

## **Nayax: First Quarter Revenue Grew 26% YoY to \$22.8M**

*Connections grew to more than 400K*

*Gross Transaction Value totaled \$246M*

HERZLIYA, Israel, May 27, 2021 /PRNewswire/ -- Nayax Ltd. (TASE: NYAX), a global commerce enablement and payments platform designed to help merchants scale their business, today reported financial results for the first quarter of 2021.

"Today marks the first quarter we report as a publicly traded company. Our recent public offering of 44 million ordinary shares successfully generated approximately \$130 million. These funds will fuel our growth strategy through sales and marketing initiatives aimed at supporting customers' cashless payment options in the post pandemic environment," commented Yair Nechmad, Chief Executive Officer and Chairman of the Board.

"We look forward to enhancing relationships with each group in our stakeholder community and upholding the highest standard of customer relations. Revenues for the quarter increased substantially year over year despite one of our main markets, Europe, remaining under strict lockdown measures and Q1 2020 being mostly unaffected by Covid-19. This growth demonstrates the resilience of our business and the growing demand for our solutions," concluded Yair Nechmad.

### **First Quarter Financial Highlights**

Total revenue was \$22.8 million, an increase of 26% over Q1 2020.

Recurring revenue of monthly software and processing fees increased by more than 30% over Q1 2020, increasing their share of total revenue from 57% in Q1 2020 to 59% in the current quarter.

Operational expenses (including R&D, share based expenses and depreciation and amortization) amounted to \$12.7, an increase of 30%. This is due to our growth strategy of expanding our sales, marketing and R&D staff and improving overall infrastructure.

Capital expenditure (in cash) was \$2.3 million, an increase of 28% over Q1 2020.

Gross margin for the quarter was 46%, in line with historical results, resulting in a gross profit of \$10.5 million, an increase of 21% over Q1 2020.

Operating loss was \$2.2 million, compared to a loss of \$1.1 million in Q1 2020.

Adjusted EBITDA (excluding one-time costs related to the IPO and share based expenses) was break even. Net loss was \$2.2 million, compared to a net loss of \$1.3 million in Q1 2020.

As of March 31<sup>st</sup>, 2021, Nayax had \$13.3 million in cash and cash equivalents.

The IPO generated approximately \$130 million, net.

<b>GAAP Results (\$M)</b>
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<b>Revenue Breakdown</b>	<b>Q1 2021</b>	<b>Q1 2020</b>	<b>Change (%)</b>
Software & Payments	13.5	10.3	+30%
Hardware	9.3	7.8	+20%
Total	22.8	18.1	+26%

As part of our strategy to increase the number of points of sale (POS) subscribed to our platform, we launched the first unattended eCommerce channel intended to help us capture a substantial portion of the SMB market and automate the onboarding process and KYC. We are well positioned to capture the global small and midsize business which is a dominant portion of the unattended market.

### **First Quarter Operational Highlights**

Total number of connections for the quarter reached 402,000. We connected 21,000 new devices in Q1, which is equal to 50% of the entire growth of connected and managed devices in 2020.

Operational expenses amounted to \$8.1 million, excluding IPO expense and share based expenses. Research & Development expenses excluding share based expenses were \$3.2 million. These expenses increased 31% and 65%, respectively, compared to the same quarter last year. Our points of sale in new machines contribute significantly to R&D expenses as we position ourselves for high growth.

We continue to execute our proven strategy of partnering with our customers to grow within our customer base, while capturing new markets, entering new verticals and launching new marketing initiatives.

During the quarter, we acquired control of Weezmo Technologies Ltd. and expect to complete the acquisition by the end of 2021. Weezmo is an omni-channel marketing solution. We plan to integrate this technology as we enter new markets and strengthen our presence in current and potential operating regions.

### **First Quarter Key Performance Indicators**

<b>Software</b>	<b>Q1 2021</b>	<b>Q1 2020</b>	<b>Change (%)</b>
Average Transaction Value	1.7	1.5	+13%
Total Transaction Volume	246	189.4	+30%
Take Rate % (Payments)	2.4%	2.3%	7.4%

### **Outlook**

As our key markets accelerate their exit from Covid-19 related restrictions, we expect that unattended retail will enjoy increased adoption, tied with an accelerated shift in consumer behavior towards digital payments. Australia and the U.S. have been strong drivers for growth in terms of new and active POS and transaction volumes.

As Europe follows, we expect stronger results, especially in comparison to Q2 2020. We will continue pursuing marketing and sales initiatives in new markets to support this growth through global diversification. Consumer behavior is expected to change as lockdown measures are reduced, leading to increased cashless payments and subscription to our services by retailers.

The environment for cashless payment solutions has been directly correlated with companies' digital transformations and is imperative for adopting other technologies still in development. Annual revenue is

expected to reach over \$200 million in the long term fueled by organic growth and strategic M&A. An accelerated growth rate of 30% in the medium term will also be supported by customer growth, market penetration and continued expansion of our platform. Gross margin in the long run is expected to reach 50% through a combination of providing leasing options for terminals, while increasing the share of software and payments out of total revenue. Furthermore, we expect that the combination of increased operational efficiency with growing total revenue, will result in the long-term EBITDA margin stabilizing around 30%.

An English translation of the full financial statements can be found on our web site: <https://ir.nayax.com/>

### **Conference Call & Webcast Information**

Nayax will be hosting a conference call to discuss its financial results for the first quarter of 2021, today, Thursday, May 27, 2021, at 8:30 a.m. Eastern Time.

Yair Nechmad, Chief Executive Officer and Liron Grosman, Chief Financial Officer will review the Company's first quarter 2021 financial results. To attend the conference call, please dial one of the following teleconferencing numbers. Please begin by placing your call at least five minutes before the conference call commences. If you are unable to connect using the toll-free numbers, please try the international dial-in number.

**U.S. TOLL-FREE:** 1-866-777-2509

**ISRAEL TOLL-FREE:** 1-80-9212373

**INTERNATIONAL:** 1-412-317-5413

**WEBCAST LINK:** <https://services.choruscall.com/mediaframe/webcast.html?webcastid=epGRwS05>

The Company encourages participants to **pre-register for the conference call using the following link:** <https://dpregrister.com/sreg/10156749/e8b8fa53af>. Callers will receive a unique dial-in upon registration, which enables immediate access on the day of the call. Participants may pre-register at any time, including up to and after the call start time. The conference call will also be available via live webcast from a link on Nayax's Investor Relations website.

A replay of the conference call will be available from May 28, 2021, to June 10, 2021. To access the replay, please dial one of the following numbers:

Replay TOLL-FREE: 1-877-344-7529

Replay TOLL/INTERNATIONAL: 1-412-317-0088

Replay Pin Number: 10156749

### **About Nayax**

Nayax is a global commerce enablement and payment platform designed to help merchants scale their business. Nayax offers a complete solution including localized cashless payment acceptance, a management suite, and consumer engagement tools, enabling merchants to conduct commerce anywhere, at any time. Founded in the unattended retail industry, Nayax has transformed into a comprehensive solution focused on our customers' growth across all channels globally. Today, Nayax has 10 global offices, over 400 employees, connections to more than 80 merchant and payment method integration and is a recognized payment facilitator worldwide. Nayax's mission is to improve our customers' revenue potential and operational efficiency. Visit [www.nayax.com](http://www.nayax.com) for more information.

*The securities referred to in this announcement have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or under the securities laws of any state of the*

United States, and may not be offered, sold, resold or delivered, directly or indirectly, in or into the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. In the United States, any offer of the ordinary shares will be made only to "qualified institutional buyers" as defined in and in reliance on Rule 144A under the Securities Act or another available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Outside the United States, any offer will be made in accordance with Regulation S of the Securities Act.

## Forward looking statement

The information included in this press release contains, or may be deemed to contain, forward-looking statements (as defined in the U.S. Private Securities Litigation Reform Act of 1995 and the Israeli Securities Law, 1968). Said forward-looking statements, relating to the initial public offering, are subject to uncertainties and assumptions and the actual results may materially differ. All forward-looking statements in this press release are based on information available to Nayax on the date hereof. All written or oral forward-looking statements attributable to Nayax are expressly qualified in their entirety by the factors referred to above. Nayax does not intend to update these forward-looking statements.

## Investor Relations Contact:

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Tables to follow

### NAYAX LTD CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
	March 31		December 31,
	2021	2020	2020
	(Unaudited)		(Audited)
Note	U.S. dollars in thousands		
Assets			
CURRENT ASSETS:			
Cash and cash equivalents	13,291	7,043	8,195
Restricted cash transferable to customers for clearing activity	15,415	9,685	18,166
Short-term bank deposits	90	26	87
Receivables for clearing activity	8,568	6,612	7,213
Accounts receivable:			
Trade, net	12,793	10,490	13,840
Others	1,397	1,606	1,976
Inventories	4,600	4,412	5,041
Total current assets	56,154	39,874	54,518
NON-CURRENT ASSETS:			
Long-term bank deposits	799	448	798
Long-term receivables	5B 300	74	-
Property, plant and equipment, net	5,160	3,776	5,047
Right-of-use assets, net	4,579	4,134	4,761
Goodwill and intangible assets, net	35,380	24,088	27,388
Deferred income tax	241	135	241
Total non-current assets	46,459	32,655	38,235
TOTAL ASSETS	102,613	72,529	92,753

### NAYAX LTD CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

	March 31	December 31,
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		2021	2020	2020
		(Unaudited)		(Audited)
		U.S. dollars in thousands		
Note				
<b>Liabilities and equity</b>				
<b>CURRENT LIABILITIES:</b>				
		11,490	9,418	11,589
		2,150	1,041	1,938
		5,400	-	-
		2,710	945	3,041
		1,241	469	686
		1,235	1,185	1,320
		29,624	17,279	27,181
	5A	5,829	-	-
		8,488	7,129	10,998
		6,199	3,643	5,498
		74,366	41,109	62,251
<b>Total current liabilities</b>				
<b>NON-CURRENT LIABILITIES:</b>				
		4,589	1,866	5,391
		2,365	4,837	2,662
		-	270	-
		888	619	894
		2,817	3,599	3,374
		4,686	4,264	5,154
		980	594	526
		16,325	16,049	18,001
<b>Total non-current liabilities</b>				
<b>TOTAL LIABILITIES</b>				
		90,691	57,158	80,252
<b>EQUITY:</b>				
		7	7	7
		16,689	16,689	16,689
		-	(493)	-
		8,918	9,493	9,238
		(15,152)	(11,354)	(13,433)
		10,462	14,342	12,501
		1,460	1,029	-
		11,922	15,371	12,501
<b>TOTAL EQUITY</b>				
<b>TOTAL LIABILITIES AND EQUITY</b>				
		102,613	72,529	92,753

**NAYAX LTD**  
**CONDENSED CONSOLIDATED STATEMENT OF INCOME**

		Three months ended		Year ended
		March 31		December 31,
		2021	2020	2020
		(Unaudited)		(Audited)
		U.S. dollars in thousands (excluding loss		
Note		per share data)		
	4	22,774	18,102	78,783
		12,273	9,441	41,603
<b>Gross Profit</b>				
		10,501	8,661	37,180
		3,300	2,228	9,300
		8,316	6,621	26,545
		878	901	3,559
		161	-	-
<b>Loss from ordinary operations</b>				
		(2,154)	(1,089)	(2,224)
		924	377	4,277
		840	148	403
<b>Loss before taxes on income</b>				
		(2,238)	(1,318)	(6,098)
		56	15	15
<b>Loss for the period</b>				
		(2,182)	(1,303)	(6,083)
<b>Attribution of loss for the period:</b>				

To shareholders of the Company	(2,176)	(1,317)	(6,254)
To non-controlling interests	(6)	14	171
<b>Total</b>	<b>(2,182)</b>	<b>(1,303)</b>	<b>(6,083)</b>
<b>Loss per share attributed to shareholders of the Company:</b>			
Basic and diluted loss	(0.0088)	(0.0053)	(0.0252)

**NAYAX LTD**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)**

	Three months ended March 31		Year ended December 31,
	2021	2020	2020
	(Unaudited)		(Audited)
	U.S. dollars in thousands		
<b>Loss for the period</b>	(2,182)	(1,303)	(6,083)
<b>Other comprehensive income (loss) for the period:</b>			
<b>Items that will not be recycled to profit or loss:</b>			
Loss from remeasurement of liabilities (net) for retirement benefit obligations	-	-	(126)
<b>Items that may be recycled to profit or loss:</b>			
Gain (loss) from translation of financial statements of foreign activities	(384)	16	243
<b>Total comprehensive loss for the period</b>	<b>(2,566)</b>	<b>(1,287)</b>	<b>(5,966)</b>
<b>Attribution of total comprehensive loss for the period:</b>			
To shareholders of the Company	(2,496)	(1,301)	(6,137)
To non-controlling interests	(70)	14	171
<b>Total comprehensive loss for the period</b>	<b>(2,566)</b>	<b>(1,287)</b>	<b>(5,966)</b>

**NAYAX LTD**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	Three months ended March 31		Year ended December 31,
	2021	2020	2020
	(Unaudited)		(Audited)
	U.S. dollars in thousands		
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net loss for the period	(2,182)	(1,303)	(6,083)
Adjustments required to reflect the cash flow from operating activities (see Appendix A)	5,927	1,020	12,571
<b>Net cash provided by (used in) operating activities</b>	<b>3,745</b>	<b>(283)</b>	<b>6,488</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Capitalized development costs	(1,731)	(1,204)	(5,731)
Acquisition of property, plant and equipment	(523)	(558)	(2,125)
Loans extended to others	-	(26)	(141)
Advance payment on acquisition of shares (see note 5b)	(300)	-	-
Loans (extended to) repaid by shareholders	(118)	848	786
Decrease (increase) in bank deposits	(5)	-	(411)
Purchase of subsidiary net of purchased cash (note 5a)	102	(686)	(686)
Repayment of liability to pay deferred consideration in respect to business combinations	-	-	(580)
Interest received	1	5	14
Proceeds from sub-lessee	78	69	302
<b>Net cash used in investing activities</b>	<b>(2,496)</b>	<b>(1,552)</b>	<b>(8,572)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Interest paid	(266)	(282)	(1,065)
Short-term bank credit received, net	338	1,794	2,976
Support received (royalties paid) in respect to government assistance plans	(55)	-	16

Exercise of stock option of subsidiary and increase in equity interest therein	-	-	(1,049)
Long-term bank loans received	-	-	4,734
Repayment of long-term bank loans	(414)	(255)	(1,003)
Long-term loans received from others	-	3,451	3,804
Repayment of long-term loans from others	(446)	-	(920)
Loans received from shareholders	5,400	270	-
Decrease in other long-term liabilities	(72)	(43)	(280)
Repayment of lease liability principal	(317)	(254)	(1,167)
<b>Net cash provided by financing activities</b>	<b>4,168</b>	<b>4,681</b>	<b>6,046</b>
<b>Increase in cash and cash equivalents</b>	<b>5,417</b>	<b>2,846</b>	<b>3,962</b>
<b>Balance of cash and cash equivalents at Beginning of period</b>	<b>8,195</b>	<b>4,412</b>	<b>4,412</b>
<b>Gains (losses) from exchange differences On cash and cash equivalents</b>	<b>(315)</b>	<b>(222)</b>	<b>(222)</b>
<b>Gains (losses) from translation of cash and cash equivalents of foreign activity</b>	<b>(6)</b>	<b>7</b>	<b>43</b>
<b>Balance of cash and cash equivalents at end of period</b>	<b>13,291</b>	<b>7,043</b>	<b>8,195</b>

Three months ended		Year ended
March 31		December 31,
2021	2020	2020
(Unaudited)		(Audited)
U.S. dollars in thousands		

**Appendix A – adjustments required to reflect the cash flows from operating activities:**

Adjustments in respect of

Depreciation and amortization	1,672	1,433	5,908
Retirement benefit obligation, net	(6)	(43)	106
Income tax revenue	(74)	(27)	(230)
Financing expenses (income), net	130	(203)	3,428
Expenses in respect of long-term employee benefits	46	72	5
Expenses in respect of share-based payment	373	765	2,965
	2,141	1,997	12,182

Changes in operating asset and liability items:

Decrease (increase) in restricted cash in respect of clearing activity	2,751	(3,449)	(11,930)
Decrease (increase) in receivables from clearing activity	(1,357)	5,605	5,003
Increase in trade receivable	1,104	(612)	(3,894)
Decrease (increase) in other receivables	632	726	(389)
Decrease (increase) in inventory	436	107	(511)
Increase (decrease) in payables for clearing activity	2,443	(2,700)	7,203
Increase (decrease) in trade payables	(2,658)	(581)	3,154
Increase (decrease) in other payables	435	(73)	1,753
	3,786	(977)	389
	5,927	1,020	12,571

**Appendix B – Information regarding investing and financing activities not involving cash flows:**

Purchase of property, plant and equipment on credit	-	-	575
Acquisition of patents against offset of loan	-	-	806
Recognition of right-of-use asset in respect of lease of buildings against a lease liability	74	-	1,235
Amount of expenses attributed to development costs, capitalized and included in goodwill and intangible assets	497	224	883