

Nayax Enters Definitive Agreement to Acquire IPS Group

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Aaron Greenberg

Hi everyone, welcome to today's call. With me are Yair Nechmad and Sagit Manor, the CEO and CFO of Nayax. We're really excited today to talk about the proposed acquisition of IPS Group, which is part of a strategy we've been working on for a while now — one that Yair, Sagit, and I have discussed before: transitioning and accelerating more into the mobility space as one of our divisions. But the real purpose of this call is to give some key highlights on the proposed acquisition — why we're doing this, what the strategy looks like going forward for Nayax, and what it means for us from a financial point of view. So with that, I'll start with Sagit. Let's begin.

Sagit Manor

Okay, good morning and good afternoon, everyone. We're excited to share the details of the acquisition — the definitive agreement we've entered into with IPS. I'll walk through a summary of the transaction. IPS is a well-known company in the parking and broader mobility space. Their customers are municipalities, private operators, and universities. They were founded in 2000 and are based in San Diego, where Yair and I are currently as well. They have more than 550 customers and manage more than 250,000 parking spaces. About 80% of their operations are in the U.S., though they've also expanded into the UK, Ireland, and Canada.

A bit about their financials: expected revenue for 2026 is over \$90 million, with a very strong recurring-revenue mix of over 60%, representing 20% organic revenue growth compared to 2025 — which is really strong, and something we like. They have an expected Adjusted EBITDA of \$21 million, and very strong free cash flow generation, with roughly an 80% conversion rate.

On the transaction itself: the price is \$350 million on a cash-free, debt-free basis, representing a 17x multiple on 2026 Adjusted EBITDA. However, once we factor in the strong synergies we identified during our analysis, we believe the effective multiple is closer to 12x — I'll talk about the synergies later. The transaction will be funded mostly with cash on hand, plus \$150 million of new committed debt. Leverage at the time of the acquisition is expected to be around 3.8x, and we expect to improve that significantly by the end of 2027. IPS management is planned to stay on and

continue running the business together with us after closing, and we expect closing to occur around Q4.

Aaron Greenberg

Yair.

Yair Nechmad

Good morning. As Sagit said, we're very excited about this acquisition. It's still at the signing stage, not yet closing, but we believe everything will stay on track. The reason we felt this acquisition was the right move is mainly that we're looking at a huge opportunity — roughly \$85 billion of potential. In strategy, I think there are always two layers: one is what I call the 'right to play,' and the other is the 'right to win.' I think Nayax as a platform has a lot of what you'd call access — the right to play — but to earn the right to win, you need to hold something very strong and be able to scale with it. I think this transaction helps us build toward becoming one of the leaders in the parking industry, starting in the U.S. and then expanding to the rest of the world.

Since we see ourselves as a payment company and a payment platform, plugging in a company like this makes a lot of sense given our ability to run payments within their customer base. And from the other side of the equation — customer motivation — we see a lot of demand from customers for a one-stop solution that brings many services together in one place. I think this puts Nayax in a very strong position to have both the right to play and the right to win, and to take a leading seat in this market.

I don't think the synergies here are especially complicated, because they're payment synergies, and payment is the core of our business. We were also fortunate that IPS wasn't really focused on full ownership of the payment flow. So combining Nayax's payment capabilities with IPS's customer base makes a lot of sense — this 1+1 will be worth much more than three or four. That's, I think, the summary of why this acquisition makes so much sense to me.

Sagit Manor

Maybe just one thing to add: first of all, this is aligned with our progress toward the \$1 billion revenue company we aspire to build by 2028, with a 50% gross margin and 30% Adjusted EBITDA margin. Their strong financials are accretive to our gross margin, our Adjusted EBITDA margin, our adjusted EPS, and our free cash flow conversion. So, a very strong financial profile that's accretive to ours.

Yair Nechmad

I think this is, again, a summary of how we see the market. It's always important for us to show that we have a strong position and a long-term view of the TAM, and that we're becoming one of the leaders in the market. You can see here that our TAM is now growing to \$342 billion, which I think is amazing — along with our ability to accelerate the company's growth through the 20% organic growth IPS has been delivering, the 25% organic growth we've been delivering, and the extra growth we're targeting organically. That fits our strategy and will make this a very strong and successful business from our perspective.

I want to add one more important point about payments: we all see what's happening with the shift from cash to cashless and mobile. We believe that combining our card-present and card-not-present cashless capabilities with their customer base will be a very prominent part of their business going forward.

Sagit Manor

And I always like to point out that this figure only reflects the market opportunity, or addressable market, on the payment side. It doesn't take into account the services side of the business, and it doesn't take into account hardware.

Aaron Greenberg

Yeah, absolutely. I also want to add, on the TPV expansion — this has been part of our strategy of expanding further into omni-channel solutions. Historically, we've been a card-present, cashless business. As we continue to expand and are now able to offer a full management suite spanning card-present, card-not-present, mobile application, enforcement, and so on, this is helping us significantly expand our TAM.

On the card-present side alone, just paying at the meter represents roughly \$15 billion of additional TAM. Once you add all the other services we gain through the IPS acquisition, that's how you get to the \$85 billion of TPV expansion. As we continue expanding into other verticals in the coming years, and bring more omni-channel capabilities into EVM, arcade gaming, and some of the other verticals we've discussed — and will keep discussing — the TPV TAM will keep expanding well beyond what we've historically projected as a card-present business.

If we could go to the next slide, please — thank you. So, at a glance, what is IPS? It's one of the leaders in parking, specifically in North America and the United States. As Sagit mentioned, about 80% of IPS's revenue comes from the U.S. They've been around for about 25 years.

IPS's focus has been building a full management suite for cities, centered on parking meters and kiosks for the spaces — a physical platform for the consumer, which is very traditional for Nayax. We've been doing this for 20 years across all our verticals. Beyond that, they've expanded into software management, helping cities operate more efficiently and cost-effectively, and offering

additional value-added services. And on the payment side, they offer an integrated payment solution.

Now, why is this interesting for Nayax? It's very consistent with how we've approached M&A, especially in recent years: we look for leaders in each of these unattended verticals — a management platform that's generally connected to hardware as well — and then we bring in our payment platform, which we've been building for more than 20 years and which is our core expertise. That helps the customer run their business better, gives them optionality, and improves reliability and uptime, because a fully integrated payment solution generally results in higher reliability for the end customer. They also then have a single point of contact if something goes wrong, instead of having to make multiple calls.

What's really important to understand here is that, today, in the parking industry — particularly in the U.S. — most cities work with four or five different providers for parking solutions. But the trend is moving toward one or two providers. Having a single system of record — which we're seeing in other verticals too, especially with the move toward an AI-driven world — means customers want to deal with one point of contact as much as possible to handle their core operational needs. By combining IPS and Nayax, we hope to offer customers a very competitive solution: one that fits them well and provides the best possible customer support, reliability, uptime, and additional functionality.

Sagit already covered the numbers, but I want to mention a couple more details. The managed spaces total about 250,000. They currently have roughly 180,000 physical POS units in the field. The difference comes from single-space meters — one meter per space — versus kiosks, which typically manage between 6 and 12 (usually 6–10) parking spaces each, bringing the total to about 250,000. Generally, customers in the parking industry look at the business on a per-space basis, which is why we've presented it this way — we'll continue to share more detail as we move forward.

If we could move to the next page, please — thank you. As I mentioned, IPS has a full suite of software services; it's really a complete platform for a city operator. One more thing worth mentioning: IPS's customers are municipalities and cities. Why is this especially interesting for Nayax? Because this is an ecosystem we historically haven't penetrated or built meaningful revenue in — we haven't reached this part of the serviceable market. Historically, we've worked with SMBs, and we also have plenty of enterprise customers, as everyone knows. But cities, in general, involve a very different sales cycle and a very different way of selling.

What we've also realized is that our payment platform is a perfect fit for government and city customers who want a full ecosystem covering parking and, eventually, EV charging, transportation, and other services. We believe this is a market where we can do very well with the potential acquisition of IPS — and, of course, IPS brings 25 years of expertise in this space. I'll hand it over to Yair for the next slide.

Yair Nechmad

So, in terms of how we see this: it's like a wheel of verticals that we offer around the world, and now we're putting parking in the spotlight. With this move, IPS — I think what we're pursuing as a strategy is what we call 'land and expand': the way we can now operate together. Based on what you just heard from Aaron and Sagit, this will bring value to the customer — but it's not value we're pushing onto customers; it's value customers have actually asked for.

After a lot of research, it's important to understand that every vertical has its own timing. And right now, from the customer's point of view, the timing is right for a single, unified solution, because things are becoming far more complex across payment processes and enforcement. Customers want a one-stop solution, and Nayax's ability to support the scale and size of payments — and to work with municipalities on a broader offering that includes additional value they want, like EV — is something IPS and Nayax will be uniquely positioned to deliver. That's a summary of what we call, in this vertical, land and expand.

Aaron Greenberg

Absolutely. Moving to page 11, we're going to skip past 9 and 10 here. Just a reminder, since some of you are asking — we'll open up for Q&A shortly. Please hold your questions for a few more minutes while we get through the last few slides, and then we'll be happy to take questions. Yair, please go ahead. Thank you.

Yair Nechmad

We always look at the world in yellow, and here you can see the overlap with Nayax's existing footprint: North America and the UK, where Nayax already has a market presence, relationships, and operations — and IPS now builds on top of that. So this is, in a sense, aided by Nayax's existing presence, but you can also see the opportunity here. Not all markets are the same, but at minimum we now have a strong arm to handle what we call B2G (business-to-government), which is a different type of acquisition altogether — but we know how to manage this through the IPS team. With that, we can see the long-term growth of our business coming to life.

Sagit Manor

And there's an opportunity to continue expanding both solutions into new regions — whether it's the verticals we already have into the parking industry, or taking parking internationally.

Aaron Greenberg

Yeah, I think it's important to mention that we did a significant amount of due diligence specifically on the software platform, because the key thing we look at with acquisitions is: is this a software platform we can take globally? They might specialize in the U.S., the UK, Brazil, or wherever — but can we really scale that platform globally? Because our goal is to reach 200 countries, not four.

We firmly believe, after two years of research into the parking industry and the best way to accelerate our entry into this space, that IPS was by far the best fit — and the best platform to allow us to expand into places like continental Europe, where we already hold an electronic money institution license, eventually into Latin America, and of course into places like Australia, where we already have a very good presence.

Sagit Manor

A couple more points here. It's not just about the software and how easy it is to expand — it's also about how easily it can be connected to our payment infrastructure, and how we can layer on payments, as Yair mentioned, which we know how to do very well. That's what turns 1+1 into 3 — the land-and-expand story, and so on.

Let me go over the synergies I mentioned. There are significant revenue and cost synergies we've identified. The \$8 million run-rate figure I mentioned is at the Adjusted EBITDA level — not at the revenue or cost level — it's the net accretion to Adjusted EBITDA.

First and foremost is payment processing. Today, they have some revenue share and some payment processing in place. We know how to bring that up to the levels we're used to, with the strong take rate we're able to achieve and the profitability that comes with processing revenue and margins.

We've talked about international expansion — we operate in 120 countries, and we know we have either an office or a strong partnership in most of them, so we know how to bring these solutions into those markets. The idea is to take parking international. It's also worth noting, as Aaron mentioned, that we looked at several opportunities, and IPS was by far the best parking opportunity we found. That's why we spoke with some of you in 2025 about a few opportunities we ultimately passed on, because they weren't the right fit — not the right company to acquire. We're very excited about IPS and the opportunity it brings.

There's also cross-sell potential with EV charging — different from EVM, and back to the synergies point. Parking is a capital-light, already-established vertical. But we believe that as EV charging gets sold into municipalities alongside parking, there are a lot of cross-sell opportunities. And, of course, there are cost synergies as well — whether through manufacturing cost savings or other areas.

Lastly, a bit about their accretive financial profile and performance. Looking at IPS in 2026: more than \$90 million in revenue, with \$21 million of Adjusted EBITDA. Compare that to our own 2026

guidance of \$510–520 million in revenue and \$85–90 million in Adjusted EBITDA — so you can see this is accretive to our portfolio, and again aligned with the 2028 strategic goal we set a long time ago. It's especially relevant to our land-and-expand opportunities. With that, I'd like to open the call for questions.

Sagit Manor

So, one question — I've received a few, so let's start with them. Yair, maybe this one's for you: why are we willing to pay \$350 million for IPS, representing a 17x multiple on Adjusted EBITDA?

Yair Nechmad

I think it's worth framing the question differently — it's not really about the past; I always look at the present and future. What we just showed in this presentation reflects the risk-reward we believe in. Even in 2027, the multiple will be much lower relative to what you see today.

It's not, I think, a huge leap to understand that integrating payments into IPS's existing customer base is a viable way to grow the business. The important part to understand, as I said, is that this is a government and municipal customer base, which is very hard to acquire. So, to earn the right to play in this game, you need a very strong team around it and the ability to succeed and win in this market. I think the opportunity, and the risk-reward, are outstanding here.

If anything, it's the opposite of overpaying — I believe this is a very good price for a strong, good company. We want to buy good companies, not turnaround situations. We want to accelerate a very good team, a very good company, with a very good customer base. And with that, I believe the return is much better than the risk of a turnaround company — where you might buy cheap, or buy under stress, but then depend heavily on flawless execution. Here, this is a very strong fit for Nayax's payment capabilities and our ability to go all the way as a one-stop solution.

Aaron Greenberg

And maybe I can just add — the key to capturing synergies comes down to two main parts: payment integration, which Yair mentioned, and international expansion. A lot of companies in the unattended space struggle to expand internationally, and the biggest reason is difficulty with payment integration. It's genuinely hard in a lot of these countries, especially once you move into continental Europe and other parts of the world. This is exactly the expertise we've built over the last two decades — we hold licenses in many jurisdictions, and we already have people and offices on the ground. This is really where we see huge opportunity going forward, and something we can accelerate relatively quickly.

Sagit Manor

A question came in: is this the large strategic acquisition we previously talked about, and how should investors think about M&A and capital allocation following this transaction?

Yair Nechmad

We won't hold back — our team still has a long and substantial pipeline. Of course, we need to digest this transaction first, and we won't rush into buying another company this size right away. But we're showing that we're serious about our direction and how we want to position ourselves not just for the next five years, but for the next ten.

We'll continue finding ways for our capital to justify new acquisitions, and we'll keep making them — perhaps not at this scale in the near term, but we will keep doing acquisitions, always under very disciplined capital management.

Sagit Manor

Maybe the last question is whether we're planning to raise equity soon. I can answer that: our first priority is obviously to deleverage from where we are today, through the combined companies' own cash flow and Adjusted EBITDA. We're currently at around 3.8x leverage, and we expect that to come down significantly over time. We continuously evaluate all kinds of financing tools that are available, but a future equity raise is a question of opportunity, timing, an attractive valuation, and other funding needs. With that, I think we'll pick this up on our next call. Thank you so much for joining our call.

Aaron Greenberg

Thank you, everyone.

Yair Nechmad

Thank you.