably certain to exercise. Capitalized amounts related to such arrangements are recorded within "Prepaid expenses and other current assets" and within "Other assets - non-current" in the Consolidated Statements of Financial Position and amortized to "Selling, general and administrative" expenses in the Consolidated Statements of Comprehensive Loss.

Impairment of finite-lived intangible and long-lived assets

The Company regularly evaluates whether events and circumstances have occurred that indicate the carrying amount of long-lived assets and finite-lived intangible assets may not be recoverable. When factors indicate that these assets should be evaluated for possible impairment, the Company assesses the potential impairment by determining whether the carrying amount of the asset group will be recovered through the future undiscounted cash flows expected from use of the asset group and its eventual disposition. If the carrying amount of the asset group is determined not to be recoverable, a write-down to fair value is recorded as "Impairment expense on goodwill and intangible assets" within the Consolidated Statements of Comprehensive Loss. Fair values are determined based on a discounted cash flow analysis. The Company also regularly evaluates whether events and circumstances have occurred that indicate the useful lives of long-lived assets and finite-lived intangible assets may warrant revision. See Note 6 for further information regarding the Company's impairment review of finite-lived intangible assets.

Goodwill

Goodwill is required to be allocated to reporting units which are either (1) an operating segment or (2) components of an operating segment that are one level below and for which discrete financial information is prepared and regularly reviewed by segment management. The Company considers its reporting units to be at the operating segment level for Digital Wallets and one level below for Merchant Solutions.

Goodwill is tested for impairment at a minimum on an annual basis on October 1; and more frequently when there is an indicator of impairment. Goodwill is tested for impairment at the reporting unit level by first performing a qualitative assessment to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying value. If the reporting unit does not pass the qualitative assessment, then the reporting unit's carrying value is compared to its fair value. Goodwill is considered impaired if the carrying value of the reporting unit exceeds its fair value.

The fair value of the reporting unit is based on the weighting of an income approach and market approach. See Note 5 for further information.

Business combinations

The Company performs a two-step analysis to determine whether a transaction will be considered as the acquisition of a business or the acquisition of an asset. First, an initial screening test is performed, which determines whether substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identified assets. If this initial test is not met, an acquired asset cannot be considered a business unless it includes an input and a substantive process that together significantly contribute to the ability to create output.

Asset acquisition is accounted for using a cost accumulation model. The acquired assets including related transaction costs are recorded at cost when cash consideration is used. If the consideration is non-cash, then the recording of the assets is based on the fair value of the assets acquired. Direct and incremental acquisition costs are included in the cost of the acquisition. Contingent consideration that is accounted for as a derivative is recognized at fair value. Otherwise, such consideration generally is recognized when it becomes probable and reasonably estimable. Any excess of the cost of the acquisition over the fair value of the net assets acquired is allocated to assets on the basis of relative fair values. Goodwill is not recognized. Asset acquisitions generally consist of the purchase of merchant portfolios which are accounted for as intangible assets.

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interest issued by the Company in exchange for control of the acquiree.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognized at their fair value. Goodwill is measured as the excess of the sum of the consideration transferred over the net of the acquisition date amounts of the identifiable assets and liabilities assumed. When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Payments related to contingent consideration made on or within three months of the business combination date is viewed as an extension of the business combination, and such payments are classified as investing activities in the Consolidated Statements of Cash Flows. Payments that are made more than three months after business combination date to settle the contingent consideration liability recognized at fair value as of the acquisition date (including measurement-period adjustments) less payments made on or within three months of the business combination date are classified as financing activities in the Consolidated Statements of Cash Flows. Payments that are made more than three months after business combination date that exceed those classified as financing activities are classified as operating activities in the Consolidated Statements of Cash Flows. There were no business combinations for the year end December 31, 2023. Refer to Note 14 for prior year business combinations.

Funds Payable and Amounts Due to Customers

When electronic money (“e-money”) is issued, the Company recognizes a liability to the customer equal to the amount of electronic e-money that has been issued. The liability is due to the customer prior to the funds being used.

In addition, where the Company is in the flow of funds in the transaction settlement cycle, a liability is recognized for the amount owed to the merchants. A majority of these transactions are net settled, whereby the amounts due to merchants are settled net of the revenue transaction fees owed by the merchant.

These amounts are presented as “Funds payable and amounts due to customers” in the Company’s Consolidated Statements of Financial Position. Refer to *Settlement Receivables*, net above regarding cash flow classification.

Revenue recognition

The Company has prepared these financial statements under Accounting Standard Codification (“ASC”) 606, *Revenue From Contracts With Customers* and ASC 340-40, *Other Assets and Deferred Costs - Contracts With Customers* (collectively referred to as the “Revenue Standard”). The Revenue Standard provides a five-step framework to determine when and how revenue is recognized, based on the core principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Revenue Standard also requires additional disclosures regarding the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

The Company provides payment solutions through two primary lines of business: Merchant Solutions and Digital Wallets. The Merchant Solutions revenue streams are earned by charging merchants processing fees for facilitating payment processing transactions. The Digital Wallets revenue streams are almost entirely derived from charging merchants’ fees for allowing payments on their platforms using our products or from charging customers on a transactional basis for using our services.

For both of our segments, the Company’s main performance obligation is to stand ready to provide payment services to merchants and consumers. An area of significant judgment involves determining whether goods and services are considered distinct performance obligations that should be accounted for separately, or together as one performance obligation. This includes determining whether distinct services are part of a series of distinct services that are substantially the same. The Company’s promise to stand ready to provide electronic payment services is not based on a specified number of transactions, but rather is a promise to process all the transactions needed each day. As such the nature of the promise is that of a series of distinct services that are substantially the same and have the same pattern of transfer to the customer over time. Accordingly, the promise to stand ready is accounted for as a single-series performance obligation for which the measure of progress is time. The Company recognizes revenue as it satisfies a performance obligation by transferring control over the service to a customer for which the timing and quantity of transactions to be processed is not determinable at the inception of the contract.

Revenue is recognized net of taxes collected from customers. These taxes are subsequently remitted to governmental authorities. The Company has presented disaggregated revenue at the segment level (See Note 21).

Merchant Solutions

Merchant Solutions services are primarily derived from processing credit and debit card transactions for merchants. The Company does not contract directly with consumers within our Merchant Solutions segment; as such, our contracts in this segment are all written contractual agreements primarily in two main categories. The first category includes contracts with our sponsor banks and processing partners, which are typically long-term contractual relationships with durations of 5 years, but continuing in effect with automatic renewals of one year or longer. These agreements usually have termination clauses requiring written notice and 90 to 180-day notice periods. The second category is our contracts with merchants. The contracts with merchants are tri-party agreements, usually between the Company, the merchants and sponsor banks with durations of three years followed by annual auto-renewals at the end of the terms. Termination clauses generally require 30 days written notice and can be terminated without significant penalty. While the duration of contacts may differ, the primary source of revenue is consistent across segments and consumer base.

Some of the Company's contracts with customers include promises to transfer multiple goods and services, which are primarily point of sale terminals. The Company also concluded that the goods offered in our contracts, are not material individually or in the aggregate to the contract and no allocation of consideration is made to those goods.

The majority of our payment services are priced as a percentage of transaction value or a specified fee of the payment volumes processed or as a charge per transaction. We also charge other fixed fees on a monthly or annual basis which are assessed based on specific services that may be unrelated to the number of transactions or transaction value for various ancillary items which can include foreign exchange services for settling foreign currency transactions, gateway services, fraud and risk management services and charges for accepting alternative payments.

Given the nature of the promise and that the underlying fees are based on unknown quantities of transactions or outcomes of services to be performed over the contract term, the total consideration is determined to be variable. The Company allocates the variable fees to the individual day in which the services were wholly performed and for which it has the contractual right to bill those wholly performed services under the contract. Therefore, we measure revenue for our payment service daily based on the services that are performed on that day.

The Company has concluded that its performance obligation is to facilitate payment services that are provided by other parties and therefore the nature of the Company's performance obligation is that of an agent. The Company does not have the ability to direct the use of and obtain substantially all the benefits from the services provided by the card issuing financial institutions and payment networks before those services are transferred to the customer. As a result, the Company presents revenue net of the interchange fees charged by the card issuing financial institutions and the fees charged by the payment networks.

The nature of our billing depends on whether we are in the flow of the funds. When we are in the flow of funds, we can direct debit our fees and settle with our customers on a net basis. When the Company does not have direct access to debit our customer accounts, we typically collect by billing our merchant banking partners on a monthly basis, and our invoices are due immediately upon receipt.

Digital Wallets

Digital Wallets services are offered through the NETELLER and Skrill brands. In addition, the Digital Wallets segment also offers prepaid payment vouchers through the paysafecard, paysafecash, SafetyPay and PagoEfectivo brands which are sold directly to customers through third-party distributors and online payment accounts. The Company's consumer facing contracts have online terms and conditions that the consumers agree on as terms of business; these are typically open ended and can be terminated without penalty by either party. Therefore, these contracts are essentially defined at the transaction level and there is no commitment to provide further services beyond the services already provided. Our merchant contracts in the Digital Wallets segment are formal written contractual agreements with merchants who accept our services on their platforms. These contracts are longer-term relationships structured as open-ended contracts and are typically cancellable by either party with 30 to 60-day written notice without significant penalty.

Consumer and merchant revenues are earned either as a fee calculated as a percentage of funds processed or as a charge per transaction, pursuant to the respective consumer and merchant agreements, as well as fees from cross-currency transactions. We also charge monthly maintenance fees for wallets that have periods of inactivity. For customers who purchase prepaid payment vouchers, we consider the redemption of the voucher to be the point in which we earn revenue. The Company does have the ability to direct the use of and obtain substantially all the benefits from the services provided by the card issuing financial institutions and credit card networks before those services are transferred to the customer. The Company also has full discretion in determining the fees charged. As a result the Company presents revenue on a gross basis for the Digital Wallets segment.

We typically have the authority to directly debit our consumers' pre-funded digital wallet accounts and the merchant wallet accounts, as such, when we earn revenue from transaction fees we are not required to separately bill for amounts earned and collectability is reasonably assured.

Interest revenue

Interest revenue is earned on the funds held on behalf of customers and is accrued on a monthly basis, by reference to the principal outstanding and at the effective interest rate applicable. While this is not revenue earned from contracts with customers, interest revenue on consumer funds held by the Company is presented in "Revenue" as it is earned on funds that are held as part of the Company's revenue generating activities.

Cost to obtain and fulfill a contract

We capitalize sales commissions for new contract acquisitions payable to third party agents or employees of Paysafe in the sales function when it is determined that these costs are (i) recoverable, (ii) would not be incurred if the new contract was not obtained and (iii) have an expected period of benefit of one year or greater. The capitalized costs are amortized on a straight-line basis over the expected period of benefit to Selling, general and administrative expense. Capitalized incremental sales commissions are not material. The Company has elected to expense incremental costs of obtaining a contract when incurred when the amortization period for those assets is one year or less per the practical expedient under the Revenue Standard.

We capitalize incremental costs incurred to fulfill our contracts that (i) relate directly to the contract, (ii) are expected to generate resources that will be used to satisfy our performance obligation under the contract, and (iii) are expected to be recovered through revenue generated under the contract. Incremental costs to fulfill customer contracts are not material.

Contract balances

We do not have any material contract balances associated with our contracts with customers.

Remaining performance obligation

The Revenue Standard requires disclosure of the aggregate amount of the transaction price allocated to unsatisfied performance obligations; however, as permitted by the Revenue Standard, the Company has elected to exclude disclosing any contracts with an original duration of one year or less and any variable consideration that meets specified criteria. As described above, the Company's most significant performance obligations consist of variable consideration under a stand-ready series of distinct days of service, which typically represent all or almost all of the total transaction price for the related contract. The variable consideration that will be allocated to future days of service is not required to be disclosed as these days of services are wholly unsatisfied at the Company's reporting date. The aggregate fixed consideration portion of customer contracts with an initial contract duration greater than one year is not material.

Cost of services (excluding depreciation and amortization)

Cost of services (excluding depreciation and amortization) primarily relate to fees incurred by the Company in the processing and settlement of transactions.

Merchant Solutions: Cost of services (excluding depreciation and amortization) consists primarily of merchant residual payments to our network of Independent Sales Organizations ("ISOs") and Integrated Software Vendors ("ISV") and other fees incurred by the Company in processing of transactions. Cost of services (excluding depreciation and amortization) does not include interchange fees charged by the card issuing financial institutions and fees charged by payment networks in this line of business, which are presented net within revenue.

Digital Wallets: Cost of services (excluding depreciation and amortization) in connection with the services offered under the NETELLER and Skrill brands as described above is primarily composed of the costs the company incurs to accept a customer's funding source of payment and subsequent withdrawals from the wallet. These costs include fees paid to payment processors and other financial institutions in order to draw funds from a customer's credit or debit card, bank account, or other funding source they have stored in their digital wallet accounts. Cost of services (excluding depreciation and amortization) in relation to the paysafecard, paysafecash, SafetyPay and PagoEfectivo brands is primarily comprised of commissions paid to distributors.

Restructuring and other costs

Restructuring and other costs include acquisition costs related to the Company's merger and acquisition activity, restructuring costs, provision related to customer payments and professional consulting and, in prior years, advisory fees related to public company readiness activities. This includes certain professional advisory costs, office closure costs and resulting severance payments to certain executives.

Deferred equity costs

Transactions costs that are incremental and directly attributable to an equity transaction are deferred and charged against the gross proceeds received upon completion of the equity transaction. There were no deferred equity costs for any of the years presented within these financial statements.

Employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay the amount as a result of past service provided by the employee and the obligation can be estimated reliably. The Company operates a defined contribution plan for its employees. Payments to defined contribution plans are recognized as an expense when employees have rendered the service entitling them to the contributions. Expense recognized for defined contribution plans for the year ended December 31, 2023, 2022 and 2021 was \$5,582, \$5,654, and \$5,782, respectively.

Self-insurance liabilities

Effective January 1, 2023, we began to self-insure for certain losses related to United States employee medical and prescription drug benefit claims, a portion of which is paid by employees. We hold specific and aggregate excess loss insurance benefit coverage to limit significant exposure to these claims. Self-insured liabilities and related expenses are based upon actual claims filed and an estimated liability of claims incurred but not reported ("IBNR"). The liabilities are actuarially determined based primarily on our historical claims activity, claims payment patterns, and medical cost trends. In addition, we record receivables for amounts expected to be reimbursed for payments made in excess of stop-loss coverage.

The self-insurance liability represents the best estimate of future payments to be made on reported and unreported losses as of December 31, 2023. To the extent actuarial assumptions change and claims experience rates differ from historical rates, our liabilities may change. As of December 31, 2023, the self-insurance liability was not material and no receivables were recorded for payments in excess of our self-insured levels.

Advertising costs

Advertising costs are expensed as incurred. Advertising expense for the year ended December 31, 2023, 2022 and 2021 was \$38,833, \$35,280, and \$38,509, respectively.

Foreign currencies

The Company has operations in foreign countries whose currency differs from the functional currency of the Company and its subsidiaries. Gains and losses on transactions denominated in currencies other than the functional currency are included in determining net income (loss) for the period. Foreign exchange gains and losses are included within "Other income, net".

The assets and liabilities of subsidiaries whose functional currency is a foreign currency are translated at the period end exchange rate into United States Dollars ("USD"), the Company's reporting currency. Income statement items are translated at the average monthly rates prevailing during the year. The resulting translation adjustment is recorded as a component of other comprehensive income and is included in "Accumulated Other Comprehensive Loss".

Income Taxes

The provision for income taxes is determined using the asset and liability approach considering guidance related to uncertain tax positions. Tax laws require items to be included in tax filings at different times than the items are reflected in the financial statements. A current liability is recognized for the estimated taxes payable for the current year. Deferred taxes represent the future tax consequences expected to occur when the reported amounts of assets and liabilities are recovered or paid. Deferred taxes are initially recognized at enacted tax rates and are adjusted for any enacted changes in tax rates and tax laws. Subsequent changes to deferred taxes originally recognized in equity are recognized in income. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized.

The income tax effects from an uncertain tax position are recognized when it is more likely than not that the position will be sustained based on its technical merits and consideration of the tax authorities widely understood administrative practices and precedents. Recognized income tax positions are measured at the largest amount that has a greater than 50% likelihood of being realized upon

settlement. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company records interest and penalties related to uncertain tax positions in the provision for "Income tax (benefit) / expense" on the Consolidated Statements of Comprehensive Loss.

Fair value measurements

The Company follows ASC 820, *Fair Value Measurements*, which defines fair value as the price to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The determination of fair value is based on the principal or most advantageous market in which the Company could participate and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of non-performance. Also, determination of fair value assumes that market participants will consider the highest and best use of the asset.

The Company uses the hierarchy prescribed in the aforementioned accounting guidance for fair value measurements, based on the available inputs to the valuation and the degree to which they are observable or not observable in the market.

The three levels of the hierarchy are as follows:

- Level 1 Inputs—Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date,
- Level 2 Inputs—Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability if it has a specified or contractual term, and
- Level 3 Inputs—Unobservable inputs for the asset or liability used to measure fair value allowing for inputs reflecting the Company's assumptions about what other market participants would use in pricing the asset or liability, including assumptions about risk.

There were no material transfers of account balances between the three levels of hierarchy for the years ended December 31, 2023 and 2022.

Financial instruments

Financial instruments measured at fair value through profit or loss are measured at fair value with changes in fair value recognized in the Consolidated Statements of Comprehensive Loss. These financial instruments include contingent consideration receivable, deferred and contingent consideration payable, share-based compensation liabilities, warrant liabilities and derivative financial assets and liabilities.

Financial assets measured at amortized cost include cash and cash equivalents, customer accounts and other restricted cash, accounts receivable and settlement receivables. Financial liabilities measured at amortized cost include debt, accounts payable and other liabilities, and funds payable and amounts due to customers.

Financial liabilities are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Finance costs are charged to the Consolidated Statements of Comprehensive Loss using the effective interest rate method.

Offsetting

Financial assets and liabilities are offset and the net amount presented in the Consolidated Statements of Financial Position when, and only when, the Company has a legally enforceable right to set off the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting standards.

Derivative instruments

The Company accounts for derivatives in accordance with ASC 815, *Derivatives and Hedging*, which provides accounting and reporting guidance for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. All derivatives, whether designated in hedging relationships or not, are required to be recorded on the Consolidated Statements of Financial Position at fair value. The Company's derivatives balances in the financial statements are classified as current or non-current, dependent on their respective maturities. The Company enters into derivative financial instruments to manage its interest rate risk related to its financing operations. The Company does not enter into derivative financial instruments for speculative purposes.

Warrants

The Company accounts for warrants as derivative liabilities under ASC 815-40, *Derivatives and Hedging: Contracts in Entity's Own Equity*, as they are freestanding instruments with provisions that preclude them from being indexed to the Company's stock. The warrants were initially recorded at fair value on the closing date of the Transaction (March 30, 2021 as described in Note 2) based on the public warrants listed trading price (NYSE: PSFE.WS) and are subsequently remeasured at the balance sheet date with the changes in fair value recognized within "Other income / (expense), net" in the Consolidated Statements of Comprehensive Loss. As of December 31, 2023 and 2022, the warrants consisted solely of public warrants.

Share-based compensation

The Company accounts for share-based compensation plans in accordance with ASC 718, *Compensation - Stock Compensation*, which requires the recognition of expense related to the grant date fair value of share-based compensation awards.

Under the Company's current 2021 Omnibus Plan, the grant date fair value of restricted stock units is determined using the Company's stock price on the date of grant. These awards are subject to a service condition or a performance condition. The awards with a service condition vest ratably over three years and the share-based compensation expense is recognized over this requisite service period using the straight-line method. The awards with a performance condition vest at the end of one- or three-years and the number of stock units that vest is variable depending upon the probability of achievement of certain internal performance targets and may vest between 0% and 200% of the target share amount. Share-based compensation expense for these awards are recognized over the requisite service period and as the performance targets are considered probable of being achieved.

The grant date fair value of stock options is determined using a Black Scholes model. The determination of the grant date fair value was affected by assumptions including expected stock price volatility over the expected term of the award, the risk-free interest rate for the expected term of the award, time expected to expiration and expected dividends. The options have a contractual ten-year life and vest annually in equal increments over three years. Compensation expense is recognized on a straight line basis over the vesting period.

Under the Company's previous 2018 Pi Jersey Topco Limited Plan, the grant date fair value of A ordinary shares and B ordinary shares was determined using a Monte Carlo method. The determination of the grant date fair value was affected by assumptions regarding a number of complex and subjective variables, including expected stock price volatility over the expected term of the award, the risk-free interest rate for the expected term of the award and expected dividends. The awards were subject to a service condition, a performance condition and a market condition. As of December 31, 2023, the share-based compensation was fully expensed as the vesting conditions were met upon completion of the Transaction (See Note 2 and 16). Additional shares are not expected to be granted from this plan.

The Company accounts for forfeitures as they occur.

Earnings per share

Basic earnings per share is computed by dividing net income (loss) attributable to the Company by the weighted average shares outstanding during the period. Diluted earnings per share is computed by dividing net income (loss) attributable to the Company, adjusted as necessary for the impact of potentially dilutive securities, by the weighted-average shares outstanding during the period including all potentially dilutive securities as determined under the treasury stock method. In periods when we have a net loss, all potentially dilutive securities are excluded from our calculation of earnings per share as their inclusion would have an antidilutive effect.

Recently Adopted Accounting Pronouncements

Convertible Debt Instruments

In August 2020, the FASB issued ASU 2020-06, *Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*. This update reduces the number of accounting models for convertible debt instruments resulting in fewer embedded conversion features being separately recognized from the host contract as compared with current GAAP. Convertible instruments that continue to be subject to separation models are (1) those with embedded conversion features that are not clearly and closely related to the host contract, that meet the definition of a derivative, and that do not qualify for a scope exception from derivative accounting and (2) convertible debt instruments issued with substantial premiums for which the premiums are recorded as paid-in-capital. In addition, this update also makes targeted changes to the disclosures for convertible instruments and earnings-per-share guidance. This guidance may be adopted through either a modified retrospective or fully retrospective method of transition and will take effect for public companies with fiscal years, and interim periods within those fiscal years, beginning after December 15, 2021. The Company adopted this new guidance effective January 1, 2022. This new guidance did not have an effect on our consolidated financial statements.

Reference Rate Reform

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform (Topic 848), which provides optional expedients and exceptions to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The amendments in this update apply only to contracts, hedging relationships, and other transactions that reference London Inter-bank Offered Rate ("LIBOR") or another reference rate expected to be discontinued because of reference rate reform. The expedients and exceptions provided by the amendments do not apply to contract modifications made and hedging relationships entered into or evaluated after December 31, 2022, except for hedging relationships existing as of December 31, 2022 for which an entity has elected certain optional expedients and which are retained through the end of the hedging relationship. The amendments in this update also include a general principle that permits an entity to consider contract modifications due to reference rate reform to be an event that does not require contract remeasurement at the modification date or reassessment of a previous accounting determination. If elected, the optional expedients for contract modifications must be applied consistently for all eligible contracts or eligible transactions within the relevant ASC Topic or Industry Subtopic that contains the guidance that otherwise would be required to be applied. The amendments in this update were effective upon issuance and could be applied prospectively to contract modifications made and hedging relationships entered into or evaluated on or before December 31, 2022.

In January 2021, the FASB issued ASU 2021-01, Reference Rate Reform (Topic 848): Scope, which clarified the scope of ASU 2020-04 indicating that certain optional expedients and exceptions included in ASU 2020-04 are applicable to derivative instruments affected by the market-wide change in interest rates used for discounting, margining, or contract price alignment. Our exposure to LIBOR is limited to our Term Loan Facility (USD), Revolving Credit Facility (USD) and derivative instruments.

In December 2022, the FASB issued ASU 2022-06, Reference Rate Reform (Topic 848), which defers the sunset date of Topic 848 from December 31, 2022, to December 31, 2024, after which entities will no longer be permitted to apply the relief in Topic 848.

The Company has applied the optional expedient in the standard to the debt amendment dated April 13, 2023, and the derivative instrument with the changes in rate accounted for prospectively (See Note 9 and 10).

Business Combinations

In October 2021, the FASB issued ASU 2021-08, Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers. This update improves the accounting for acquired revenue contracts with customers in a business combination by addressing diversity in practice and inconsistency related to 1) recognition of an acquired contract liability and 2) payment terms and their effect on subsequent revenue recognized by the acquirer. This guidance will take effect for public companies with fiscal years, and interim periods within those fiscal years, beginning after December 15, 2022 and is applied prospectively to acquisitions occurring after the effective date. The Company adopted this new guidance effective January 1, 2023. This new guidance did not have an impact on our consolidated financial statements.

Supplier Finance Programs

In September 2022, the FASB issued ASU 2022-04 Liabilities - Supplier Finance Programs. This update enhances transparency about an entity's use of supplier finance programs. The buyer in a supplier finance program is required to disclose information about the key terms of the program, outstanding confirmed amounts as of the end of the period, a roll-forward of such amounts during each annual period, and a description of where in the financial statements outstanding amounts are presented. The amendments in this update will take effect for public companies with fiscal years, and interim periods within those fiscal years, beginning after December 15, 2022, except for the amendment on roll-forward information which is effective for fiscal years beginning after December 31, 2023. Early adoption is permitted. The Company adopted this new guidance, with the exception of the roll-forward information, effective January 1, 2023. This new guidance did not have a material effect on our consolidated financial statements. As of December 31, 2023, the Company did not have any supplier finance arrangements.

Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions

In June 2022, the FASB issued ASU 2022-03, which amends Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions. This updated clarifies guidance for fair value measurement of an equity security subject to a contractual sale restriction and establishes new disclosure requirements for such equity securities. This update is effective for fiscal years beginning after December 15, 2023 and for interim periods within those fiscal years, with early adoption permitted. The Company adopted this new guidance on January 1, 2024 which did not have an impact on our consolidated financial statements.

Accounting Pronouncements not yet Adopted

Segment Reporting

In November 2023, the FASB issued ASU 2023-07, which amends Segment reporting (Topic 280). This update enhances reportable segment disclosure requirements, primarily by requiring disclosure of the significant segment expenses for each reportable segment that are regularly provided to the Chief Operating Decision Maker, and aligning the segment reporting disclosure requirements in interim and annual reporting periods. This update is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. The Company expects to adopt this guidance in our December 31, 2024 annual financial statements and this guidance is not expected to have a material impact on the Company's consolidated financial statements.

Crypto Assets

In December 2023, the FASB issued ASU 2023-08, Intangibles – Goodwill and Other – Crypto assets. This update provides guidance on the accounting for and disclosure of crypto assets by requiring that crypto assets that meet criteria defined by the ASU to 1) be measured at fair value separately from other intangible assets in the statement of financial position, 2) to present remeasurement separately from other changes in other intangible assets in the statement of comprehensive income, and 3) to enhance disclosure requirements related to the crypto assets, including providing roll-forward information of crypto asset holdings. This update is effective for fiscal years beginning after December 15, 2024, including interim periods within those fiscal years, with early adoption permitted.

The Company purchases cryptocurrency assets on behalf of its customers. All the risks and rewards associated with those assets are transferred to the customer at the time of purchase and the Company has no ability to control the assets and no requirement to safeguard the assets. As a result, the Company does not recognize either the cryptocurrency asset or liability to the customer on its balance sheet. The Company expects to adopt ASU 2023-08 on January 1, 2025 which is not expected to have a material impact on the Company's consolidated financial statements.

Income Taxes

In December 2023, the FASB issued ASU 2023-09, which amends Income taxes (Topic 270). This update enhances income tax disclosure requirements, primarily by requiring public companies to provide disclosures regarding the statutory tax rate and effective tax rate in tabular format with specific categories identified, and to provide additional disclosures for reconciling items that meet quantitative thresholds. This update is effective for annual periods beginning after December 15, 2024, with early adoption permitted. The Company expects to adopt this guidance on January 1, 2025 which is not expected to have a material impact on the Company's consolidated financial statements.

2.Reorganization and Recapitalization (the "Transaction")

On December 7, 2020, Paysafe Limited, FTAC, Merger Sub, Paysafe Bermuda Holding LLC, Legacy Paysafe and PGHL entered into a definitive agreement and plan of merger to effectuate the Transaction which was completed on March 30, 2021. In order to effectuate the Transaction, PGHL created a newly formed wholly owned entity, Paysafe Limited, which acquired all of the shares of the Accounting Predecessor on March 30, 2021. Immediately following the acquisition of the Accounting Predecessor's shares, Paysafe Limited merged with FTAC, which was effectuated through a merger between Merger Sub and FTAC. Merger Sub is a newly formed wholly owned subsidiary of Paysafe Limited. FTAC survived the merger. The Accounting Predecessor and FTAC are indirect wholly owned subsidiaries of Paysafe Limited following the Transaction. Prior to the Transaction, Paysafe Limited had no material operations, assets or liabilities.

The acquisition of the Accounting Predecessor was accounted for as a capital reorganization whereby Paysafe Limited was the successor to Pi Jersey 1.5 Holdeo Limited. The capital reorganization was immediately followed by the merger with FTAC. As FTAC was not recognized as a business under GAAP given it consisted primarily of cash held in a trust account, the merger was treated as a recapitalization. Under this method of accounting, the ongoing financial statements of Paysafe Limited reflect the net assets of the Accounting Predecessor and FTAC at historical cost, with no additional goodwill recognized.

The Accounting Predecessor was determined to be the accounting acquirer based on evaluation of the following facts and circumstances: (i) the Accounting Predecessor's shareholder group has the largest portion of relative voting rights in Paysafe Limited; (ii) the Accounting Predecessor was significantly larger than FTAC by total assets and total cash and cash equivalents; (iii) the senior management team of the Accounting Predecessor are continuing to serve in such positions with substantially similar responsibilities and duties at Paysafe Limited following consummation of the Transaction; and (iv) the purpose and intent of the Transaction was to create an operating public company, with management continuing to use the Paysafe platform to grow the business.

In connection with the Transaction, Paysafe Limited, PGHL and FTAC entered into subscription agreements with certain investors (the “PIPE Investors”). Simultaneously with the consummation of the Transaction, Paysafe Limited issued to the PIPE Investors 200,000,000 shares of common stock at a price of \$10.00 per share for aggregate gross proceeds of \$2,000,000. The Company incurred direct and incremental costs of approximately \$151,722 related to the Transaction, consisting primarily of advisory, banking, printing, legal, and accounting fees, which were recorded to “Additional paid-in capital” as a reduction of these share issuance proceeds (collectively “Share issuances, net of proceeds”).

Paysafe Limited acquired from PGHL all of the Accounting Predecessor’s shares in exchange for cash consideration of \$2,448,799 and share consideration of 333,419,924 common shares (“Capital reorganization”).

The FTAC merger was completed by: (i) Paysafe Bermuda Holdings LLC issuing 20,893,780 LLC membership equity interests (“LLC Units”) in exchange for the FTAC Founder’s FTAC Class C shares outstanding immediately prior to the Transaction; (ii) Paysafe Limited issuing 190,292,458 common shares in exchange for the FTAC’s shareholders shares outstanding immediately prior to the Transaction; and (iii) Paysafe Limited assuming the FTAC’s warrants outstanding immediately prior to the Transaction, consisting of 48,901,025 public warrants (the “Public Warrants”) and 5,000,000 private warrants (the “Private Warrants”), which were modified to entitle the holder to acquire, on the same terms, Company common shares instead of FTAC common stock (the “Warrants”) (collectively, “Merger recapitalization”). The cash flows related to these activities have been classified as “Net cash inflow from reorganization and recapitalization” within the Consolidated Statements of Cash Flows, consisting of cash outflows related to the cash consideration for the Pi Jersey acquisition of \$2,448,799, offset by the \$1,616,673 in net proceeds from the merger with FTAC and \$2,000,000 in proceeds from the share issuance.

Non-controlling interest

The LLC units contained an exchange right which entitled the FTAC Founder to exchange its LLC Units for, at the option of the LLC, cash or shares of Paysafe Limited (the “Exchange right”). The Exchange Right could not be exercised until 12 months after the Transaction. Thereafter, it could be exercised at any time up until the fifth year following the close of the Transaction; at which time the LLC Units would be mandatorily exchangeable into cash or shares at the LLC’s option. The Exchange Right is considered embedded in the LLC Units, which represent an equity host contract, as it cannot be exercised separately from the LLC units. As the Exchange Right can be settled by the Company in its own shares, it is considered clearly and closely related to the LLC Units, and therefore is not considered an embedded derivative to be accounted for separately. At the time of the Transaction, the LLC Units were accounted for as permanent equity and presented as non-controlling interest, as they were held by the FTAC Founder and entitled to participate in tax distributions.

On initial recognition, the non-controlling interest was recorded at the value of the FTAC Class C shares that the LLC received in exchange for the LLC Units it issued to the FTAC Founder. Immediately prior to the Transaction, the FTAC Founder held FTAC warrants that were exchanged for the FTAC Class C shares. As such, the value of the FTAC Class C shares was based on the value of such warrants, which was calculated based on the publicly listed trading price of the Warrants (NYSE: PSFE.WS) at the Transaction date. Subsequently, the non-controlling interest amount varies based on the LLC’s tax distributions attributable to the FTAC Founder.

During the fourth quarter of 2022, the Company was notified that 100% of the LLC Units were surrendered by the FTAC Founder and were subsequently cancelled. There was no consideration provided to the FTAC Founder by the Company in lieu of surrendering or cancelling the LLC Units. As a result, as of December 31, 2022, the non-controlling interest was eliminated and recorded as a capital contribution from a related party in an equivalent amount. There was no impact to the Statement of Comprehensive Income as a result of the cancellation as there was no benefit or consideration provided in exchange for cancelling the LLC units.

Warrants

The Warrants represent the right to purchase one share of the Company’s common shares at a price of \$138.00 per share. The Warrants became exercisable on August 21, 2021 and will expire on the fifth anniversary of the Transaction, or upon an earlier redemption. Refer to Note 1 for initial recognition, subsequent measurement and impact of the RSS on the Warrants.

As of December 31, 2023, all 53,900,329 warrants were considered Public Warrants and no warrants were held by a related party.

Share-based compensation

Certain employee equity-based awards issued by the Accounting Predecessor included performance conditions that vested upon a qualifying Exit Event (defined as an IPO whereby Blackstone and CVC retain less than 50% of the B ordinary shares they held immediately prior to the IPO through one or multiple transactions, winding-up or completion of a sale), which was not deemed probable in prior periods. These awards vested in connection with the completion of the Transaction, resulting in the full recognition of

share-based compensation for the year ended December 31, 2021, which is included in “Selling, general and administrative” on the Consolidated Statements of Comprehensive Loss.

In addition, these awards were modified in conjunction with the Transaction. Their settlement terms changed such that instead of Topco’s A ordinary shares and B ordinary shares, the awardees received Paysafe Limited common shares as well as Topco’s shares. The modification resulted in a change in the classification of the modified awards, with the Topco shares being accounted for as a liability-classified share-based payment award under ASC 718 as they will be settled in cash. The corresponding liability was measured at fair value at the modification date (i.e. the Transaction date), and subsequently it will be remeasured at fair value at each reporting date, with changes in its value reported as share-based compensation expense. The awards settled in Paysafe Limited common shares continue to be accounted for as equity-based awards.

For the year ended December 31, 2021, the Company recognized \$101,770 of share-based compensation, of which \$71,630 related to these awards that vested upon completion of the Transaction and \$6,550 related to their modification and subsequent remeasurement. The majority of the remaining share-based compensation relates to restricted stock units granted under the 2021 Plan (see Note 16).

In connection with the modification described above for the year ended December 31, 2021, an initial share-based compensation liability of \$13,124 was recognized with \$5,123 reclassified from “Additional paid in capital” and the remainder expensed in the current period. As of December 31, 2023 and 2022, the share-based compensation liability was \$5,809 and \$9,237, respectively. The change during the year ended December 31, 2023 was due to redemptions of \$3,707, offset by fair value adjustments and foreign exchange. The liability is classified as a current or non-current liability within the Consolidated Statements of Financial Position based on the expected timing of the redemption of shares. Refer to Note 16 for further information on all share-based compensation liabilities.

Repayment of debt

In connection with the Transaction, certain third-party debt was settled in cash in the first quarter in 2021. The Company repaid \$416,700 and €204,500 under the USD First Lien Term Loan and EUR First Lien Term Loan, respectively, and fully repaid the second lien term loan facility which consisted of a \$250,000 USD Facility (“USD Second Lien Term Loan”) and a €212,459 EUR Facility (“EUR Second Lien Term Loan”). Both debt repayments occurred contemporaneously with the closing of the Transaction. As a result, the Company expensed capitalized debt fees of \$21,724, which are included in “Interest expense, net” on the Consolidated Statements of Comprehensive Loss. Refer to Note 9 for further information on all debt transactions.

3.Net loss per share attributable to the Company

The following table sets forth the computation of the Company’s basic and diluted net loss per share attributable to the Company. The weighted average shares calculation reflects the outstanding common shares of Paysafe Ltd from the closing date of the Transaction. The historical outstanding shares have been recast to give effect to the Reverse Stock Split (See Note 1).

The Company uses the treasury stock method of calculating diluted net loss per share attributable to the Company. For the years ended December 31, 2023, 2022 and 2021, we excluded all potentially dilutive restricted stock units, stock options, warrants and LLC units in calculating diluted net loss per share attributable to the Company as the effect was antidilutive.

The following table sets forth the computation of the Company’s basic and diluted net loss per ordinary share attributable to the Company.

	Year ended December 31,		
	2023	2022	2021
Numerator			
Net loss attributable to the Company - basic	\$ (20,251)	\$ (1,862,655)	\$ (110,954)
Net loss attributable to the Company - diluted	\$ (20,251)	\$ (1,862,655)	\$ (110,954)
Denominator			
Weighted average shares – basic	61,434,238	60,519,640	60,309,384
Weighted average shares – diluted	61,434,238	60,519,640	60,309,384
Net loss per share attributable to the Company			
Basic	\$ (0.33)	\$ (30.78)	\$ (1.84)
Diluted	\$ (0.33)	\$ (30.78)	\$ (1.84)

4.Taxation

In accordance with ASC Topic 740, *Income Taxes*, (“ASC 740”) income taxes are recognized for the amount of taxes payable for the current year and for the impact of deferred tax liabilities and assets, which represent future tax consequences of events that have been

recognized differently in the financial statements than for tax purposes. Deferred tax assets and liabilities are established using the enacted statutory tax rates and are adjusted for any changes in such rates in the period of change.

Income tax benefit

The components of income / (loss) before taxes for the years ended December 31, 2023, 2022 and 2021 consisted of the following:

	For the Year Ended December 31,		
	2023	2022	2021
United Kingdom	\$ 24,130	\$ (620,591)	\$ (447,808)
United States	(80,969)	(993,786)	(73,789)
Foreign Other	77,428	(300,409)	326,159
Income / (loss) from operations before taxes	\$ 20,589	\$ (1,914,786)	\$ (195,438)

Income tax expense / (benefit) comprises current and deferred tax. Current tax and deferred tax are recognized in the Consolidated Statements of Comprehensive Loss except to the extent that they relate to a business combination or items recognized directly in equity or in other comprehensive income. The income tax expense / (benefit) consists of the following:

	For the Year Ended December 31,		
	2023	2022	2021
Current:			
United Kingdom	\$ (3,447)	\$ 4,638	\$ (4,364)
United States	2,247	3,004	(25,926)
Foreign Other	22,348	22,732	42,173
Total	21,148	30,374	11,883
Deferred:			
United Kingdom	15,764	(25,416)	(90,345)
United States	11,395	(52,225)	4,468
Foreign Other	(7,467)	(5,235)	(11,116)
Total	19,692	(82,876)	(96,993)
Income tax expense / (benefit)	\$ 40,840	\$ (52,502)	\$ (85,110)

The effective tax rate for the years ended December 31, 2023, 2022 and 2021 was 198.4%, 2.7%, and 43.5%, respectively. The reconciliation of the statutory income tax rate to the Company's effective income tax rate is as follows:

	For the Year Ended December 31,		
	2023	2022	2021
United Kingdom corporate tax rate	23.5 %	19.0 %	19.0 %
Changes in respect of prior periods	41.6 %	0.4 %	8.2 %
Rate change	4.5 %	0.3 %	1.8 %
Expenses not deductible for tax purposes	9.5 %	(0.2)%	(9.4)%
Tax effect of short fall on share-based compensation	22.3 %	(0.2)%	—
Impairment losses not deductible for tax purposes	—	(15.8)%	—
Gains and losses not subject to income tax	(1.5)%	0.2 %	0.6 %
Withholding tax on unremitted earnings	8.7 %	(0.1)%	—
Foreign tax on capital gains	—	(0.4)%	—
Movement in deferred tax not recognized	131.9 %	(1.8)%	1.4 %
Movement in tax losses not recognized	(7.0)%	0.1 %	—
Foreign income taxed at different rates	(31.8)%	1.2 %	21.3 %
Other	(3.3)%	—	0.6 %
Effective tax rate	198.4 %	2.7 %	43.5 %

Uncertain tax positions

Accounting for taxes involves some estimation because the tax law is uncertain, and the application requires a degree of judgment, which authorities may dispute. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. The Company establishes reserves for uncertain tax positions where appropriate, based on amounts expected to be paid to the tax authorities.

A reconciliation of the beginning and ending amount of gross unrecognized tax benefits for uncertain tax positions is as follows:

	For the Year Ended December 31,		
	2023	2022	2021
Beginning unrecognized tax benefits	\$ 16,769	\$ 16,744	\$ 18,784
Increases related to prior year tax positions	-	-	4,451
Decreases related to prior year tax positions	(1,302)	(66)	(3,912)
Increases related to current year tax provisions	464	562	589
Decreases related to current year tax positions	-	-	(1,013)
Decreases related to settlement with tax authorities	(7,896)	(471)	(2,155)
Closing unrecognized tax benefits	<u>\$ 8,035</u>	<u>\$ 16,769</u>	<u>\$ 16,744</u>

The total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate for the years ended December 31, 2023, 2022 and 2021 is \$8,035, \$16,769, and \$16,744, respectively, which is recorded within "Accounts payable and other liabilities" within the Consolidated Statements of Financial Position (See Note 11). This is the amount held in respect of uncertain tax positions across all jurisdictions for all periods where the statutes of limitation have not closed. The Company classifies interest and penalties on income taxes as a component of the provision for income taxes. The total amount of interest and penalties accrued as of December 31, 2023 was \$2,630 and \$134, respectively, as of December 31, 2022 were \$1,620 and \$164, respectively, and as of December 31, 2021 were \$1,276 and \$166, respectively.

There are no events anticipated within the next 12 months that would significantly increase or decrease the total amount of unrecognized tax benefits.

We conduct business globally and file income tax returns in the United Kingdom, United States and other foreign jurisdictions. In the normal course of business, we are subject to examination by taxing authorities around the world. The Company is no longer subject to income tax examinations by tax authorities in the United Kingdom, United States and other foreign jurisdictions for tax years before 2015.

Recognition of deferred tax assets and liabilities

Deferred tax assets and liabilities reflect the effect of the differences between the financial reporting and income tax bases of assets and liabilities based on tax rates (and laws) enacted by the balance sheet date and which are expected to apply when the related deferred tax asset is realized, or the deferred tax liability is settled.

The realization of deferred tax assets is dependent on generating sufficient taxable income in future periods in which the tax benefits are deductible or creditable. We review the realization of deferred tax assets at each reporting date by estimating future taxable income of the relevant group entities. A valuation allowance is provided in respect of those assets where we do not expect to realize a benefit. All available evidence is considered in determining the amount of the required valuation allowance using a "more likely than not" threshold. Our assessment considers both positive and negative evidence and the extent to which that evidence can be objectively verified. Such evidence includes: (i) net earnings or losses in recent years; (ii) the likelihood of future, sustainable net earnings; (iii) the carry forward periods of tax losses and the impact of relevant reversing temporary differences; and (iv) any available tax planning strategies.

There are certain foreign subsidiaries for which deferred taxes have not been recognized on outside basis difference on the basis that they are indefinitely reinvested or distributable earnings may be repatriated tax-free. As of December 31, 2023, 2022 and 2021, the amount of such taxable temporary differences totaled \$725,029, \$680,616 and \$811,957, respectively, and the amount of any unrecognized deferred income tax liability on this temporary difference is \$3,706, \$2,720 and \$2,441, respectively.

Deferred taxes have been recognized for certain foreign subsidiaries where the permanently reinvested assertion has not been applied. As of December 31, 2023, 2022 and 2021, the amount of such taxable temporary difference totaled \$55,059, \$27,792 and \$0, respectively, and the amount of deferred tax liability recognized on this temporary difference is \$2,812, \$1,390 and \$0, respectively.

For our domestic subsidiaries in the United Kingdom, the Company has no intention of remitting earnings and/or no withholding tax would be imposed and therefore no deferred tax has been provided.

The principal components of deferred tax were as follows:

	For the Year Ended December 31,	
	2023	2022
Deferred tax assets:		
Property and equipment	\$ 9,688	\$ 3,607
Intangible assets	83,800	127,556
Carry forward tax losses	136,303	146,358
Excess interest carry forward	104,999	101,547
Accrued and unpaid expenses	20,725	14,010
Financial instruments	7,844	10,465
Other	10,325	14,605
Total deferred tax assets	373,684	418,148
Valuation allowance	(113,491)	(92,019)
Net deferred tax assets	260,193	326,129
Deferred tax liabilities:		
Property and equipment	(6,661)	(5,445)
Intangible assets	(277,537)	(319,167)
Other	(10,427)	(15,770)
Total deferred tax liabilities	(294,625)	(340,382)
Net deferred tax liabilities	<u>\$ (34,432)</u>	<u>\$ (14,253)</u>

Accounting for income taxes under U.S. GAAP requires that individual tax-paying entities offset all deferred tax assets and liabilities within each particular tax jurisdiction and present them net as non-current in the Consolidated Statements of Financial Position. As of December 31, 2023, \$182,920 of the \$260,193 deferred tax assets arose in the same taxable entities or consolidated tax groups as deferred tax liabilities where there is a legally enforceable right to offset current tax assets against current tax liabilities. As of December 31, 2022, \$221,591 of the \$326,129 deferred tax assets arose in the same taxable entities or consolidated tax groups as deferred tax liabilities where there is a legally enforceable right to offset current tax assets against current tax liabilities. Therefore, the net differences of \$77,273 and \$104,538 are reflected as “Deferred tax assets” within the Consolidated Statements of Financial Position as of December 31, 2023 and 2022, respectively.

As of December 31, 2023, the gross deferred tax liability of \$294,625 is presented on the Consolidated Statements of Financial Position on a net basis with \$182,920 of deferred tax assets, reflected as a deferred tax liability of \$111,705. As of December 31, 2022, the gross deferred tax liability of \$340,382 is presented on the Consolidated Statements of Financial Position on a net basis with \$221,591 of deferred tax assets, reflected as a deferred tax liability of \$118,791.

As of December 31, 2023, 2022 and 2021, the Company has net operating loss carry forwards of \$529,742, \$554,695, and \$508,434, respectively. As of December 31, 2023, \$172,698 of those carry forwards will expire between December 31, 2023 and December 31, 2050 if not utilized. The remaining balance of \$357,044 are indefinite loss carry forwards with no expiry date.

A valuation allowance is provided against deferred tax assets when it is more likely than not that some portion or all of the deferred tax assets will not be realized. For the years ended December 31, 2023 and 2022, the valuation allowance for the Company was \$113,491 and \$92,019, respectively. The current movement primarily relates to the increase of the valuation allowance on excess interest expenses carried forward in the US. The increase in the valuation allowance during the year ended December 31, 2023 was \$21,472 and the increase in the valuation allowance during the year ended December 31, 2022 was \$40,043.

5. Goodwill

Changes in the carrying amount of goodwill are as follows:

	Merchant Solutions ⁽³⁾		Digital Wallets ⁽⁴⁾		Total
December 31, 2021	\$	1,796,591	\$	1,853,446	\$ 3,650,037
Additions ⁽¹⁾		—		284,239	284,239
Purchase price adjustments ⁽²⁾		—		(11,938)	(11,938)
Foreign exchange		—		(41,019)	(41,019)
Impairment		(1,159,145)		(723,042)	(1,882,187)
December 31, 2022	\$	637,446	\$	1,361,686	\$ 1,999,132
Foreign exchange		—		24,270	24,270
December 31, 2023	\$	637,446	\$	1,385,956	\$ 2,023,402

(1) Additions to goodwill within the Digital Wallet segment related to SafetyPay (See Note 14).

(2) Purchase price adjustments mainly related to deferred tax asset on SafetyPay net operating losses.

(3)Accumulated impairment loss was \$1,159,145 as of December 31, 2023 and 2022 and \$0 as of December 31, 2021 within the Merchant Solutions segment.

(4)Accumulated impairment loss was \$723,042 as of December 31, 2023 and 2022 and \$0 as of December 31, 2021 within the Digital Wallets segment.

The Company performs its annual goodwill impairment test for all reporting units as of October 1st, or when events and circumstances have occurred that would indicate the carrying amount of goodwill exceeds its fair value. Due to a sustained decline in stock price and market capitalization in the current year, we concluded that an impairment indicator of goodwill was present in both the Merchant Solutions and Digital Wallets segments as of June 30, 2023. In addition, as a result of the current market environment and regulatory restrictions in the Digital Wallets segment, an impairment indicator was identified in the Digital Wallets segment as of December 31, 2023. Impairment indicators related to a sustained decline in stock price was identified in the prior year in both segments as of March 31, 2022 and June 30, 2022.

We performed a goodwill impairment test as of the respective reporting periods, including the annual impairment test date, using a weighting of both market and income approaches. The market approach was based on guideline comparable companies and the key assumptions included selected Earnings Before Interest Tax Depreciation and Amortization ("EBITDA") multiples. The income approach was based on a discounted cash flow model and the key assumptions included the discount rate and future cash flows such as long term growth rates.

Selected multiples were determined based on guideline comparable companies' and discounted based on business-specific considerations. The cash flow forecast, including long term growth rates, considers past experience and future market expectations. Discount rate assumptions are based on determining a cost of debt and equity and an assessment as to whether there are risks not adjusted for in the future cash flows of the respective reporting unit. Failure to achieve the future cash flows, changes in key assumptions or further decline in the stock price or the fair value of our debt may cause a future impairment of goodwill at the reporting unit level.

Based on the analysis performed, no goodwill impairment expense was recognized during the year ended December 31, 2023. Goodwill impairment expense for the years ended December 31, 2023, 2022 and 2021 was \$0, \$1,159,145 and \$0, respectively, in the Merchant Solutions segment and \$0, \$723,042 and \$0, respectively, in the Digital Wallets segment. There have been no other events or changes in circumstances subsequent to the testing date that would indicate further impairment of these reporting units.

6.Intangible assets

As of December 31, 2023 and 2022, the Company's intangible assets consisted of the following:

	As of December 31,	
	2023	2022
Brands	\$ 168,508	\$ 165,283
Software development costs	880,764	787,492
Customer relationships	1,541,507	1,505,839
Computer software	39,311	38,857
Gross carrying value	2,630,090	2,497,471
Brands	101,197	83,317
Software development costs	578,383	472,791
Customer relationships	756,463	624,756
Computer software	30,112	25,149
Accumulated amortization	1,466,155	1,206,013
Intangible assets, net	\$ 1,163,935	\$ 1,291,458

During the years ended December 31, 2023 and 2022 we recorded intangible assets of \$31,393 and \$64,606, respectively, related to the acquisition of merchant portfolios which were accounted for as asset acquisitions, inclusive of contingent consideration payable. During the year ended December 31, 2023 and 2022, we recorded intangible assets of \$0 and \$223,300, related to business combinations. A majority of the remaining capital expenditures relate to software development costs. We had unpaid capital expenditure purchases of approximately \$384, \$852 and \$4,123 at December 31, 2023, 2022, and 2021 respectively which was included in "Accounts payable and other liabilities" within the Consolidated Statements of Financial Position. Capital expenditures are recorded as cash outflows from investing activities in the Company's Consolidated Statements of Cash Flows in the period they are paid.

Intangible assets acquired by the Company during the year ended December 31, 2023 and 2022 had the following expected weighted-average useful lives:

	2023	2022
Brands	n/a	5 years
Software development costs	3 years	3 years
Customer relationships	5 years	10 years
Computer software	3 years	3 years
Total weighted-average useful life	3.4 years	6.9 years

Amortization expense on intangible assets for the years ended December 31, 2023, 2022 and 2021 was \$256,367, \$260,328, and \$252,202, respectively. We perform an annual reassessment of estimated useful lives of intangible assets. There were no material revisions to useful lives of intangible assets during the years ended December 31, 2023, 2022 and 2021.

The estimated amortization expense of intangible assets for the next five years is as follows:

2024	257,964
2025	252,595
2026	198,254
2027	124,576
2028	58,500

The Company performs an impairment analysis on intangibles assets with finite lives when events and circumstances have occurred that would indicate the carrying amount of intangible assets may not be recoverable. For the year ended December 31, 2023, due to the goodwill impairment indicator described above (Note 5), we concluded that an impairment indicator for certain asset groups was present within the Digital Wallets segment. An impairment analysis was performed for the impacted asset groups as of each reporting period which was based on an undiscounted cash flow model. As a result of the analysis, the assets were concluded to be recoverable at the asset group level. The impairment expense of \$1,254 recognized for the year ended December 31, 2023 relates to specifically identified software development costs which had no future economic benefit. These impairments were predominantly in the Digital Wallets segment.

For the year ended December 31, 2022, due to the goodwill impairment recognized (see Note 5), we concluded that an impairment indicator for certain asset groups was present within these segments. An impairment analysis was performed for the impacted asset groups as of each reporting period which was based on an undiscounted cash flow model. As a result of the analysis, the assets were concluded to be recoverable at the asset group level. The impairment expense of \$5,036 recognized for the year ended December 31, 2022, related to specifically identified software development costs which had no future economic benefit. This impairment was predominantly in the Merchant Solutions segment.

For the year ended December 31, 2021, due to reduced forecasted cash flows within the Digital Wallets segment, we concluded that an impairment indicator for certain intangible assets was present within this segment. Digital Wallets experienced decreased revenues associated with certain legacy merchant relationships and also reduced their forecasted cash flows associated with these merchants due to changes in expected merchant mix resulting from new strategic initiatives within the segment. As a result, an impairment analysis on Digital Wallets intangible assets was performed during the year ended December 31, 2021 and based on an undiscounted cash flow model, it was determined that certain of these assets were not recoverable. In calculating the impairment loss, management determined the fair value of these individual assets based on a discounted cash flow model for merchant relationships and relief from royalty method for certain brands using Level 3 inputs. Failure to achieve the expected cash flows due to higher than estimated attrition, obsolescence or other factors may cause a future impairment of intangible assets. Management's key assumptions in determining the fair value include expected cash flows, discount rate and royalty rate. The Company recognized an impairment loss of \$324,145 for the year ended December 31, 2021, the majority of which relates to the impairment described above. The impairment loss is recognized in the Consolidated Statements of Comprehensive Loss under "Impairment expense on goodwill and intangible assets" and is primarily related to the Digital Wallets segment.

7. Property, plant and equipment

A summary of the Company's property, plant and equipment is as follows:

	Estimated Useful Lives in years	As of December 31,	
		2023	2022
Computer and communication equipment	2-5	\$ 20,024	\$ 23,502
Furniture and other equipment	3-5	17,125	12,555
Leasehold improvements	1-10	7,286	4,322
Accumulated depreciation		(27,222)	(28,432)
Property, plant and equipment, net		\$ 17,213	\$ 11,947

Depreciation expense related to property, plant and equipment for the year ended December 31, 2023, 2022 and 2021 was \$7,778, \$6,491 and \$9,170, respectively, of which \$712 has been recorded as part of selling, general and administrative expenses for the year ended December 31, 2023.

8. Allowance for credit losses

The Company has exposure to credit losses for financial assets including customer accounts and other restricted cash, settlement receivables, accounts receivable, and financial guarantee contracts to the extent that a chargeback claim is made against the Company directly or to the Company's merchants on card purchases.

The following table summarizes the expected credit allowance activity for customer accounts and other restricted cash; settlement receivables, net; accounts receivable, net; and financial guarantee contracts and other, for the years ended December 31, 2023 and 2022, and 2021:

	Customer accounts and other restricted cash	Accounts receivable, net	Settlement receivables, net ⁽²⁾	Financial guarantee contracts and other	Total allowance for credit losses
Balance at December 31, 2021	\$ 673	\$ 8,642	\$ 4,049	\$ 6,927	\$ 20,291
Credit loss provision	(641)	25,222	7,213	5,350	37,144
Write-offs	—	(22,929)	(5,691)	(126)	(28,746)
Other ⁽¹⁾	(32)	(377)	(173)	(85)	(667)
Balance at December 31, 2022	\$ -	\$ 10,558	\$ 5,398	\$ 12,066	\$ 28,022
Credit loss provision	—	16,840	4,945	(693)	21,092
Write-offs	—	(21,966)	(5,009)	(67)	(27,042)
Other ⁽¹⁾	—	(192)	(137)	344	15
Balance at December 31, 2023	\$ -	\$ 5,240	\$ 5,197	\$ 11,650	\$ 22,087

(1) Other mainly relates to the impact of foreign exchange.

(2) During the year ended December 31, 2023 and 2022, amounts from freestanding credit enhancements related to Settlement receivables, net represented recoveries of \$94 and expenses of \$1,603 which are recorded in "Selling, general and administrative" in the Consolidated Statements of Comprehensive Loss. These amounts are not recognized against expected credit losses (See Note 1).

Decrease in credit loss expense in 2023 compared to 2022 was mainly due to increased collection efforts within the Merchant Solutions segment. Write-offs are presented net of recoveries and were comparable in each reporting period

9. Debt

Current Debt Facilities

On June 28, 2021, Paysafe refinanced its former debt facilities by entering into the following debt facilities:

- \$305,000 senior secured revolving credit facility (the “Revolving Credit Facility”).
- \$1,018,000 aggregate principal amount senior secured USD first lien term loan facility (the “Term Loan Facility (USD)”) (comprising the original \$628,000 and incremental \$390,000 facility entered into on September 28, 2021 as described below);
- €710,000 aggregate principal amount senior secured EUR first lien term loan facility (the “Term Loan Facility (EUR)”) (comprising the original €435,000 and an incremental €275,000 facility entered into on September 28, 2021 as described below); and
- \$400,000 aggregate principal amount of USD secured notes and €435,000 aggregate principal amount of EUR secured notes (“Secured Notes”).

The \$390,000 senior secured incremental USD term loan facility (“USD Incremental Term Loan”) and the €275,000 senior secured incremental EUR term loan facility (“EUR Incremental Term Loan”) were entered into on September 28, 2021 in connection with the SafetyPay and viaFintech acquisitions, respectively. As of December 31, 2021, the USD Incremental Term Loan and EUR Incremental Term Loan were fully drawn. As the SafetyPay acquisition had not been completed as of December 31, 2021, the cash drawn was held in escrow and was presented within “Customer accounts and other restricted cash” in the Consolidated Statements of Financial Position. Debt issuance costs of \$16,765 were recorded in connection with this transaction which is reported as a deduction from the debt, presented under “Non-current debt” in the Consolidated Statements of Financial Position, and amortized using the effective interest rate method.

The Company used the proceeds from the Term Loan Facility and the Secured Notes as well as \$35,000 drawn down under the Revolving Credit Facility to fully repay the former debt facilities. Debt issuance costs of \$24,474 were recorded in connection with the Refinancing, for which a majority are reported as a deduction from the debt, presented under “Non-current debt” in the Consolidated Statements of Financial Position, and amortized using the effective interest rate method.

As of December 31, 2023 and 2022, \$35,640 and \$21,408, respectively, was drawn down on the Revolving Credit Facility.

Former Debt Facilities

As of December 31, 2020, the Company's debt facilities consisted of a first lien term loan, a second lien term loan and a first lien revolving credit facility (“First Lien Revolving Credit Facility”). The first lien term loan consisted of a \$1,540,000 USD Facility (“USD First Lien Term Loan”) and €1,043,716 EUR Facility (“EUR First Lien Term Loan”). The second lien term loan consisted of \$250,000 USD Facility (“USD Second Lien Term Loan”) and a €212,459 EUR Facility (“EUR Second Lien Term Loan”). The First Lien Revolving Credit Facility had an available balance of \$225,000 in multiple currencies. As of December 31, 2020, the Company had no unpaid drawdowns.

In connection with the Transaction as described in Note 2, the Company repaid \$416,700, including quarterly principal payments, and €204,500 under the USD First Lien Term Loan and EUR First Lien Term Loan, respectively, and fully repaid the second lien term loan facility which consisted of a \$250,000 USD Facility (“USD Second Lien Term Loan”) and a €212,459 EUR Facility (“EUR Second Lien Term Loan”). Both debt repayments occurred contemporaneously with the closing of the Transaction. As a result, the Company expensed capitalized debt fees of \$21,724, which are included in “Interest expense, net” on the Consolidated Statements of Comprehensive Loss.

On June 28, 2021, the Company fully repaid the outstanding balances under the USD First Lien Term Loan, the EUR First Lien Term Loan and the First Lien Revolving Credit Facility, which was accounted for as a debt extinguishment. The repayment occurred contemporaneously with the Refinancing, as described above. The Company recorded a loss on extinguishment of debt, including the

expense of capitalized debt fees, of \$40,538, which is included in “Interest expense, net” on the Consolidated Statements of Comprehensive Loss.

Line of Credit

The Company’s Line of Credit is \$75,000 and the maturity date is June 2025. The Line of Credit is restricted for use in funding settlements in the Merchant Solutions business and is secured against known transactions. As of both December 31, 2023 and 2022, the Company had outstanding balances of \$75,000.

The key terms of these facilities were as follows:

Facility	Currency	Interest rate ⁽¹⁾	Effective Interest Rate ⁽²⁾	Facility maturity date	Principal outstanding at December 31, 2023 (Local Currency)	Principal outstanding at December 31, 2023 (USD)
Term Loan Facility (USD) ⁽³⁾	USD	USD SOFR + 0.11% ⁽⁴⁾ + 2.75% (0.5% floor)	7.4%	Jun-28	885,942	\$ 885,942
Term Loan Facility (EUR) ⁽⁵⁾	EUR	EURIBOR + 3.00% (0% floor)	5.6%	Jun-28	645,748	712,666
Secured Loan Notes (EUR)	EUR	3.00%	3.2%	Jun-29	421,362	465,028
Secured Loan Notes (USD)	USD	4.00%	4.2%	Jun-29	345,581	345,581
Revolving Credit Facility (USD)	USD	BASE + 0.10% ⁽⁴⁾ + 2.25% (0% floor)	7.7%	Dec-27	23,500	23,500
Revolving Credit Facility (EUR)	EUR	BASE + 2.25% (0% floor)	6.1%	Dec-27	11,000	12,140
Line of Credit	USD	Term SOFR ⁽⁶⁾ + 2.70%	8.1%	Jun-25	75,000	75,000
Total Principal Outstanding						\$ 2,519,857

(1)For facilities which utilize the EURIBOR and SOFR rates, a rate floor of 0% and 0.5% applies, respectively.

(2)The effective interest rate is as of December 31, 2023.

(3)Represents Term Loan Facility (USD) and USD Incremental Term Loan as defined under the current facilities.

(4)Represents a credit spread adjustment to reflect the historical difference between LIBOR and SOFR.

(5)Represent Term Loan Facility (EUR) and EUR Incremental Term Loan as defined under the current facilities.

(6)The Term Secured Overnight Financing Rate (“Term SOFR”) is the forward-looking term rate based on the SOFR. The Term SOFR is administered by the CME Group Benchmark Association Limited.

	As of December 31,	
	2023	2022
Principal outstanding	\$ 2,519,857	\$ 2,658,023
Unamortized debt issuance cost	(18,024)	(14,564)
Total	2,501,833	2,643,459
Short-term debt	10,190	10,190
Long-term debt	\$ 2,491,643	\$ 2,633,269

For the years ended December 31, 2023, 2022 and 2021, interest expense, including amortization of deferred debt issuance cost, was \$151,148, \$126,628, and \$165,827.

Maturity requirements on non-current debt as of December 31, 2023 by year are as follows:

<u>Years ending December 31,</u>	
2024	\$ 10,190
2025	85,190
2026	10,190
2027	45,830
2028	1,557,848
2029 and thereafter	810,609
Total	\$ 2,519,857

During the year ended December 31, 2023, the Company made mandatory principal payments of \$10,190 under its Term Loan Facility. In addition, the Company repurchased \$24,837 of Secured Notes and \$153,345 of Term Loans during the year ended December 31,

2023. This resulted in a gain on repurchase of \$10,758 recognized within "Other income, net" within the Consolidated Statements of Comprehensive Loss for the year ended December 31, 2023.

During the year ended December 31, 2022, the Company made principal payments of \$19,624 under its Term Loan Facility, inclusive of voluntary prepayments of \$9,434. In addition, the Company repurchased \$43,200 of Secured Notes and \$13,845 of Term Loans during the year ended December 31, 2022. This resulted in a gain on repurchase of \$11,534 recognized within "Other income, net" within the Consolidated Statements of Comprehensive Loss for the year ended December 31, 2022.

As of December 31, 2023, we have committed to future repurchases of \$12,446, which have a face value of \$12,776.

On April 13, 2023, the Company entered into a debt amendment agreement to replace LIBOR with SOFR, following the Financial Conduct Authority's ("FCA") decision to phase out the use of LIBOR by June 30, 2023. The USD Term Loan Facility and USD Revolving Credit Facility previously bore interest at LIBOR plus margin. This contract modification qualifies for the relief provided in ASU 2021-01. The Company applied the optional expedient in the standard, accounting for the amendment as if the modification was not substantial and thus a continuation of the existing contract, with the change in rate accounted for prospectively.

Compliance with Covenants

The Company's new facilities as described above contain affirmative, restrictive and incurrence-based covenants, including, among others, financial covenants based on the Company's leverage and Revolving Credit Facility utilization, as defined in the agreement. The financial covenants under the new facilities require the Company to test its Consolidated First Lien Debt Ratio if the principal amount of the Revolving Credit Facility, less any cash and cash equivalents, at the reporting date exceeds 40% of the total Revolving Credit Facility Commitment. If the Revolving Credit Facility utilization is greater than 40% at the reporting date, there is an additional requirement that the Consolidated First Lien Debt Ratio is not permitted to exceed 7.5 to 1.0. The Consolidated First Lien Debt Ratio is the ratio of (a) consolidated senior secured net debt of the Company and restricted subsidiaries as of the last day of such relevant period to (b) Last Twelve Months ("LTM") EBITDA, as defined in the new facilities, of the Company and the restricted subsidiaries for the relevant period.

The financial covenants under the former debt facilities required the Company to test its First Lien Net Leverage Ratio if the principal amount of the Revolving Facility Loans outstanding at the reporting date exceeded 40% of the total Revolving Credit Facility Commitment. If the Revolving Credit Facility utilization was greater than 40% at the reporting date, there was an additional requirement that the First Lien Net Leverage Ratio was not permitted to exceed 9.0 to 1.0. The First Lien Net Leverage Ratio is the ratio of (a) consolidated senior secured net debt of the Company and restricted subsidiaries as of the last day of such relevant period to (b) consolidated EBITDA, as defined in the former debt facilities, of the Company and the restricted subsidiaries for the relevant period.

The Company was in compliance with its financial covenants at December 31, 2023 and 2022.

Letters of Credit

As of December 31, 2023 and 2022, the Company had issued letters of credit of approximately \$135,413 and \$121,960, respectively, for use in the ordinary course of business.

10. Derivative instruments

The Company's derivative instruments have consisted of interest rate swaps or interest rate cap agreements (collectively "interest rate contracts"). The interest rate swaps mitigate the exposure to the variable-rate debt by effectively converting the floating-rate payments to fixed-rate payments. The interest rate cap agreements cap a portion of the Company's variable-rate debt if interest rates rise above the strike rate on the contract. The interest rate contracts are measured at fair value using a discounted cash flow methodology and not designated as hedges for accounting purposes; as such, any fair value changes were recorded in "Other income, net" in the Consolidated Statements of Comprehensive Loss.

As of December 31, 2023 and 2022, the Company's interest rate swap had a notional amount of \$305,727 and \$367,490, respectively and fair value of \$10,427 and \$17,321, respectively, which was recorded as a "Derivative financial asset" in the Consolidated Statements of Financial Position. The interest rate swap matures on March 31, 2026. The derivative financial instrument arrangement was entered into to manage its interest rate risk related to its current credit facilities, comprised of its Term Loan Facility and Secured Notes. On July 1, 2023, the reference rate index for the Company's derivative financial instrument converted from LIBOR to the term SOFR reference rate administered by CME Group Benchmark Administration Limited ("SOFR").

For the year ended December 31, 2023, 2022, and 2021, the Company recognized a gain / (loss) on derivatives of \$3,314, \$17,458 and \$1,611, respectively, of which (\$6,894), \$17,321, and \$8,585, respectively, is associated with the derivative instrument remeasured to fair value at the end of the reporting period. The fair value remeasurement is netted by \$10,208, \$137 and (\$6,974) of monthly cash receipts / (payments) on the interest rate contracts (See Note 17 and 20).

In connection with the Refinancing on June 28, 2021, the Company's former debt facilities were repaid (see Note 9). As a result, all interest rate swaps and interest rate caps were cancelled as of December 31, 2021, reducing the derivative liability to zero and resulting in market value settlement cash payments of \$41,483.

11. Accounts payable and other liabilities

Accounts payable and other liabilities is comprised of the following balances:

	As of December 31,	
	2023	2022
Accounts payable	\$ 49,670	\$ 45,974
Other payables ⁽¹⁾	21,008	24,544
Accrued liabilities ⁽²⁾	67,751	91,691
Payroll liabilities	35,646	33,186
Provisions and contingent liabilities ⁽³⁾	28,624	46,134
Total	\$ 202,699	\$ 241,529

(1) Other payables mainly consist of sales tax and value added tax payable and other miscellaneous payables.

(2) Accrued liabilities mainly consist of the provision for customer payments, a majority of which was paid during the year ended December 31, 2023 (See Note 19) and general accrued expenses and external interest payable.

(3) Provisions and contingent liabilities mainly consist of uncertain tax positions (See Note 4), allowance for credit losses related to financial guarantees and merchant overdrafts (See Note 8), and provisions recognized for certain litigation claims (See Note 19).

12. Contingent and deferred consideration payable

Contingent and deferred consideration mainly relates to merchant buyouts and business combinations that are payable in cash subject to the future financial performance of the acquired portfolios and acquired businesses. Contingent and deferred consideration payable is comprised of the following balances:

	Total
Balance at December 31, 2021	\$ 30,815
Payments made during the year	(19,834)
Additions in the year	8,168
Fair value loss	9,075
Foreign exchange	(1,078)
Balance at December 31, 2022	\$ 27,146
Payments made during the year	(10,680)
Additions in the year	958
Fair value loss	948
Foreign exchange	334
Balance at December 31, 2023	\$ 18,706
Current portion of contingent and deferred consideration payable	\$ 11,828
Non-current portion of contingent and deferred consideration payable	\$ 6,878

During the year ended December 31, 2023, the Company recognized estimated contingent consideration payable of \$958, a majority of which related to the acquisition of merchant portfolios. The Company paid \$10,680 of the contingent consideration payable related to prior period business combinations and merchant portfolios acquired in prior years.

During the year ended December 31, 2022, the Company completed the acquisition of merchant portfolios, recognizing an estimated contingent and deferred consideration payable of \$8,168, none of which was related to business combinations. The Company paid \$19,834 of the contingent consideration payable in respect to prior period business combinations and merchant portfolios acquired in prior years. The Company recorded a \$9,075 loss on contingent consideration payable, mainly related to a previous acquisition in which the terms of the agreement were modified during the year.

The contingent and deferred consideration of \$18,706 is classified as a liability on the Consolidated Statements of Financial Position, of which \$6,878 is non-current. The estimated amount of contingent consideration related to business combinations represents the maximum amount of possible payouts.

13. Contingent consideration receivable

In connection with the Transaction in 2021, a contingent consideration receivable associated with the disposal of Paysafe Merchant Services Limited ("PMSL"), a previous subsidiary of Paysafe Group Limited, was transferred to PGHL as partial settlement of the shareholder term loan agreement with PGHL (see Note 22).

The remaining contingent consideration receivable balance at December 31, 2021 was \$2,842, and related to a contingent consideration receivable recorded upon the disposal of a subsidiary. As of December 31, 2022, all payments related to the contingent consideration receivable had been received and there has not been additional activity related to contingent consideration receivables for the year ended December 31, 2023.

14. Business Combinations

During the year ended December 31, 2022, the Company completed the acquisition of SafetyPay with the goal of furthering the expansion of alternative payment methods and direct bank integration in the Latin America market, as well as creating additional revenue opportunities for both of our segments. This acquisition was accounted for as a business combination and the operating results have been included in the Company's consolidated financial statements since the date of the acquisition.

The following table summarizes the purchase price and fair value of the assets and liabilities acquired on acquisition during the year ended December 31, 2022. No purchase price adjustments were recorded during the year ended December 31, 2023.

Cash consideration	\$	449,790
Total purchase price	\$	449,790
Cash and cash equivalents		25,068
Trade and other receivables ⁽¹⁾		1,895
Deferred tax assets		12
Property, plant and equipment		371
Intangible assets ⁽²⁾		223,300
Other assets - non-current		926
Trade and other payables		(20,539)
Deferred tax liability		(65,482)
Net assets acquired	\$	165,551
Goodwill ⁽³⁾	\$	284,239

(1)Gross contractual amounts receivable are equal to their book value where appropriate.

(2)Intangible assets are primarily comprised of customer relationships, brands, and computer software.

(3)Goodwill was primarily attributed to the expected synergies between the acquired businesses and the Company, the value of the employee workforce, new customer acquisitions and intangible assets that do not qualify for separate recognition at the time of acquisition. The goodwill is not deductible for income tax purposes. Purchase price adjustments of \$9,608 were recorded during the year ended December 31, 2022 (Note 5).

The aggregate revenues and net loss of the acquired business, including interest, during 2022 of \$31,408 and \$21,325 respectively, are included in the Consolidated Statements of Comprehensive Loss from the date of acquisition.

The unaudited pro forma consolidated revenues and net loss for the Company for the year ended December 31, 2022 and 2021 were as follows, had these acquisitions occurred on January 1, 2021. These pro forma results are presented for informational purposes only and are not indicative of future operations or results that would have been achieved had the acquisitions been completed as of January 1, 2021.

	Year Ended December 31,	
	2022	2021
Revenue	\$ 1,498,772	\$ 1,518,021
Net loss ⁽¹⁾	(1,855,983)	(139,750)

(1)The pro forma net loss for 2022 was adjusted to exclude the acquisition-related costs and include additional amortization and interest expense that would have been charged assuming the intangible assets and associated debt had been recorded as of January 1, 2021. The pro forma net loss for 2021 was adjusted to include the acquisition-related costs and additional amortization and interest expense that would have been charged assuming the intangible assets and debt had been recorded as of January 1, 2021.

The Company incurred acquisition-related costs associated with this acquisition of approximately \$13,863, of which \$9,319 was recorded in "Restructuring and Other Costs" on the Consolidated Statements of Comprehensive Loss for the year ended December 31, 2022. The remaining costs were incurred in the year prior to acquisition.

International Card Services ("ICS"), Orbis Ventures S.A.C. ("PagoEfectivo"), and viaFintech

During the year ended December 31, 2021, the Company completed the acquisition of International Card Services ("ICS") with the goal of furthering the expansion of the Merchant Solutions segment in the United States as well as obtaining new merchants. The Company also completed the acquisitions of Orbis Ventures S.A.C. ("PagoEfectivo"), and viaFintech with the goal of furthering the expansion of alternative payment methods in the Latin America and German markets as well as creating additional revenue opportunities for the Digital Wallets segment.

These acquisitions were accounted for as business combinations and the operating results have been included in the Company's consolidated financial statements since the date of the acquisition. These acquisitions were not considered material business combinations individually.

The following table summarizes the aggregate purchase price and fair value of the assets and liabilities acquired on acquisitions during the year ended December 31, 2021 as described above which are considered material business combinations in the aggregate.

Cash consideration	\$	285,166
Contingent and deferred consideration payable ⁽¹⁾		25,781
Other adjustments for working capital		(1,656)
Total purchase price	\$	309,291
Cash and cash equivalents		21,646
Prepaid expenses and other current assets		460
Trade and other receivables ⁽²⁾		3,596
Deferred tax assets		74
Property, plant and equipment		216
Intangible assets ⁽³⁾		129,036
Other assets - non-current		337
Trade and other payables		(24,101)
Deferred tax liability		(38,093)
Net assets acquired	\$	93,171
Goodwill ⁽⁴⁾	\$	216,120

(1) Payable in cash subject to the future financial performance of the acquisitions. Represents the maximum amount of possible payments recognized as of the acquisition date. See Note 17, Fair Value Measurements for further details on our fair value methodology with respect to the contingent and deferred consideration payable.

(2) Gross contractual amounts receivable are equal to their book value where appropriate.

(3) Intangible assets are primarily comprised of customer relationships, brands, and computer software.

(4) Goodwill was primarily attributed to the expected synergies between the acquired businesses and the Company, the value of the employee workforce, new customer acquisitions and intangible assets that do not qualify for separate recognition at the time of acquisition. The goodwill is not deductible for income tax purposes. Purchase price adjustments of \$2,330 were recorded during the year ended December 31, 2022 (Note 5).

The aggregate revenues and net earnings of the acquired businesses during 2021 of \$24,848 and \$5,180 respectively, are included in the Consolidated Statements of Comprehensive Loss from the date of acquisition.

The unaudited pro forma consolidated revenues and net loss for the Company for the year ended December 31, 2021 and 2020 were as follows, had these acquisitions occurred on January 1, 2020. These pro forma results are presented for informational purposes only and are not indicative of future operations or results that would have been achieved had the acquisitions been completed as of January 1, 2020.

	Year Ended December 31,			
	2021		2020	
Revenue	\$	1,514,581	\$	1,449,217
Net loss ⁽¹⁾		(117,765)		(142,420)

(1) The pro forma net loss for 2021 was adjusted to exclude the acquisition-related costs and include additional amortization and interest expense that would have been charged assuming the intangible assets and associated debt had been recorded as of January 1, 2020. The pro forma net loss for 2020 was adjusted to include the acquisition-related costs and additional amortization and interest expense that would have been charged assuming the intangible assets and debt had been recorded as of January 1, 2020.

The Company incurred acquisition-related costs associated with these acquisitions of approximately \$2,647, which are recorded in "Restructuring and Other Costs" on the Consolidated Statements of Comprehensive Loss for the year ended December 31, 2021.

Openbucks

In August 2020, the Company completed the acquisition of Openbucks with the goal of accelerating the expansion of the Digital Wallets in the United States as well as benefit from certain partnerships with retailers. The total expected purchase price at the time of acquisition, including earnouts was \$13,262, comprised of cash consideration of \$9,760 and an additional contingent earnout to be paid in future periods based on earnings targets. The operating results of the acquisition have been included in the Company's consolidated financial statements since the date of acquisition. This acquisition was not considered a material business combination. During the year ended December 31, 2022, certain modifications were made to the earnout terms resulting in additional contingent consideration of \$4,288. As of December 31, 2022, all contingent consideration had been paid related to this acquisition. Refer to Note 12 regarding changes in contingent consideration payable during the year.

15. Loss on disposal of subsidiaries and other assets, net

Pay Services India, LLC

During the year ended December 31, 2022, the Company disposed of 100% of the equity interest of Pay Services India, LLC, including \$1,620 in cash. Consideration for the disposal was \$1,056 payable in cash. The net cash outflow is recorded as an investing activity in the Consolidated Statements of Cash Flows. This disposal resulted in a loss of \$1,359 for the year ended December 31, 2022 which is included in Corporate for segment reporting purposes.

16. Share-based payments

The Company operates two share-based employee compensation plans: the 2018 Pi Jersey Topco Limited Plan ("2018 Plan") for which a majority of the shares vested upon completion of the Transaction (See Note 2) and the 2021 Omnibus Incentive Plan ("2021 Plan") under which 10,580,754 shares were authorized for award as of December 31, 2023. The 2021 Plan serves as the successor to the 2018 Plan. The 2021 plan became effective as of March 30, 2021 upon closing of the Transaction. Outstanding awards under the 2018 Plan continue to be subject to the terms and conditions of the 2018 Plan. Since March 2, 2021, no additional awards have been granted nor are expected to be granted in the future under the 2018 Plan. During the year ended December 31, 2022, all remaining nonvested shares under the 2018 Plan vested.

Share-based compensation expense recognized during the years ended December 31, 2023, 2022 and 2021 under both plans was \$28,873, \$62,354 and \$101,770, respectively and is included in "Selling, general and administrative" expense in the Consolidated Statements of Comprehensive Loss. The related income tax (expense) / benefit for the years December 31, 2023 and 2022 was (\$1,968) and \$8,864, respectively. As of December 31, 2023 the unrecognized stock-based compensation expense was \$44,638.

2018 Pi Jersey Topco Limited Plan ("2018 Plan")

On January 2, 2018, Pi Jersey Topco Limited adopted the 2018 Plan authorizing the issuance of equity-based awards, including A ordinary shares and B ordinary shares, to certain executive and senior managers of the Company in consideration for their employee services. A ordinary shares have been granted to certain executives and senior management only, while B ordinary shares are held by certain executives and senior managers as well as shareholders of Topco. The total number of authorized A ordinary shares under the Plan was 600,000, and there was not a limit to the number of B ordinary shares authorized. A consideration of \$2.16 or \$1.50 was payable on the grant of each A ordinary share, depending on the grant date, and consideration of \$1.00 was payable on the grant of each B ordinary share. The awards are issued and settled by Pi Jersey Topco Limited. The employee services are rendered to the Company. As such, they are accounted for as equity settled share-based payments in the Company's financial statements.

The A ordinary shares and B ordinary shares included a service-based vesting condition and a performance-based vesting condition. Vesting was subject to continuous service until the achievement of an Exit Event (defined as an Initial Public Offering ("IPO") whereby Blackstone and CVC retained less than 50% of the B ordinary shares they held immediately prior to the IPO through one or multiple transactions, winding-up or completion of a sale). The Plan also included a market condition through a ratchet mechanism whereby, upon the achievement of a specified return at an Exit Event or subsequent sale of ordinary shares, a number of B ordinary shares as determined by a formula would automatically be converted into deferred shares, so as to result in the A ordinary shares, which are held by executives and senior managers of the Company only, having an additional ownership percentage of the total equity. This ratchet mechanism impacts the grant date fair value of the A ordinary shares and the B ordinary shares.

As vesting for a majority of the shares was contingent upon the achievement of an Exit Event, a majority of compensation expense was recognized during December 31, 2021 upon completion of the Transaction.

The weighted average grant date fair value of shares granted under the 2018 Plan for the year ended December 31, 2021 was \$350.62. There were no shares granted under the 2018 plan during the year ended December 31, 2023 and 2022. The total grant date fair value of shares vested during the year ended December 31, 2021 was \$71,630.

2021 Omnibus Incentive Plan ("2021 Plan")

Restricted stock units

Under the 2021 Plan, restricted stock units ("RSUs") that have a service condition only, generally vest ratably over three years. Performance restricted stock units ("PRSUs") generally vest at the end of one- to three-years. The weighted average period over which compensation is expected to be recognized related to RSUs is 1.8 years. The number of PRSUs that vest is variable depending upon the

probability of achievement of certain internal performance targets and may vest between 0% and 200% of the target share amount. We did not record compensation expense for certain PRSUs during the year ended December 31, 2023 and 2022 as the performance criteria for such awards were not expected to be achieved and the ultimate vesting of the awards was not probable as of such date.

Certain PRSUs were granted during the year ended December 31, 2022 which are liability-classified share-based payment awards under ASC 718 as the value of the award is fixed and will be settled in a variable number of shares. At December 31, 2022, the share-based compensation expense and liability associated with these awards was \$7,105, which is classified as a current liability within the Consolidated Statements of Financial Position based on the expected timing of the vesting of shares. There is no remaining expense to be recognized related to these awards. These awards were settled during the year end December 31, 2023 which resulted in conversion of the full liability to additional paid in capital in the Consolidated Statements of Shareholders' Equity. This conversion of \$6,276 represents a non-cash investing and financing activity within the Consolidated Statements of Cash Flow.

The weighted average grant date fair value of shares granted under the 2021 Plan for the years ended December 31, 2023, 2022 and 2021 was \$16.31, \$35.75, and \$99.60, respectively. The total grant date fair value of shares vested during the year ended December 31, 2023 2022 and 2021 was \$47,983, \$39,941, and \$32, respectively.

The following table summarizes restricted stock unit activity during the year ended December 31, 2023.

	Restricted Stock Units	Weighted average grant date fair value
Nonvested as of December 31, 2022	2,859,385	\$ 45.95
Granted ⁽¹⁾	2,076,535	\$ 16.31
Vested	(1,448,326)	\$ 32.90
Forfeited	(702,719)	\$ 41.75
Performance adjustments ⁽²⁾	75,183	n/a
Nonvested as of December 31, 2023	2,860,058	\$ 27.43

(1)Represents RSUs and PRSUs based on performance target achievement of 100%.

(2)Represents the adjustment to the number of PRSUs vested based on actual performance compared to target.

Stock options

During the year ended December 31, 2023, 2022 and 2021 there were 0, 166,666, and 0 stock options granted under the 2021 Plan, respectively. As of December 31, 2023, 55,554 were exercisable. The exercise price of each option is based on either one or two times the fair market value of the Company's stock at the date of grant. The options have a contractual ten-year life and vest annually in equal increments over three years. The weighted average period over which compensation is expected to be recognized related to stock options is 1.4 years.

The fair value of options is determined using a Black-Scholes model and compensation expense is recognized on a straight-line basis over the vesting period. The weighted average fair value of the options was \$9.06 for the year end December 31, 2022. The following table shows the key assumptions used in the valuation:

	For the year ended December 31, 2022
Expected term	6.0
Expected volatility	32.0 %
Risk free interest rate	3.0 %
Dividend yield	0 %
Weighted average exercise price	\$ 52.38

The intrinsic value is the amount by which the fair value of the underlying share exceeds the exercise price of the stock option. As of December 31, 2023, the share price of the Company was less than the exercise price for all outstanding stock options. Therefore, the intrinsic value for stock options outstanding was zero. No stock options were exercised during the years ended December 31, 2023 and 2022.

Employee Share Purchase Plan

Beginning April 1, 2023, employees became eligible to contribute to the Company's Employee Share Purchase Plan (the "Purchase Plan"). The Purchase Plan is not intended to be an employee benefit plan under the Employee Retirement Income Security Act of 1974,

as amended, nor qualify as an “employee stock purchase plan” under Section 423 of the Internal Revenue Code. Under the Purchase Plan, eligible employees may designate from one percent to fifteen percent of their compensation to be withheld for the purchase of PSFE shares on the open market at the market price of the shares at the end of each six-month offering period. The offering periods begin on April 1 and October 1 of each year. The Company grants each participating employee one restricted stock unit for each four PSFE shares that are purchased on the last day of the offering period (“Match RSU Award”).

The Match RSU Award cliff vests one year from the last day of the offering period, subject to the employee’s continued employment at the vesting date. The fair value of the Match RSU Award is recognized on a straight-line basis over the vesting period. The maximum number of shares of common stock authorized under this Plan for participant contributions and Match RSU Awards is 2,083,333.

Preference Shares

We have authorized 233,333,333 shares in the Company that have not yet been issued, the rights and restrictions attached to which are not defined by the Company bylaws. Pursuant to the Company bylaws, preference shares may be issued by the Company from time to time, and the Company Board is authorized (without any requirement for further shareholder action) to determine the rights, preferences, powers, qualifications, limitations and restrictions attached to those shares.

17.Fair Value Measurements

The fair value hierarchy of financial instruments measured at fair value as of December 31, 2023 is provided below.

	Level 1	Level 2	Level 3
<i>Financial assets measured at fair value:</i>			
Derivative financial asset	—	10,427	—
	<u>\$ —</u>	<u>\$ 10,427</u>	<u>\$ —</u>
<i>Financial liabilities measured at fair value:</i>			
Contingent consideration payable	\$ —	\$ —	\$ 18,706
Warrant liabilities	1,423	—	—
Liability for share-based compensation ⁽¹⁾	—	—	5,809
	<u>\$ 1,423</u>	<u>\$ —</u>	<u>\$ 24,515</u>

The fair value hierarchy of financial instruments measured at fair value as of December 31, 2022 is provided below.

	Level 1	Level 2	Level 3
<i>Financial assets measured at fair value:</i>			
Derivative financial asset	\$ —	\$ 17,321	\$ —
	<u>\$ —</u>	<u>\$ 17,321</u>	<u>\$ —</u>
<i>Financial liabilities measured at fair value:</i>			
Contingent consideration payable	\$ —	\$ —	\$ 27,146
Warrant liabilities	3,094	—	—
Liability for share-based compensation ⁽¹⁾	—	—	16,342
	<u>\$ 3,094</u>	<u>\$ —</u>	<u>\$ 43,488</u>

(1)As of December 31, 2023 and 2022, the liability for share-based compensation relates to the share-based compensation awards modified in connection with the Transaction (Note 2). In addition, as of December 31, 2022, the balance also includes a liability for certain performance awards to be issued in a variable number of shares (Note 16).

There were no transfers between levels during the years ended December 31, 2023, 2022 and 2021. A reconciliation of the movements in level 3 financial instruments in the year are shown in Note 2 and 16 as it relates to Liability for share-based compensation and Note 12 as it relates to Contingent consideration payable.

The valuation techniques and significant unobservable inputs used in determining the fair value measurement of Level 3 financial instruments is set out in the table below. Other than this input, a reasonably possible change in one or more of the unobservable inputs listed below would not materially change the fair value of financial instruments listed below.

Financial instrument	Valuation technique used	Significant unobservable inputs
Contingent consideration payable	Discounted cashflow	Discount rate of 5.54%
Liability for share-based compensation	Market and income approach	Discount rate of 16.5%

The Company considers that the carrying value of cash and cash equivalents, customer accounts and other restricted cash, accounts receivable, settlement receivables, prepaid expenses and other current assets, accounts payable and other liabilities, and funds payable and amounts due to customers approximate fair value given the short-term nature of these items. At December 31, 2023, the fair value of debt (a Level 2 measurement) based on market yields for similar debt facilities and observable trading data related to the Company's debt securities approximated carrying value.

18. Leases

Components of lease expense are as follows:

	For the year ended December 31,		
	2023	2022	2021
Operating lease expense	\$ 8,937	\$ 7,034	\$ 9,523

Supplemental cash flow information related to leases was as follows:

	For the year ended December 31,		
	2023	2022	2021
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash outflows from operating leases	\$ 8,294	\$ 7,769	\$ 9,357
Leased assets obtained in exchange for new operating lease liabilities	\$ 498	\$ 9,248	\$ 2,314

Weighted-average remaining lease term and discount rate for our operating leases are as follows:

	As of December 31,		
	2023	2022	2021
Weighted-average remaining lease term	5.4 years	6.2 years	5.1 years
Weighted-average discount rate	6.3 %	4.2 %	4.6 %

As of December 31, 2023, maturities of lease liabilities on an undiscounted cash flow basis were as follows:

2024	8,446
2025	6,208
2026	4,495
2027	3,163
2028	453
2029 and beyond	6,954
Total lease payments	29,719
Less: interest	(4,523)
Total lease liability	\$ 25,196
Current portion of lease liability	8,233
Non-current portion of lease liability	16,963

19. Commitments, Contingencies and Guarantees

Litigation provision

Through the normal course of the Company's business, the Company is subject to a number of litigation proceedings both brought against and brought by the Company. The Company maintains liabilities for losses from legal actions that are recorded when they are determined to be both probable in their occurrence and can be reasonably estimated. On this basis, we have recognized a provision of \$2,200 and \$10,300 as of December 31, 2023 and 2022, respectively, related to certain litigation proceedings. The decrease in the provision is related to a settlement during the year ended December 31, 2023. This amount is presented within "Accounts payable and other liabilities" in the Company's Consolidated Statements of Financial Position.

On December 10, 2021, a class action complaint, Lisa Wiley v Paysafe Limited was filed, naming among others the Company, our former Chief Executive Officer, and our former Chief Financial Officer, as defendants. The complaint asserts claims, purportedly brought on behalf of a class of shareholders, under Sections 10(b) of the Exchange Act, and Rule 10b-5 promulgated thereunder, and alleges that the Company and individual defendants made false and misleading statements to the market. In addition, the complaint asserts claims against the individual defendants, under Sections 20(a) of the Exchange Act, alleging that the individual defendants misled

the public. On January 21, 2022, a related complaint was brought in the Southern District of New York, which named an additional defendant. In May 2022, the securities cases were consolidated.

The complaints seek unspecified damages and an award of costs and expenses, including reasonable attorneys' fees, on behalf of a purported class of purchasers of our ordinary shares between December 7, 2020, and November 10, 2021. The Company intends to vigorously defend against the foregoing complaints. At this time, the Company is unable to estimate the potential loss or range of loss, if any, associated with these lawsuits, which could be material.

In November 2020, we discovered that we were the target of a potential cyber security incident that involved an outside actor attempting to exploit a potential vulnerability residing in a web application used by part of our U.S. business. As a result of our investigation, we identified evidence of suspicious activity in the web application that potentially impacted approximately 100,000 merchants and agents. As of December 31, 2023, we had identified and addressed any potentially impacted merchant or agent. Amounts to be settled in connection with this incident are not material to the financial statements.

The Company vigorously defends its position on all open cases. While the Company considers a material outflow for any one individual case, unlikely, it is noted that there is uncertainty over the final timing and amount of any potential settlements. Management believes the disposition of all claims currently pending, including potential losses from claims that may exceed the liabilities recorded, and claims for loss contingencies that are considered reasonably possible to occur, will not have a material effect, either individually or in the aggregate, on the Company's consolidated financial condition, results of operations or liquidity.

Financial guarantee contracts

Through services offered primarily in our Merchant Solutions segment, the Company is exposed to potential losses from merchant-related liabilities, including chargebacks. A chargeback occurs when a dispute between a cardholder and a merchant, including a claim for non-delivery of the product or service by the merchant, is not resolved in favor of the merchant and the transaction is charged back to the merchant resulting in a refund of the purchase price to the cardholder. If the Company is unable to collect this chargeback amount from the merchant due to closure, bankruptcy or other reasons, the Company bears the loss for the refund paid to the cardholder. The risk of chargebacks is typically greater for those merchants that promise future delivery of goods and services rather than delivering goods or rendering services at the time of payment. The Company has recorded an allowance for credit losses on financial guarantees as of December 31, 2023 and 2022 (See Note 8).

As of December 31, 2023, \$12,200 of cash held in reserve at a partner bank for certain merchant chargebacks, fees and other liabilities is presented within "Prepaid expenses and other current assets" in the Consolidated Statements of Financial Position. This reserve is restricted in use until it is replaced with a letter of credit or the related merchant agreement is terminated. During the year ended December 31, 2023, \$24,400 was deposited into the reserve and \$12,200 was returned to the Company upon obtaining a letter of credit. These cash flows are presented as an investing activity within the Consolidated Statements of Cash Flows.

Contingencies

Following an internal review of the disclosures in our terms and conditions of foreign exchange rates in our Digital Wallets business for the period January 2018 to August 2022, and pursuant to discussions with our regulator that were initiated by us and concluded in September 2022, we agreed to provide payments to certain customers. As a result, we recorded a provision of \$33,603 related to this matter in "Restructuring and other" within the Consolidated Statements of Comprehensive Loss for the year ended December 31, 2022. The remaining accrual at December 31, 2023 and 2022 was \$2,206 and \$18,502, respectively. The Company does not expect any additional liability or impact to our ongoing operating results in relation to this matter.

20. Other income, net

A summary of the amounts recorded in Other income, net is as follows:

	For the year ended December 31,		
	2023	2022	2021
Foreign exchange (loss) / gain	\$ (7,434)	\$ 38,289	\$ 7,122
Fair value (loss) / gain on contingent consideration	(948)	(9,075)	13,443
Fair value gain on warrant liability ⁽¹⁾	1,671	32,481	222,611
Gain on derivative instruments ⁽²⁾	3,314	17,458	1,611
Gain on debt repurchases	10,758	11,534	—
Other ⁽³⁾	5,720	(6,909)	(5,126)
Other income, net	\$ 13,081	\$ 83,778	\$ 239,661

(1) The Company accounts for warrants as derivative liabilities. The warrants were initially recorded at fair value based on the public warrants listed trading price and are subsequently remeasured at the balance sheet date with the changes in fair value recognized in the Consolidated Statements of Comprehensive Loss.

(2) Gain on derivative instruments includes the non-cash fair value gain / loss on the instruments and the cash payments and receipts on derivatives.

(3) Mainly relates to finance income, offset by certain banking fees and loss due to write-off of related party receivables in the prior year.

21. Operating segments

Operating segments are defined as components of an enterprise that engage in business activities and for which discrete financial information is available that is evaluated on a regular basis by the Chief Operating Decision Maker (“CODM”) to make decisions about how to allocate resources and assess performance. Our CODM is defined as our Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”), and Chief Operating Officer (“COO”). Our operating segments, which align with our reportable segments, are: Merchant Solutions, which focuses on card not present and card present solutions for small to medium size business merchants; and Digital Wallets, which provides wallet based online payment solutions and also enables consumers to use cash to facilitate online purchases through paysafecard prepaid vouchers. These two operating segments are based on how the Company is organized, reflecting the difference in nature of the products and services they each sell. Shared costs are the cost of people and other resources consumed in activities that provide a benefit across more than one segment. Shared costs are allocated to each segment and Corporate primarily based on applicable drivers including headcount, revenue and Adjusted EBITDA.

The CODM evaluates performance and allocate resources based on Adjusted EBITDA of each operating segment. Adjusted EBITDA of each operating segment includes the revenues of the segment less ordinary operating expenses that are directly related to those revenues and an allocation of shared costs. Corporate overhead costs and Corporate’s allocation of shared costs are included in Corporate in the following table. Corporate overhead costs are costs consumed in the execution of corporate activities that are not directly factored into the production of any service provided by the Company’s segments.

The CODM does not receive segment asset data to evaluate performance or allocate resources and therefore such information is not presented.

The Company earns revenue from the sale of Merchant Solutions and Digital Wallets services. The information below summarizes revenue and Adjusted EBITDA by segment for the year ended December 31, 2023:

	Merchant Solutions	Digital Wallets	Corporate ⁽¹⁾	Intersegment	Total
Total external revenue	\$ 864,816	\$ 697,341			\$ 1,562,157
Interest revenue	\$ 1,792	\$ 37,189			\$ 38,981
Intersegment revenue ⁽²⁾	\$ 11,738	\$ 139		\$ (11,877)	\$ -
Total Revenue	\$ 878,346	\$ 734,669	\$ —	\$ (11,877)	\$ 1,601,138
Adjusted EBITDA	\$ 222,154	\$ 318,706	\$ (82,197)	\$ -	\$ 458,663

The information below summarizes revenue and Adjusted EBITDA by segment for the year ended December 31, 2022:

	Merchant Solutions	Digital Wallets	Corporate ⁽¹⁾	Intersegment	Total
Total external revenue	\$ 809,751	\$ 680,587	\$ —	\$ —	\$ 1,490,338
Interest revenue	\$ 221	\$ 5,578	\$ —	\$ —	\$ 5,799
Intersegment revenue ⁽²⁾	\$ 7,381	\$ -	\$ —	\$ (7,381)	\$ -
Total Revenue	\$ 817,353	\$ 686,165	\$ —	\$ (7,381)	\$ 1,496,137
Adjusted EBITDA	\$ 200,304	\$ 289,413	\$ (79,766)	\$ -	\$ 409,951

The information below summarizes revenue and Adjusted EBITDA by segment for the year ended December 31, 2021:

	Merchant Solutions	Digital Wallets	Corporate ⁽¹⁾	Intersegment	Total
Total external revenue	\$ 736,969	\$ 748,725	\$ —	\$ —	\$ 1,485,694
Interest revenue	\$ 19	\$ 1,300	\$ —	\$ —	\$ 1,319
Intersegment revenue ⁽²⁾	\$ 8,356	\$ -	\$ —	\$ (8,356)	\$ -
Total Revenue	\$ 745,344	\$ 750,025	\$ —	\$ (8,356)	\$ 1,487,013
Adjusted EBITDA	\$ 186,878	\$ 332,090	\$ (75,070)	\$ -	\$ 443,898

(1)Corporate consists of corporate overhead and unallocated shared costs of people and other resources consumed in activities that provide a benefit across the Company.

(2)Intersegment revenue and related eliminations are primarily for processing of credit card transactions and deposits between segments.

A reconciliation of total segments Adjusted EBITDA to the Company's loss from operations before taxes is as follows:

	Year Ended December 31,		
	2023	2022	2021
Segments Adjusted EBITDA	\$ 540,860	\$ 489,717	\$ 518,968
Corporate costs	(82,197)	(79,766)	(75,070)
Depreciation and amortization	(263,433)	(266,819)	(261,372)
Share-based compensation	(28,873)	(62,354)	(101,770)
Impairment expense on goodwill and intangible assets	(1,254)	(1,887,223)	(324,145)
Restructuring and other costs	(6,061)	(64,132)	(25,883)
Loss on disposal of subsidiaries and other assets, net	(386)	(1,359)	-
Other income, net	13,081	83,778	239,661
Interest expense, net	(151,148)	(126,628)	(165,827)
Income / (loss) before taxes	\$ 20,589	\$ (1,914,786)	\$ (195,438)

Geographic Information

Revenue from external customers by major geographic region is based upon the geographic location of the customers who receive the Company's services. Interest revenue for the years ended December 31, 2023, 2022 and 2021 was \$38,981, \$5,799 and \$1,319, respectively. Interest revenue is not included within this table as it was not practicable to apportion its geographical source.

The information below summarizes revenue by geographic area for the years ended December 31, 2023, 2022 and 2021.

	Year Ended December 31,		
	2023	2022	2021
United States of America	\$ 824,919	\$ 774,050	\$ 683,338
Germany	102,639	103,488	127,119
United Kingdom	27,450	28,896	52,263
All other countries ⁽¹⁾	607,149	583,904	622,974
Revenue from external customers	\$ 1,562,157	\$ 1,490,338	\$ 1,485,694

(1)No single country included in the "All other countries" category generated more than 10% of revenues. The revenue included within this category is predominately earned in Latin America, North America and Europe.

The Company has no single customer contributing 10% or more of the Company's revenue in the period.

The information below summarizes long-lived assets, net by geographic area for the years ended December 31, 2023 and 2022.

	Year Ended December 31,	
	2023	2022
United States of America	\$ 14,909	\$ 10,774
United Kingdom	11,968	11,768
Bulgaria	5,236	8,109
Canada	4,159	5,800
Austria	952	7,354
All other countries ⁽¹⁾	2,109	3,651
Total long lived assets, net	\$ 39,333	\$ 47,456

(1)No single country included in the All other countries category generated more than 10% of total long lived assets.

22. Related party transactions

The Company has provided and purchased services to and from various affiliates of certain directors or entities under common control. The dollar amounts related to these related party activities are not significant to our consolidated financial statements.

In the prior year, we entered into a lease with an affiliate of one of our directors. The balance of the right of use asset and lease liability as of December 31, 2023 was \$2,867 and \$3,327, respectively. We also have a ten-year license and risk management agreement with this same affiliate to provide data license and risk management solution services.

Intercompany balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Balances and transactions with related parties

The Company entered the following transactions with related parties.

Transactions with Topco

The amounts owed from Topco arose from the disposal of PMSL, a previous subsidiary of Paysafe Group Limited. Before the Transaction, the contingent consideration payments from the disposal of PMSL were made by the buyer to Topco and Topco was obligated to transfer the consideration received to Legacy Paysafe (See Note 13), resulting in a receivable from Topco. In connection with the Transaction, Legacy Paysafe transferred the contingent consideration receivable to PGHL and as a result, Topco's obligation is now with PGHL.

The remaining receivable related to payments made by the buyer to Topco that have not been transferred to the Company. This receivable was GBP denominated and the movement in the balance was due to foreign currency translation. During the year ended December 31, 2022, the company waived the right to the receivable, resulting in a loss which was recognized in "Other income/expense, net." As of both December 31, 2023 and 2022, the amounts owed from Topco related to the disposal of PMSL were \$0.

Transactions with PGHL

In January 2018, Legacy Paysafe entered into a shareholder term loan agreement with PGHL for an amount of \$317,760, used to fund part of the acquisition price of Paysafe Group Limited. The loan carries interest at a rate equal to the US Applicable Federal Rate. The interest is capitalized to the loan annually and is payable with the principal in July 2026 or earlier at the option of the Company. During the year ended December 31, 2021, in connection with the Transaction, the Company fully settled this loan through the following transactions, (i) an amount of \$159,302 was settled in connection with the contingent consideration receivable transfer to PGHL (See Note 13), (ii) an amount of \$26,000 was settled in connection with additional contributions from PGHL into Skrill USA, which were funded by Legacy Paysafe. PGHL owns 100% of Skrill USA's share capital. As a VIE of the Company, Skrill USA's equity and results were presented as non-controlling interest in the financial statements, and therefore this additional capital contribution was presented as "Contributions from non-controlling interest holders" in the Consolidated Statements of Shareholders' Equity and (iii) the remaining loan balance of \$10,694 was released by PGHL as consideration for the issuance of 233,376 additional ordinary shares by Legacy Paysafe, which is presented as "Capital injection in Legacy Paysafe" in the Consolidated Statements of Shareholders' Equity.

The Company had a receivable from PGHL which is interest free and repayable on demand. During the year ended December 31, 2022, the company waived the right to the receivable, resulting in a loss which was recognized in "Other income/expense, net." As of both December 31, 2023 and 2022 this receivable balance was \$0.

The amounts outstanding at December 31, 2021 were unsecured and no guarantees were given or received. No allowances for credit losses had been made for debts in respect of the amounts owed by related parties. There was no interest expense on related party transactions for the years ended December 31, 2023, 2022 and 2021.

23. Subsequent events

Subsequent to December 31, 2023, the Company entered into a new derivative financial instrument arrangement to further manage its interest rate risk related to its current credit facilities. The notional amount is \$110,047 and the interest rate swap matures on December 31, 2027.

Description of the Company's Securities

The following is a description of material terms of, and is qualified in its entirety by, the Company Charter and the Company Bye-laws. Under "Description of the Company's Securities," "we," "us," "our," the "Company" and "our company" refer to Paysafe Limited and not to any of its subsidiaries.

We are an exempted company incorporated under the laws of Bermuda. We are registered with the Registrar of Companies in Bermuda under registration number 56074. We were incorporated on November 23, 2020 under the name Paysafe Limited. Our registered office is located at Victoria Place, 31 Victoria Street, Hamilton HM10, Bermuda. Our agent for service of process in the United States is CT Corporation System.

Our objects are unrestricted, and we have the capacity of a natural person. We can therefore undertake activities without restriction on our capacity.

Our authorized share capital is US\$22,000,000 divided into 1,600,000,000 common shares, par value \$0.012 per share and 233,333,333.3 undesignated shares, par value \$0.012 per share. As of March 1, 2024, there are approximately 61.7 million Company Common Shares issued and outstanding, and no preference shares outstanding. All of our issued and outstanding common shares have been issued fully paid. Unless the Company Board determines otherwise, we will issue all of our share capital in uncertificated form.

Pursuant to the Company Bye-laws, subject to the requirements of the NYSE and subject to any resolution of the shareholders to the contrary, the Company Board is authorized to issue any of our authorized but unissued shares on such terms as the Company Board determines. There are no limitations on the right of non-Bermudians or non-residents of Bermuda to hold or vote our shares.

Company Common Shares

Under Bermuda law and the Company Bye-laws, the Company Board is authorized to issue any of our authorized but unissued shares without shareholder approval on such terms as the Company Board determines. The holders of Company Common Shares have no pre-emptive, redemption, conversion or sinking fund rights. Holders of Company Common Shares are entitled to one vote per share on all matters submitted to a vote of holders of Company Common Shares. Unless a different vote is required by Bermuda law or by the Company Bye-laws, resolutions to be approved by holders of voting shares require approval by a simple majority of votes cast at a meeting at which a quorum is present. Holders of Company Common Shares will vote together as a single class on all matters presented to the shareholders for their vote or approval, including the election of directors. The Company Charter and the Company Bye-laws do not authorize cumulative voting and directors are elected by plurality of votes.

Any individual who is a shareholder of the Company and who is present at a meeting may vote in person, as may any corporate shareholder that is represented by a duly authorized representative at a meeting of shareholders. The Company Bye-laws also permit attendance at general meetings by proxy, provided the instrument appointing the proxy is in such form as the Company Board may determine.

In the event of our liquidation, dissolution or winding up, the holders of Company Common Shares are entitled to share equally and ratably in our assets, if any, remaining after the payment of all of our debts and liabilities, subject to any liquidation preference on any issued and outstanding preference shares.

Preference Shares

Under Bermuda law and the Company Bye-laws, the Company Board is authorized to issue preference shares in one or more series without shareholder approval. The Company Board has the discretion under the Company Bye-laws to determine the rights, preferences, privileges and restrictions, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences of our authorized but unissued undesignated shares, and the Company Board may issue those shares in series of preference shares, without any further shareholder approval. The rights with respect to a series of preference shares may be greater than the rights attached

to our Company Common Shares. It is not possible to state the actual effect of the issuance of any preference shares on the rights of holders of our Company Common Shares until the Company Board determines the specific rights attached to those preference shares. The effect of issuing preference shares could include, among other things, one or more of the following:

- restricting dividends in respect of our Company Common Shares;
- diluting the voting power of our Company Common Shares or providing that holders of preference shares have the right to vote on matters as a class;
- impairing the liquidation rights of our Company Common Shares; or
- delaying or preventing a change of control of us.

There are no preference shares outstanding, and we have no present plans to designate the rights of or to issue any preference shares.

Dividend Rights

Under Bermuda law and the Company Bye-laws, the Company Board has discretion as to the payment of dividends on our Company Common Shares, including the amount (if any), payment date and whether paid in cash or satisfied by our shares or other assets, without shareholder approval. Under Bermuda law, we may not declare or pay dividends if there are reasonable grounds for believing that: (i) the company is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) that the realizable value of our assets would as a result be less than our liabilities. Under the Company Bye-laws, each Company Common Share is entitled to dividends if, as and when dividends are declared by the Company Board, subject to any preferred dividend right of the holders of any preference shares. If we are permitted under Bermuda law to pay dividends, there are no restrictions on our ability to pay dividends in U.S. dollars or to U.S. residents who are holders of our shares.

As disclosed in “Item 8. Financial Information—Dividend Policy,” we have no current plans to pay dividends on our Company Common Shares and no obligation under Bermuda law or the Company Bye-laws to do so. Any decision to declare and pay dividends in the future will be made at the sole discretion of the Company Board and will depend on, among other things, our results of operations, cash requirements, financial condition, contractual restrictions and other factors that the Company Board may deem relevant. Because we are a holding company and have no direct operations, we will only be able to pay dividends from funds we receive from our subsidiaries. In addition, our ability to pay dividends will be limited by covenants in our existing indebtedness and may be limited by the agreements governing any indebtedness we or our subsidiaries may incur in the future. See “Description of Certain Indebtedness.”

Any cash dividends payable to holders of our Company Common Shares listed on the NYSE will be paid to Continental Stock Transfer & Trust Company, our transfer agent in the United States, for disbursement to those holders.

Variation of Rights

If at any time we have more than one class of shares, the rights attaching to any class, unless otherwise provided for by the terms of issue of the relevant class, may be varied either: (i) with the consent in writing of the holders of a majority of the issued shares of that class or (ii) with the sanction of a resolution passed by a majority of the votes cast at a general meeting of the relevant class of shareholders at which a quorum consisting of at least two persons holding or representing a majority of the issued shares of the relevant class is present in person or by proxy. The Company Bye-laws specify that the creation or issue of shares ranking equally with existing shares or the purchase or redemption by us of our shares will not, unless expressly provided by the terms of issue of existing shares, vary the rights attached to existing shares. In addition, the creation or issue of preference shares ranking prior to common shares will not be deemed to vary the rights attached to common shares or, subject to the terms of any other series of preference shares, to vary the rights attached to any other series of preference shares.

Transfer of Shares

The Company Board may, in its absolute discretion and without assigning any reason, refuse to register the transfer of a share that it is not fully paid (but we do not currently have, or intend to issue, any shares which are not fully-paid). The Company Board may also refuse to recognize any required instrument of transfer of a share unless it is accompanied by the relevant share certificate (if issued), such other evidence of the transferor's right to make the transfer as the Company Board shall reasonably require, and unless the Company Board is satisfied that all applicable consents, authorizations, permissions or approvals are in place and that the transfer would not violate any agreement to which the Company or the transferor is subject.

When our shares are listed or admitted to trading on an appointed stock exchange (which includes the NYSE), they will be transferred in accordance with the rules and regulations of such exchange.

If at any time our shares cease to be listed or admitted to trading on an appointed stock exchange, which includes the NYSE, the permission of the Bermuda Monetary Authority is required, pursuant to the provisions of the Exchange Control Act 1972 and related regulations, for all transfers of shares (which includes our Company Common Shares) of Bermuda companies to or from a non-resident of Bermuda for exchange control purposes, other than in cases where the Bermuda Monetary Authority has granted a general permission. Subject to the restrictions mentioned above, a holder of common shares may transfer the title to all or any of such holder's common shares by completing a form of transfer in such form as the Company Board may accept. The instrument of transfer must be signed by the transferor and transferee, although in the case of a fully paid share the Company Board may accept the instrument signed only by the transferor.

Meetings of Shareholders

Under Bermuda law, a company is required to convene at least one general meeting of shareholders each calendar year, which is referred to as the annual general meeting. However, the shareholders may by resolution waive this requirement, either for a specific year or period of time, or indefinitely. When the requirement has been so waived, any shareholder may, on notice to the company not later than three months before the end of the year in question, require the holding of an annual general meeting, in which case an annual general meeting must be called. We intend to hold an annual general meeting in the year ending December 31, 2024.

Bermuda law provides that a special general meeting of shareholders may be called by the Company Board of a company and must be called upon the request of shareholders holding not less than 10% of the paid-up share capital of the company carrying the right to vote at general meetings. Bermuda law also requires that shareholders be given at least five days' advance notice of a general meeting, but the accidental omission to give notice to any person does not invalidate the proceedings at a meeting. The Company Bye-laws provide that the president or chairman or a majority of the Company Board may convene an annual general meeting or a special general meeting; provided, however, that for so long as our Principal Shareholders (as defined in the Shareholders Agreement) beneficially own, collectively, at least 30% of the issued and outstanding shares carrying the right to vote at general meetings at the relevant time, special meetings of our shareholders shall also be called by the Company Board or the chairman of the Company Board at the request of a Principal Shareholder. Under the Company Bye-laws, at least five clear days' notice (as defined in the Company Bye-laws) of an annual general meeting or a special general meeting must be given to each shareholder entitled to vote at such meeting. The quorum required for a general meeting of shareholders generally is two or more persons present throughout the meeting and representing, in person or by proxy, a majority of the issued shares entitled to vote at such meeting; provided, however, that if the special general meeting was requisitioned by shareholders in accordance with the provisions of Bermuda law, the quorum required for such meeting is two or more persons present throughout the meeting and representing in person or by proxy of at least 75% of the issued shares entitled to vote at such meeting.

Access to Books and Records and Dissemination of Information

Members of the general public have a right to inspect the public documents of a company available at the office of the Registrar of Companies in Bermuda. These documents include the Company Charter, including its objects and powers, certain alterations to the Company Charter and a list of the directors of the company. The shareholders have the additional right to inspect the Company Bye-laws of a company, minutes of general meetings and a company's audited financial statements, which must be presented to the annual general meeting. The register of shareholders of a company is also open to inspection by shareholders and by members of the general public

without charge. The register of shareholders is required to be open for inspection for not less than two hours in any business day (subject to the ability of a company to close the register of shareholders for not more than thirty days in a year). A company is required to maintain its share register in Bermuda but may, subject to the provisions of the Companies Act, establish a branch register outside of Bermuda. A company is required to keep at its registered office a register of directors and officers that is open for inspection for not less than two hours in any business day by members of the public without charge. Bermuda law does not, however, provide a general right for shareholders to inspect or obtain copies of any other corporate records.

Certain Bermuda companies are required to maintain a register of their beneficial owners holding more than 25% of their shares, which is not open for inspection by the public. We will be exempted from this requirement for so long as our shares are listed on an appointed stock exchange, which includes the NYSE.

Election of Directors

The Company Bye-laws provide that the Company Board shall consist of eleven directors or such lesser or greater number as the Company Board, by resolution, may from time to time determine, provided that, at all times, there shall be no fewer than three directors. The Company Board currently consists of 9 directors.

The Company Bye-laws provide that, subject to the rights granted to one or more series of preference shares then outstanding or the rights granted under the Shareholders Agreement, any newly-created directorship on the Company Board that results from an increase in the number of directors and any vacancies on the Company Board will be filled only by the affirmative vote of a majority of the remaining directors, even if less than a quorum, by a sole remaining director or by the shareholders; provided, however, at any time our Principal Shareholders beneficially own, collectively, less than 30% of the issued and outstanding shares carrying the right to vote at general meetings at the relevant time, any newly-created directorship on the Company Board that results from an increase in the number of directors and any vacancy occurring in the Company Board may only be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director (and not by the shareholders).

Any shareholder wishing to propose for election as a director someone who is not an existing director or is not proposed by the Company Board must give notice of the intention to propose the person for election to the Company in accordance with the timetable set forth in the Company Bye-laws. In addition, the proposed nominee must be approved by the competent regulatory authorities with responsibility for regulating the business activities of the Company and group of companies to which it belongs. Where a director is to be elected at an annual general meeting, the shareholder notice must be given not less than 90 days nor more than 120 days before the anniversary of the last annual general meeting prior to the giving of the notice or, in the event the annual general meeting is called for a date that is not 30 days before or after such anniversary the notice must be given not later than 21 days following the earlier of the date on which notice of the annual general meeting was posted to shareholders or the date on which public disclosure of the date of the annual general meeting was made. Where a director is to be elected at a special general meeting the shareholder notice must be given not later than 10 days following the earlier of the date on which notice of the special general meeting was posted to shareholders or the date on which public disclosure of the date of the special general meeting was made. Such proposal must be made in accordance with the procedures set forth in the Company Bye-laws. These provisions will not apply to the parties to the Shareholders Agreement so long as the Shareholders Agreement remains in effect. These provisions will not apply to a requisition pursuant to the Companies Act.

Proceedings of Company Board

The Company Bye-laws provide that our business is to be managed and conducted by the Company Board. Bermuda law permits individual and corporate directors and there is no requirement in the Company Bye-laws or Bermuda law that directors hold any of our shares. There is also no requirement in the Company Bye-laws or Bermuda law that our directors must retire at a certain age.

The remuneration of our directors is determined by the Company Board and each such director, other than directors who are employees of the Company, shall be entitled to a fee at a rate determined by the Company Board.

The directors may also be paid all travel, hotel and other expenses properly incurred by them in connection with our business or their duties as directors.

A director who has a direct or indirect interest in any contract or arrangement with us must disclose such interest as required by Bermuda law. Such an interested director may be counted in the quorum but is not entitled to vote on or participate in any discussion in respect of any such contract or arrangement in which he or she is interested.

Indemnification of Directors and Officers

Section 98 of the Companies Act provides generally that a Bermuda company may exempt or indemnify its directors, officers and auditors against any liability that by virtue of any rule of law would otherwise be imposed on them in respect of any negligence, default, breach of duty or breach of trust, except in cases where such liability arises from fraud or dishonesty of which such director, officer or auditor may be guilty in relation to the company. Section 98 further provides that a Bermuda company may indemnify its directors, officers and auditors against any liability incurred by them in defending any proceedings, whether civil or criminal, in which judgment is awarded in their favor or in which they are acquitted or granted relief by the Supreme Court of Bermuda pursuant to section 281 of the Companies Act.

The Company Bye-laws provide that we shall indemnify and advance expenses to our officers and directors in respect of their actions and omissions, except in respect of their fraud or dishonesty. The Company Bye-laws also provide that the shareholders waive all claims or rights of action that they might have, individually or in right of the company, against any of the company's directors or officers for any act or failure to act in the performance of such director's or officer's duties, except in respect of any fraud or dishonesty of such director or officer. Section 98A of the Companies Act permits us to purchase and maintain insurance for the benefit of any officer or director in respect of any loss or liability attaching to him in respect of any negligence, default, breach of duty or breach of trust, whether or not we may otherwise indemnify such officer or director. We will purchase and maintain a directors' and officers' liability policy for such a purpose.

Amendment of Company Charter and Company Bye-laws

Bermuda law provides that the Company Charter may be amended by a resolution passed at a general meeting of shareholders. Under Bermuda law, the holders of an aggregate of not less than 20% in par value of the company's issued share capital or any class of shares have the right to apply to the Supreme Court of Bermuda for an annulment of any amendment of the Company Charter adopted by shareholders at any general meeting, other than an amendment which alters or reduces a company's share capital as provided in the Companies Act. Where such an application is made, the amendment becomes effective only to the extent that it is confirmed by the Bermuda court. An application for an annulment of an amendment of the Company Charter must be made within twenty-one days after the date on which the resolution altering the Company Charter is passed and may be made on behalf of persons entitled to make the application by one or more of them. No application may be made by shareholders who voted in favor of the amendment.

Amendments to the Company Bye-laws will require the approval of the Company Board and the affirmative vote of a majority of the issued and outstanding shares carrying the right to vote at general meetings at the relevant time. In addition, the Company Bye-laws provide that at any time when our Principal Shareholders collectively beneficially own, in the aggregate, less than 30% of the issued and outstanding shares carrying the right to vote at general meetings at the relevant time, certain provisions in the Company Bye-laws, including the provisions providing for a classified board of directors (the election and term of our directors), may be amended, altered, repealed or rescinded only by the affirmative vote of at least 66 2/3% of the issued and outstanding shares carrying the right to vote at general meetings at the relevant time. This provision makes it more difficult for any person to remove or amend any provisions in the Company Bye-laws that may have an anti-takeover effect.

Certain Corporate Anti-Takeover Provisions

Certain provisions in the Company Bye-laws may be deemed to have an anti-takeover effect and may delay, deter or prevent a tender offer or takeover attempt that a shareholder might consider to be in its best interests, including attempts that might result in a premium being paid over the market price for the common shares. These provisions are also designed, in part, to encourage persons seeking to acquire control of us to first negotiate with our board.

Common Shares

The authorized but unissued common shares will be available for future issuance by the Company Board on such terms as the Company Board may determine, subject to any resolutions of the shareholders. These additional shares may be utilized for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. The existence of authorized but unissued Company Common Shares could render more difficult or discourage an attempt to obtain control over us by means of a proxy contest, tender offer, merger, amalgamation, scheme of arrangement or otherwise.

Preference Shares

We have authorized 233,333,333.3 of as yet undesignated shares in the Company, the rights and restrictions attaching to which are not defined by the Company Bye-laws. Pursuant to the Company Bye-laws, preference shares may be issued by the Company from time to time, and the Company Board is authorized (without any requirement for further shareholder action) to determine the rights, preferences, powers, qualifications, limitations and restrictions attaching to those shares (and any further undesignated shares which may be authorized by our shareholders).

Classified Board

The Company Bye-laws provide that, subject to the right of holders of any series of preference shares, the Company Board will be divided into three classes of directors, as nearly equal in number as possible, and with the directors serving staggered three-year terms, with only one class of directors being elected at each annual meeting of shareholders. As a result, approximately one-third of the Company Board will be elected each year.

The classification of directors will have the effect of making it more difficult for shareholders to change the composition of the Company Board. The Company Bye-laws provide that, subject to any rights of holders of preference shares to elect additional directors under specified circumstances, the number of directors will be fixed from time to time exclusively pursuant to a resolution adopted by the Company Board.

Removal of Directors

In accordance with the terms of the Company Bye-laws, our directors may be removed only by resolution, with or without cause, upon the affirmative vote of a majority of the issued and outstanding shares carrying the right to vote at general meetings at the relevant time; provided, however, at any time when our Principal Shareholders beneficially own, collectively, less than 30% of the issued and outstanding shares carrying the right to vote at general meetings at the relevant time, directors may only be removed for cause, and only upon the affirmative vote of holders of at least 66 2/3% of the then issued and outstanding shares carrying the right to vote at general meetings at the relevant time.

Restriction on Shareholder Action by Written Consent

The Company Bye-laws provide that for so long as our Principal Shareholders beneficially own, collectively, at least 30% of the issued and outstanding shares carrying the right to vote at general meetings at the relevant time, anything (except the removal of a director or an auditor) which may be done by resolution of the Company in general meeting or by resolution of a meeting of any class of the shareholders may, without a meeting, be done by resolution in writing signed by, or on behalf of, such number of shareholders who, at the date that the notice of resolution is given, represent not less than the minimum number of votes as would be required if the resolution was voted on at a meeting of shareholders. If our Principal Shareholders cease to beneficially own, collectively, at least

30% of the issued and outstanding shares carrying the right to vote at general meetings at the relevant time, all shareholder action may be taken only at an annual meeting or special general meeting of shareholders and may not be taken by written consent in lieu of a meeting. Failure to satisfy any of the requirements for a shareholder general meeting could delay, prevent or invalidate shareholder action.

Advance Notice Requirements for Shareholder Proposals and Director Nominations

The Company Bye-laws provide that shareholders seeking to nominate candidates for election as directors or to bring business before an annual general meeting of shareholders or special general meeting of shareholders must provide timely notice of their proposal. Generally, to be timely, a shareholder's notice must be received with advance notice to the fullest extent permitted by law. The Company Bye-laws also specify requirements as to the form and content of a shareholder's notice for shareholder proposals and nominations. These provisions may impede shareholders' ability to bring matters before an annual or special general meeting of shareholders or make nominations for directors at a general meeting of shareholders.

Voting Requirements

Approval of certain significant corporate transactions, including amendments to the Company Bye-laws, will require the approval of the Company Board in addition to any other vote required by applicable law.

Amalgamations and Business Combinations

The amalgamation or merger of a Bermuda company with another company or corporation (other than certain affiliated companies) requires the amalgamation or merger agreement to be approved by the Company Board and by our shareholders. The Company Bye-laws provide that a majority in number of the Company Board present at a meeting where a quorum is present is required to approve the amalgamation or merger agreement. Additionally, the Company Bye-laws provide that a resolution passed by holders of a majority of the issued and outstanding shares carrying the right to vote at general meetings at the relevant time is required to approve the amalgamation or merger agreement. The Company Bye-laws provide that a merger or an amalgamation that is a business combination with an interested shareholder must be approved as described below.

The Company Bye-laws contain provisions regarding "business combinations" with "interested shareholders." Pursuant to the Company Bye-laws, in addition to any other approval that may be required by applicable law, we may not engage in certain "business combinations" with any "interested shareholder" for a three-year period following the time that the shareholder became an interested shareholder, unless:

- prior to such time, the Company Board approved either the business combination or the transaction that resulted in the shareholder becoming an interested shareholder;
- upon consummation of the transaction that resulted in the shareholder becoming an interested shareholder, the interested shareholder owned at least 85% of our issued and outstanding voting shares at the time the transaction commenced, excluding certain shares; or
- at or subsequent to that time, the business combination is approved by the Company Board and by the affirmative vote of holders of at least 66 2/3% of our issued and outstanding voting shares that are not owned by the interested shareholder.

Generally, a "business combination" includes a merger, amalgamation, asset or share sale, or other transaction resulting in a financial benefit to the interested shareholder. An "interested shareholder" is a person who, together with that person's affiliates and associates, owns, or within the previous three years owned, 10% or more of our issued and outstanding voting shares, but our Principal Shareholders and their affiliates and any of their respective direct or indirect transferees shall not constitute "interested shareholders" for purposes of this provision.

Under certain circumstances, this provision will make it more difficult for a person who would be an "interested shareholder" to effect various business combinations with us for a three-year period. This provision may encourage companies interested in acquiring us to negotiate in advance with the Company Board because the shareholder approval requirement would be avoided if the Company Board approves either the business combination

or the transaction that results in the shareholder becoming an interested shareholder. These provisions also may have the effect of preventing changes in the Company Board and may make it more difficult to accomplish transactions that shareholders may otherwise deem to be in their best interests.

Under Bermuda law, in the event of an amalgamation or merger of a Bermuda company with another company or corporation, a shareholder of the Bermuda company who did not vote in favor of the amalgamation or merger and who is not satisfied that fair value has been offered for such shareholder's shares may, within one (1) month of notice of the shareholders meeting, apply to the Supreme Court of Bermuda within one (1) month of the transaction to appraise the fair value of those shares.

Shareholder Suits

Class actions and derivative actions are generally not available to shareholders under Bermuda law. The Bermuda courts, however, would ordinarily be expected to permit a shareholder to commence an action in the name of a company to remedy a wrong to the company where the act complained of is alleged to be beyond the corporate power of the company or illegal, or would result in the violation of the Company Charter or the Company Bye-laws. Furthermore, consideration would be given by a Bermuda court to allow a shareholder to commence such action where acts that are alleged to constitute a fraud against the minority shareholders or, for instance, where an act requires the approval of a greater percentage of the company's shareholders than that which actually approved it.

When the affairs of a company are being conducted in a manner which is oppressive or prejudicial to the interests of some part of the shareholders, one or more shareholders may apply to the Supreme Court of Bermuda, which may make such order as it sees fit, including an order regulating the conduct of the company's affairs in the future or ordering the purchase of the shares of any shareholders by other shareholders or by the company.

The Company Bye-laws contain a provision by virtue of which our shareholders waive any claim or right of action that they have, both individually and on our behalf, against any director or officer in relation to any action or failure to take action by such director or officer, except in respect of any fraud or dishonesty of such director or officer.

Capitalization of Profits and Reserves

Pursuant to the Company Bye-laws, the Company Board may (i) capitalize any part of the amount of our share premium or other reserve accounts or any amount credited to our profit and loss account or otherwise available for distribution by applying such sum in paying up unissued shares to be allotted as fully paid bonus shares pro-rata (except in connection with the conversion of shares) to the shareholders; or (ii) capitalize any sum standing to the credit of a reserve account or sums otherwise available for dividend or distribution by paying up in full, partly paid or nil paid shares of those shareholders who would have been entitled to such sums if they were distributed by way of dividend or distribution.

Transfer Agent and Registrar

A register of holders of the Company Common Shares will be maintained by MQ Services Ltd. in Bermuda, and a branch register will be maintained in the United States by Continental Stock Transfer & Trust Company, who will serve as branch registrar and transfer agent.

Listing

Our Company Common Shares are listed on the NYSE under the symbol "PSFE." Our warrants are listed on the NYSE under the symbol "PSFE.WS."

Untraced Shareholders

The Company Bye-laws provide that the Company Board may forfeit any dividend or other monies payable in respect of any shares which remain unclaimed for six years from the date when such monies became due for

payment. In addition, we are entitled to cease sending dividend warrants and checks by post or otherwise to a shareholder if such instruments have been returned undelivered to, or left uncashed by, such shareholder on at least two consecutive occasions or, following one such occasion, reasonable enquires have failed to establish the shareholder's new address. This entitlement ceases if the shareholder claims a dividend or cashes a dividend check or a warrant.

Certain Provisions of Bermuda Law

We have been designated by the Bermuda Monetary Authority as a non-resident for Bermuda exchange control purposes. There are no restrictions on our ability to transfer funds (other than funds denominated in Bermuda dollars) in and out of Bermuda or to pay dividends to U.S. residents who are holders of our Company Common Shares.

Under Bermuda law, "exempted" companies are companies formed for the purpose of conducting business outside Bermuda from a principal place of business in Bermuda. As an "exempted" company, we generally may not, without the express authorization of the Bermuda legislature or under a license or consent granted by the Minister of Finance, participate in certain business transactions in Bermuda, including: (i) the acquisition or holding of land in Bermuda (except that held by way of lease or tenancy agreement which is required for its business and held for a term not exceeding 50 years; or (ii) the carrying on of business with persons outside Bermuda.

The Bermuda Monetary Authority has, pursuant to its general permissions issued in its Notice to the Public of June 2015, given its consent for the issue and free transferability of all of our Company Common Shares to and between non-residents of Bermuda for exchange control purposes, provided our shares remain listed on an appointed stock exchange, which includes the NYSE. Approvals or permissions given by the Bermuda Monetary Authority do not constitute a guarantee by the Bermuda Monetary Authority as to our performance or our creditworthiness. Accordingly, in giving such consent or permissions, the Bermuda Monetary Authority shall not be liable for the financial soundness, performance or default of our business or for the correctness of any opinions or statements expressed herein. Certain issues and transfers of common shares involving persons deemed resident in Bermuda for exchange control purposes require the specific consent of the Bermuda Monetary Authority.

The Bermuda Economic Substance Act 2018 and associated regulations (the "Economic Substance Act") require Bermuda companies carrying on certain relevant activities to comply with obligations related to their economic substance in Bermuda, including being managed and directed from Bermuda and undertaking certain core income generating activities in Bermuda. For entities which are resident for tax purposes in certain jurisdictions outside Bermuda, only limited compliance and filing obligations are relevant.

In accordance with Bermuda law, share certificates are only issued in the names of companies, partnerships or individuals. In the case of a shareholder acting in a special capacity (for example as a trustee), certificates may, at the request of the shareholder, record the capacity in which the shareholder is acting. Notwithstanding such recording of any special capacity, we are not bound to investigate or see to the execution of any such trust.

Limitations on the Right to Own Securities

In addition to the limitations applicable to all businesses under applicable law, the right to own our securities is subject to limitations imposed due to the nature of the products and services that we offer, as summarized below. Any shareholder seeking to acquire 10% or more of our shares or the voting rights attached to our shares or acquiring the power to exercise, directly or indirectly, an equivalent degree of control in us should carefully consider the regulatory framework within which we operate and the formalities that must be complied with. See "Item 4. Business Overview—Payments Regulation" and "Item 3. Key Information—D. Risk Factors—Regulatory, Legal and Tax Risks—Limitations imposed by the FCA and CBI on the right to own our securities may result in sanctions being imposed on our regulated subsidiaries and an acquirer of such securities in the event of noncompliance by such acquirer, and may reduce the value of our shares."

Several of the Company's indirect subsidiaries are subject to regulatory supervision, including the requirement to obtain prior consent from the relevant regulator when a person holds, acquires or increases a qualifying holding in those entities.

As such, each person who, alone or together with others, holds, acquires or increases a qualifying holding/control in any of these regulated subsidiaries, directly or indirectly (including by way of investment in Paysafe), as a result of which certain thresholds are reached or passed, will require prior approval or a declaration of no objection from the relevant regulator (the FCA in the UK and the CBI in Ireland) prior to obtaining such qualifying holding/control. This requirement to obtain prior approval or a declaration of no objection for qualifying holdings/changes in control in the regulated subsidiaries implements the requirements relating to qualifying holdings in payment services providers as set out in PSD2.

A "qualifying holding" or "an acquisition of control" in UK terms is a direct or indirect holding of 10% or more of the issued share capital of any of the regulated subsidiaries, the ability to exercise directly or indirectly 10% or more of the voting rights in such regulated subsidiary, or the power to exercise, directly or indirectly, an equivalent degree of control in such regulated subsidiary.

Holders of such qualifying holdings or "controllers" in UK terms, will also be subject to certain additional notification requirements where the size of such holdings increase beyond or fall below certain thresholds, as required by Article 6 of PSD2 (as implemented in the UK and Ireland).

Local laws, regulations and guidelines, including the EU Joint Guidelines on the prudential assessment of acquisitions and increases of qualifying holdings in the financial sector (JC/GL/2016/01), shall be taken into account in assessing a qualifying holding/control (e.g., the voting rights of any other shareholders with whom a person is acting in concert are also relevant in determining a person's voting rights).

Company Warrants

The Company Warrants represent the right to purchase one Company Common Share at a price of \$138 per share. The Company Warrants became exercisable on August 21, 2021 and will expire on the fifth anniversary of Closing at 5:00 p.m. New York City time, or upon an earlier redemption. The Company Warrants are governed by the Warrant Agreement, as modified by a warrant assumption agreement that was entered into by the Company and Continental Stock Transfer & Trust Company, as warrant agent, in connection with the Closing.

Public Warrants

The following description applies to Public Warrants that became Company Warrants as a result of the Business Combination.

As set forth in the Warrant Agreement, the Public Warrants that were previously issued in the private placement (i) may be exercised for cash or on a "cashless basis," (ii) shall not be redeemable by the Company pursuant to Section 6.1 of the Warrant Agreement and (iii) shall only be redeemable by the Company pursuant to Section 6.2 of the Warrant Agreement if the Reference Value (as defined in the Warrant Agreement) is less than \$216.00 per share.

Once the Company Warrants become exercisable pursuant to the exercise period, the Company may call all such Company Warrants for redemption if, and only if, the reported last sale price of our Company Common Shares equals or exceeds \$216.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within a 30 trading day period ending on the third trading day before the Company sends the notice of redemption to the holders of Company Warrants. In addition, the Company may only call such Company Warrants for redemption:

- in whole and not in part;
- at a price of \$0.01 per warrant;
- upon not less than 30 days' prior written notice of redemption to each warrant holder.

Additionally, once the Company Warrants become exercisable, the Company may call all such Company Warrants for redemption at a price of \$0.10 per warrant when the price per share of our Company Common Shares equals or exceeds \$120.00 provided that (i) the Reference Value (as defined in the Warrant Agreement) equals or exceeds \$120.00 per share (subject to adjustment) and (ii) if the Reference Value is less than \$216.00 per share (subject to adjustment), the Private Warrants are also concurrently called for redemption on the same terms as the outstanding Public Warrants. After the Company has provided notice of redemption to the holders of Company Warrants, the holders of such Company Warrants may elect to exercise their Company Warrants on a “cashless basis” and receive a number of shares of Company Common Stock as set forth in the Warrant Agreement (a “Make-Whole Exercise”).

If and when the Company Warrants become redeemable, the Company may not exercise its redemption rights if the issuance of Company Common Shares upon exercise of the Company Warrants is not exempt from registration or qualification under applicable state blue sky laws or the Company is unable to effect such registration or qualification.

A holder of a Company Warrant may notify the Company in writing in the event it elects to be subject to a requirement that such holder will not have the right to exercise such Company Warrant, to the extent that after giving effect to such exercise, such person (together with such person’s affiliates), to the warrant agent’s actual knowledge, would beneficially own in excess of 9.8% (or such other amount as a holder may specify) (the “Maximum Percentage”) of our Company Common Shares outstanding immediately after giving effect to such exercise. By written notice to the Company, the holder of a Company Warrant may from time to time increase or decrease the Maximum Percentage applicable to such holder to any other percentage specified in such notice; provided, however, that any such increase shall not be effective until the sixty-first (61st) day after such notice is delivered to the Company.

In the event of a consolidation, combination, reverse share split or reclassification of Company Common Shares or other similar event, then on the effective date of such event, the number of Company Common Shares issuable on exercise of each Company Warrant will be decreased in proportion to such decrease in issued and outstanding Company Common Shares.

In the case of any reclassification, reorganization, merger or consolidation of the issued and outstanding Company Common Shares, the holders of Company Warrants are entitled to purchase and receive the kind and amount of Company Common Shares or other securities or property (including cash) receivable upon such reclassification, reorganization, merger or consolidation.

The Company Warrants may be exercised upon surrender of the warrant certificate on or prior to the expiration date at the offices of the warrant agent, with the exercise form on the reverse side of the warrant certificate completed and executed as indicated, accompanied by full payment of the exercise price (or on a “cashless basis,” if applicable), by certified check or bank draft payable to the order of the warrant agent, for the number of the Company Warrants being exercised. The warrant holders do not have the rights or privileges of holders of Company Common Shares or any voting rights until they exercise their Company Warrants and receive Company Common Shares.

Private Warrants

The following description applies to Private Warrants that became Company Warrants as a result of the Business Combination.

On July 31, 2020, FTAC entered into a Forward Purchase Agreement with Cannae Holdings, a diversified holding company which is externally managed by Trasimene Capital, but is not an affiliate of FTAC or the Founder, in which Cannae Holdings agreed to purchase an aggregate of 5,000,000 redeemable private placement warrants to purchase one (1) share of FTAC’s Class A Common Stock at \$11.50 per share, in a private placement which occurred concurrently with the closing of an initial business combination. Pursuant to the Warrant Agreement, Cannae Holdings and its permitted transferees may transfer, assign or sell their Private Warrants following the effectiveness of this registration statement. Except as otherwise provided in Section 6 of the Warrant Agreement, the terms of the Private Warrants mirror those of the Public Warrants.

Comparison of Corporate Governance and Shareholder Rights

Paysafe is a Bermuda company. The Bermuda Companies Act, the Company Charter and the Company Bye-laws govern the rights of its shareholders. Bermuda law differs in some material respects from laws generally applicable to United States corporations and their stockholders. Below is a summary chart outlining important similarities and differences in the corporate governance and stockholder/shareholder rights associated with each of a Delaware corporation and Paysafe according to applicable law and/or its organizational documents, as applicable. You also should review the Company Charter, the Company Bye-laws, as well as the Delaware General Corporation Law and the Bermuda Companies Act, to understand how these laws apply to Paysafe.

Provision	A Delaware Corporation	The Company (A Bermuda exempted limited company)
Applicable corporate law legislation	DGCL	Companies Act 1981, as amended (the “Companies Act”)
Voting Rights	Except as otherwise provided by applicable law or in the certificate of incorporation or bylaws, the holders of common stock have the right to vote for the election of director and all other purposes. Unless otherwise required by the DGCL, the certificate of incorporation or the bylaws, any question brought before any meeting of stockholders is decided by a majority of votes cast by holders of the stock represented and entitled to vote thereon.	Holders of common shares are entitled to one vote per share on all matters submitted to a vote of holders of common shares. Unless a different vote is required by Bermuda law or by the Company Bye-laws, resolutions to be approved by holders of voting shares require approval by a simple majority of votes cast at a meeting at which a quorum is present. Holders of common shares will vote together as a single class on all matters presented to the shareholders for their vote or approval, including the election of directors. The Company Charter and the Company Bye-laws do not authorize cumulative voting and directors are elected by plurality of votes.
Appraisal Rights	Under the DGCL, in certain situations, appraisal rights may be available in connection with a merger or a consolidation.	Under Bermuda law, in the event of an amalgamation or merger of a Bermuda company with another company or corporation, a shareholder of the Bermuda company who did not vote in favor of the amalgamation or merger and is not satisfied that fair value has been offered for such shareholder’s shares may, within one month of notice of the shareholders meeting, apply to the Supreme Court of Bermuda to

Stockholder Meeting Quorum	Quorum shall be present at a meeting of stockholders if the holder or holders of a majority of the shares entitled to vote are present in person, represented by duly authorized representative in the case of a corporation or other legal entity or represented by proxy.	appraise the fair value of those shares. For a general meeting convened by the Company Board, the quorum required for such meeting is at least two shareholders present in person or by proxy and entitled to vote representing the holders of a majority of the issued shares entitled to vote. At a general meeting convened other than by the Company Board, the quorum required for such meeting is two or more shareholders present in person or by proxy and entitled to vote representing the holders of at least 75% of the issued shares entitled to vote at such meeting.
Stockholder/Shareholder Consent to Action Without Meeting	Under Delaware corporate law, unless otherwise provided in the certificate of incorporation, any action that can be taken at a meeting of the stockholders (except stockholder approval of a transaction with an interested stockholder, which may be given only by vote at a meeting of the stockholders) may be taken without a meeting if written consent to the action is signed by the holders of outstanding stock having not less than the minimum number of votes necessary to authorize or take the action at a meeting of the stockholder.	Shareholders may act by written consent for so long as the Principal Shareholders beneficially own, collectively, at least 30% of the Company's voting power, then action may be taken by a majority of votes that would be required to pass the resolution as if it had been voted on at a meeting of shareholders.
Inspection of Books and Records; Information Requests	All stockholders of a Delaware corporation have the right, upon written demand, to inspect or obtain copies of the corporation's shares ledger and its other books and records for any purpose reasonably related to such person's interest as a stockholder.	Members of the general public have the right to inspect the Company's public documents available at the office of the Registrar of Companies in Bermuda and the Company's registered office in Bermuda, which will include the Company Charter (including its objects and powers) and certain alterations to the Company Charter and a list of the directors of the Company. The

shareholders have the additional right to inspect the Company Bye-laws, minutes of general meetings and audited financial statements, which must be presented to the annual general meeting of shareholders.

The register of shareholders of a company is also open to inspection by shareholders and members of the general public without charge. The register of shareholders is required to be open for inspection for not less than two (2) hours in any business day (subject to the ability of a company to close the register of shareholders for not more than 30 days in a year). A company is required to maintain its share register in Bermuda but may, subject to the provisions of the Companies Act, establish a branch register outside of Bermuda. A company is required to keep at its registered office a register of directors and officers. Bermuda law does not, however, provide a general right for shareholders to inspect or obtain copies of any other corporate records.

Certain Bermuda companies are required to maintain a register of their beneficial owners holding more than 25% of their shares, which is not open for inspection by the public. The Company will be exempted from this requirement for so long as its shares are listed on an appointed stock exchange, which includes the NYSE.

Stockholder/Shareholder Lawsuits for violation of directors' duties

A stockholder may bring a derivative suit for alleged violation of directors' duties,

The Company Bye-laws provide that the shareholders waive all claims or rights of action that they might have, individually or in

subject to procedural requirements.

right of the Company, against any of the Company's directors or officers for any act or failure to act in the performance of such director's or officer's duties, except in respect of any fraud or dishonesty of such director or officer. As such, shareholders may not have a direct cause of action against the directors.

Stockholders'/Shareholders' Suits in General

Class actions and derivative actions generally are available to stockholders under Delaware law for, among other things, breach of fiduciary duty, corporate waste and actions not taken in accordance with applicable law. In such actions, the court generally has discretion to permit the winning party to recover attorneys' fees incurred in connection with such action.

Class actions and derivative actions are generally not available to shareholders under Bermuda law. The Bermuda courts, however, would ordinarily be expected to permit a shareholder to commence an action on behalf of a company to remedy a wrong to the Company where the act complained of is alleged to be beyond the corporate power of the Company or illegal, or would result in the violation of the Company Charter or the Company By-laws.

Furthermore, consideration would be given by a Bermuda court to allow derivative action rights in relation to acts that are alleged to constitute a fraud against the minority shareholders or, for instance, where an act requires the approval of a greater percentage of the Company's shareholders than that which actually approved it.

When the affairs of a company are being conducted in a manner which is oppressive or prejudicial to the interests of some part of the shareholders, one or more shareholders may apply to the Supreme Court of Bermuda, which may make such order as it sees fit, including an order regulating the conduct of the Company's affairs in the future or ordering the purchase of the

Election and Removal of Directors;
Vacancies

Under Delaware corporate law, a vacancy or a newly created directorship may be filled by a majority of the directors then in office, although less than a quorum, or by the sole remaining director, unless otherwise provided in the certificate of incorporation or by-laws. Directors chosen to fill vacancies generally hold office until the next election of directors. If, however, a corporation's directors are divided into classes, a director chosen to fill a vacancy holds office until the next election of the class for which such director was chosen.

Except in the case of a corporation with a classified board (unless the certificate of incorporation provides otherwise) or with cumulative voting, any director or the entire board may be removed, with or without cause, by the holders of a majority of the shares entitled to vote at an election of directors. The board may increase the size of the board and fill any vacancies.

shares of any shareholders by other shareholders or by the Company.

The board shall consist of eleven (11) directors or such other number as determined by the Board, but no fewer than three (3) Directors. The appointment of Directors at a general meeting would be determined by a plurality of the votes cast in respect of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors.

For so long as the Principal Shareholders beneficially own at least 30% of the Company's voting securities, directors may be removed by a majority vote of shareholders present in person or by proxy, provided that certain procedures described in the Company Bye-laws are followed.

When the Principal Shareholders beneficially own less than 30% of the Company's voting securities, Directors may only be removed for "cause" (as determined by the Board, in their sole discretion from time to time) and only upon the affirmative vote of at least 66 2/3 of the Company's voting securities.

When the Principal Shareholders beneficially own, collectively, less than 30% of the Company's voting securities, any newly-created directorships on the Board that results from an increase in the number of Directors and/or any vacancy occurring in the Board, may only be filled by resolution of the Board, or by the sole remaining Director (and not by the Shareholders in general meeting).

Classified or Staggered Boards	Classified boards are permitted and do prevent the removal of directors with immediate effect.	Classified board with staggered elections; three (3) classes of directors each elected for a term of three (3) years.
Indemnification of Directors and Officers	A corporation is generally permitted to indemnify its directors and officers if they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal proceeding, had no reasonable cause to believe their conduct was unlawful, except that in any action brought by or in the right of the corporation, such indemnification may be made only for expenses (not judgments or amounts paid in settlement) and may not be made even for expenses if the officer, director or other person is adjudged liable to the corporation (unless otherwise determined by the court).	The directors and officers are indemnified out of the funds of the Company against all liabilities, losses, damages or expenses (including but not limited to liabilities under contract, tort and statute or any applicable foreign law or regulation and all legal and other costs and expenses properly payable) arising out of the actual or purported execution or discharge of his duties or the exercise or purported exercise of his powers or otherwise in relation to or in connection with his duties, powers or office (including but not limited to liabilities attaching to him and losses arising by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company or any subsidiary of the Company).
Limited Liability of Directors	The DGCL law permits the limiting or eliminating of the monetary liability of a director to a corporation or its stockholders, except with regard to breaches of duty of loyalty, intentional misconduct, unlawful stock repurchases or dividends, or improper personal benefit.	Directors are liable to the Company in respect of any negligence, default or breach of duty on his own part in relation to the Company or any subsidiary of the Company, or for any loss or damage which may happen, in or arising out of the actual or purported execution or discharge of his duties or the exercise or purported exercise of his powers or otherwise in relation to or in connection with his duties, powers or office.
Special Vote Required for Combinations with Interested Stockholders/Shareholders	The Delaware General Corporation Law contains a business combination statute	A transaction entered into by the Company in which a director has an interest will not be voidable by

applicable to Delaware corporations whereby, unless the corporation has specifically elected not to be governed by such statute by amendment to its certificate of incorporation, it is prohibited from engaging in certain business combinations with an “interested shareholder” for three years following the date that such person becomes an interested shareholder. An interested shareholder generally is a person or a group who or which owns or owned more than 15% of the target’s outstanding voting stock within the past three years.

This has the effect of limiting the ability of a potential acquirer to make a two-tiered bid for the target in which all shareholders would not be treated equally. The statute does not apply if, among other things, prior to the date on which such shareholder becomes an interested shareholder, the board of directors approves either the business combination or the transaction which resulted in the person becoming an interested shareholder. This encourages any potential acquirer of a Delaware corporation to negotiate the terms of any acquisition transaction with the target’s board of directors.

the Company and such director will not be liable to the Company for any profit realized pursuant to such transaction as a result of such interest, provided the nature of the interest is disclosed at the first opportunity either at a meeting of directors or in writing to the directors. The Company By-laws provide that a majority in number of the Company Board present at a meeting where a quorum is present is required to approve the amalgamation or merger agreement and require directors to recuse themselves from any discussion or decision at a meeting involving another firm or company with which the director is affiliated or other matters with respect to which the director has a personal conflict.

Approval of Certain Transactions

Under the DGCL, the consummation of a merger or consolidation requires the approval of the board of directors of the corporation which desires to merge or consolidate and requires that the agreement and plan of merger be adopted by the affirmative vote of a majority of the stock of the corporation entitled to vote thereon at an annual or special meeting for the purpose of acting on the agreement. However, no such

Amalgamations and Mergers:

Any merger or amalgamation of the Company with another company shall require the approval of (i) the Board by a resolution passed with the approval of a majority of those Directors then in office and eligible to vote on that resolution and (ii) a Resolution passed by a majority of votes cast, in addition to any other sanction required by the Companies Acts in respect of

approval and vote are required if such corporation is the surviving corporation and such corporation's certificate of incorporation is not amended, the stockholders of the surviving corporation whose shares were outstanding immediately before the effective date of the merger will hold the same number of shares, with identical designations, preferences, limitations, and rights, immediately after the effective date of the merger; and either no shares of common stock of the surviving corporation and no shares, securities or obligations convertible into such stock are to be issued or delivered under the plan of merger, or the authorized unissued shares or the treasury shares of common stock of the surviving corporation to be issued or delivered under the plan of merger do not exceed 20% of the shares of common stock of such corporation outstanding immediately prior to the effective date of the merger. Under the DGCL, a sale or all or substantially all of a corporation's assets requires the approval of such corporation's board of directors and the affirmative vote of a majority of the outstanding stock of the corporation entitled to vote thereon.

any variation of the rights of any class of Shareholders.

If the Company has more than one class of shares at that time, the Companies Act provides that all of the Company shares carry the right to vote on the merger or amalgamation, whether or not they otherwise carry the right to vote, and that the holders of a class of shares have the right to vote separately as a class if the merger or amalgamation terms would result in a variation of their share class rights.

Takeovers:

An acquiring party is generally able to acquire compulsorily the common shares of minority holders of a company: (a) by a procedure under the Companies Act known as a "scheme of arrangement." A scheme of arrangement could be effected by obtaining the agreement of the Company and its shareholders. The scheme must be approved by a majority in number of shareholders present and voting, at a court ordered meeting held to consider the scheme of arrangement, and representing 75% in value of the issued and outstanding shares. The scheme of arrangement must then be sanctioned by the Bermuda Supreme Court. If a scheme of arrangement receives all necessary agreements and sanctions, upon the filing of the court order with the Registrar of Companies in Bermuda, all holders of common shares could be compelled to sell their shares under the terms of the scheme of arrangement; (b) by acquiring pursuant to a tender offer 90% of the shares or class of shares not already owned by, or by a

nominee for, the acquiring party (the offeror), or any of its subsidiaries. If an offeror has, within four months after the making of an offer for all the shares or class of shares not owned by, or by a nominee for, the offeror, or any of its subsidiaries, obtained the approval of the holders of 90% or more of all the shares to which the offer relates, the offeror may, at any time within two months beginning with the date on which the approval was obtained, by notice compulsorily acquire the shares of any non-tendering shareholder on the same terms as the original offer unless the Supreme Court of Bermuda (on application made within a one-month period from the date of the offeror's notice of its intention to acquire such shares) orders otherwise; (c) Where the acquiring party or parties hold not less than 95% of the shares or a class of shares of the Company, by acquiring, pursuant to a notice given to the remaining shareholders or class of shareholders, the shares of such remaining shareholders or class of shareholders. When this notice is given, the acquiring party is entitled and bound to acquire the shares of the remaining shareholders on the terms set out in the notice, unless a remaining shareholder, within one month of receiving such notice, applies to the Supreme Court of Bermuda for an appraisal of the value of their shares (in which case the appraised value is payable or the acquiring party may withdraw its notice to acquire the shares). This provision only applies where the acquiring party offers the same terms to all holders of shares whose shares are being acquired;

Stockholder/Shareholder Proposals	<p>The DGCL does not include a provision restricting the manner in which nominations for directors may be made by stockholders or the manner in which business may be brought before a meeting.</p>	<p>or (d) by a merger or amalgamation transaction.</p> <p>Eligible shareholder(s) may, as set forth below and at their own expense (unless the Company otherwise resolves), require the Company to: (a) give notice to all shareholders entitled to receive notice of the annual general meeting of any resolution that the shareholder(s) may properly move at the next annual general meeting; and/or (b) circulate to all shareholders entitled to receive notice of any general meeting a statement in respect of any matter referred to in any proposed resolution or any business to be conducted at such general meeting. The number of shareholders necessary for such a requisition is either: (i) any number of shareholders representing not less than 5% of the total voting rights of all shareholders entitled to vote at the meeting to which the requisition relates; or (ii) not less than 100 shareholders.</p>
Amendment of Company Charter/Certificate of Incorporation	<p>Delaware law requires that, unless a greater percentage is provided for in the certificate of incorporation, a majority of the outstanding stock entitled to vote is required to approve the amendment of the certificate of incorporation at the stockholders' meeting.</p>	<p>Bermuda law provides that the Company Charter may be amended by a resolution passed at a general meeting of shareholders of which due notice has been given.</p> <p>Under Bermuda law, the holders of an aggregate of not less than 20% in par value of a company's issued and outstanding share capital or any class of shares have the right to apply to the Bermuda courts for an annulment of any amendment of the Company Charter adopted by shareholders at any general meeting, other than an amendment which alters or reduces a company's share capital as provided in the Companies Act. Where such an application is</p>

Amendment of Bye-laws

Delaware law requires that, unless a greater percentage is provided for in the certificate of incorporation, a majority of the outstanding stock entitled to vote is required to approve the amendment of the bylaws at the stockholders' meeting.

made, the amendment becomes effective only to the extent that it is confirmed by the Bermuda court. An application for an annulment of an amendment of the Company Charter must be made within 21 days after the date on which the resolution altering the Company Charter is passed and may be made on behalf of persons entitled to make the application by one or more of them. No application may be made by the shareholders voting in favor of the amendment.

The Company Bye-laws may be amended, altered, repealed or rescinded by a resolution of the Board passed by a majority of the Directors then in office and eligible to vote on that resolution. For so long as the Principal Shareholders beneficially own, collectively, at least 30% of the Company's voting securities, a majority of shareholders can approve the amendment, alteration, repeal, rescission, revocation or amendment of the Company Bye-laws. For such time that the Principal Shareholders own less than 30%, (A) a vote of 66 2/3% of shareholders is required to amend provisions relating to (i) the appointment or removal of Directors, (ii) indemnification of officers or (iii) business combinations and (B) a majority of shareholders is required to amend provisions related to all other matters.

WHITE & CASE

Dated 13 April **2023**

Amendment Agreement

in respect of a
Senior Facilities Agreement dated 24 June 2021

between

Paysafe Group Holdings III Limited
as the Company

Paysafe Group Holdings II Limited
as the Obligors' Agent

and

J.P. Morgan S.E.
as Agent

White & Case LLP
5 Old Broad Street
London EC2N 1DW

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This Amendment Agreement (the “Agreement”) is dated 13 April 2023 and made between:

(1) **PAYSAFE GROUP HOLDINGS III LIMITED**, a company incorporated under the laws of England, with registered number 10869332 and having its registered office at Floor 27, 25 Canada Square, London, England, E14 5LQ (the “**Company**”);

(2) **PAYSAFE GROUP HOLDINGS II LIMITED**, a company incorporated under the laws of England, with registered number 10880277 and having its registered office at Floor 27, 25 Canada Square, London, England, E14 5LQ, in its capacity as Obligors’ Agent in accordance with clause 2.5 (*Obligors’ Agent*) of the Senior Facilities Agreement (for itself and on behalf of each of the Obligors) (hereafter referred to as the “**Obligors’ Agent**”); and

(3) **J.P. MORGAN S.E.** for itself and as agent of the other Finance Parties (the “**Agent**”).

Whereas:

(A) Reference is made to the senior facilities agreement dated 24 June 2021 between, among others, the Company, the Obligors’ Agent, the Agent and the Lenders party thereto from time to time (as amended, restated, supplemented, varied and/or extended from time to time, the “**Senior Facilities Agreement**”).

(B) The Company wishes, and the other parties agree, to amend the Senior Facilities Agreement on the terms and subject to the conditions set out in this Agreement.

(C) Pursuant to the Senior Facilities Agreement, the Agent is authorised to effect, on behalf of any other Finance Party, any amendment or waiver permitted by the clause 40 (*Amendments and Waivers*) of the Senior Facilities Agreement, and having received the requisite consent for the amendments contemplated by this Agreement, the Agent is authorised and instructed to execute this Agreement on behalf of the Finance Parties.

(D) Pursuant to the Senior Facilities Agreement, the Obligors’ Agent is entering into this agreement for itself and in its capacity as agent of each Obligor in accordance with the Senior Facilities Agreement and is authorised to make such agreements and to effect relevant amendments, supplements and variations capable of being given, made or effected by any Obligor or guarantee, indemnity or security provider, as the case may be.

(E) It is intended that this Agreement takes effect as a deed notwithstanding the fact that a party may only execute this Agreement under hand.

It is agreed as follows:

1. Definitions and Interpretation

1.1 Interpretation

(a) Save as defined in this Agreement, words and expressions defined in the Senior Facilities Agreement shall have the same meanings in this Agreement.

(b) Clause 1.2 (*Construction*) of the Senior Facilities Agreement shall be deemed to be incorporated into this Agreement save that references in the Senior Facilities Agreement to “this Agreement” shall be construed as references to this Agreement.

1.2 Definitions

In this Agreement the following expressions shall have the following meanings:

“**Amended Senior Facilities Agreement**” means the Senior Facilities Agreement as amended by the Amendments.

“**Amendments**” means the terms set out in the Schedule (*The Amendments*) hereto. “**Effective Date**” means the date of this Agreement.

2. Amendment of the Senior Facilities Agreement

2.1 Pursuant to the terms of the Senior Facilities Agreement, each Party consents to the amendment of the Senior Facilities Agreement as contemplated by this Agreement.

2.2 With effect from the Effective Date:

(a) the Senior Facilities Agreement shall be amended on the terms set out in the Amendments; and

(b) all references in the Senior Facilities Agreement to “this Agreement” shall include the Senior Facilities Agreement as amended by this Agreement.

2.3 With effect from the Effective Date, the Senior Facilities Agreement and this Agreement shall be read and construed as one document and references in the Senior Facilities Agreement and in each of the Finance Documents to the Senior Facilities Agreement shall be read and construed as references to the Senior Facilities Agreement as amended by this Agreement.

2.4 Each of the Parties agrees and acknowledges that, save as amended by this Agreement, the Senior Facilities Agreement and each Finance Document to which it is a party shall continue in full force and effect.

2.5 The Obligors’ Agent and the Agent designate this Agreement as a Finance Document by execution of this Agreement for the purposes of the definition of “Finance Document” in the Senior Facilities Agreement.

3. Confirmations

3.1 The Obligors’ Agent, on behalf of each of the members of the Group, Obligors and each other guarantee and indemnity provider (if any), confirms that each of the guarantees and indemnity provisions contained in the Senior Facilities Agreement and each Finance Document to which the Company and each Obligor or guarantee and indemnity provider is a party shall, after giving effect to the amendments effected by this Agreement, on and after the Effective Date:

(a) continue in full force and effect and extend to the liabilities and obligations of each of the Obligors under the Amended Senior Facilities Agreement and the other Finance Documents (as amended from time to time); and

(b) subject to the Legal Reservations, continue to constitute legal, valid and binding obligations of the Obligors and each other guarantee and indemnity provider (if any) enforceable in accordance with their terms.

3.2 To the extent necessary under relevant applicable law, the Obligors’ Agent shall, at its own expense, do all such acts and things reasonably necessary or desirable as requested by the Agent to give effect to the amendments effected or to be effected pursuant to this Agreement.

3.3 To the extent necessary under relevant applicable law, the parties agree that no amendment resulting from this Agreement shall constitute a novation under applicable law.

4. Representations and Warranties

4.1 The Obligors’ Agent represents and warrants to the Agent and to the other Finance Parties that it has been, and remains, appointed and authorised to act as the Obligors’ Agent on behalf of each of the Obligors in accordance with the Senior Facilities Agreement.

4.2 The Company, for itself and the Obligors’ Agent, on behalf of the Obligors, jointly and severally, on the Effective Date, makes the Repeating Representations as if references to “the Finance Documents” in those Repeating Representations were references to this Agreement and the Amended Senior Facilities Agreement.

5.Costs and Expenses

The provisions of clause 22 (*Costs and Expenses*) of the Senior Facilities Agreement shall apply to this Agreement as if it were expressly set out in this Agreement with the necessary changes being made and with each reference in the Senior Facilities Agreement to “this Agreement” being construed as references to this Agreement.

6.Incorporation of Terms

The terms of clauses 1.6 (*Third party rights*), 36 (*Notices*), 38 (*Partial Invalidity*) and 39 (*Remedies and Waivers*) of the Senior Facilities Agreement shall be deemed to be incorporated into this Agreement save that references in the Senior Facilities Agreement to “this Agreement” and “the Finance Documents” shall be construed as references to this Agreement.

7.Counterparts

This Agreement may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

8.Governing Law

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

9.Enforcement - Jurisdiction of English Courts

9.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement) (a “**Dispute**”).

9.2 The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

Schedule

The Amendments

On the Effective Date, the Senior Facilities Agreement shall be deemed to be amended as follows:

(1) in clause 1.1 (*Definitions*), the following definitions shall be added in alphabetical order:

“**Effective Date**” means 13 April 2023.

“**Historic Term SOFR**” means, in relation to any Term SOFR Loan, the most recent applicable Term SOFR for a period equal in length to the Interest Period of that Term SOFR Loan and which is as of a day which is no more than three (3) US Government Securities Business Days before the Quotation Day.

“**Interpolated Term SOFR**” means, in relation to any Term SOFR Loan, the rate (rounded to the same number of decimal places as Term SOFR) which results from interpolating on a linear basis between:

(a) either:

(i) the applicable Term SOFR (as of the Specified Time on the Quotation Day) for the longest period (for which Term SOFR is available) which is less than the Interest Period of that Term SOFR Loan; or

(ii) if no such Term SOFR is available for a period which is less than the Interest Period of that Term SOFR Loan, the most recent applicable SOFR identified by the Agent on the Quotation Day; and

(b) the applicable Term SOFR (as of the Specified Time on the Quotation Day) for the shortest period (for which Term SOFR is available) which exceeds the Interest Period of that Term SOFR Loan.

“**SOFR**” means the secured overnight financing rate (SOFR) administered by the Federal Reserve Bank of New York (or any other person which takes over the administration of that rate) published by the Federal Reserve Bank of New York (or any other person which takes over the publication of that rate).

“**Term Credit Adjustment Spread**” means:

(a) in relation to any Initial Revolving Facility Loan, 0.10% per annum;

(b) in relation to any Facility B1 Loan, the percentage per annum specified below in respect of the relevant Interest Period, as determined in accordance with the table below:

<i>Length of Interest Period</i>	<i>Term Credit Adjustment Spread (percentage rate per annum)</i>
One week	0.03839%
One Month or less but greater than one week	0.11448%
Two Months or less but greater than one Month	0.18456%
Three Months or less but greater than two Months	0.26161%
Six Months or less but greater than three Months	0.42826%
12 Months or less but greater than six Months	0.71513%

(c) in relation to any Incremental Facility Loan, the percentage specified in the relevant

Incremental Facility Increase Notice.

“**Term Reference Rate**” means:

- (a) in relation to any Term Rate Loan in USD, LIBOR;
- (b) in relation to any Term Rate Loan in euro, EURIBOR; or
- (c) in relation to any Term Rate Loan in CAD, CDOR.

“**Term SOFR**” means the term SOFR reference rate administered by CME Group Benchmark Administration Limited (or any other person which takes over the administration of that rate) for the relevant period published by CME Group Benchmark Administration Limited (or any other person which takes over the publication of that rate).

“**Term SOFR Loan**” means any Loan or, if applicable, Unpaid Sum denominated in USD which is, or has become a “Term SOFR Loan” pursuant to Clause 16.8 (*Switch to Term SOFR Reference Rate*), to the extent that it is not, or has not become a “Compounded Rate Loan” for its then current Interest Period pursuant to Clause 16.1A (*Unavailability of Term SOFR*).

“**Term SOFR Reference Rate**” means, in relation to any Term SOFR Loan:

- (a) the applicable Term SOFR as of the Specified Time and for a period equal in length to the Interest Period of that Loan; or
- (b) as otherwise determined pursuant to Clause 16.1A (*Unavailability of Term SOFR*),

and if, in either case, the aggregate of that rate and the applicable Term Credit Adjustment Spread is (i) in the case of the Initial Revolving Facility, less than zero, the aggregate of the Term SOFR Reference Rate and the applicable Term Credit Adjustment Spread shall be deemed to be zero, (ii) in the case of Facility B1, is less than 0.50% per annum, the aggregate of the Term SOFR Reference Rate and the applicable Term Credit Adjustment Spread shall be deemed to be 0.50% per annum and (iii) in the case of any Incremental Facility, less than the percentage rate per annum specified in the relevant Incremental Facility Increase Notice (including, in the case of any Incremental Facility Increase Notice entered into prior to the Effective Date, the percentage rate per annum equal to any “LIBOR Floor Rate” specified in that Incremental Facility Increase Notice) (the “**Term SOFR Floor Rate**”), the aggregate of the Term SOFR Reference Rate and the applicable Term Credit Adjustment Spread shall be deemed to be the relevant Term SOFR Floor Rate.

“**US Government Securities Business Day**” means any day other than:

- (a) a Saturday or a Sunday or other day on which commercial banks are authorised to close under the laws of, or are in fact closed in, New York; and
- (b) a day on which the Securities Industry and Financial Markets Association (or any successor organization) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in US Government securities.

(2) in clause 1.1 (*Definitions*), the following definitions shall be deleted in their entirety and replaced as follows:

“**Business Day**” means a day (other than a Saturday or Sunday) on which banks are open for general business in London, New York and:

- (a) (in relation to any date for payment or purchase of, or the fixing of an interest rate in relation to, a currency other than euro) the principal financial centre of the country of that currency;
- (b) (in relation to any date for payment or purchase of euro) any TARGET Day;

(c)(in relation to any fixing of an interest rate using Term SOFR), which is a US Government Securities Business Day; or

(d)(in relation to:

(i)any date for payment or purchase of a Compounded Rate Currency;

(ii)the determination of the first day or the last day of an Interest Period for a Compounded Rate Loan, or otherwise, or in relation to the determination of the length of such an Interest Period; or

(iii)the Lookback Period for a Compounded Rate Currency),

an Additional Business Day relating to that currency or that Loan.

“Compounded Rate Currency” means GBP and, in circumstances where Term SOFR is unavailable in accordance with the terms of Clause 16.1A (*Unavailability of Term SOFR*), USD.

“Compounded Rate Loan” means any Loan or, if applicable, Unpaid Sum in GBP or any other Compounded Rate Currency which is, or becomes a “Compounded Rate Loan” pursuant to Clause 14 (*Interest*) or Clause 16.1A (*Unavailability of Term SOFR*).

“Quotation Day” means, in relation to any period for which an interest rate in respect of a Term Rate Loan is to be determined:

(a)(if the currency is USD) two US Government Securities Business Days before the first day of that period;

(a)(if the currency is euro) two TARGET Days before the first day of that period; or

(b)(for any other currency) two Business Days before the first day of that period,

(unless market practice differs in the Relevant Market for that currency, in which case the Quotation Day for that currency will be determined by the Agent in accordance with market practice in the Relevant Market (and if quotations would normally be given on more than one day, the Quotation Day will be the last of those days)).

“Quoted Tenor” means in relation to Term SOFR or any Screen Rate, any period for which that rate is customarily displayed on the relevant page or screen of an information service.

“Relevant Market” means:

(a)subject to paragraph (b) below:

(i)in relation to euro, the European interbank market;

(ii)in relation to USD, the market for overnight cash borrowings collateralised by US Government securities;

(iii)in relation to CAD, the market for Canadian bankers’ acceptances; and

(iv)in relation to any other currency, the London interbank market; and

(b)in relation to a Compounded Rate Currency, the market specified as such in the applicable Compounded Rate Terms.

(3)All references to “Relevant Interbank Market” in the Senior Facilities Agreement shall be replaced with “Relevant Market”.

(4) In Clause 14 (*Interest*), Clause 14.1 (*Calculation of interest – Term Rate Loan*) shall be deleted in its entirety and replaced as follows:

Clause 14.1 Calculation of interest – Term Rate Loan

The rate of interest on each Term Rate Loan (other than a Term SOFR Loan) for each Interest Period is the percentage rate per annum which is the aggregate of the applicable:

- (a) Margin; and
- (b) Term Reference Rate.

Clause 14.1A Calculation of interest – Term SOFR Loans

The rate of interest on each Term SOFR Loan for each Interest Period is the percentage rate per annum which is the aggregate of the applicable:

- (a) Margin;
- (b) Term SOFR Reference Rate determined for that Interest Period; and
- (c) Term Credit Adjustment Spread.

(5) In Clause 16 (*Changes to the Calculation of interest*), Clause 16.1A (*Unavailability of Term SOFR*) shall be added after Clause 16.1 (*Unavailability of Screen Rate – Term Rate Loans*) and prior to Clause 16.2 (*Calculation of Base Reference Bank Rate*), as follows:

Clause 16.1A Unavailability of Term SOFR

(a) *Interpolated Term SOFR*: If no Term SOFR is available for the Interest Period of a Term SOFR Loan, the applicable Term SOFR Reference Rate shall be the Interpolated Term SOFR for a period equal in length to the Interest Period of that Term SOFR Loan.

(b) *Historic Term SOFR*: If no Term SOFR is available for the Interest Period of a Term SOFR Loan and it is not possible to calculate the Interpolated Term SOFR, the applicable Term SOFR Reference Rate shall be the Historic Term SOFR for that Term SOFR Loan.

(c) *Compounded SOFR Reference Rate*: If paragraph (b) above applies but no Historic Term SOFR is available for the Interest Period of the Term SOFR Loan then:

- (i) there shall be no Term SOFR Reference Rate for that Loan for that Interest Period and Clause 14.1A (*Calculation of interest – Term SOFR Loans*) will not apply to that Loan for the relevant Interest Period; and
- (ii) that Loan shall be a “Compounded Rate Loan” for the relevant Interest Period and Clause 14.2 (*Calculation of interest – Compounded Rate Loans*) shall apply to that Loan for that Interest Period.

(6) In Clause 16 (*Changes to the Calculation of interest*), Clause 16.4 (*Market disruption*) shall be deleted in its entirety and replaced as follows

Clause 16.4 Market disruption

(a) In the case of a Term Rate Loan, if before close of business in London on the Quotation Day for the relevant Interest Period the Agent receives notifications from a Lender or Lenders (whose participations in a Loan exceed 40% of that Loan) that the cost to it of funding its participation in that Loan from the wholesale market for the relevant currency would be in excess of EURIBOR, LIBOR, CDOR or Term SOFR (as applicable) there shall be no EURIBOR, LIBOR, CDOR or Term SOFR for that Loan and Clause 16.5 (*Cost of funds*) shall apply to that Loan for the relevant Interest Period.

(b) In the case of a Compounded Rate Loan, if:

(i) a Market Disruption Rate is specified in the Compounded Rate Terms for that Loan; and

(ii) before the Reporting Time for that Loan, the Agent receives notifications from a Lender or Lenders (whose participations in a Loan exceed 40% of that Loan) that the cost to it of funding its participation in that Loan from the wholesale market for the relevant currency would be in excess of that Market Disruption Rate,

then Clause 16.5 (*Cost of funds*) shall apply to that Loan for the relevant Interest Period.

(7) In Clause 16.5 (*Cost of funds*), paragraph (a) shall be deleted in its entirety and replaced as follows:

Clause 16.5 Cost of funds

(a) If this Clause 16.5 applies to a Loan for an Interest Period, neither Clause 14.1 (*Calculation of interest – Term Rate Loans*), Clause 14.1A (*Calculation of interest – Term SOFR Loans*) nor Clause 14.2 (*Calculation of interest – Compounded Rate Loans*) shall apply to that Loan for that Interest Period and the rate of interest on each Lender's share of that Loan for that Interest Period shall be the percentage rate per annum which is the sum of:

(i) the applicable Margin; and

(ii)

(A) in relation to a Term Rate Loan, the weighted average of the rates notified to the Agent by each Lender by close of business on the date falling two Business Days after the Rate Fixing Day (or, if earlier, on the date falling five Business Days before the date on which interest is due to be paid in respect of that Interest Period); or

(B) in relation to a Compounded Rate Loan, by the Reporting Time for that Loan,

to be that which expresses as a percentage rate per annum the average cost to the relevant Lender (determined either on an actual or a notional basis) of funding its participation in that Loan from whatever source it may reasonably select, provided that such Lender confirms (for the benefit of the Group) to the Agent that such percentage rate per annum represents the cost to the relevant Lender of funding its participation in that currency under other syndicated credit facilities involving similarly situated borrowers under which that Lender is a lender.

(8) In Clause 16.5 (*Cost of funds*), paragraph (d) shall be deleted in its entirety and replaced as follows:

(d) If this Clause 16.5 applies pursuant to Clause 16.4 (*Market Disruption*) and:

(i) in relation to a Term Rate Loan:

(A) a Lender's Funding Rate is less than EURIBOR in relation to any Loan in EUR, LIBOR in relation to any Loan in USD (other than a Term SOFR Loan), CDOR in relation to any Loan in CAD or Term SOFR plus the applicable Term Credit Adjustment Spread in relation to any Term SOFR Loan; or

(B) a Lender does not supply a quotation by the time specified in paragraph (a)(ii) above,

the cost to that Lender of funding its participation in that Loan for that Interest Period shall be deemed, for the purposes (a) above, to be EURIBOR in relation to any Loan in EUR, LIBOR in relation to any Loan in USD (other than a Term SOFR Loan), CDOR in relation to any Loan in CAD or Term SOFR plus the applicable Term Credit Adjustment Spread in relation to any Term SOFR Loan; or

(ii) in relation to a Compounded Rate Loan:

(A) a Lender's Funding Rate is less than the relevant Market Disruption Rate; or

(B) a Lender does not supply a quotation by the time specified in paragraph (a)(ii) above,

the cost to that Lender of funding its participation in that Loan for that Interest Period shall be deemed, for the purposes of paragraph (a) above, to be the Market Disruption Rate for that Loan.

(9) In Clause 16 (*Changes to the Calculation of interest*), the following paragraph shall be added after Clause 16.7 (*Break Costs*) as follows:

Clause 16.8 Switch to Term SOFR Reference Rate

(a) Subject to paragraph (b) below, on and from the Effective Date:

(i) use of the Term SOFR Reference Rate will replace the use of LIBOR for the calculation of interest for Loans in USD; and

(ii) any Loan or Unpaid Sum in USD shall be a "Term SOFR Loan" and Clause 14.1A (*Calculation of interest – Term SOFR Loans*) shall apply to each such Loan or Unpaid Sum.

(b) If the Effective Date falls before the last day of an Interest Period for a Loan in USD:

(i) that Loan shall continue to be a Term Rate Loan (other than a Term SOFR Loan) for that Interest Period and Clause 14.1 (*Calculation of interest – Term Rate Loans*) shall continue to apply to that Loan for that Interest Period; and

(ii) on and from the first day of the next Interest Period (if any) for that Loan:

(A) that Loan shall be a "Term SOFR Loan"; and

(B) Clause 14.1A (*Calculation of interest – Term SOFR Loans*) shall apply to that Loan.

(10) In Clause 40.5 (*Changes to reference rates*), paragraph (b) shall be deleted in its entirety and replaced with "[reserved]".

(11) In paragraph (c) of Clause 40.5 (*Changes to reference rates*), the reference to "LIBOR" shall be deleted in its entirety and replaced with "the RFR".

(12) In paragraph (i) of Clause 40.5 (*Changes to reference rates*), the following paragraph shall be deleted in its entirety:

(i) (...)

For the avoidance of doubt, the Parties agree that no Published Rate Replacement Event shall be deemed to have occurred on or prior to the date of this Agreement in respect of any Published Rate in respect of USD.

(13)In paragraph (i) of Clause 40.5 (*Changes to reference rates*), the following definition shall be deleted in its entirety and replaced as follows:

“**Published Rate**” means:

- (a)SOFR;
- (b)the Term SOFR for any Quoted Tenor;
- (c)an RFR; or
- (d)the Screen Rate for any Quoted Tenor.

(14)The ninth row in Part 1 (*Loans*) of Schedule 9 (*Timetables*) shall be deleted in its entirety and replaced as follows:

	Loans in EUR	Loans in GBP	Loans in USD	Loans in other currencies
Term SOFR or EURIBOR is fixed	Quotation Day as of 11:00am (CET) in respect of EURIBOR		Quotation Day as of 11:00am (New York time) in respect of Term SOFR	

(15)The existing paragraphs in Schedule 20 (*Compounded Rate Terms*) shall be renamed as Part 1 (*GBP*) and Part 2 (*USD*) shall be added in Schedule 20 (*Compounded Rate Terms*) after Part 1 (*GBP*) as follows:

Part 2

Dollars

Cost of funds as a fallback

Cost of funds will apply as a fallback.

Definitions

Additional Business Days:

US Government Securities Business Day

Break Costs:

None specified. Clause 12.5 (*Prepayments of Compounded Rate Loans*) shall apply.

Business Day Conventions

(a) If any period is expressed to accrue by reference to a Month or any number of Months then, in respect of the last Month of that period:

(i) subject to paragraph (iii) below, if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;

(ii) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and

(iii) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.

(b) If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

Central Bank Rate:

(a) The short-term interest rate target set by the US Federal Open Market Committee as published by the Federal Reserve Bank of New York from time to time; or

(b) if that target is not a single figure, the arithmetic mean of:

(i) the upper bound of the short-term interest rate target range set by the US Federal Open Market Committee and

published by the Federal Reserve Bank of New York; and

(ii) the lower bound of that target range.

Central Bank Rate Adjustment:

In relation to the Central Bank Rate prevailing at close of business on any RFR Banking Day, the 20% trimmed arithmetic mean (calculated by the Agent, or by any other Finance Party which agrees with the Parent to do so in place of the Agent) of the Central Bank Rate Spreads for the five most immediately preceding RFR Banking Days for which the RFR is available.

Central Bank Rate Spread

In relation to any RFR Banking Day, the difference (expressed as a percentage rate per annum) calculated by the Agent (or by any other Finance Party which agrees with the Parent to do so in place of the Agent) of:

(a) the RFR for that RFR Banking Day; and

(b) the Central Bank Rate prevailing at close of business on that RFR Banking Day.

Credit Adjustment Spread

(a) In relation to any Initial Revolving Facility Loan, 0.10% per annum;

(b) in relation to any Facility B1 Loan, the percentage per annum specified below in respect of the relevant Interest Period, as determined in accordance with the table below:

<i>Length of Interest Period</i>	<i>Credit Adjustment Spread (percentage rate per annum)</i>
One week	0.03839%
One Month or less but greater than one week	0.11448%
Two Months or less but greater than one Month	0.18456%
Three Months or less but greater than two Months	0.26161%
Six Months or less but greater than three Months	0.42826%
12 Months or less but greater than six Months	0.71513%

(c) in relation to any Incremental Facility Loan, the percentage specified in the relevant Incremental Facility Increase Notice.

Daily Rate:

The “**Daily Rate**” for any RFR Banking Day is:

(a) the RFR for that RFR Banking Day; or

(b) if the RFR is not available for that RFR Banking Day, the percentage rate per annum which is the aggregate of:

(i)the Central Bank Rate for that RFR Banking Day ; and

(ii)the applicable Central Bank Rate Adjustment; or

(c)if paragraph (b) above applies but the Central Bank Rate for that RFR Banking Day is not available, the percentage rate per annum which is the aggregate of:

(i)the most recent Central Bank Rate for a day which is no more than five RFR Banking Days before that RFR Banking Day; and

(ii)the applicable Central Bank Rate Adjustment,

rounded, in either case, to four decimal places and if, in either case, the aggregate of that rate and the applicable Credit Adjustment Spread is less than zero, the Daily Rate shall be deemed to be such a rate that the aggregate of the Daily Rate and the applicable Credit Adjustment Spread is zero.

Lookback Period:

Five RFR Banking Days.

Market Disruption Rate:

The Cumulative Compounded RFR Rate for the Interest Period of the relevant Loan.

Relevant Market:

The market for overnight cash borrowing collateralised by US Government securities.

Reporting Day:

The Business Day which follows the day which is the Lookback Period prior to the last day of the Interest Period.

RFR:

The secured overnight financing rate (SOFR) administered by the Federal Reserve Bank of New York (or any other person which takes over the administration of that rate) published by the Federal Reserve Bank of New York (or any other person which takes over the publication of that rate).

RFR Banking Day:

Any day other than:

(a)a Saturday or Sunday or other day on which commercial banks are authorised to close under the laws of, or are in fact closed in, New York; and

(b)a day on which the Securities Industry and Financial Markets Association (or any successor organisation) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in US Government securities.

Interest Periods

Length of Interest Period in absence of selection (paragraph (c) of Clause 15.1 (*Selection of Interest Periods and Terms*)):

The same Interest Period applicable to the Term SOFR Loan prior to the Loan becoming a “Compounded Rate Loan” under paragraph (c)(i) of Clause 16.1A (*Unavailability of Term SOFR*).

Periods capable of selection as Interest Periods (paragraph (d) of Clause 15.1 (*Selection of Interest Periods and Terms*)):

N/A – Interest Periods not capable of selection when the Loan is a “Compounded Rate Loan”. For the avoidance of doubt, the same Interest Period applicable to the Term SOFR Loan prior to the Loan becoming a “Compounded Rate Loan” under paragraph (c)(i) of Clause 16.1A (*Unavailability of Term SOFR*) shall continue to apply.

Reporting Times

Deadline for Lenders to report market disruption in accordance with Clause 16.4 (*Market disruption*)

Close of business in London on the Reporting Day for the relevant Loan.

Deadline for Lenders to report their cost of funds in accordance with Clause 16.5 (*Cost of funds*)

Close of business on the date falling one Business Day after the Reporting Day for the relevant Loan (or, if earlier, on the date falling three Business Days before the date on which interest is due to be paid in respect of the Interest Period for that Loan).

(16)In Schedule 21 (*Daily Non-Cumulative Compounded RFR Rate*), the following paragraph shall be deleted in its entirety and replaced as follows:

“**dcc**” means:

(a) in respect of a Compounded Rate Loan denominated in GBP, 365; and

(b) in respect of a Compounded Rate Loan denominated in USD, 360,

or, in any case where market practice in the Relevant Market is to use a different number for quoting the number of days in a year, that number;

Signatories

Signed as a deed by:

THE COMPANY

PAYSAFE GROUP HOLDINGS III LIMITED

By: /s/ Elliott Wiseman

Name: Elliott Wiseman

Title: Director

Witness's Signature /s/ Harpal O' Shea

Name: Harpal O' Shea

Address: Level 27, 25 Canada Square, London E14
5LQ

Occupation: Executive Legal Assistant

Paysafe - Amendment Agreement to Facilities Agreement

THE OBLIGORS' AGENT

PAYSAFE GROUP HOLDINGS II LIMITED

By: /s/ Elliott Wiseman

Name: Elliott Wiseman

Title: Director

Witness's Signature /s/ Harpal O' Shea

Name: Harpal O' Shea

Address: Level 27, 25 Canada Square, London E14
5LQ

Occupation: Executive Legal Assistant

Paysafe - Amendment Agreement to Facilities Agreement

THE AGENT

J.P. MORGAN S.E.

By: /s/ Karolina Glinka

Name: Karolina Glinka

Title: Vice President

Paysafe - Amendment Agreement to Facilities Agreement

Exhibit 8.1

LIST OF SUBSIDIARIES OF PAYSAFE LIMITED

The significant subsidiaries of the Company are listed below.

Name	Country of Incorporation and Place of Business Address	Nature of Business	Proportion of Ownership Interest Held by the Company
Paysafe Payments Solutions Limited	Ireland Block A Riverside IV 70 Sir John Rogerson's Quay Dublin Dublin 2, Ireland, D02 R296	Payment Services	100 %
Paysafe Payment Processing Solutions LLC	United States 5335 Gate Parkway Fourth Floor, Jacksonville, FL 32256	Payment Services	100 %
Skrill Limited	United Kingdom 2 Gresham Street London, United Kingdom EC2V 7AD	Payment Services	100 %
Paysafe Prepaid Services Limited	Ireland Block A Riverside IV 70 Sir John Rogerson's Quay Dublin Dublin 2, Ireland, D02 R296	Payment Services	100 %

SECTION 302 CERTIFICATION

I, Bruce Lowthers, certify that:

1. I have reviewed this annual report on Form 20-F of Paysafe Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Dated: March 20, 2024

Signed: /s/ Bruce Lowthers

Title: Chief Executive Officer

SECTION 302 CERTIFICATION

I, Alexander Gersh, certify that:

1. I have reviewed this annual report on Form 20-F of Paysafe Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Dated: March 20, 2024

Signed: /s/ Alexander Gersh

Title: Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Paysafe Limited (the “Company”) on Form 20-F for the fiscal year ended December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Bruce Lowthers, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 20, 2024

Signed: /s/ Bruce Lowthers
Title: Chief Executive Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Paysafe Limited (the “Company”) on Form 20-F for the fiscal year ended December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Alexander Gersh, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 20, 2024

Signed: /s/ Alexander Gersh
Title: Chief Financial Officer

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-263910 on Form F-3, and in Registration Statements 333-256692 and No. 333-270582 on Form S-8 of our reports dated March 20, 2024, relating to the financial statements of Paysafe Limited and the effectiveness of Paysafe Limited's internal control over financial reporting appearing in this Annual Report on Form 20-F for the year ended December 31, 2023.

/s/ Deloitte & Touche LLP

Houston, Texas
March 20, 2024



INCENTIVE COMPENSATION RECOVERY POLICY

Paysafe Internal – for Paysafe internal use only

Effective Date	October 27, 2023
Revision Number	
Review	Annually
Published on	ConvergePoint
Document type	TIER 2 Policy
Document ID	

Scope – This <i>Incentive Compensation Recovery Policy</i> is relevant for:		
Paysafe Business Unit	Paysafe entity	Paysafe location
All	All	All

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INTERNAL

Things you need to Remember:



- ✓ In order to comply with securities laws of the United States, the Company has adopted this Policy related to the recovery of incentive compensation in certain circumstances from officers and certain employees.
- ✓ Officer compensation received based on certain financial metrics and targets that are later restated in our public financial filings must be returned back to the Company.
- ✓ This policy also covers compensation to members of the SLT and the recovery of certain compensation due to an employee's fraud or misconduct.

Use of language

Throughout this document, the words '**may**', '**should**' and '**must**' when used in the context of actions of Paysafe or others, have specific meanings as follows:

- (a) '**May**' is used where alternatives are equally acceptable.
- (b) '**Should**' is used where a provision is preferred.
- (c) '**Must**' is used where a provision is mandatory.

Note that alternative or preferred requirements may be qualified by Paysafe in another referenced document.

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INTERNAL

Paysafe and the companies in which it directly or indirectly owns investments are separate and distinct entities. In this publication, however, the collective expression '**Paysafe**' may be used for convenience where reference is made in general to those companies. Likewise, the words '**we**', '**us**', '**our**' and '**ourselves**' are used in some places to refer to Paysafe companies in general. These expressions are also used where no useful purpose is served by identifying any particular company or companies.

In this document, **third party** means any individual or organisation you come into contact with during the course of your work for us, and includes actual and potential clients, consultants, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

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None of the information contained in this document shall be disclosed outside of the recipient's own organisation without prior written permission of Paysafe, unless the terms of such agreement expressly allow.

In the event of a conflict between this document and a relevant law or regulation, the relevant law or regulation shall be followed. If the document creates a higher obligation, it shall be followed as long as this also achieves full compliance with the law or regulation.

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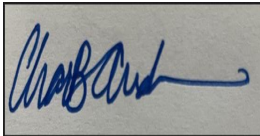
INTERNAL

Supporting Policy:

Review and maintenance:
This Policy will be reviewed at least annually. The provisions of this Policy can be amended and supplemented from time to time by the General Counsel, subject to the approval of the Compensation Committee.

Summary:
This Policy concerns the recovery of certain incentive-based compensation received by Officers and members of the SLT due to certain triggering events as required by the SEC and NYSE and due to fraud or misconduct.

Document Approval

Policy Owner	Approved and Signed by	Signature
Elliott Wiseman Chief Legal & People Officer	Charlotte Anderson SVP Securities Counsel and Corporate Secretary	

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1 Overview

In accordance with the applicable rules of The New York Stock Exchange Listed Company Manual (the “**NYSE Rules**”), Section 10D and Rule 10D-1 of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”) (“**Rule 10D-1**”), the Board of Directors (the “**Board**”) of Paysafe Limited (the “**Company**”) has adopted this Policy (the “**Policy**”) to provide for the recovery of erroneously awarded Incentive-based Compensation from Executive Officers. This Policy also applies to the recovery of Incentive-based Compensation from Covered Employees due to a Covered Employee’s fraud or misconduct (regardless of whether there is a financial restatement or a material error in calculating the compensation paid). All capitalized terms used and not otherwise defined herein shall have the meanings set forth in Section 8, below.

2 RECOVERY OF INCENTIVE COMPENSATION

In the event of an Accounting Restatement, the Company will reasonably promptly recover the Recoverable Incentive Compensation Received in accordance with NYSE Rules and Rule 10D-1 as follows:

- (i) After an Accounting Restatement, the Compensation Committee (if composed entirely of independent directors, or in the absence of such a committee, a majority of independent directors serving on the Board) (the “Committee”) shall determine the amount of any Recoverable Incentive Compensation Received by each Executive Officer and shall promptly notify each Executive Officer with a written notice containing the amount of any Recoverable Incentive Compensation and a demand for repayment or return of such compensation, as applicable.
 - a. For Incentive-based Compensation based on (or derived from) the Company’s stock price or total shareholder return, where the amount of Recoverable Incentive Compensation is not subject to mathematical recalculation directly from the information in the applicable Accounting Restatement:
 - i. The amount to be repaid or returned shall be determined by the Committee based on a reasonable estimate of the effect of the Accounting Restatement on the Company’s stock price or total

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shareholder return upon which the Incentive-based Compensation was Received; and
ii. The Company shall maintain documentation of the determination of such reasonable estimate and provide the relevant documentation as required to the NYSE.

- (ii) The Committee shall have discretion to determine the appropriate means of recovering Recoverable Incentive Compensation based on the particular facts and circumstances. Notwithstanding the foregoing, except as set forth in Section 2 below, in no event may the Company accept an amount that is less than the amount of Recoverable Incentive Compensation in satisfaction of an Executive Officer's obligations hereunder.
- (iii) To the extent that the Executive Officer has already reimbursed the Company for any Recoverable Incentive Compensation Received under any duplicative recovery obligations established by the Company or applicable law, it shall be appropriate for any such reimbursed amount to be credited to the amount of Recoverable Incentive Compensation that is subject to recovery under this Policy.
- (iv) To the extent that an Executive Officer fails to repay all Recoverable Incentive Compensation to the Company when due, the Company shall take all actions reasonable and appropriate to recover such Recoverable Incentive Compensation from the applicable Executive Officer. The applicable Executive Officer shall be required to reimburse the Company for any and all expenses reasonably incurred (including legal fees) by the Company in recovering such Recoverable Incentive Compensation in accordance with the immediately preceding sentence.

In the event of Detrimental Activity:

- ⌚ The Committee shall determine, in its sole discretion, the amount of any Recoverable Incentive Compensation awarded or paid to each Covered Employee to be appropriate in light of the scope and nature of the Detrimental Activity and shall promptly notify each Covered Employee with a written notice containing the amount of any Recoverable Incentive Compensation and a demand for repayment or return of such compensation, as applicable;

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- ⌚ The Committee may seek recovery of Recoverable Incentive Compensation awarded or paid to each Covered Employee even if the Detrimental Activity did not result in an award or payment greater than would have been awarded or paid absent the Detrimental Activity; and
- ⌚ In determining whether to seek recovery and the amount, if any, by which the payment or award should be reduced, the Committee may consider, among other things, the seriousness of the Detrimental Activity, whether the Covered Employee was unjustly enriched, whether seeking the recovery would prejudice the Company's interests in any way, including in a proceeding or investigation, and any other factors it deems relevant to the determination.

Notwithstanding anything herein to the contrary, the Company shall not be required to take the actions contemplated by Section 2 above if the Committee (which, as specified above, is composed entirely of independent directors or in the absence of such a committee, a majority of the independent directors serving on the Board) determines that recovery would be impracticable and, with respect to an Accounting Restatement, any of the following three conditions are met:

- ⌚ The Committee has determined that the direct expenses paid to a third party to assist in enforcing the Policy would exceed the amount to be recovered. Before making this determination, the Company must make a reasonable attempt to recover the Recoverable Incentive Compensation, document such attempt(s) and provide such documentation to the NYSE;
- ⌚ Recovery would violate home country law where that law was adopted prior to November 28, 2022, provided that, before determining that it would be impracticable to recover any amount of Recoverable Incentive Compensation based on violation of home country law, the Company has obtained an opinion of home country counsel, acceptable to the NYSE, that recovery would result in such a violation and a copy of the opinion is provided to NYSE; or
- ⌚ Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of Section 401(a)(13) or Section 411(a) of the Internal Revenue Code of 1986, as amended, and regulations thereunder.

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3 DISCLOSURE REQUIREMENTS

The Company shall file all disclosures with respect to this Policy required by applicable U.S. Securities and Exchange Commission (“SEC”) filings and rules.

4 PROHIBITION OF INDEMNIFICATION

The Company shall not be permitted to insure or indemnify any Executive Officer or Covered Employee against (i) the loss of any Recoverable Incentive Compensation that is repaid, returned or recovered pursuant to the terms of this Policy, or (ii) any claims relating to the Company’s enforcement of its rights under this Policy. Further, the Company shall not enter into any agreement that exempts any Incentive-based Compensation that is granted, paid or awarded to an Executive Officer or Covered Employee from the application of this Policy or that waives the Company’s right to recovery of any Recoverable Incentive Compensation, and this Policy shall supersede any such agreement (whether entered into before, on or after the Effective Date of this Policy).

5 ADMINISTRATION AND INTERPRETATION

This Policy shall be administered by the Committee, and any determinations made by the Committee shall be final and binding on all affected individuals.

The Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy and for the Company’s compliance with NYSE Rules, Section 10D, Rule 10D-1 and any other applicable law, regulation, rule or interpretation of the SEC or NYSE promulgated or issued in connection therewith.

6 AMENDMENT; TERMINATION

The Committee may amend this Policy from time to time in its discretion and shall amend this Policy as it deems necessary. Notwithstanding anything in this Section 6 to the contrary, no amendment or termination of this Policy shall be effective if such amendment or termination would (after taking into account any actions

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taken by the Company contemporaneously with such amendment or termination) cause the Company to violate any federal securities laws, SEC rule or NYSE rule.

7 OTHER RECOVERY RIGHTS

This Policy shall be binding and enforceable against all Executive Officers and Covered Employees and, to the extent required by applicable law or guidance from the SEC or NYSE, their beneficiaries, heirs, executors, administrators or other legal representatives. The Committee intends that this Policy will be applied to the fullest extent required by applicable law. Any employment agreement, equity award agreement, compensatory plan or any other agreement or arrangement with an Executive Officer or Covered Employee shall be deemed to include, as a condition to the grant of any benefit thereunder, an agreement by the Executive Officer or Covered Employee to abide by the terms of this Policy. Any right of recovery under this Policy is in addition to, and not in lieu of, any other remedies or rights of recovery that may be available to the Company under applicable law, regulation or rule or pursuant to the terms of any policy of the Company or any provision in any employment agreement, equity award agreement, compensatory plan, agreement or other arrangement.

8 DEFINITIONS

For purposes of this Policy, the following capitalized terms shall have the meanings set forth below.

- ⌚ **“Accounting Restatement”** means an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements (a “Big R” restatement), or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (a “little r” restatement).
- ⌚ **“Cause”** means the Covered Employee’s (a) willful neglect in the performance of the Covered Employee’s duties or willful or repeated failure or refusal to perform such duties; (b) engagement in conduct in connection with the Covered Employee’s employment which results in, or could reasonably

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be expected to result in, material harm to the business or reputation of the Company or its subsidiaries; (c) conviction of, or plea of guilty or no contest to (i) any felony or (ii) any other crime that results in, or could reasonably be expected to result in, material harm to the business or reputation of the Company or its subsidiaries; (d) material violation of the written policies of the Company or its subsidiaries, including, but not limited to, those relating to sexual harassment or the disclosure or misuse of confidential information, or those set forth in the manuals or statements of policy of the Company and its subsidiaries; (e) fraud or misappropriation, embezzlement, or misuse of funds or property belonging to the Company or its subsidiaries; or (f) act of personal dishonesty that involves personal profit in connection with the Covered Employee's employment or service to the Company; provided, in any case, that a Covered Employee's resignation after an event that would be grounds for Cause will be treated as Cause hereunder.

⌚ **"Clawback Eligible Incentive Compensation"** means (a) in the case of any Accounting Restatement, all Incentive-based Compensation Received by an Executive Officer (i) on or after the effective date of the applicable NYSE rules, (ii) after beginning service as an Executive Officer, (iii) who served as an Executive Officer at any time during the applicable performance period relating to any Incentive-based Compensation (whether or not such Executive Officer is serving at the time the Recoverable Incentive Compensation is required to be repaid to the Company), (iv) while the Company has a class of securities listed on a national securities exchange or a national securities association, and (v) during the applicable Clawback Period (as defined below) and (b) in the case of any Detrimental Activity, the amount of any Incentive-based Compensation awarded or paid to a Covered Employee (whether or not such Covered Employee is employed by the Company at the time the Recoverable Incentive Compensation is required to be repaid to the Company) during the Clawback Period that the Committee determines, in its sole discretion, to be appropriate in light of the scope and nature of the Detrimental Activity.

⌚ **"Clawback Period"** means (a) with respect to any Accounting Restatement, the three completed fiscal years of the Company immediately preceding the Restatement Date (as defined below), and if the Company changes its fiscal year, any transition period of less than nine months within or immediately following those three completed fiscal years and (b) with respect to any Detrimental Activity, such period as the

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Committee determines to be appropriate in light of the scope and nature of the Detrimental Activity.

- ⌚ “**Covered Employee**” means an Executive Officer of the Company and any person who has been designated by the Company as a member of the Company’s Senior Leadership Team.
- ⌚ “**Detrimental Activity**” means a determination by the Committee, in its sole discretion, that a Covered Employee has engaged in (i) unauthorized disclosure or use of any confidential or proprietary information of the Company or its subsidiaries; (ii) any activity that would be grounds to terminate a Covered Employee’s employment or service with the Company or its subsidiaries for Cause; or (iii) a breach of any restrictive covenant by which such Covered Employee is bound, including, without limitation, any covenant not to compete or not to solicit, in any agreement with the Company or any of its subsidiaries.
- ⌚ “**Executive Officer**” means each individual who is currently or was previously designated as an “officer” of the Company as defined in Rule 16a-1(f) under the Exchange Act. For the avoidance of doubt, the identification of an executive officer for purposes of this Policy shall include each executive officer who is or was identified pursuant to Item 401(b) of Regulation S-K or Item 6.A of Form 20-F, as applicable, as well as the principal financial officer and principal accounting officer (or, if there is no principal accounting officer, the controller).
- ⌚ “**Financial Reporting Measures**” means measures that are determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and all other measures that are derived wholly or in part from such measures. Stock price and total shareholder return (and any measures that are derived wholly or in part from stock price or total shareholder return) shall, for purposes of this Policy, be considered Financial Reporting Measures. For the avoidance of doubt, a Financial Reporting Measure need not be presented in the Company’s financial statements or included in a filing with the SEC.
- ⌚ “**Incentive-based Compensation**” means any compensation that is granted, earned or vested based wholly or in part upon the attainment of a Financial Reporting Measure. Notwithstanding the foregoing, in the case of any Detrimental Activity, Incentive-based Compensation will include all forms of cash and equity incentive compensation, including, without limitation, cash incentives and equity awards that are received or vest solely based on the passage of time and/or attaining one or more non-Financial Performance Measures.

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- ⌚ “**NYSE**” means the New York Stock Exchange.
- ⌚ “**Received**” means, with respect to any Incentive-based Compensation, actual or deemed receipt, and Incentive-based Compensation shall be deemed received in the Company’s fiscal period during which the Financial Reporting Measure specified in the Incentive-based Compensation award is attained, even if the payment or grant of the Incentive-based Compensation to the Executive Officer occurs after the end of that period.
- ⌚ “**Recoverable Incentive Compensation**” means (a) with respect to each Executive Officer in connection with an Accounting Restatement, the amount of Clawback Eligible Incentive Compensation that exceeds the amount of Incentive-based Compensation that otherwise would have been Received had it been determined based on the restated amounts, calculated on a pre-tax basis and (b) with respect to each Covered Employee in connection with any Detrimental Activity, the amount of Clawback Eligible Incentive Compensation calculated on a pre-tax basis that the Committee determines, in its sole discretion, to be appropriate in light of the scope and nature of the Detrimental Activity.
- ⌚ “**Restatement Date**” means the earlier to occur of (i) the date the Board, a committee of the Board or the officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement, or (ii) the date a court, regulator or other legally authorized body directs the Company to prepare an Accounting Restatement.

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Section 13(r) Disclosure

Blackstone Inc. disclosed the following regarding the activities of Mundys S.p.A (formerly "Atlantia S.p.A."), which may be considered our affiliate, in its annual report for the fiscal year ended December 31, 2023. We have not independently verified or participated in the preparation of this disclosure.

“Disclosure pursuant to Section 13(r) of the Securities Exchange Act of 1934. Funds affiliated with Blackstone first invested in Mundys S.p.A. on November 18, 2022 in connection with the voluntary public tender offer by Schema Alfa S.p.A. for all of the shares of Mundys S.p.A., pursuant to which such funds obtained a minority non-controlling interest in Mundys S.p.A. Mundys S.p.A. owns and controls Aeroporti di Roma S.p.A. (“ADR”), an operator of airports in Italy including Leonardo da Vinci-Fiumicino Airport. Iran Air has historically operated periodic flights to and from Leonardo da Vinci-Fiumicino Airport as authorized, from time to time, by an aviation-related bilateral agreement between Italy and Iran, scheduled in compliance with European Regulation 95/93, and approved by the Italian Civil Aviation Authority. ADR, as airport operator, is under a mandatory obligation to provide airport services to all air carriers (including Iran Air) authorized by the applicable Italian authority. The relevant turnover attributable to these activities (whose consideration is calculated on the basis of general tariffs determined by such independent Italian authority) in the fiscal year ended December 31, 2023 was less than €210,000. Mundys S.p.A. does not track profits specifically attributable to these activities.”
