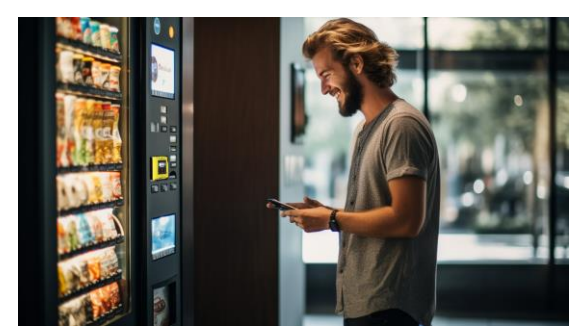




# Nayax Q2 2024 Earnings Presentation

Aug 7, 2024



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  - In addition to various operational metrics and financial measures in accordance with accounting principles generally accepted under International Financial Reporting Standards, or IFRS, this presentation contains Adjusted EBITDA, a non-IFRS financial measure, as a measure to evaluate our past results and future prospects. Please refer to the Appendix for a definition of Adjusted EBITDA and for a reconciliation of Adjusted EBITDA to net income (loss).
  - Unless noted otherwise, the financial information of the Company included in this presentation for Q4 2023 or any later period includes figures from Retail Pro. Unless noted otherwise, the financial information of the Company included in this presentation for the Q2 2024 period includes figures from Roseman Engineering and VMtecnologia.
  - The Company does not provide a reconciliation of forward-looking Adjusted EBITDA to IFRS net income (loss), due to the inherent difficulty in forecasting, and quantifying certain amounts that are necessary for such reconciliation, in particular, because special items such as, finance expenses and Issuance and acquisition costs, used to calculate projected net income (loss) vary dramatically based on actual events. Therefore, the Company is not able to forecast on an IFRS basis with reasonable certainty all deductions needed in order to provide an IFRS calculation of projected net income (loss) at this time. The amount of these deductions may be material, and therefore could result in projected IFRS net income (loss) being materially less than projected Adjusted EBITDA (non-IFRS).
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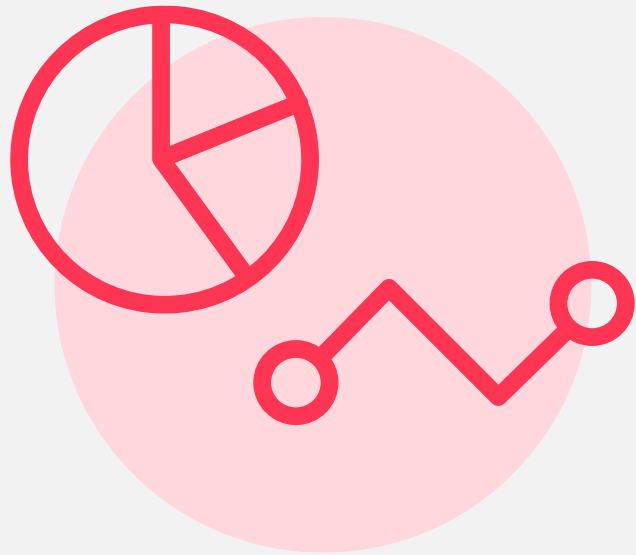
# Today's Presenters



Yair Nechmad  
**CEO & Co-Founder**



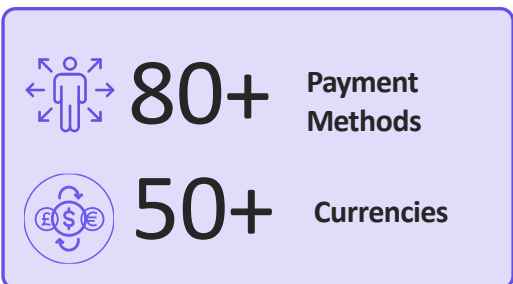
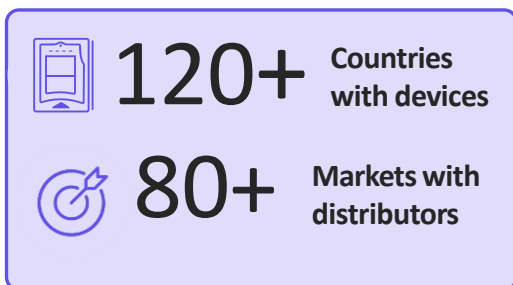
Sagit Manor  
**CFO**



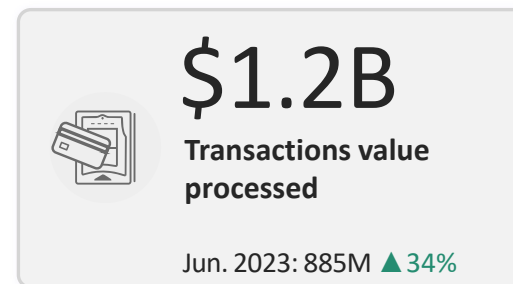
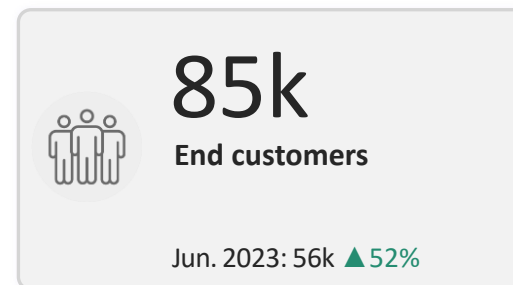
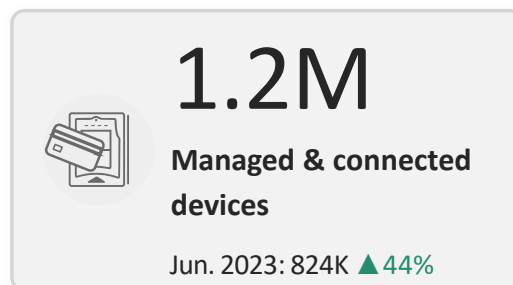
# Company Overview

# Nayax (Nasdaq & TASE: NYAX) Q2-24 at a Glance

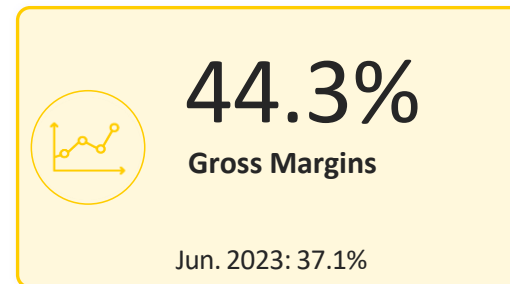
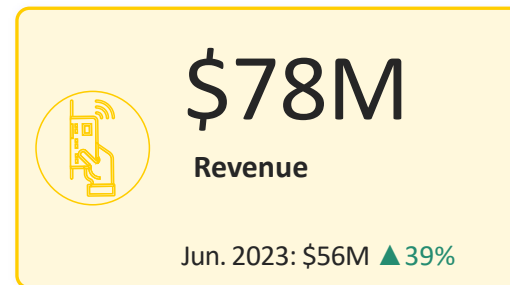
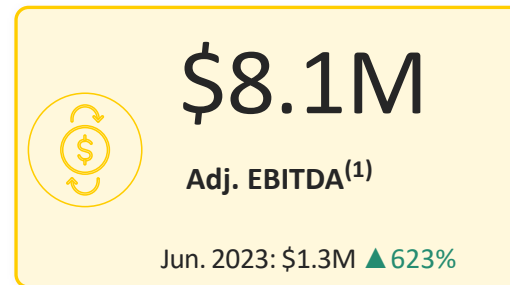
## Global



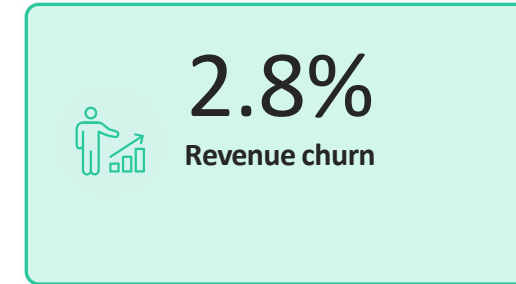
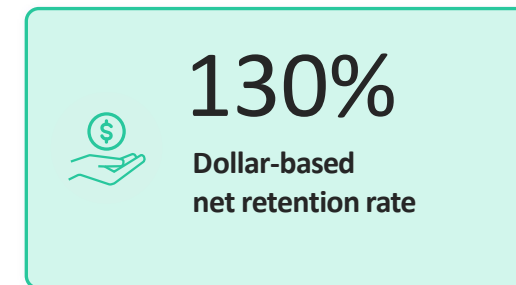
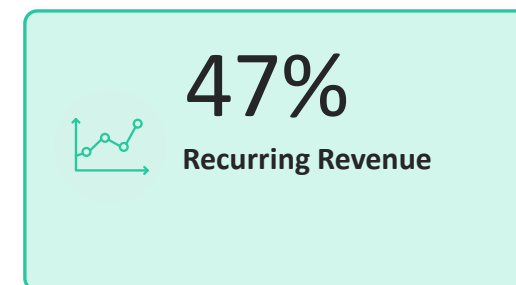
## Scale



## Financials



## Growth



1. Adjusted EBITDA is a non-IFRS financial measure. Please refer to the Appendix for a definition of Adjusted EBITDA and for a reconciliation of Adjusted EBITDA to the most directly comparable IFRS measure.

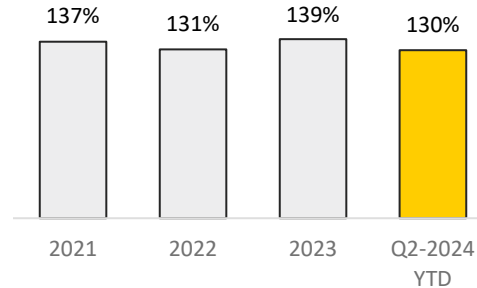
# Bringing a Global Solution to the Local Market

## Strong Track Record of Winning Customers

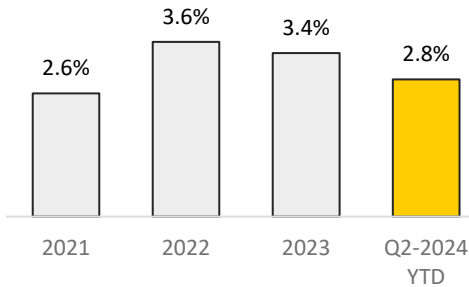


## Retaining & Growing Customers

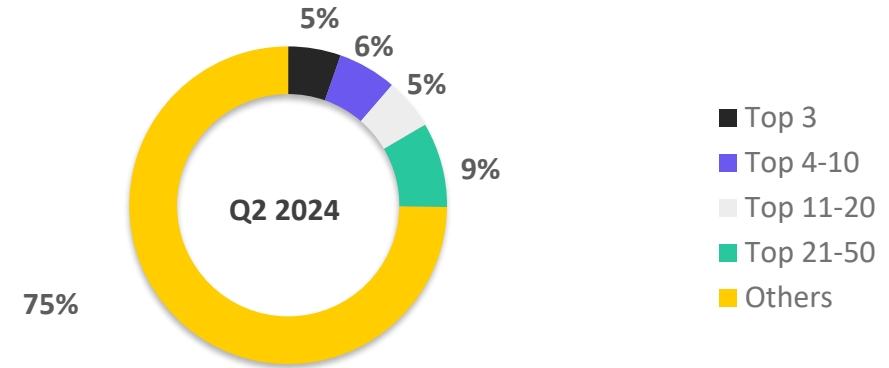
### YoY Dollar-Based Net Retention Rate<sup>(1)</sup>



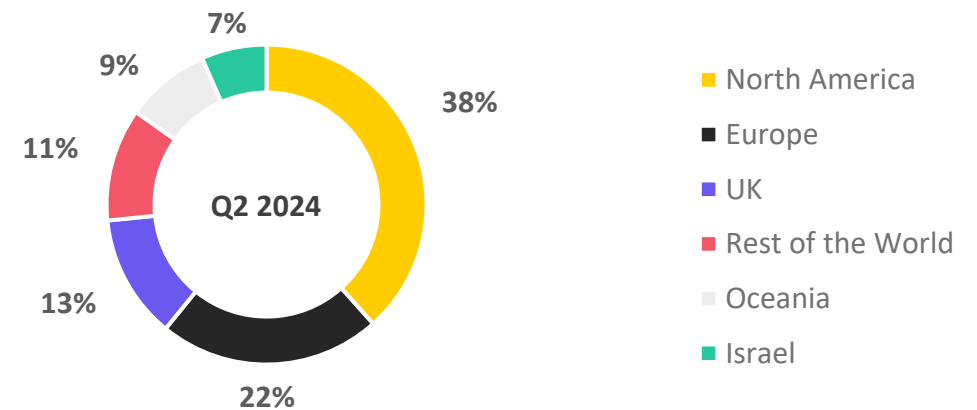
### YoY Revenue Churn Rate



## Low Customer Concentration

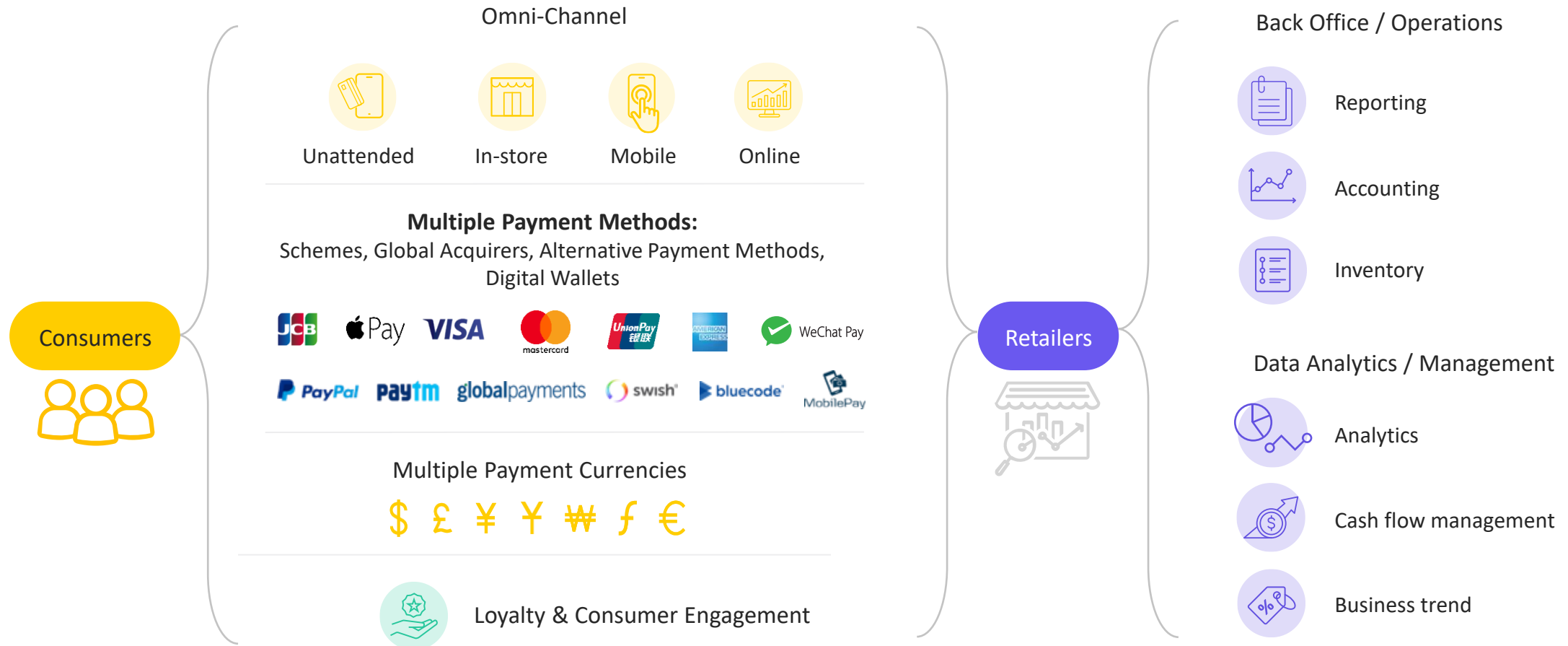


## Global Reach

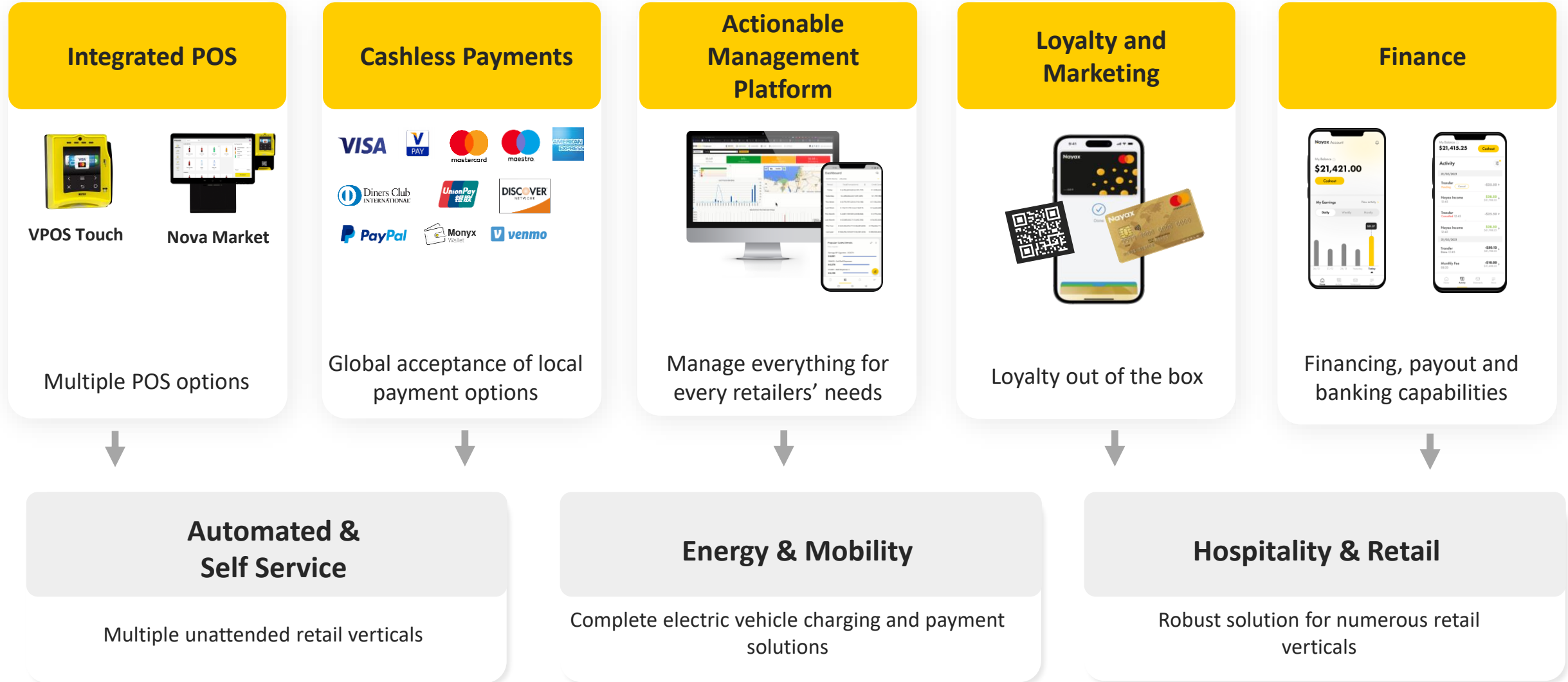


(1) Net retention rate based on SaaS revenue and payment processing fees

# Nayax Solves Multi-Dimensional Challenges Across the Ecosystem



# Driving Growth with One Complete Solutions for all Retailers



# Recent Key Business Highlights

## Launch of Nayax EV CloudPay

- **Nayax launched Nayax EV CloudPay**, a cloud-based payments solution to help facilitate payments at electric vehicle (EV) charging stations. Many drivers currently pay for their EV charges by downloading multiple mobile apps. Since the kiosk is cloud-based, a single kiosk can facilitate the payments for multiple chargers, enabling a seamless experience for charging station operators and customers.

## Nayax VPOS Touch Won UK Award

- **Nayax' VPOS Touch card reader won the Best Payment System award from The Vendies, an annual UK-based vending industry award.** Nayax's VPOS Touch helps operators stay on top of their business via telemetry technology that communicates with a vending management system and app. The Nayax VPOS Touch won the same award for Best Payment System in 2021 and won the Payment System of the Year award from The Vendies in 2016, 2017, and 2018.

## Acquired Roseman Engineering

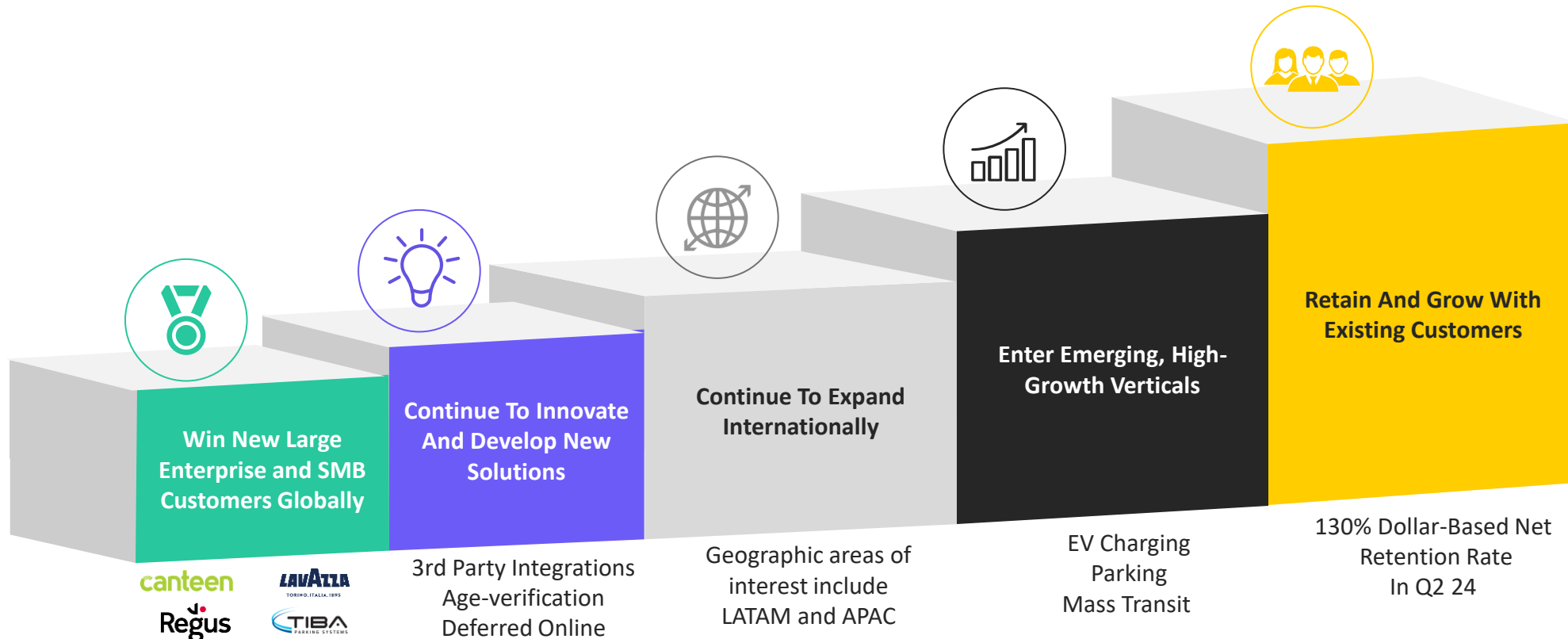
- **Acquired Roseman Engineering on April 4th**, a Tel-Aviv based fuel and electric vehicle (EV) management software solution provider that allows managers of gas stations to track fuel station income, reduce expenses, and increase operational efficiencies.

## Acquired VMtecnologia in Brazil

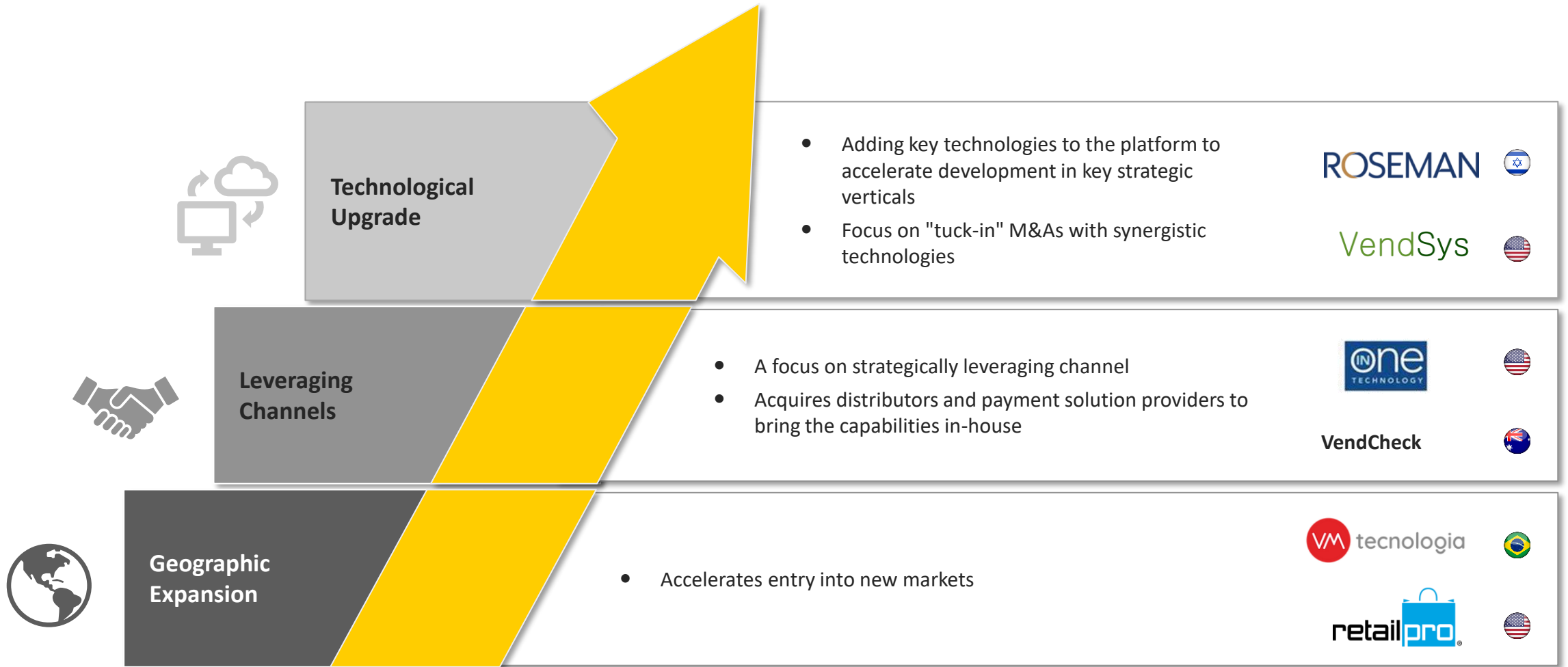
- **Acquired VMtecnologia on April 30th**, a leading financial technology provider for the automated self-service industry in Brazil.
- This acquisition provides Nayax with a strong entry point into Latin America and into Brazil in particular and expands Nayax's total addressable markets.

# Organic Growth Strategy for Sustained Long-term Profitable Growth

Continued Execution on Strategic Growth Plan While Remaining Focused on Balancing Top Line Growth



# Inorganic Growth: Three Pillars of M&A



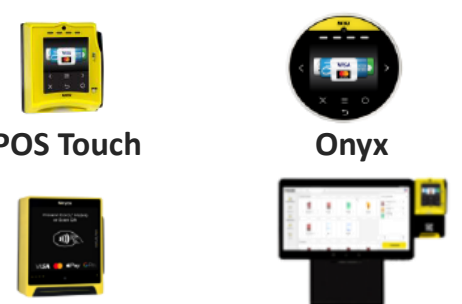


# Financial Overview

# Complete end-to-end solutions secure solid recurring revenue

## Device Revenue

### 1 Hardware



VPOS Touch      Onyx


VPOS Media      Nova Market

- All-in-one cashless card reader and telemetry device
- Purchase fee per sold connected POS

Competitive Price to Attract Customers


## Recurring Revenue

### 2 SaaS



- SaaS management system for enhanced business optimization and customer satisfaction
- Monthly subscription fee (SaaS) per connected POS

### 3 Processing Fee



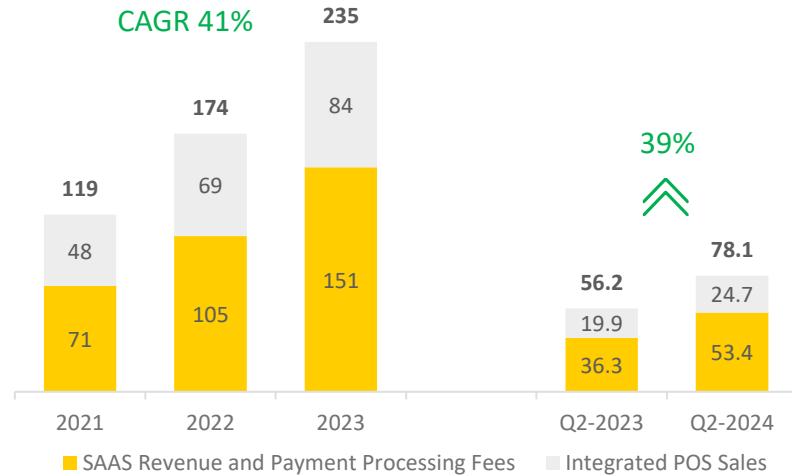
- Global, localized cashless payment acceptance for maximized conversion
  - Full payment suite – EMV Payments, Prepaid System, Payments I API APMs | Licensed financial institution
  - Processing fee as % of transaction volume

68% Recurring Revenue      2.7% Payment Take Rate<sup>(1)</sup>      130% Dollar Based Net Retention Rate

1. Fee charged per payment transaction.

# Our Business Model is Working

## Strong Revenue Growth (\$m)

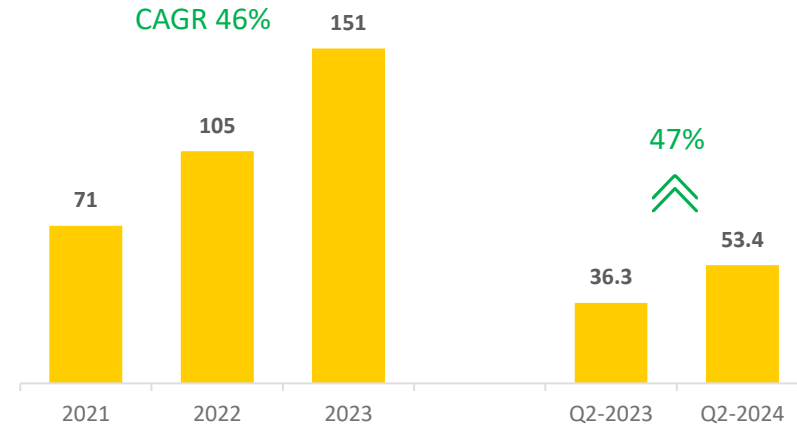


### Highlights

Q2 revenue grew **39%** YoY

Benefited from faster growing recurring revenue and growth in sold units.

## High Recurring Revenue (\$m)

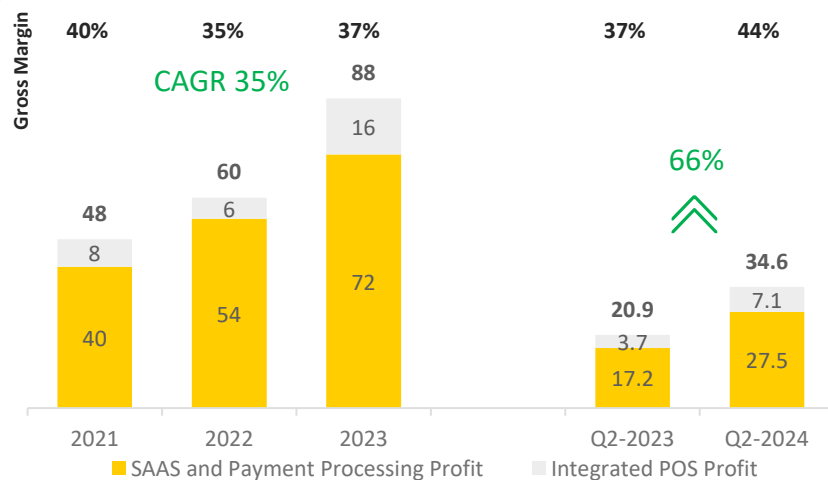


### Highlights

Q2 recurring revenue grew by **47%** YoY.

Continued strong payment processing fees with YoY growth of 45%; SaaS revenue grew 50% YoY.

## Gross Profit (\$m)

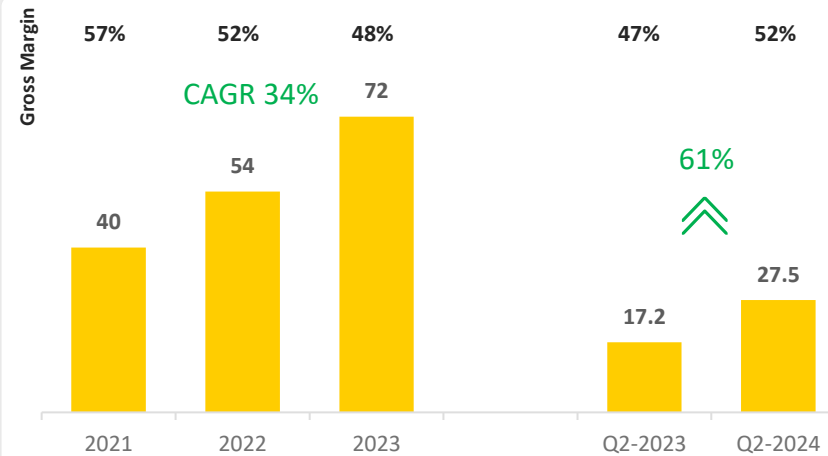


### Highlights

Q2 Gross margin grew **66%** YoY

Improvement mainly contributed by high hardware gross margin.

## Recurring Gross Profit (\$m)



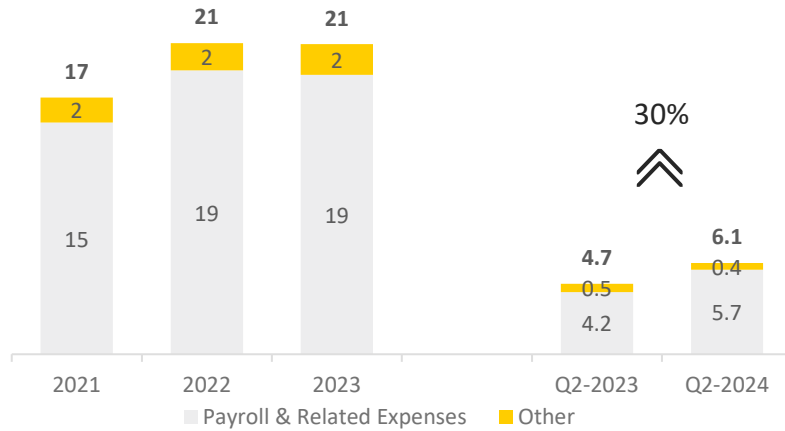
### Highlights

Q2 gross Profit grew **61%** YoY

Increased shift to higher processing payment fees than SaaS revenue.

# Improved Profitability from Moderating Expenses and Higher Operating Efficiencies

R&D Expense (\$m) (1)

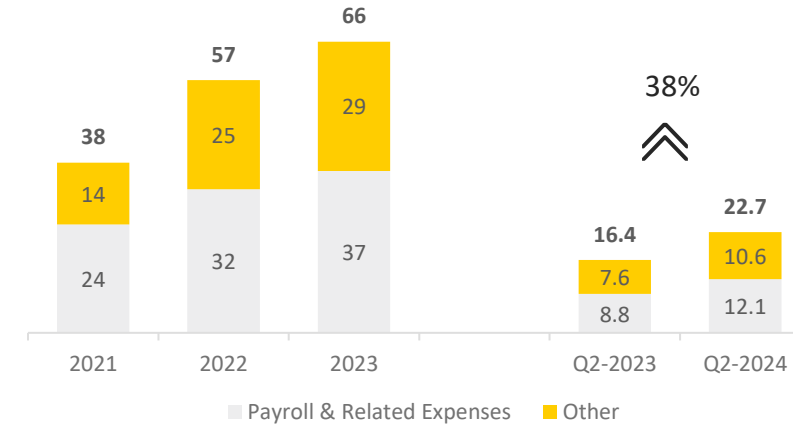


## Highlights

Q2 R&D grew 30% YoY

Primarily due to investment in talent acquisitions as well as additional costs related to our recent VM and Roseman acquisitions

SG&A Expense (\$m) (1)

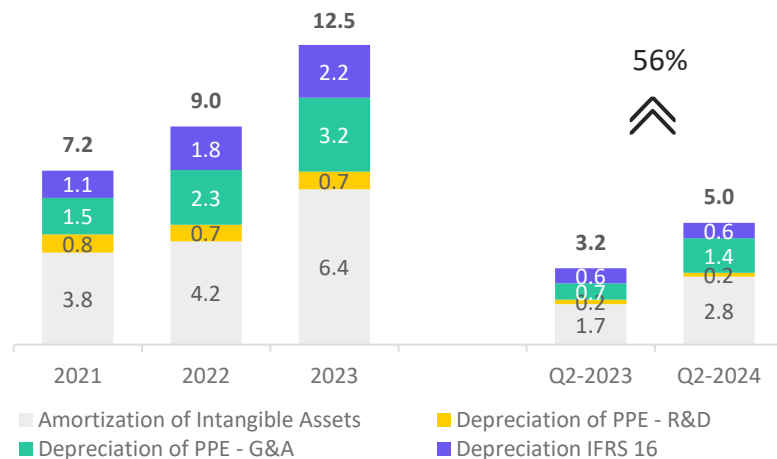


## Highlights

Q2 SG&A grew 38% YoY

Reflects investment in talent acquisition, customer base expansion, and higher go-to-market expenses as well as additional costs related to our recent VM and Roseman acquisitions

Depreciation and Amortization (\$m)

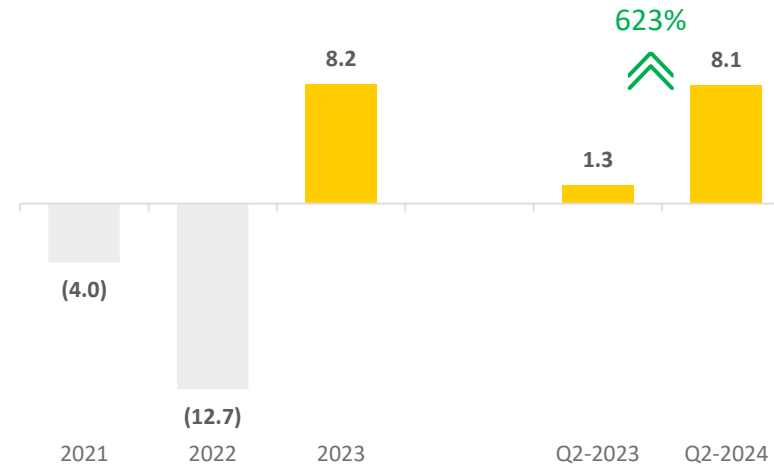


## Highlights

Q2 D&A grew 56% YoY

Increase in Q2 2024 YoY primarily due to investment in automation as well as PPA amortization.

Adjusted EBITDA (\$m) (2)



## Highlights

Q2 Adj. EBITDA grew strongly YoY

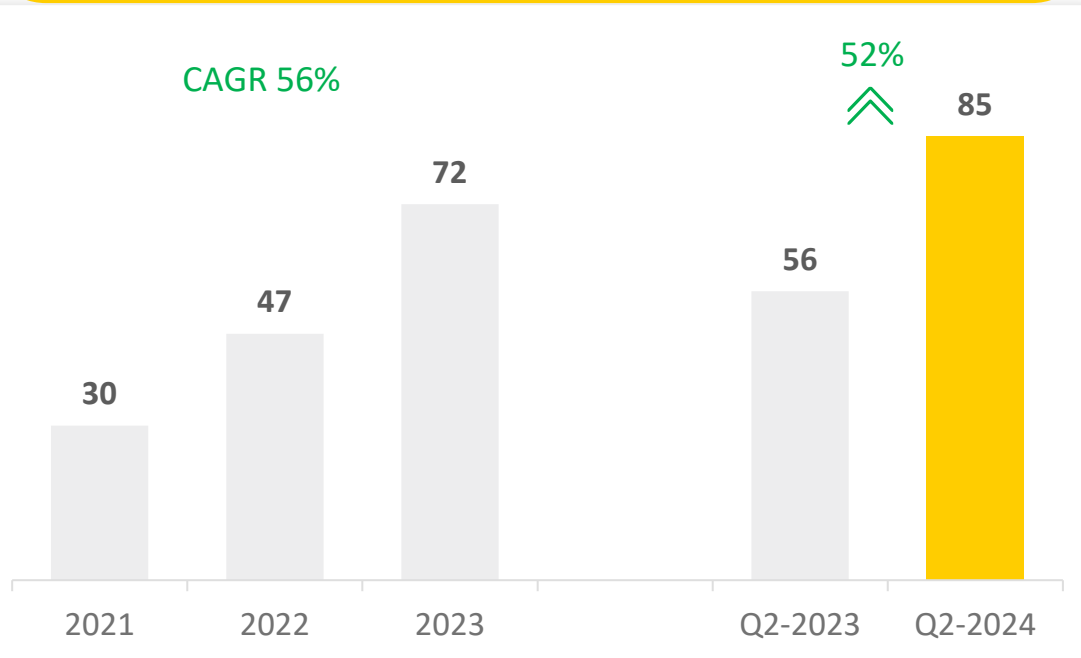
Positive \$8.1 million in Q2 2024, a marked improvement of \$6.8 million compared to \$1.3 million in Q2 2023.

(1) Excluding share-based compensation and Amortization

(2) Adjusted EBITDA is a non-IFRS financial measure. Please refer to the Appendix for a definition of Adjusted EBITDA and for a reconciliation of Adjusted EBITDA to the most directly comparable IFRS measure.

# Consistent Track Record Of Expanding Footprint

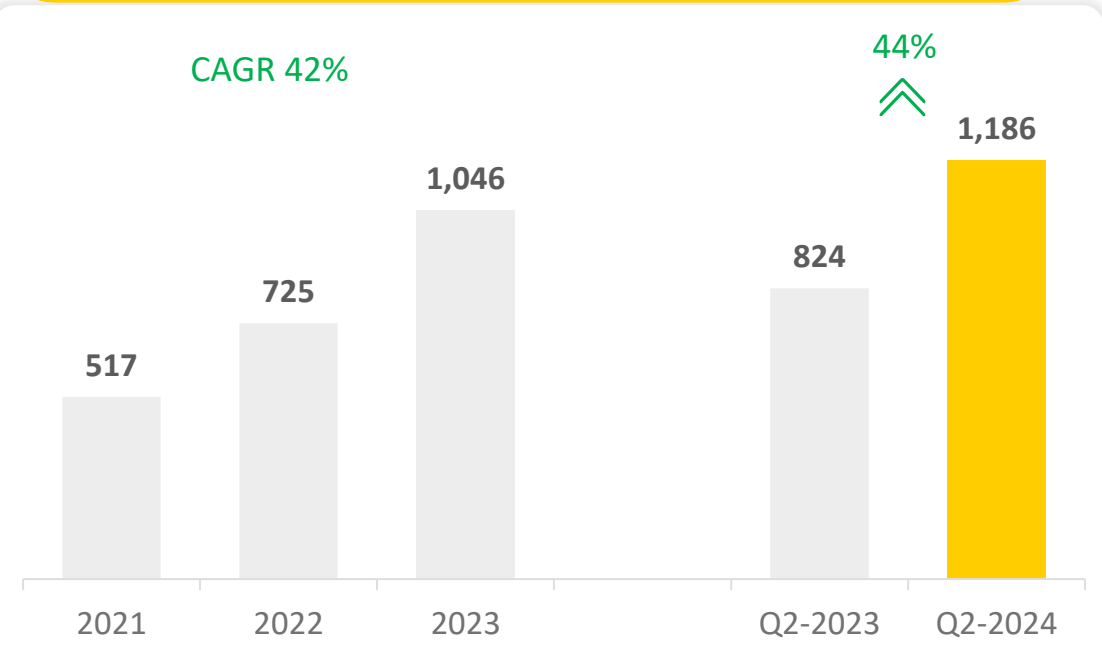
Number of Customers (thousands)



## Highlights

- Q2 2024 reflects momentum in customer base, with YoY growth of **52%**, across all geographies including 8,000 of Retail Pro as well as 3,000 VMtechnologia and Roseman customers
- Significantly increasing and retaining customer base with high net retention rate at **130%** and low churn rate at **2.8%**

Number of Managed and Connected Devices (thousands)

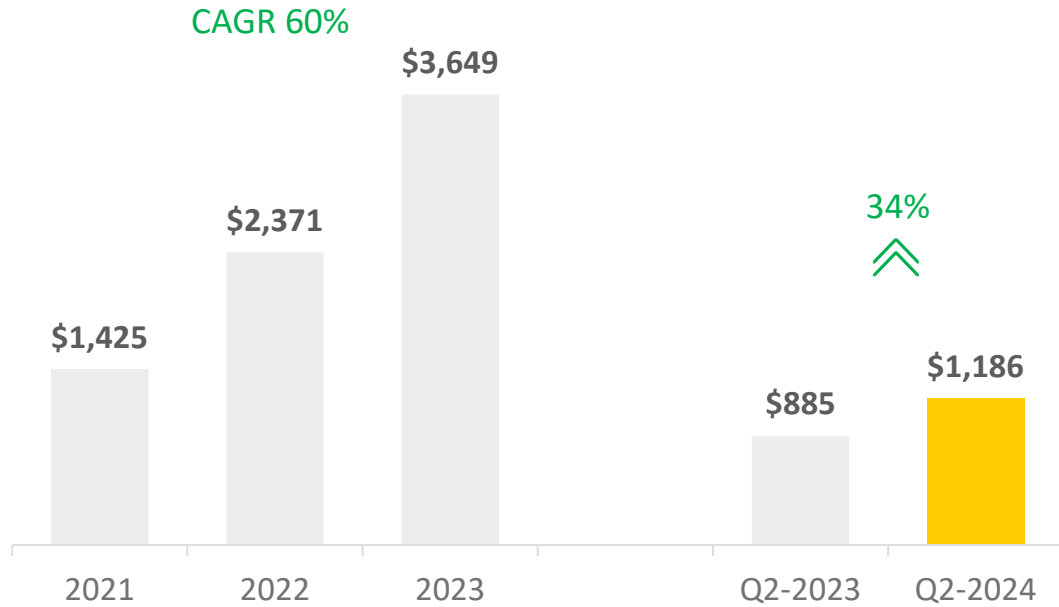


## Highlights

- Reaching another record number of **1,185,929** managed and connected devices across all geographies including 130,000 devices of Retail Pro as of the acquisition date and 22,000 of VMtecnologia
- Grew by **44%** YoY

# Global Cashless Payment Trends Driving Transactions

Transaction value (\$m)

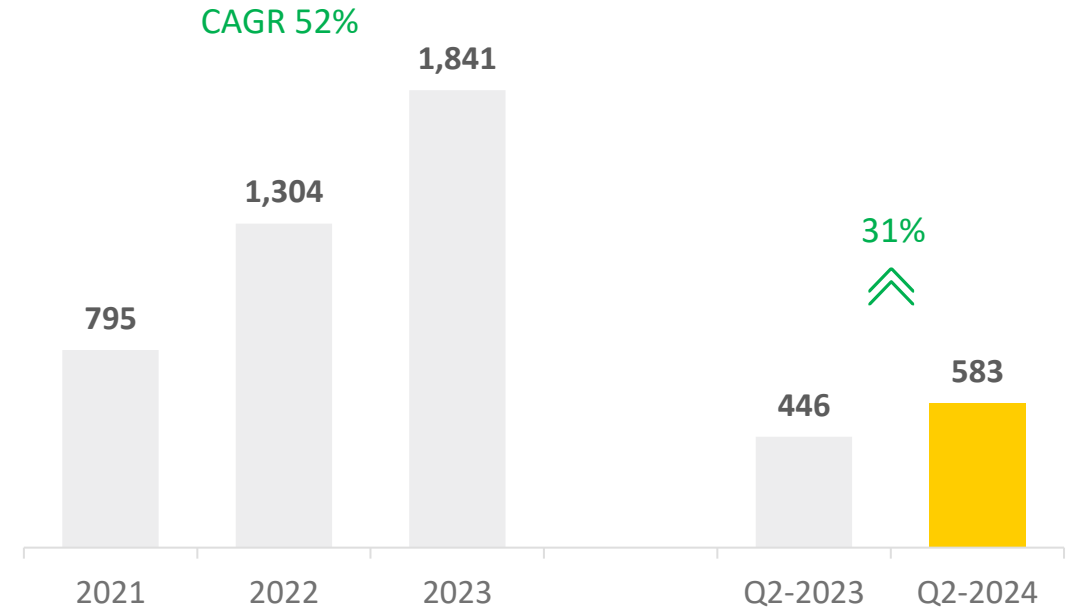


## Highlights

### 34% Growth in Q2 2024 YoY

- Growth across all geographies driven by trends in consumer behavior and increased transactions processed for a global customer base

Number of Transactions (millions)



## Highlights

### 31% Growth in Q2 2024 YoY

- Growth across all geographies with strong customer expansion as well as shift in customer behavior toward cashless payments

# 2024 Outlook <sup>(1)</sup>

Metric	FY 2024
Revenue expectations (constant currency)	\$325m - \$335m
Revenue growth YoY	At least 38%
Hardware margins	27% - 29%
Adjusted EBITDA	\$30m - \$35m
Free Cash Flow	Positive

## Guidance Assumptions

- Customer demand continues to be strong
- Assumes no material changes in macroeconomic conditions

(1) The Company does not provide a reconciliation of forward-looking adjusted EBITDA to IFRS net income (loss) due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliation, in particular, because special items such as finance expenses and Issuance and acquisition costs used to calculate projected net income (loss) vary dramatically based on actual events. Therefore, the Company is not able to forecast on an IFRS basis with reasonable certainty all deductions needed in order to provide an IFRS calculation of projected net income (loss) at this time. The amount of these deductions may be material, and therefore could result in projected IFRS net income (loss) being materially less than projected adjusted EBITDA (non-IFRS).

# Mid-Term and Long-Term Outlook

- Looking ahead, we remain 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 high net revenue retention rate, we believe we have a clear opportunity to drive revenue growth in the future.

## Mid-Term Outlook

Revenue Growth

**Reaffirming** mid-term outlook of **35% annual growth**, driven by organic growth initiatives and strategic M&A.

Growth Drivers

Customer growth, market penetration, continued expansion of our integrated payments platform as well as our growth engines.

## Long-Term Outlook

Revenue Growth

**Reaffirming** long-term outlook of **35% annual growth**, driven by organic growth initiatives and strategic M&A.

Gross Margins

**Target of 50%**  
Main drivers: New strategic growth initiatives, more rental and leasing options, loyalty products, and embedded finance solutions.

Adjusted EBITDA

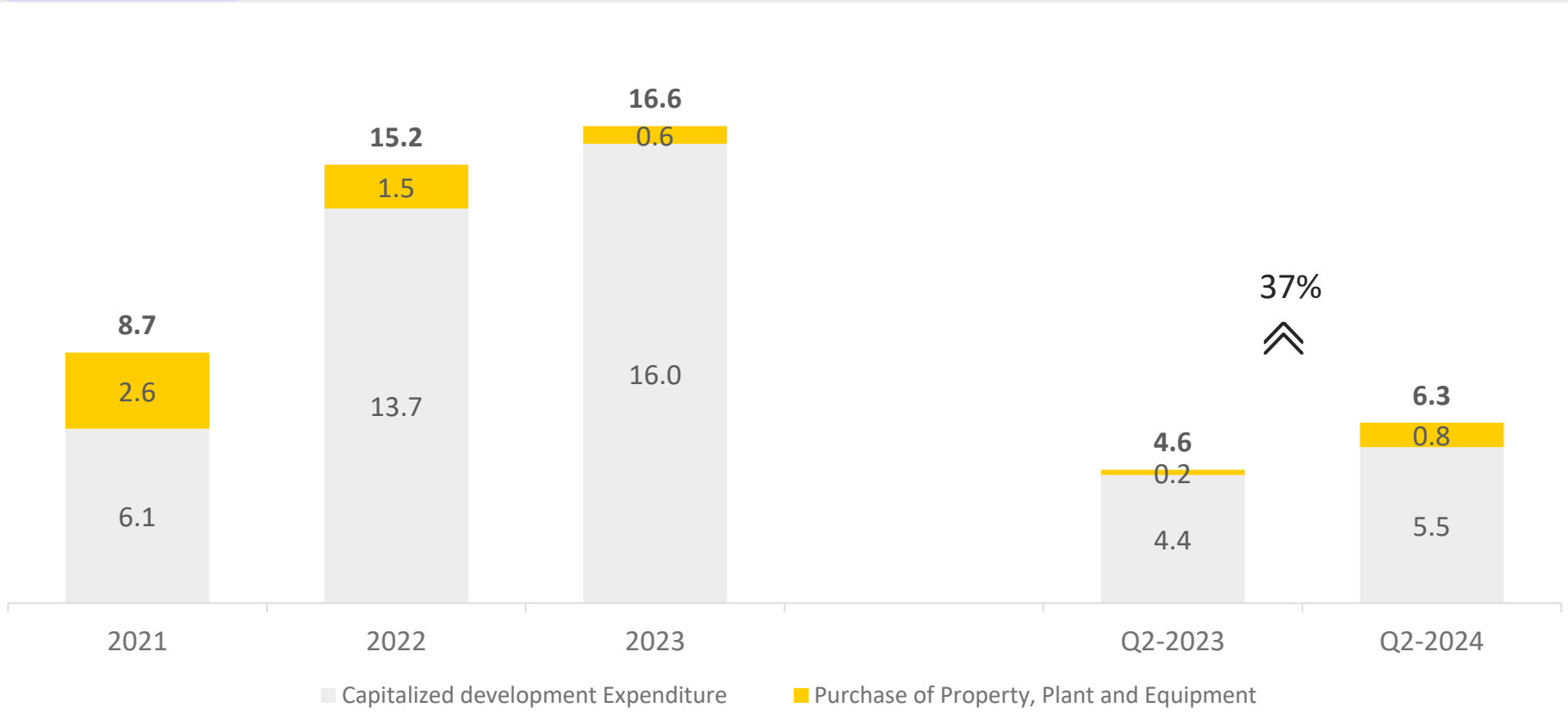
**Target of 30%**



# Appendix

# CAPEX Breakdown

Capex (\$m)



**Highlights**

**37% Increase  
YOY in Q2 2024**

Primarily due to an increase in capitalized development expenditure from recent acquisitions

# IFRS to Non-IFRS

The following is a reconciliation of loss for the period, the most directly comparable IFRS financial measure, to Adjusted EBITDA for each of the periods indicated.

	Quarter ended as of (U.S. dollars in thousands)	
	Jun 30, 2024	Jun 30, 2023
<b>Loss for the period</b>	<b>(3,013)</b>	<b>(3,973)</b>
Finance expense, net	3,601	40
Tax benefit (Income tax expense)	321	226
Depreciation and amortization	5,043	3,156
<b>EBITDA</b>	<b>5,952</b>	<b>(551)</b>
Expenses in respect of share-based compensation	1,512	1,425
Non-recurring issuance <sup>(1)</sup>	378	-
Share of loss of equity method investee <sup>(2)</sup>	248	383
<b>ADJUSTED EBITDA</b>	<b>8,090</b>	<b>1,257</b>

(1) Consists primarily of fees and expenses related to our recent acquisitions

(2) Share of loss of equity method investee is related to our 2021 investment in Tigapo.

# 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.

## Constant Currency

Nayax presents constant currency information to provide a framework for assessing how our underlying businesses performed excluding the effect of foreign currency rate fluctuations. Future expected results for transactions in currencies other than United States dollars are converted into United States dollars using the exchange rates in effect in the last month of the reporting period. Nayax provides this financial information to aid investors in better understanding our performance. These constant currency financial measures presented in this release should not be considered as a substitute for, or superior to, the measures of financial performance prepared in accordance with IFRS.

## 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.

## Free Cash Flow

Net cash provided from operating activities minus capitalized development costs and acquisition of property and equipment

## Adjusted EBITDA

Adjusted EBITDA is a non-IFRS financial measure that we define as loss for the period plus finance expenses, tax expense (benefit), depreciation and amortization, share-based compensation costs, non-recurring issuance costs and our share in losses of associates accounted for by the equity method.

## Dollar-based net retention rate

Measured as a percentage of Recurring Revenue from returning customers in a given period as compared to the Recurring Revenue from such customers in the prior period, which reflects the increase in revenue and the rate of losses from customer churn.



# Thank you!

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