



# Nayax Q1 2022 Earnings Presentation

May 19, 2022



# Important Disclosure

- This presentation is intended to provide information only and is not, and should not be considered, as an offer to purchase or sell the Company's securities, or a proposal to receive such offers. In addition, this presentation is not an offer to the public of the Company's securities.
- The information in this presentation is provided for convenience only. It does not contain comprehensive information, but merely summary information in a condensed form. This presentation does not and is not intended to replace a careful inspection of the Company's Financial Statements, as reported or will be report to the Israeli Securities Authority via the Magna distribution site and the Company's immediate reports released thereby (the "**Company's Reports**"), and is not a basis and should not be used as a basis for making any decisions in relation to the Company, including any decision to purchase securities of the Company. Any such decision should be based on the **Company's Reports** and following the receipt of appropriate professional advice. The information provided in this presentation is not, and should not be considered to be, a recommendation or an opinion of any kind in relation to an investment in the Company, whether legal, financial, tax, economic or otherwise. This presentation does replace the need for a potential investor to collect and analyze further independent information for their due consideration. Every potential investor must obtain their own independent advice and guidance, in connection with a potential investment in the Company, including tax advice which takes into account the investor's own tax position.
- This presentation includes forecasts, estimates, assessments and other information pertaining to future events and/or matters, whose materialization is uncertain and is beyond the Company's control, and which constitute forward looking statements (as contemplated in the Securities Law, 5728-1968), including Company's expectations and evaluations relating to the Company's business targets and strategy, the success of trials and the integration of the Company's technology in various systems and industries, the advantages of the Company's existing and future products, timetables regarding completion of the Company's developments and the expected commencement of production, sales and distribution of the Company's products and technology, the Company's intentions in relation to various industries, the Company's intentions in relation to the creation of collaborations and engagements in licensing agreements, production and distribution in various countries. Forward looking statements, as mentioned, are uncertain and are based on expectations and assumptions that the Company's management has made in light of its industry experience and perceptions of historical trends, current conditions, expected future developments and other factors it believes are appropriate under the circumstances, and on information and data that the Company's management had on the date of preparing this presentation and which the Company is not obliged to update and/or to change in order to reflect events and/or circumstances which occur after the date of preparation of the presentation.
- In addition, the presentation includes data published by various bodies, and data provided to the Company in the framework of cooperation engagements, whose content was not independently verified by the Company, such that the Company is not responsible for the accuracy or completeness of such data or whether the data is up-to-date, and Company takes no responsibility for any reliance on the data.
- Forward looking statements, as mentioned, may include, inter alia, forecasts, targets, evaluations and/or estimates relating to future events and/or matters, whose realization is not certain and which are affected by various factors which are not under the Company's control and which the Company is unable to evaluate in advance.
- Whether the forward looking statements materialize will be subject to and affected by, inter alia, various risk factors which characterize the Company's operations, as well as from macro-economic developments and external factors which affect its operations, which cannot be evaluated and are not under the Company's control. The Company believes that this risks includes, inter alia, risks that the Company will not have sufficient working capital; that there will be delays in the initiation and progress of the Company's development efforts; that the Company will be unable to establish collaborations; that the Company's products may not generate sufficient revenues; changes in the overall economy; the duration and severity of the COVID-19 (coronavirus) pandemic and its impact on the Company and on the local and global economy and the Company's ability to manage and develop its business; and other such events which cannot be estimated in advance and which are beyond the Company's control.
- Should one or more of these risks or uncertainties materialize, or should any of these assumptions prove to be incorrect, the Company's actual operating and financial performance may differ in material respects from the performance projected in these forward-looking statements. No representation or warranty (express or implied) is made as to, and no reliance should be placed on, any information, including projections, estimates, targets and opinions contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein. Past performance should not be taken as an indication or guarantee of future results, and no representation or warranty, express or implied, is made regarding future performance.
- The Company does not confirm or undertake that the information appearing in this presentation is complete or accurate. The Company, its employees, officers and its shareholders will not be responsible for damages and/or losses which may arise as a result of the use of the information contained in this presentation. The Company is not responsible for any changes to the economic, financial or legal situation relating to the Company and its business. The Company does not undertake to update and/or change forecasts and/or evaluations included in the presentation in order that they will reflect events and/or circumstances which apply after the date of the presentation's preparations. No persons have been authorized to make any representations regarding the information contained in this presentation, and if given or made, such representations should not be considered as authorized. The content of this presentation does not bind the Company or its managers and they have the right to change any item described in the presentation relating to the Company, at their sole discretion.
- The Company and its licensors have proprietary rights to trademarks used in this Presentation. Solely for convenience, trademarks and trade names referred to in this Presentation may appear without the "®" or "™" symbols, but the lack of such references is not intended to indicate, in any way, that the Company will not assert, to the fullest extent possible under applicable law, its rights or the rights of the applicable licensor to these trademarks and trade names. This Presentation also contains trademarks, trade names and service marks of other companies, which are the property of their respective owners and are used for reference purposes only. Such use of other parties' trademarks, trade names or service marks should not be construed to imply, a relationship with, or an endorsement or sponsorship of the Company by any other party.

---

# Today's Speakers

---



Yair Nechmad  
**CEO and Co-Founder**



Sagit Manor  
**CFO**



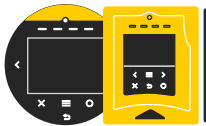
# Company Overview

# Nayax (TASE: NYAX) at a Glance

## Global



Offices in **8 countries** and  
distributors in **44 markets**



Devices in  
**62 countries**



Accepts **80+ payment  
methods** and **40+ currencies**

## Scale



2021: **517K**/ Q1.2022: **553K**  
managed and connected devices



2021: **30K**/ Q1.2022: **34K**  
end customers

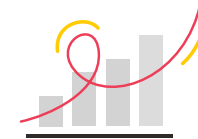


**269M** transactions  
processed in Q1 2022

## Growth



**67%** Q1.2022 recurring  
revenue<sup>1</sup> YoY growth



**62%** Q1.2022 customer YoY  
growth

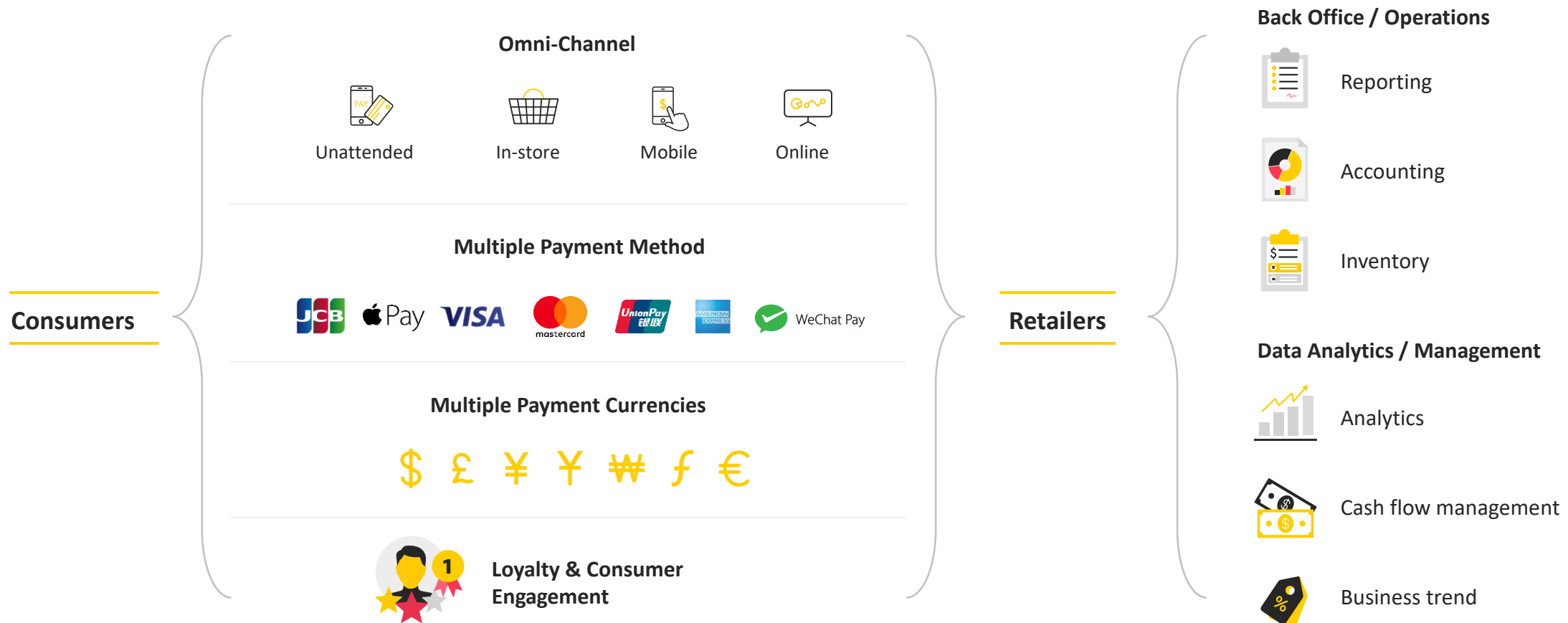


**140%** dollar-based net retention rate<sup>2</sup> and  
**2.8%** revenue churn for Q1.2022

<sup>1</sup> Recurring revenue includes SaaS subscription and payment processing fees <sup>2</sup> Based on SaaS revenue and payment processing fees

# Multi-Dimensional Challenges across the Ecosystem

- We solve challenges for both consumers and retailers
- For consumers, we facilitate payments across different channels, payment methods, and currencies, in addition to providing loyalty and engagement features
- For retailers, we provide all the previously mentioned features for their consumers
- We also facilitate back-office operations and reporting to help retailers track their business





# Leading End-to-End Retail Technology and Payments Platform for Unattended Commerce and Beyond

Comprehensive, end-to-end proprietary technology platform to simplify commerce and payments for retailers while driving growth, optimizing operations, and enhancing consumer engagement

- **Payments Suite**

- **Loyalty & Marketing Suite**

- **Telemetry and Management Software Suite**

- **Integrated Point-Of-Sale (POS)**



# Nayax's Key Technology Principles

1		<b>Global infrastructure based on Nayax's proprietary core technology</b>	
2		<b>Security, reliability, redundancy, high availability and fast responsiveness is Nayax's expertise</b>	
3		<b>Agile organization to support innovation, rapid development and frequent releases</b>	
4		<b>Multi-discipline specialization</b>	
5		<b>Substantial experience supporting a mass production IoT environment</b>	



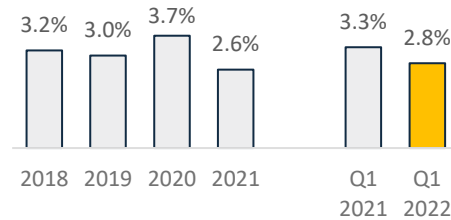
# Bringing a Global Solution to the Local Market

## Strong Track Record of Winning Clients

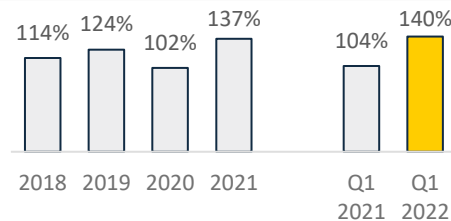


## Retaining & Growing Customers

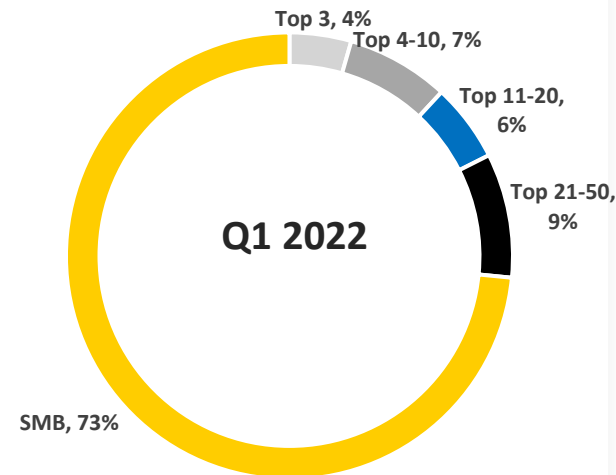
### YoY Revenue Churn Rate



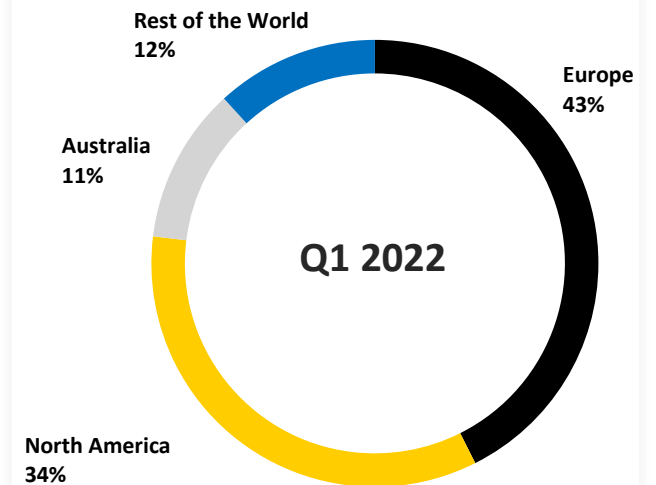
### YoY Dollar-Based Net Retention Rate<sup>1</sup>



## Low Customer Concentration



## Global Reach



<sup>1</sup> Based on SaaS revenue and payment processing fees

# Recent Announcements



**Nayax** Introduces **EasiFit**, the VPOS Touch Add-On for All-in-One Acceptance. **EasiFit** is a Simple, Smart Solution to Enable Cash and Cashless Payments with VPOS Touch

**Nayax** continues momentum with additional deployments of our solution to strategic national accounts, increased penetration of mid-sized regional operators, and successful traction in emerging verticals, like Electric Vehicle charging, where we have successfully partnered with both EV OEMs and directly support the charge point operators (CPOs).



**Nayax** expands presence into UAE with **Network International Partnership**



**Nayax** is working with **UKO** on a strategic partnership to expand into Austria in providing payment solutions for 5300 retail stores



**Nayax** has entered certification phase to expand into New Zealand

**weezmo** Signed first contract with European customer



**Nayax** and **American Express** Partner to Enable Payments in UK. UK will be first Nayax markets to enable acceptance of **American Express®** Cards

Nayax Nova Market kiosk (Retail): Nayax and **SB Software (SBS)** Announce **SBS** as Exclusive Distributor across the UK and Ireland.

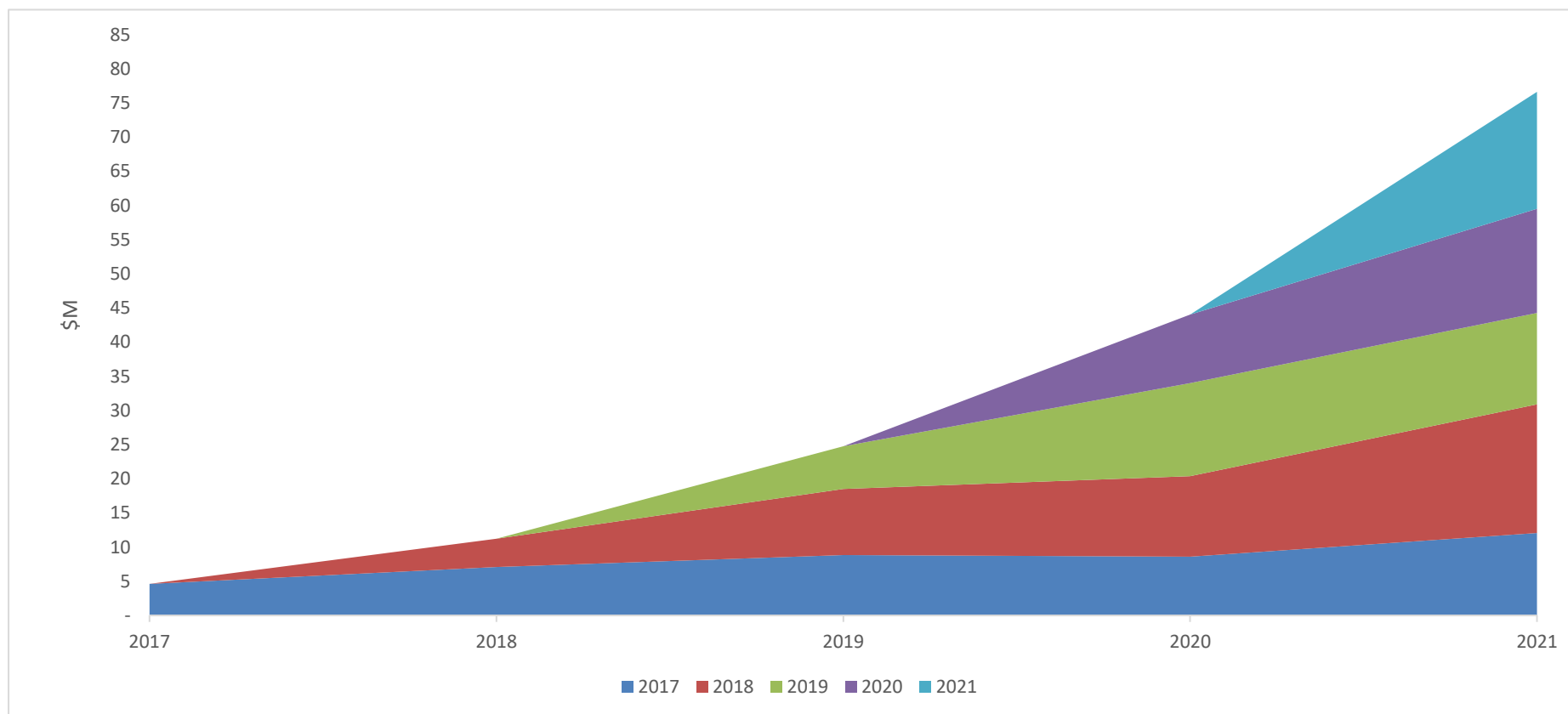


**Cellcom**, a telecom service provider with over 3 million customers, has chosen **EV Meter** from the **Nayax Group** as its technology partner. As part of this agreement, **Cellcom** will purchase 5,000 connected charging stations from **EV Meter**.



# Land and Expand Yielding Higher Customer Loyalty

## Existing Customer Expansion (\$m) \*



### Highlights

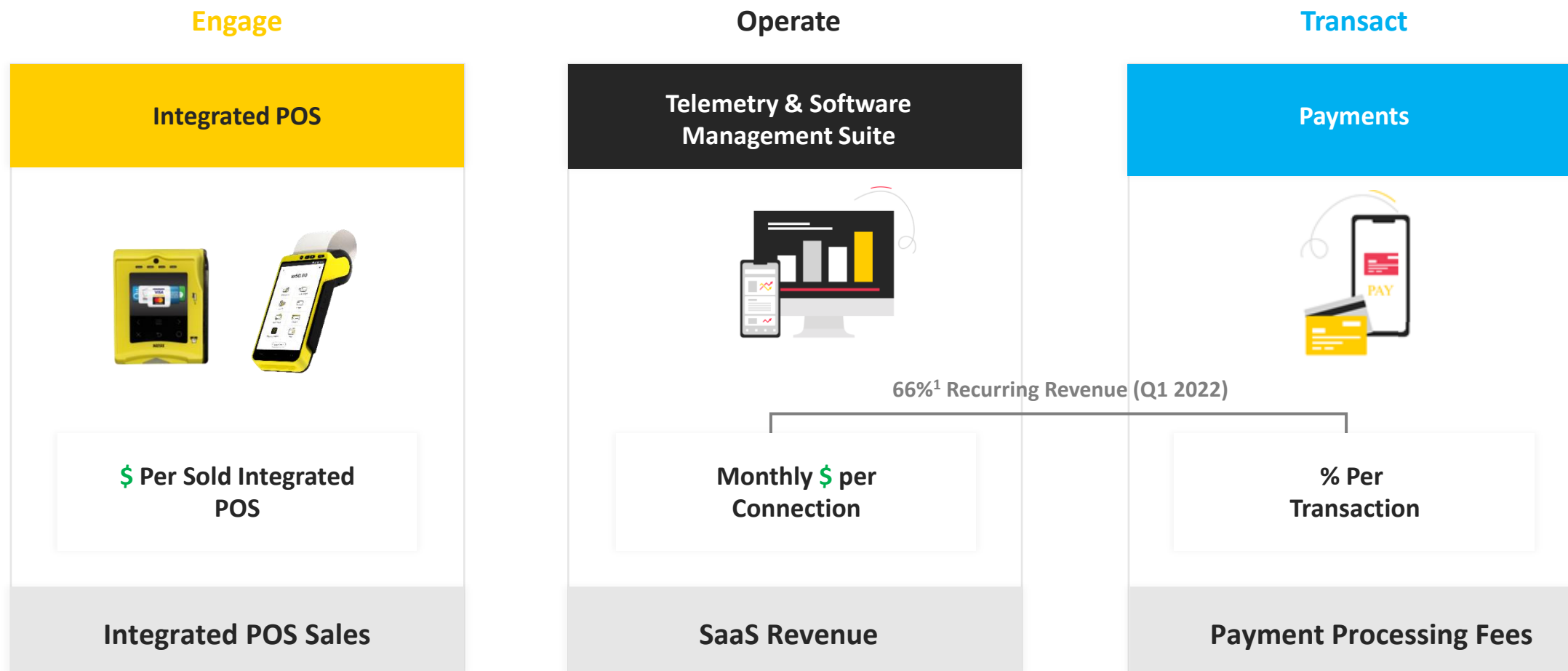
Strong growth from existing customers. For example, revenue from customers in 2018 grew more than **4X** between 2018 and 2021.

\* Please see Appendix for definition of existing customer expansion



# Financial Overview

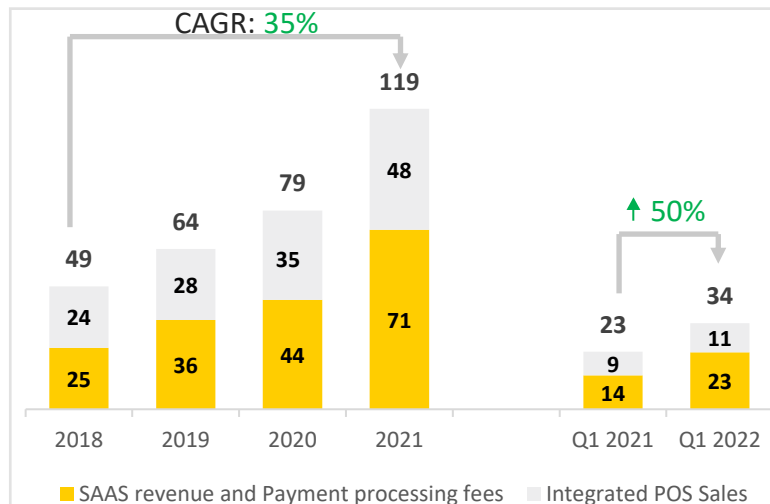
# Powerful Business Model Built on Solid Recurring Revenue



<sup>1</sup> SaaS revenue and payment processing fees as % of total revenue

# Our Business Model is Working

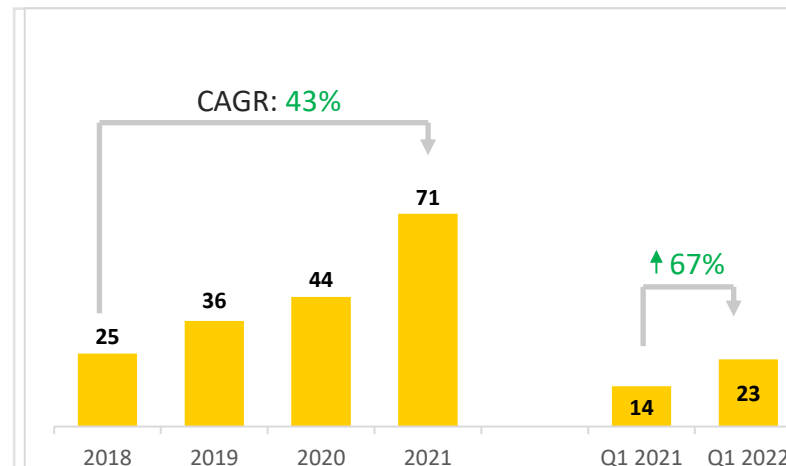
## Strong Revenue Growth (\$m)



### Highlights

Solid Q1 revenue. Grew **50%** YoY as we continue to benefit from strong and growing recurring revenue.

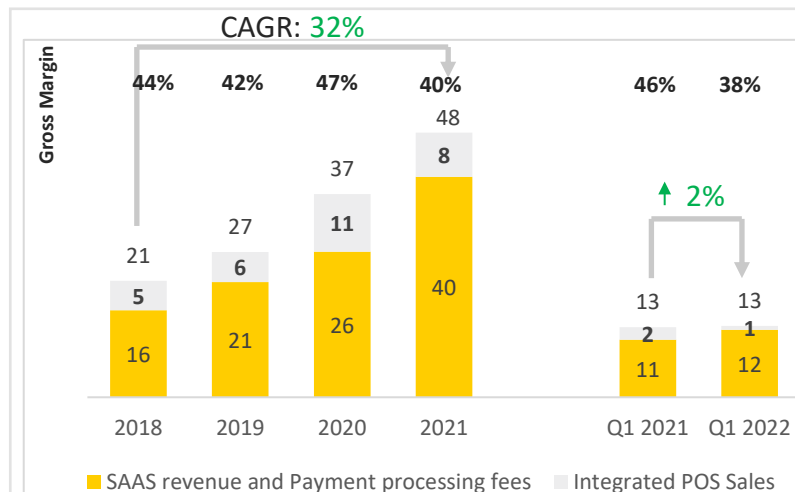
## High Recurring Revenue (\$m) <sup>(1)</sup>



### Highlights

High recurring revenue consisting of SaaS revenue and payment processing fees. Grew by **67%** YoY.

## Gross Profit (\$m)

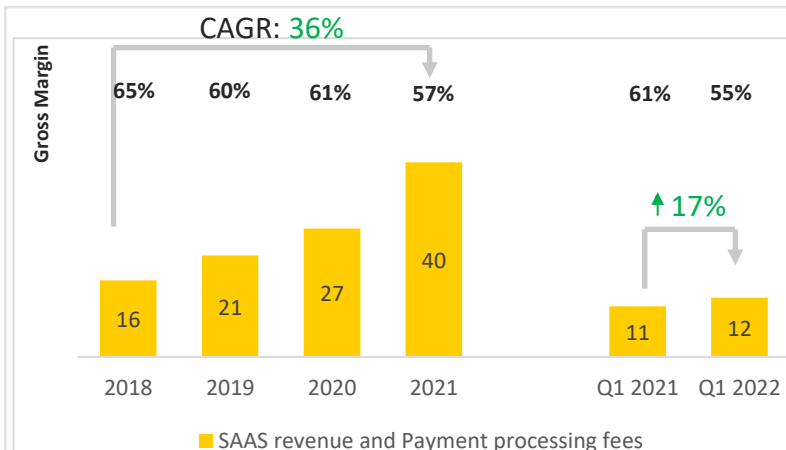


### Highlights

Gross profit driven by revenue mix shift to SaaS and payment processing.

Q1 2022 gross margin decline primarily due to the global component shortage and supply chain dynamics

## Solid Gross Recurring Profit (\$m)



### Highlights

Gross profit from Recurring revenue comprises from SaaS revenue and payment processing fees.

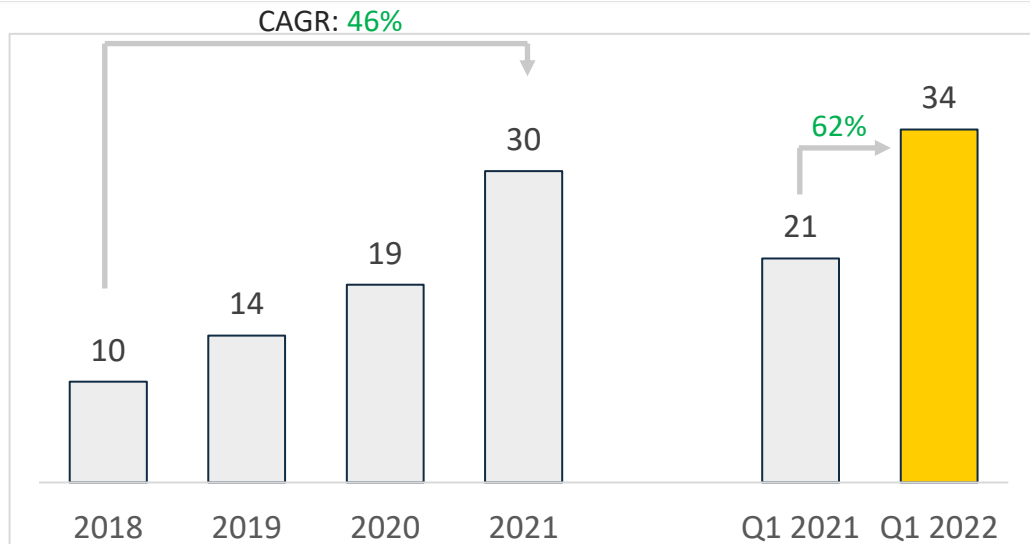
Q1 2022 gross margin declined primarily due to the mix of higher payment processing than SaaS revenue

(1) Recurring Revenue: SaaS Revenue and Payment processing fees.

(1) Recurring Revenue: SaaS Revenue and Payment processing fees.

# Consistent Track Record Of Expanding Footprint

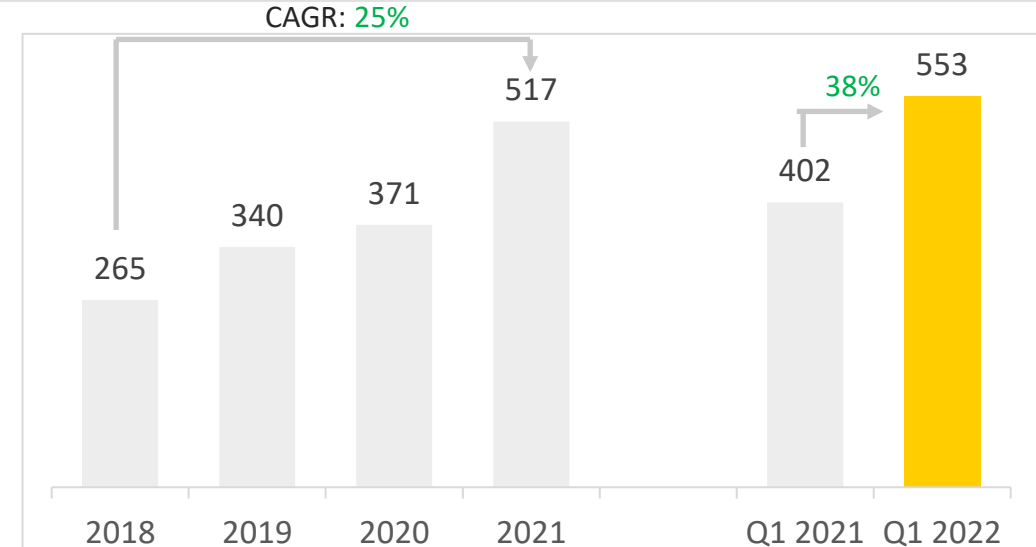
Number of Customers (thousands)



## Highlights

- Q1 2022 reflects accelerated momentum in customer base increase, with YoY growth of **62%** and reflected across all geographies.
- Significantly increasing and retaining customer base with high net retention rate at **140%** and low churn rate at **2.8%**.

Number of Managed and Connected Devices (thousands)

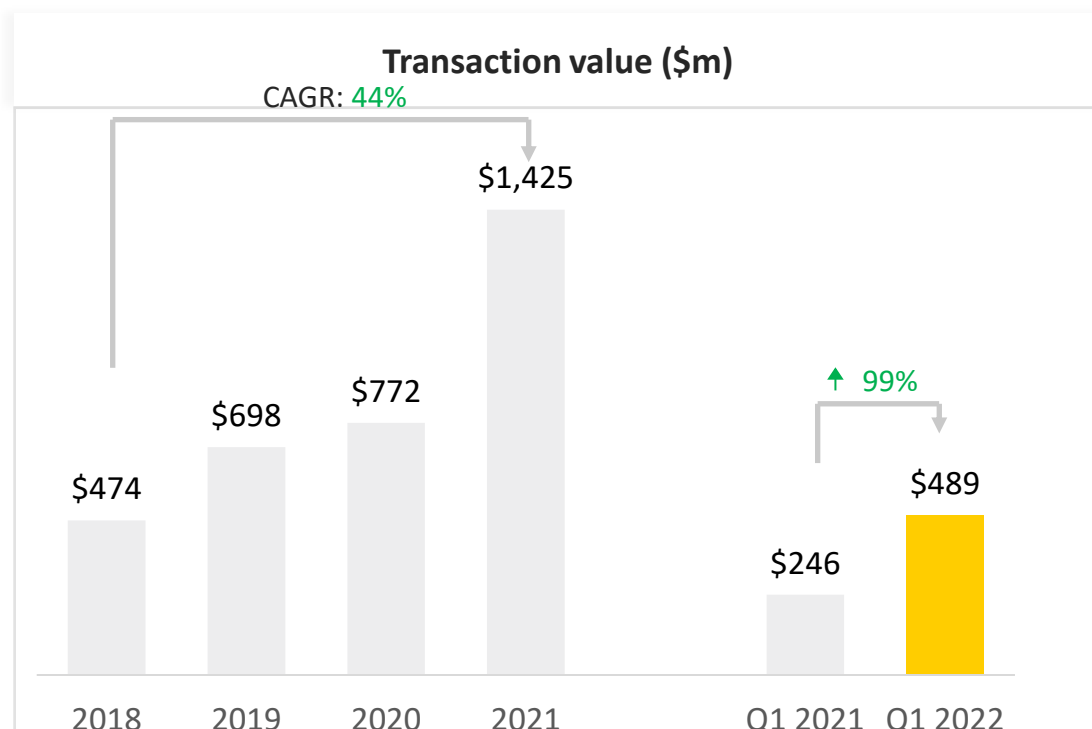


## Highlights

- Reaching over **550,000** managed and connected devices across all geographies.
- Grew by **38%** YoY in 2022.



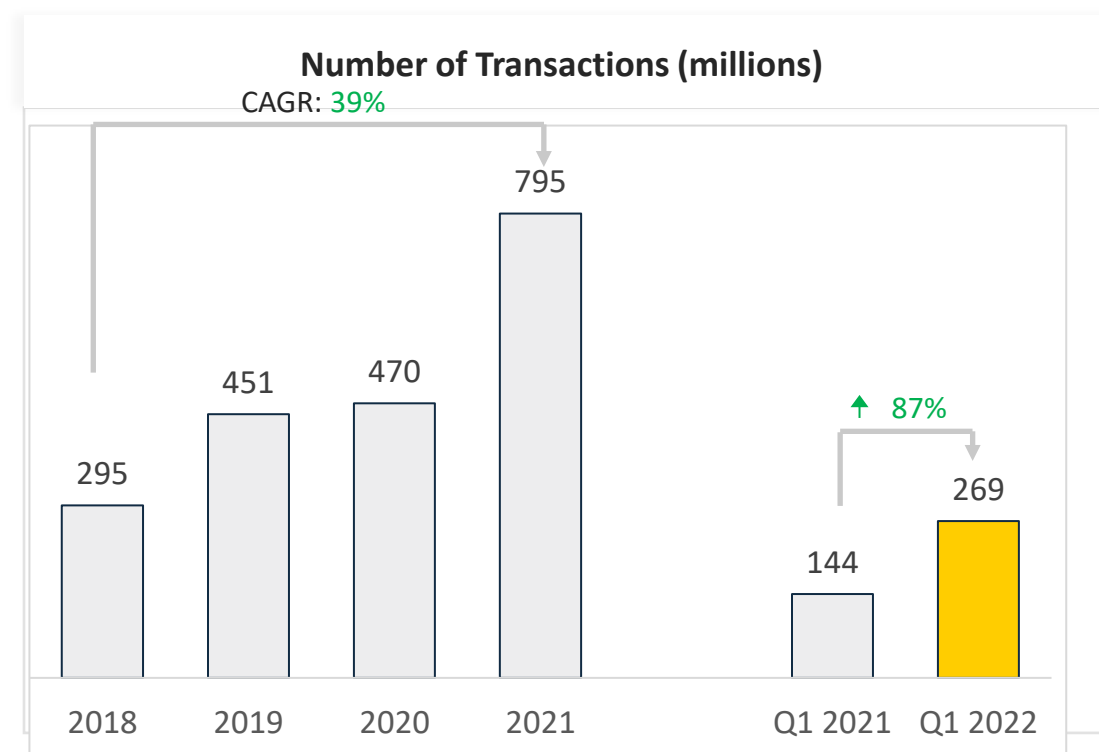
# Global Cashless Payment Trends Driving Transactions



## Highlights

### 99% Growth in 2022 YoY

- Growth across all geographies driven by consumer behavior trends, increased transactions processed for our larger customer base and higher dollar value per transaction.



## Highlights

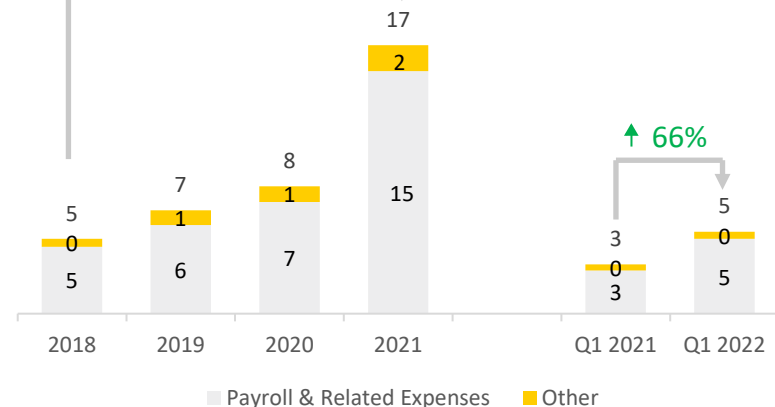
### 87% Growth in 2022 YoY

- Growth across all geographies as shifts in customer behavior continued and strong customer expansion resulted in higher transaction processing.

# Higher Operating Expenses to Support Strategic Growth Plan

R&D Expense (\$m) <sup>(1)</sup>

CAGR: 53%



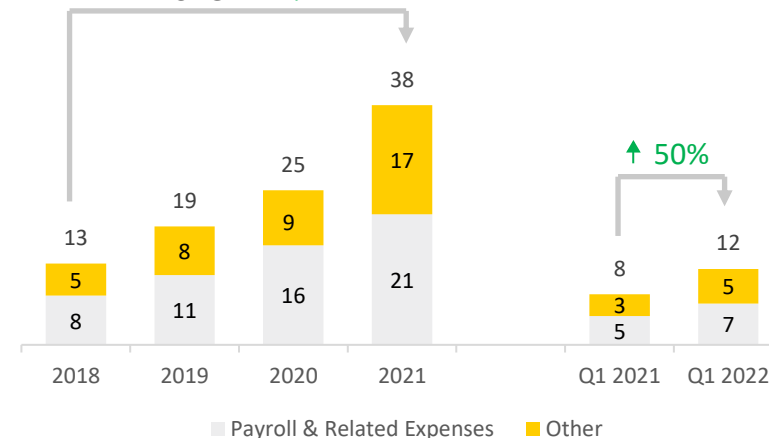
## Highlights

**66% Growth in Q1 2022 YoY**

Reflects an increase investment in talent acquisition, product innovation and infrastructure.

SG&A Expense (\$m) <sup>(1)</sup>

CAGR: 44%

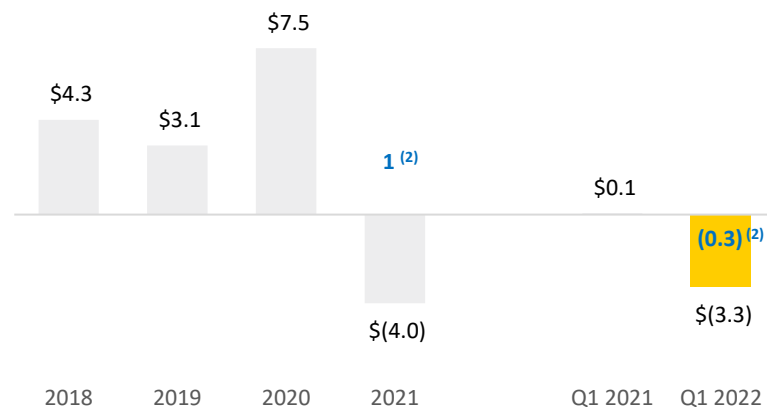


## Highlights

**50% Growth in Q1 2022 YoY**

This reflects an investment in talent acquisition, customer base expansion, higher go-to-market expenses and enhanced infrastructure investment.

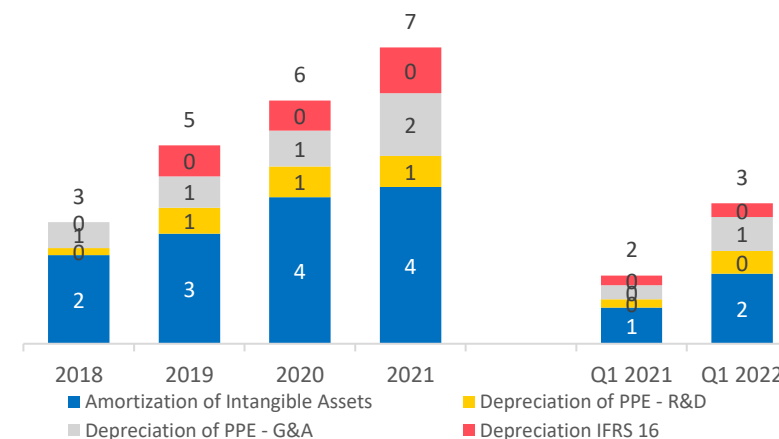
Adjusted EBITDA (\$m)



## Highlights

Consistently profitable over several years. Q1 2022 Adjusted EBITDA was negative \$3.3 million, compared to \$0.1 in Q1 2021 due to higher cost of goods sold resulted from global component shortage and an increase in operating expenses that support our strategic growth strategy.

Depreciation and Amortization (\$m)



## Highlights

Moderate Increase in Q1 2022 YOY

1. Excluding Share-based compensation

2. Excluding (i) product costs increase due to global components shortage and (ii) bonus plan for non-sales employees that was introduced in Q3 2021, Q1 2022 Adjusted EBITDA improved to a negative \$0.3M.

# Mid-Term and Long-Term Outlook

- Looking ahead, we are very excited about our strong long-term growth drivers and the large market opportunities ahead of us.
- Our durable business model is demonstrated by our diverse customers, verticals and geographies. With strong secular tailwinds and with our industry-leading net revenue retention rate, we believe we have a clear opportunity to drive revenue growth in the future.

## Mid-Term Outlook

### Revenue

**Reaffirming** mid-term outlook of \$220 million, driven by organic growth and strategic M&A.

### Revenue Growth

#### **Reaffirming target of 35%**

Main growth drivers: customer growth; market penetration and continued expansion of our platform.

## Long-Term Outlook

### Gross Margins

#### **Target of 50%**

Main drivers: providing leasing options for IoT POS and growing SaaS revenue and payment processing fees

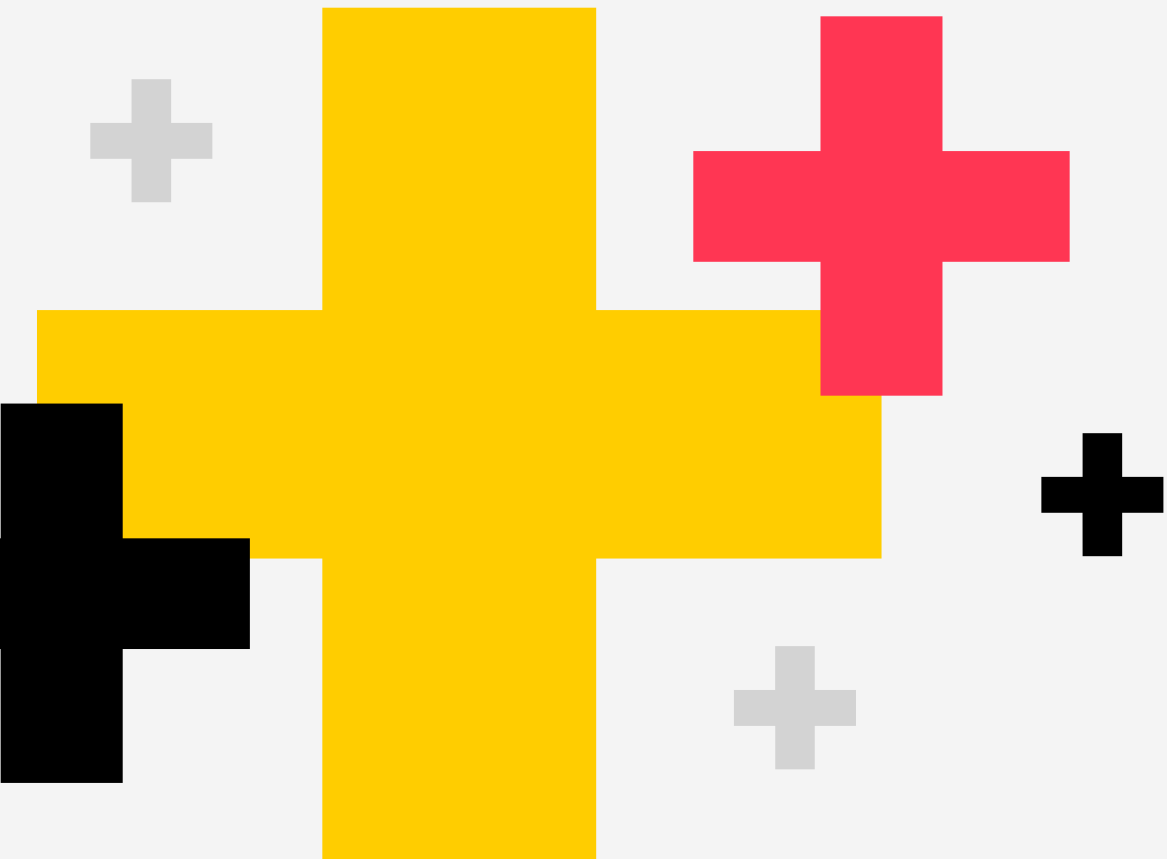
### Adjusted EBITDA

Approximately 30%.

# Summary

- Leading, best-in-class global payments platform for unattended commerce with a complete end-to-end solution.
- Highly talented team with focused execution on achieving strategic priorities.
- Large total addressable market driven by the strong secular tailwinds with multiple growth levers.
- Strong and consistent growth with high recurring revenues from SaaS and payment processing.
- Well capitalized with a clear path to profitability.
- Continue to balance top-line growth with focus on profitability.

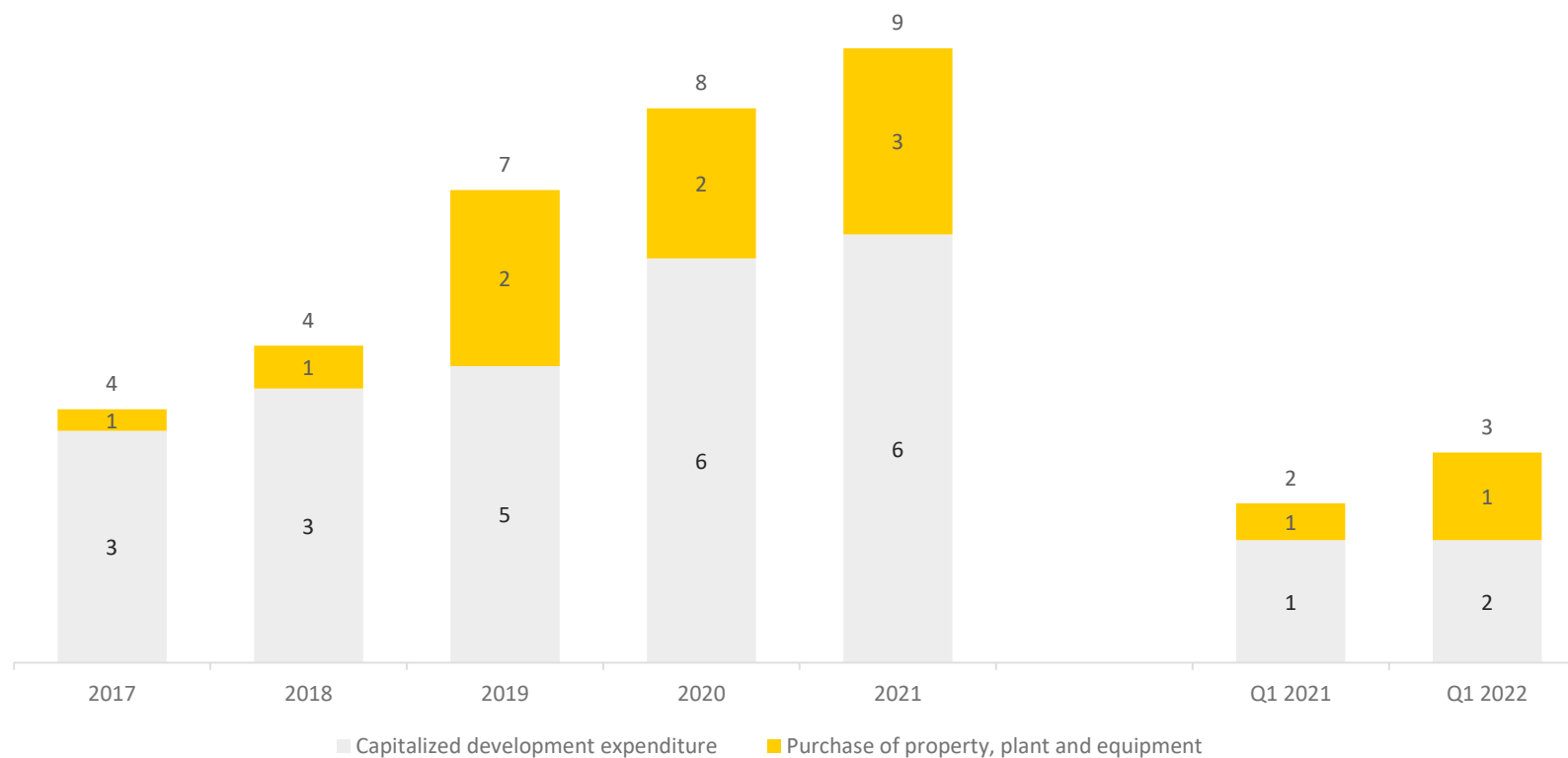




Appendix

# Moderate CAPEX growth

Capex (\$m)



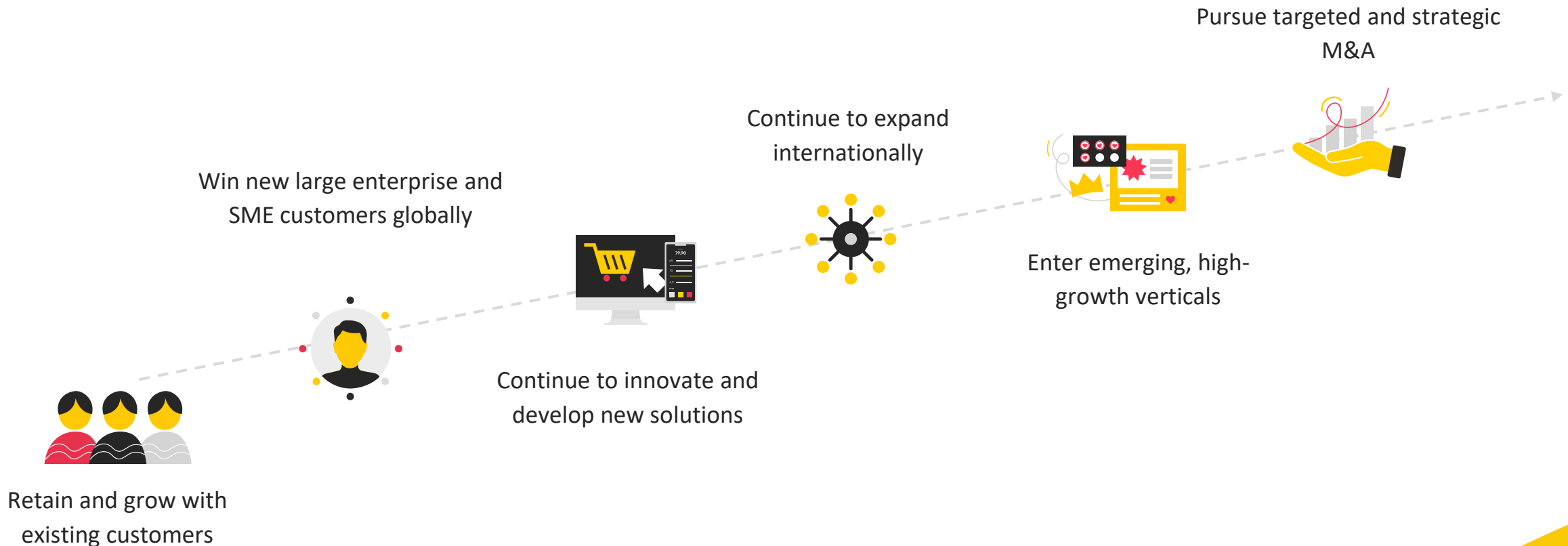
## Highlights

**32% Growth**  
in Q1 2022  
YoY

Slight increase  
primarily due  
to additional  
capitalized  
development  
expenditure

# Strategy for Sustained Long-term Growth

Nayax continues to execute its strategic growth plan while remaining focused on balancing top line growth with a path to profitability





# IFRS to Non-IFRS

	Quarter ended as of (U.S. dollars in thousands)	
	Q1 2022	Q1 2021
<b>Loss for the year</b>	<b>(9,780)</b>	<b>(2,182)</b>
Finance expense, net	858	84
Tax (Benefit) expense	50	(56)
Depreciation and amortization	2,004	1,672
<b>EBITDA</b>	<b>(6,868)</b>	<b>(482)</b>
Share-based compensation	3,102	373
IPO related expenses	-	161
Equity method investee	501	-
<b>Adjusted EBITDA</b>	<b>(3,265)</b>	<b>52</b>

(\*) Excluding (i) product costs increase due to global components shortage and (ii) bonus plan for non-sales employees that was introduced in Q3 2021, Q1 2022 Adjusted EBITDA improved to a negative \$0.3M.

# Key Definitions

- **Managed and Connected** – Devices that are operated by our customers.
- **End Customers** – Customers that contributed to Nayax revenue in the last 12 months.
- **Recurring Revenue** – SAAS revenue and payment processing fees.
- **Dollar-based net retention rate** - Measured as a percentage of revenue from returning customers in a given year as compared to the revenue from such customers in the prior year, which reflects the increase in revenue and the rate of losses from customer churn.
- **Revenue churn** - The percentage of revenue lost as a result of customers leaving our platform in the last 12 months.
- **Existing Customer Expansion** - Revenue generated within a given cohort over the years presented. Each cohort represents customers from whom we received revenue for the first time, in a given year.
- **Adjusted EBITDA** - Defined as net income (loss) before other income (expense), interest income (expense), foreign exchange gain (loss), income taxes, and depreciation and amortization, adjusted to exclude the effects of share-based compensation expense and certain nonrecurring expenses that management believes are not indicative of ongoing operations, consisting primarily of Equity method investee expenses and other indirect charges associated with our initial public offering.

# Thank you!

IR Contact: [ir@nayax.com](mailto:ir@nayax.com)

Website: [ir.nayax.com](http://ir.nayax.com)

