

PAYMENT TECHNOLOGY PARTNER



Revenue

**Fourth Quarter and Full Year 2020 Earnings Supplement**

March 10, 2021

# Disclaimer

## General

All references in this presentation to “Nuvei”, the “Company,” “we,” “our,” “ours,” “us” or similar terms refer to Nuvei Corporation, together with its subsidiaries. All references to “\$”, “US\$”, “dollars” and “U.S. dollars” are to United States dollars and all references to “C\$” are to Canadian dollars.

## Non-IFRS Measures

Nuvei’s annual consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board. The information presented in this presentation includes non-IFRS financial measures, namely Adjusted EBITDA, Adjusted net income, Adjusted net income per share, and Adjusted net income per diluted share. These measures are not recognized measures under IFRS and do not have standardized meanings prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement IFRS measures by providing further understanding of the Company’s results of operations from management’s perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of the Company’s financial information reported under IFRS. Adjusted EBITDA, Adjusted net income, Adjusted net income per share, and Adjusted net income per dilutive share are used to provide investors with a supplemental measure of the Company’s operating performance and thus highlight trends in Nuvei’s core business that may not otherwise be apparent when relying solely on IFRS measures. The Company’s management also believes that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers. Nuvei’s management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts and to determine components of management compensation. The Company’s management believes Adjusted EBITDA, Adjusted net income, Adjusted net income per share, and Adjusted net income per dilutive share are important supplemental measures of Nuvei’s performance, primarily because they and similar measures are used widely among others in the payments industry as a means of evaluating a company’s underlying operating performance. Adjusted EBITDA is defined as net income (loss) before finance costs, finance income, depreciation and amortization, income tax expense/recovery, acquisition, integration and severance costs, share-based payments, net gain/loss on foreign currency exchange, and other. Adjusted net income is defined as net income (loss) before acquisition, integration and severance costs, share-based payments, net gain/loss on foreign currency exchange, amortization of certain intangible assets created by business combinations, and the related income tax expense or recovery for these items. Adjusted net income also excludes change in redemption value of liability-classified common and preferred shares and accelerated amortization of deferred transaction costs and loss on debt modification.

## Forward-Looking Information

This presentation contains “forward-looking information” within the meaning of applicable securities laws, including Nuvei’s outlook on total volume, revenue and Adjusted EBITDA for the three months ending March 31, 2021 and the year ending December 31, 2021. Nuvei’s outlook on revenue and Adjusted EBITDA also constitutes “financial outlook” within the meaning of applicable securities laws and is provided for the purposes of assisting the reader in understanding the Company’s financial performance and measuring progress toward management’s objectives and the reader is cautioned that it may not be appropriate for other purposes. Forward-looking information involves known and unknown risks and uncertainties, many of which are beyond the Company’s control, that could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. These risks and uncertainties include, but are not limited to those described under “Risk Factors” in the Management’s Discussion and Analysis of financial condition and results of operations dated March 10, 2021. Forward-looking information is based on management’s beliefs and assumptions and on information currently available to management. Particularly, management’s assessments of, and outlook for, total volume, revenue and Adjusted EBITDA set out herein are generally based on the following assumptions: (a) Nuvei’s results of operations will continue as expected, (b) the Company will continue to effectively execute against its key strategic growth priorities, despite the current COVID-19 pandemic and measures taken to contain the virus, (c) the Company will continue to retain and grow its existing customer base while adding new customers, (d) the Company will not complete any acquisitions or divestitures, (e) economic conditions will remain relatively stable throughout the period, (f) the industries Nuvei operates in will continue to grow consistent with past experience, (g) there will be no fluctuations in currency exchange rates and volatility in financial markets, (h) there will be no changes in legislative or regulatory matters that negatively impact Nuvei’s business, and (i) current tax laws will remain in effect and will not be materially changed. Although the forward-looking information contained in this presentation is based upon what management believes are reasonable assumptions, you are cautioned against placing undue reliance on this information since actual results may vary from the forward-looking information. Unless otherwise noted or the context otherwise indicates, the forward-looking information contained in this presentation is provided as of the date of this presentation, and the Company does not undertake to update or amend such forward-looking information whether as a result of new information, future events or otherwise, except as may be required by applicable law.

## Trademarks

This presentation includes certain trademarks, such as “Nuvei”, “SafeCharge”, and “Smart2Pay”, which are protected under applicable intellectual property laws and are the property of Nuvei. Solely for convenience, our trademarks referred to in this presentation may appear without the ® or ™ symbol, but such references are not intended to indicate, in any way, that we will not assert our rights to these trademarks to the fullest extent under applicable law. All other trademarks used in this presentation are the property of their respective owners.

# Company Overview

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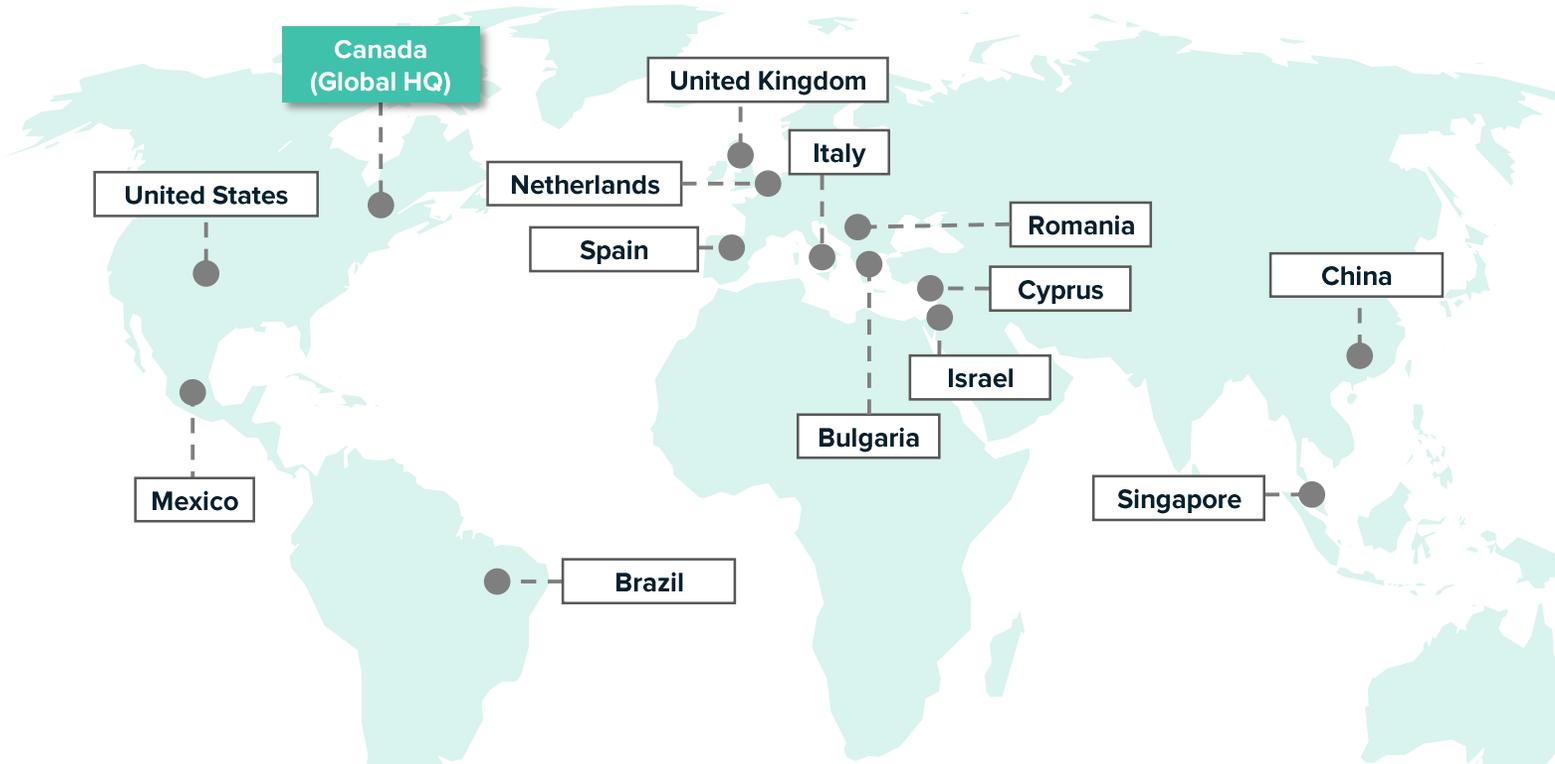
# Nuvei: A Global Provider of Payment Technology Solutions

**950+**  
Employees

**200+**  
Global Markets

**455**  
Payment Methods

**~150**  
Currencies



Key relationships, licenses & memberships:



# Our Purpose

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**Making our world a local marketplace.**

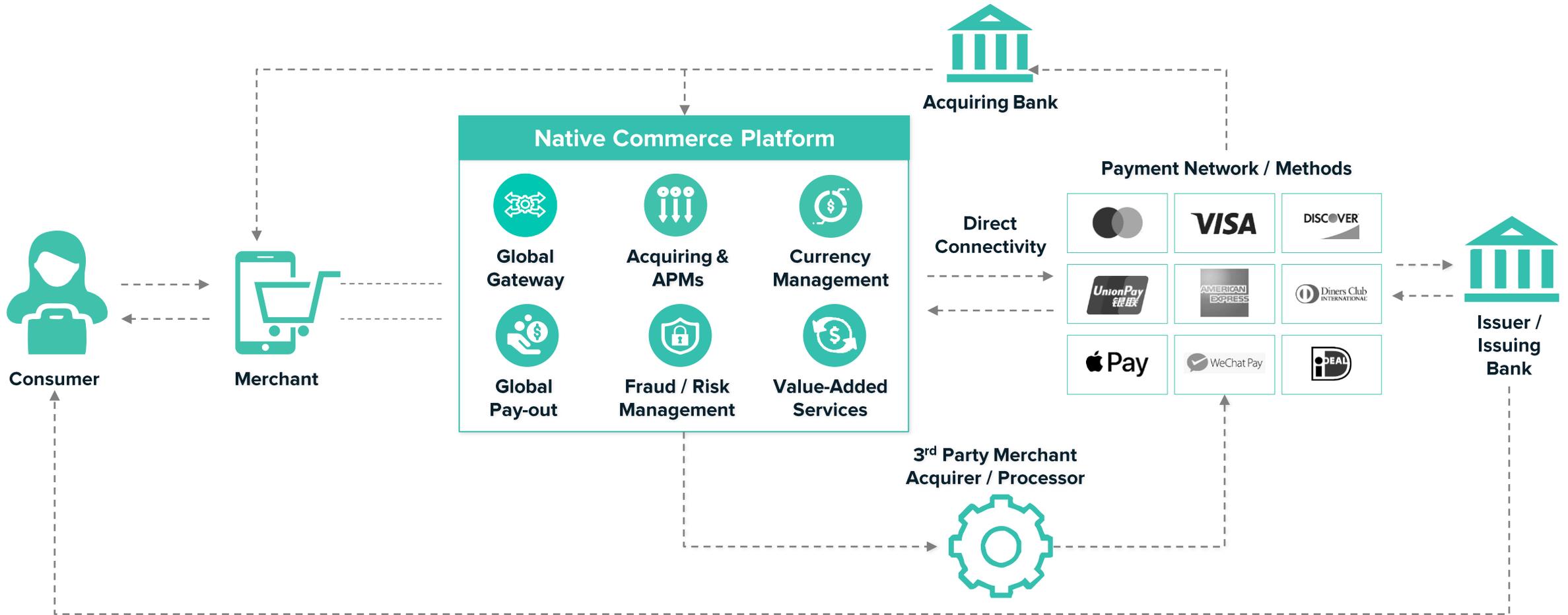
# How We Do It

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**Provide the payment technology and intelligence our merchants and partners need to succeed locally and globally, through one integration.**

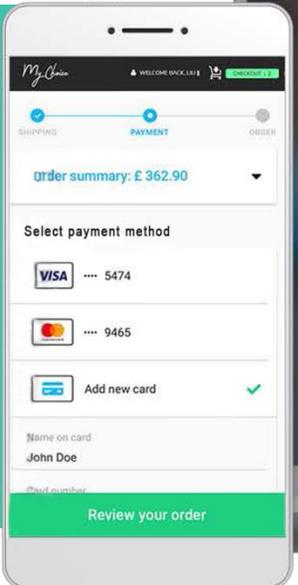
# Leverage Our Full Stack to Increase Acceptance Rates – Locally & Globally

Purpose-built technology platform providing an end-to-end solution, beyond acquiring, that merchants can utilize on a modular “a la carte” basis across multiple jurisdictions

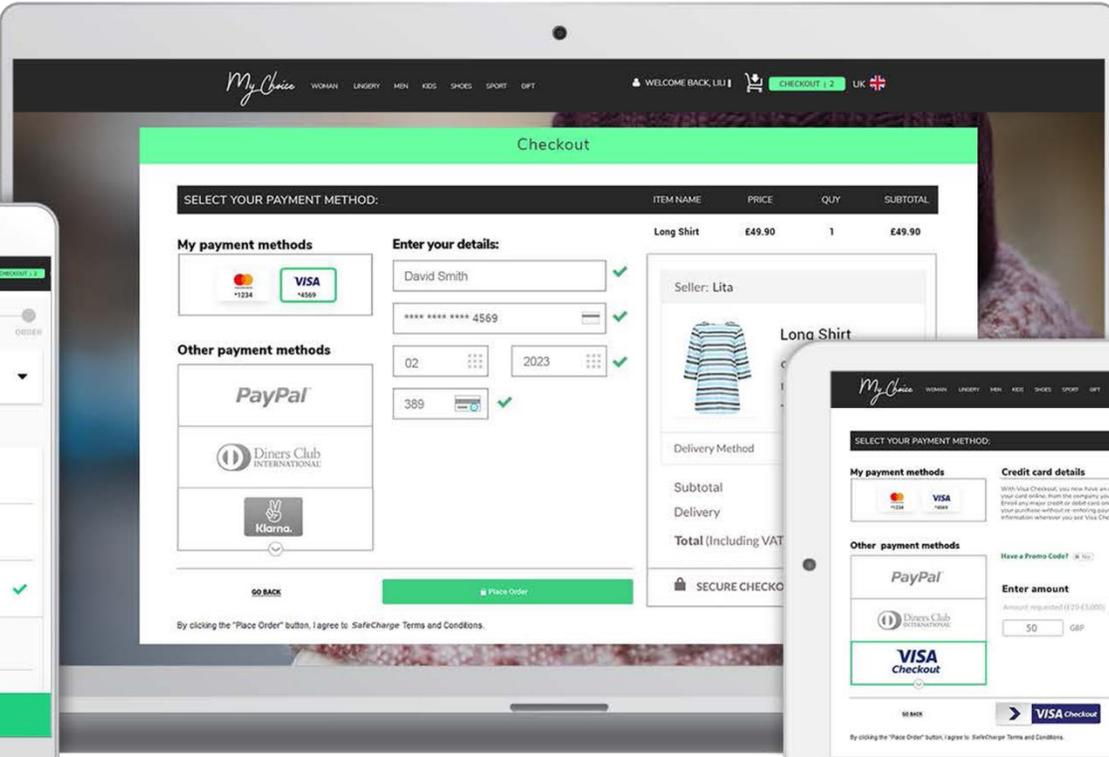


# Delivering Innovative Payment Technology Solutions Across All Channels

— Unattended

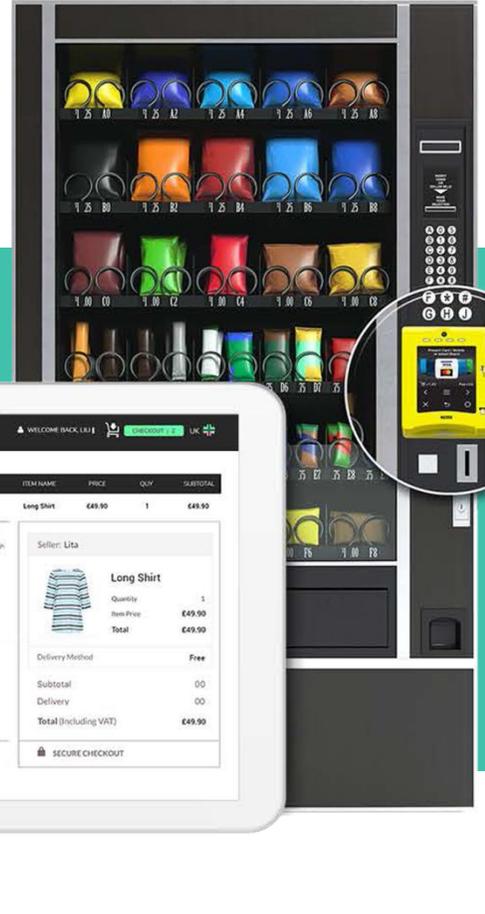
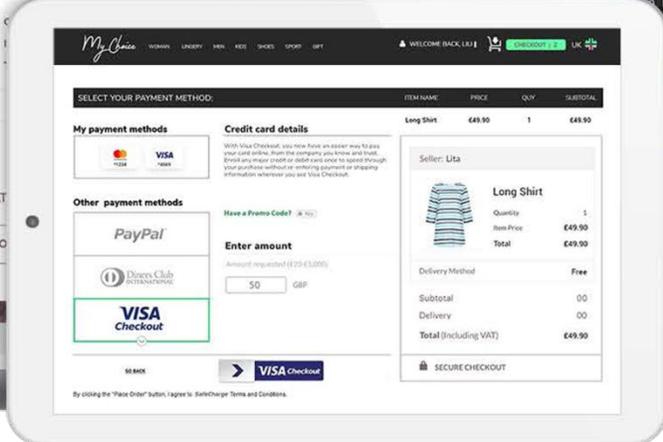


Mobile / In-App



eCommerce

Via API or Multi-Feature Cashier



In-Store

# Modular Architecture for Merchant Friendly “A La Carte” Service Offerings

## Nuvei Commerce Platform Use Cases

	Gateway Technology	Local Acquiring, Globally	Alternative Payments	Smart 3DS	Cashier and Checkout	Integrated FX Management	Reconciliation & Reporting	Value-added Services	Enhanced Chargeback Management
Gateway Technology Only	✓								
Multi-solutions	✓	✓			✓		✓		
	✓		✓	✓					✓
	✓	✓		✓		✓			
	✓				✓			✓	
One-stop Solution	✓	✓	✓	✓	✓	✓	✓	✓	✓

# Strategic Pillars

# 2

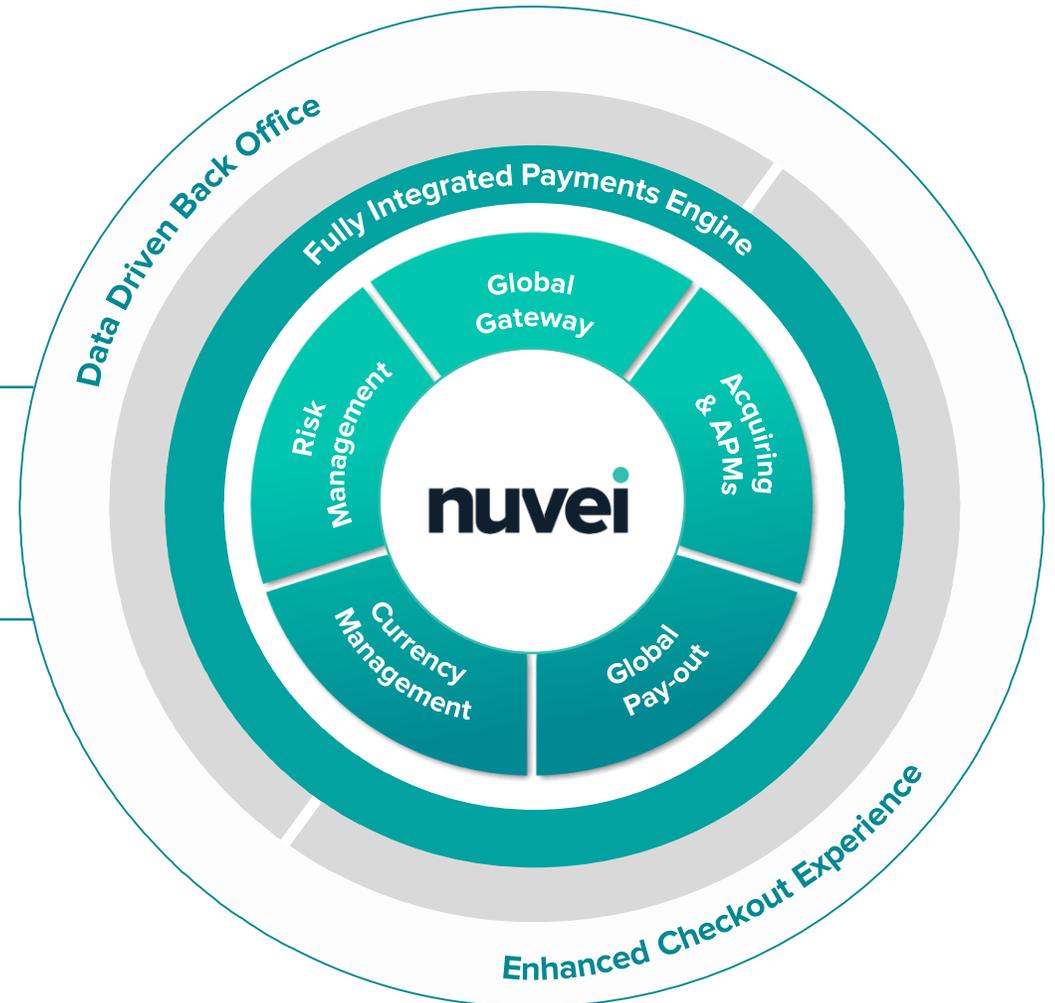
# One Integration to Our Nuvei Commerce Platform, A World of Opportunity

## Our strategic pillars

**GLOBALY CONNECTED**

**INNOVATIVE & FLEXIBLE**

**RELIABLE & SECURE**



# A Global Platform: Removing Payment Barriers Worldwide

## Seamless Merchant Experience Across Countries and Channels



**One Integration**



**One Relationship**

**Global Technology  
and Gateway**

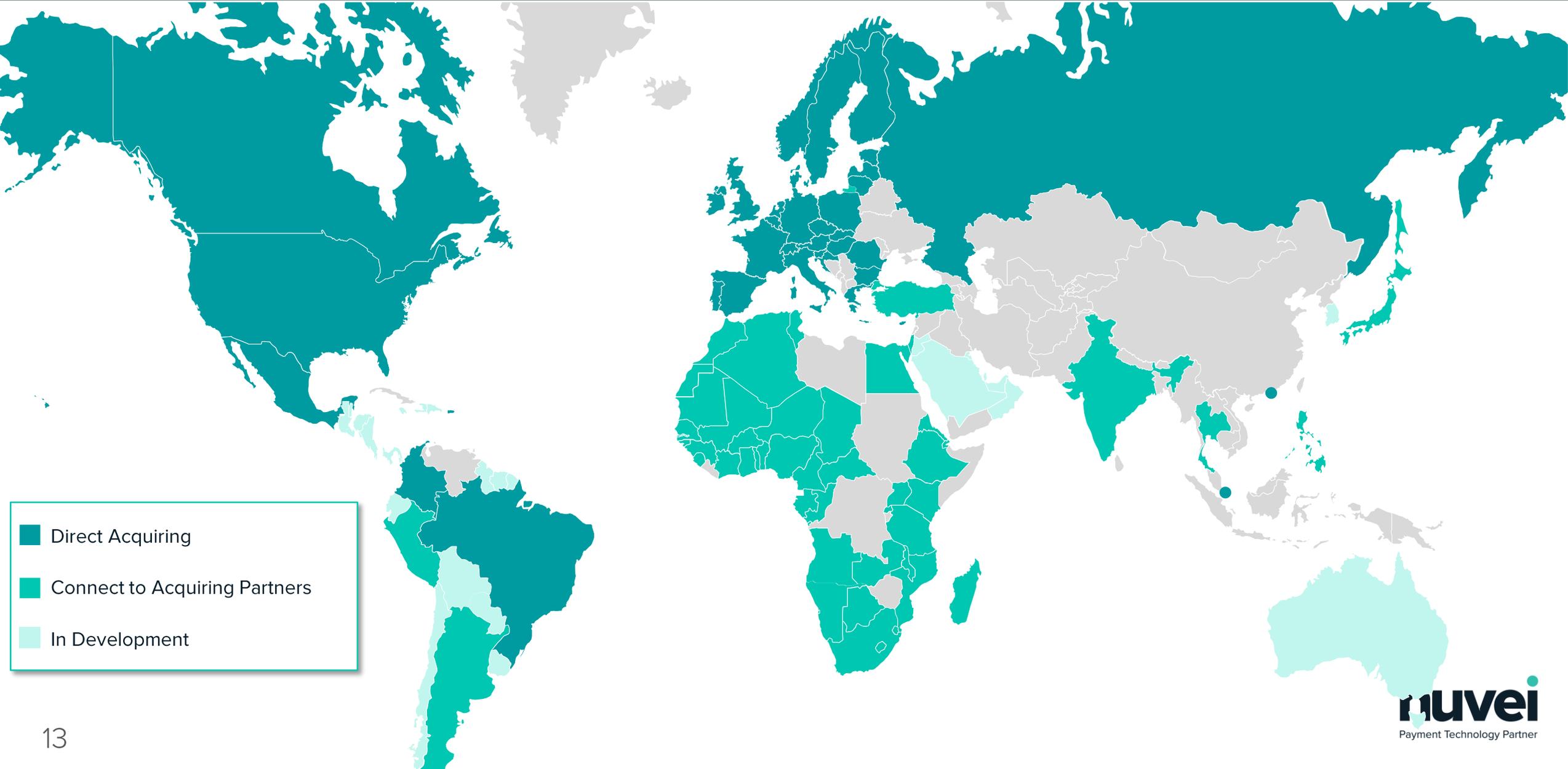
**Local Acquiring,  
Globally**

**Local & Alternative  
Payment Methods**

**Enhanced and  
Simplified  
Reconciliation**

**Integrated and  
Comprehensive  
FX Solutions**

# Local Acquiring on a Global Scale



# Accepting More Payment Types

## 455 Alternative and Local Payment Methods in ~150 Currencies



# Driving Frictionless Experiences With Our Pay-in Capabilities

## Acquirer Agnostic

Gateway supports connectivity to many independent acquirers

## Developer-Friendly APIs

Seamlessly integrate payments into desired consumer experience

## Cashier and Checkout

Embedded payment pages with deep customization, adhering to local compliance requirements

## Localization Tools

Preferred local payment method  
Local language and currency

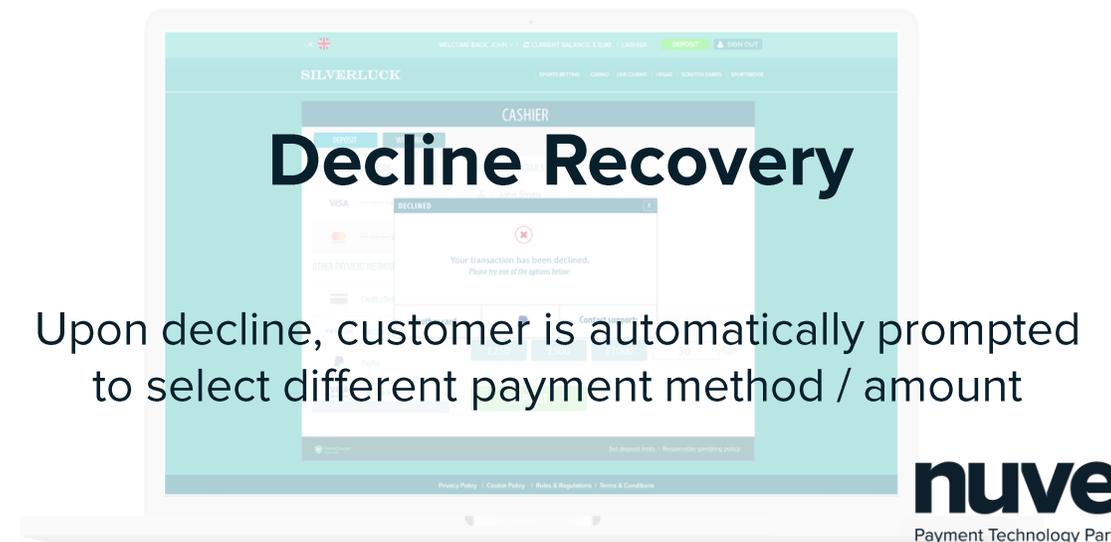
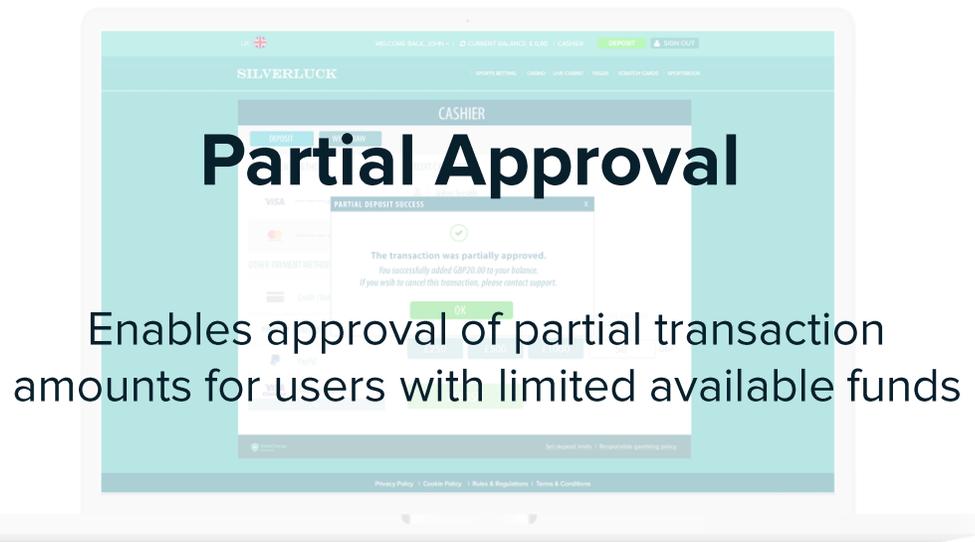
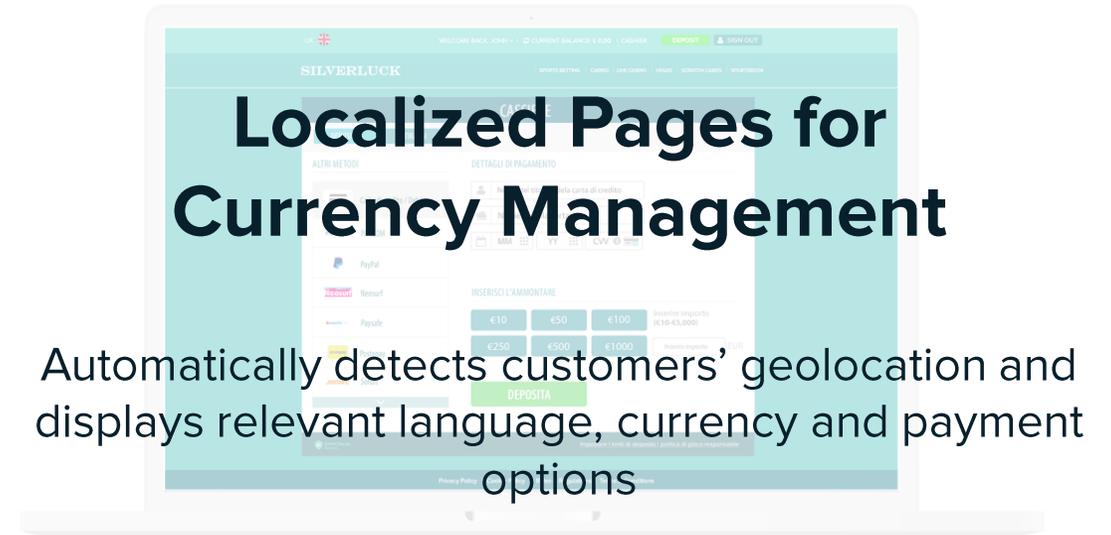
## Transaction Approval

Smart routing, partial approvals, decline recovery to optimize conversion rate

## One-Click Checkout

Merchant-agnostic global token facilitates seamless checkout

# Increasing Transaction Conversion and Approval Rates



# Supporting Global Pay-Outs

## Our Key Features

- **Automated global pay-outs in ~150 currencies and fast settlements on a global basis**
- **Split payment and management of fund transfers**
- **Net deposit feature facilitates AML compliance and fraud reduction**

## Growing Number of Critical Use Cases Across Verticals



Insurance Claim  
Disbursement



Cross-Border  
B2B Payments



Merchant  
Pay-Out



Gaming Winnings  
Disbursement



Payroll  
Disbursement

1



Merchant approves pay-out request (managed online)

2



Payee is notified and selects pay-out method and currency

3

**nuvei**

Nuvei processes request and validates the transaction

4



Nuvei transfers funds in selected currency to the selected payment method

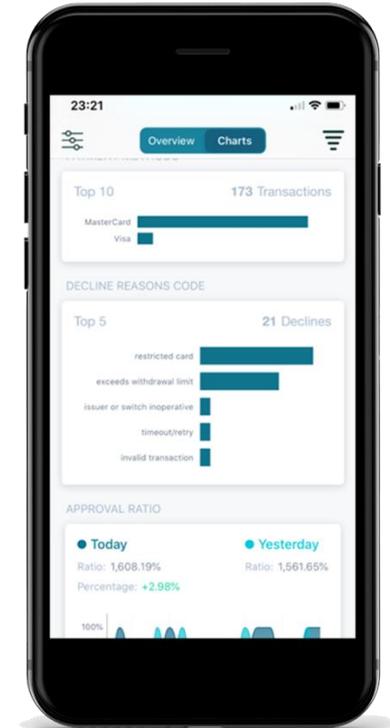
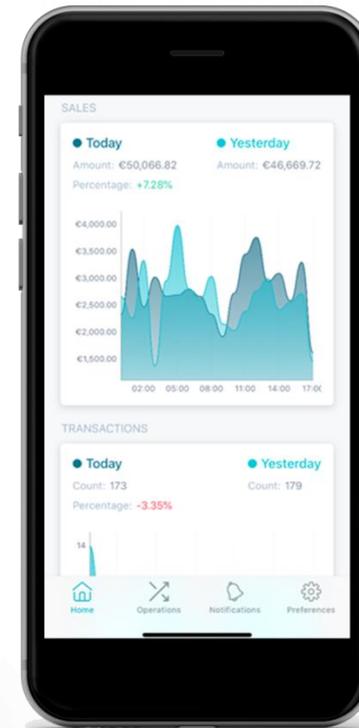
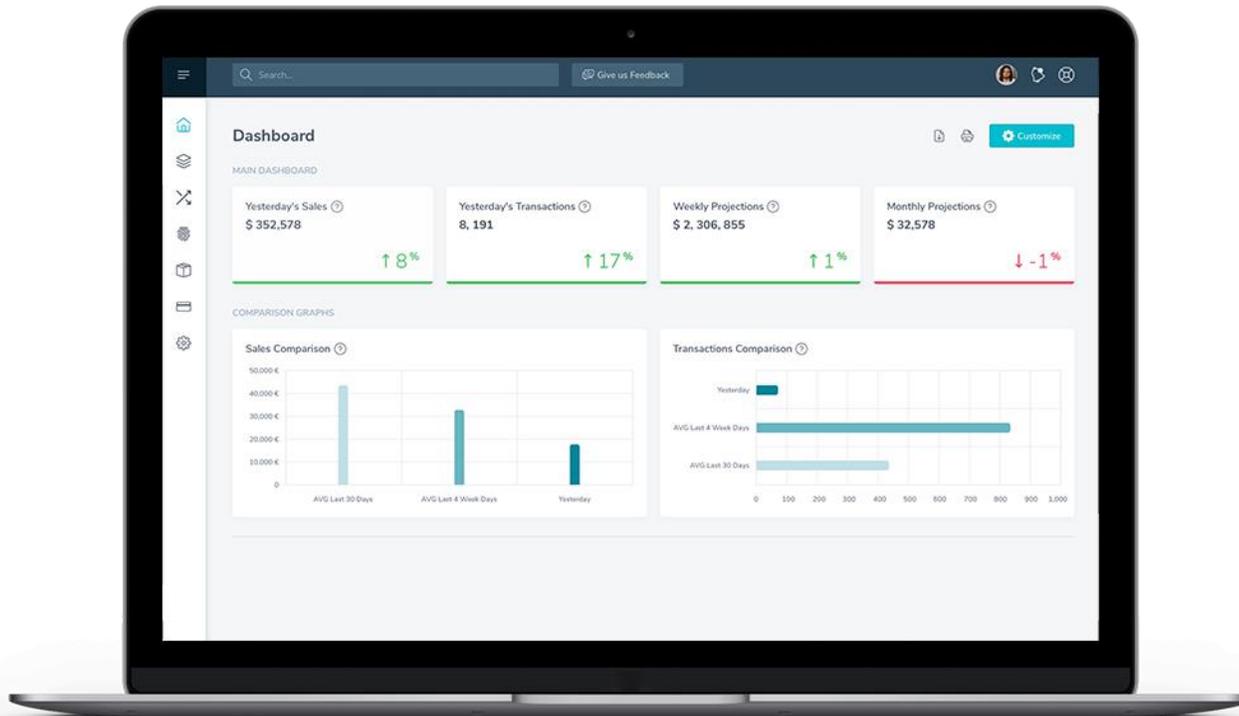
5



Payee receives funds almost immediately

# Providing Merchants and Partners with Data-Driven Back-Office Tools

Cloud-based, integrated and customizable reporting dashboard providing real-time access into transaction metrics and other business intelligence



Cost breakdown at transaction level details | Approval rate management | Pricing at specific volume tiers | Chargeback management | Analyze risk levels | Pay-out reconciliation

# Ensuring the Highest Level of Security and Compliance

## Integrated solutions that provide actionable fraud and risk intelligence



### Transaction risk management

Helping merchants reduce chargebacks and manage fraud



### Global token

Helping merchants comply with GDPR & reduce PCI scope



### Chargeback management

Streamlining a time-consuming and costly process for merchants



### Frictionless eKYC and AML checks

Enhancing compliance & transaction success rates while reducing costs



### Smart 3DS

Helping merchants comply with latest PSD2 regulations

# Go-To-Market Strategy

# 3

# Our Go-To-Market Strategy

## Direct Channel | Large Enterprises

- Fast-growing vertical-focused and regional sales teams headed by industry veterans
- Supported by sales engineers and account managers with vertical expertise
- New business in eCommerce nearly tripled in Q4'20
- Deep and growing merchant pipeline provides visibility well into 2021
- Direct channel represented approximately 70% of Q4'20 volume

## Indirect Channel | SMBs / Large Enterprises



## Strategic Platform Integrations



xt:Commerce



bit8



demandware



# Focus on High-Growth Verticals

## Three Key Criteria:

- Inherent Growth
- Longevity
- Propensity to Operate Globally

### Regulated Online Gaming



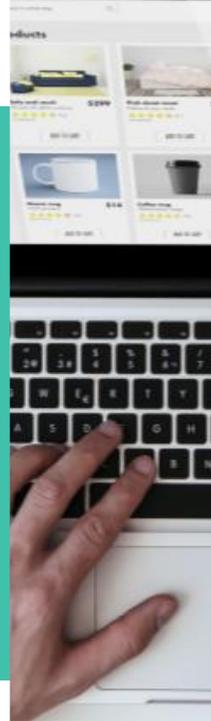
**\$174B / 16%**  
(2020E – 2027E)

### Social Gaming



**\$201B / 8%**  
(2019A – 2023E)

### Online Retail



**\$6.3T / 13%**  
(2019A – 2024E)

### Online Marketplaces



**\$7.3T / 27%**  
(2018A – 2024E)

### Digital Goods & Services



**\$4.1T / 8%**  
(2019A – 2024E)

### Regulated Financial Services



**\$187B / 6%**  
(2020E – 2025E)

### Travel



**\$1.1T / 13%**  
(2017A – 2023E)

## Sales TAM / CAGR

Note: Sales TAM size figures represent expected size at end of respective forecast period.

Sources: eMarketer, Grand View Research, Newzoo, IMARC Group, Statista, Market Research Future and management estimates on the basis of these and other industry reports.

# Executing on Multiple Growth Opportunities

## Expanding geographic footprint

Expanded connectivity coverage and added APMs in Latin America, South Africa, Korea and Japan

## New merchant growth

Investment in direct sales channel accelerated new client onboarding with record new business in Q4'20

Deep and growing pipeline adds momentum in 2021

## Product innovation

Enhanced proprietary authorization platform to comply with PSD2 requirements

Expanded pay-outs capabilities

Launched self-authorization processing in the U.S.

## M&A

Completed acquisitions of Smart2Pay and Base Commerce

Robust and active pipeline

# Financial Update

# 4

# How We Generate Revenue

## Gateway Technology

- Fees for gateway services
- Merchants are charged a per transaction fee

## Acquiring

- Fees for payment processing services
- Merchants are priced using a percentage of volume, per transaction fee, as well as other static fees

## Value-Added Services

- Fees for value-added services, such as analytics and insights monitoring
- Pricing depends on service which could be:
  - ✓ % based
  - ✓ fixed periodic; or
  - ✓ fixed transaction-based

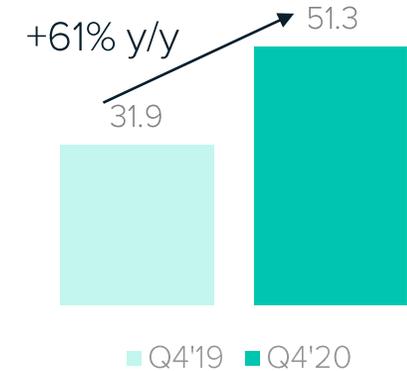
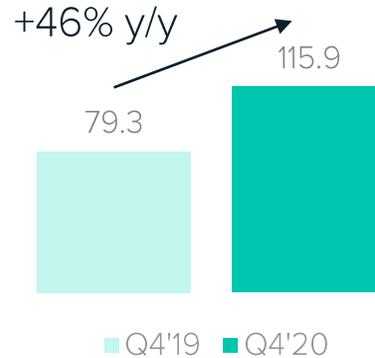
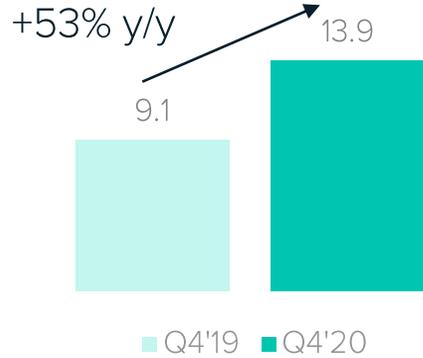
# Financial Highlights – Fourth Quarter 2020

## Total Volume\* (\$ billions)

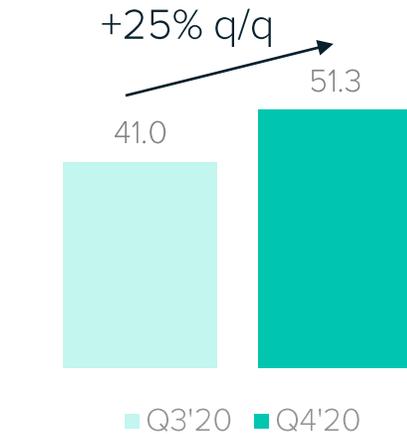
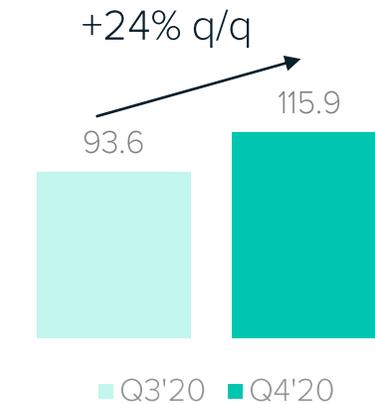
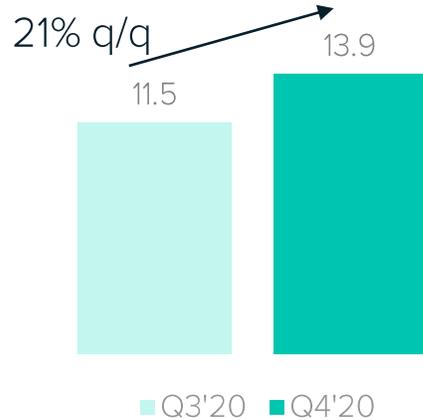
## Revenue (\$ millions)

## Adjusted EBITDA\*\* (\$ millions)

Year-over-year



Quarter-over-quarter

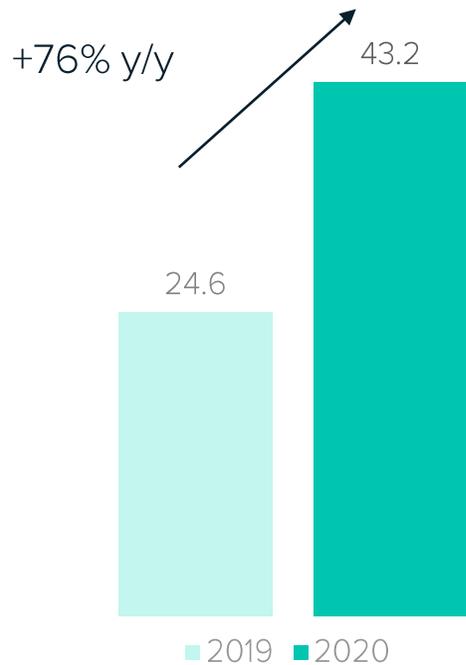


\*Total volume does not represent revenue earned by the Company, but rather the total dollar value of transactions processed by merchants under contractual agreement with the Company. Total volume is explained in further detail in the Company's most recent Management's Discussion and Analysis of Financial Condition and Results of Operations.

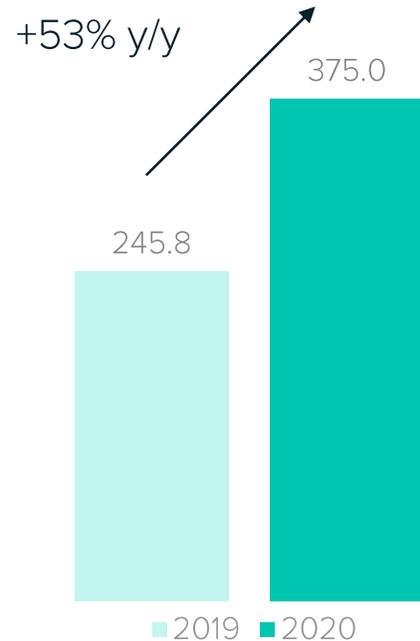
\*\*Adjusted EBITDA is a non-IFRS measure. Please find the reconciliation to the nearest IFRS measure in the Appendix.

# Financial Highlights – Full Year 2020

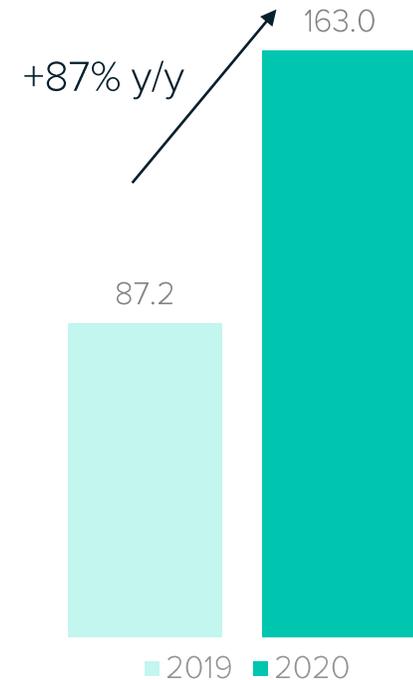
## Total Volume\* (\$ billions)



## Revenue (\$ millions)



## Adjusted EBITDA\*\* (\$ millions)



\*Total volume does not represent revenue earned by the Company, but rather the total dollar value of transactions processed by merchants under contractual agreement with the Company. Total volume is explained in further detail in the Company's most recent Management's Discussion and Analysis of Financial Condition and Results of Operations.

\*\*Adjusted EBITDA is a non-IFRS measure. Please find the reconciliation to the nearest IFRS measure in the Appendix.

# Financial Outlook

Nuvei anticipates Total volume\*, Revenue and Adjusted EBITDA\*\* to be in the following ranges:

(In U.S. dollars)	Three months ending March 31, 2021	Year ending December 31, 2021
Total volume* (billions)	\$19 - \$20	\$81 - \$87
Revenue (millions)	\$136 - \$142	\$570 - \$600
Adjusted EBITDA** (millions)	\$60 - \$63	\$252 - \$265

\*Total volume does not represent revenue earned by the Company, but rather the total dollar value of transactions processed by merchants under contractual agreement with the Company. Total volume is explained in further detail in the Company's most recent Management's Discussion and Analysis of Financial Condition and Results of Operations.

\*\* Adjusted EBITDA is a non-IFRS measure. See "Non-IFRS Measures".

# Appendix



# Consolidated Statements of Profit or Loss and Comprehensive Loss

(In thousands of U.S. dollars except for share and per share amounts)

	Three months ended December 31		Year ended December 31	
	2020	2019	2020	2019
	\$	\$	\$	\$
Revenue	115,881	79,327	375,046	245,816
Cost of revenue	23,519	13,075	69,255	40,758
<b>Gross profit</b>	<b>92,362</b>	<b>66,252</b>	<b>305,791</b>	<b>205,058</b>
Selling, general and administrative expenses	73,191	55,365	241,690	193,770
<b>Operating profit</b>	<b>19,171</b>	<b>10,887</b>	<b>64,101</b>	<b>11,288</b>
Finance income	(1,257)	(1,130)	(5,427)	(5,188)
Finance costs	(1,257)	19,254	170,111	90,640
Net finance costs	(2,514)	18,124	164,684	85,452
<b>Income (loss) before income tax</b>	<b>21,685</b>	<b>(7,237)</b>	<b>(100,583)</b>	<b>(74,164)</b>
Income tax expense (recovery)	(892)	(4,160)	3,087	(4,699)
<b>Net income (loss)</b>	<b>22,577</b>	<b>(3,077)</b>	<b>(103,670)</b>	<b>(69,465)</b>
<b>Other comprehensive income (loss)</b>				
Foreign operations – foreign currency translation differences	18,394	(10,068)	32,855	(9,225)
<b>Total comprehensive income (loss)</b>	<b>40,971</b>	<b>(13,145)</b>	<b>(70,815)</b>	<b>(78,690)</b>
<b>Net income (loss) attributable to:</b>				
Common shareholders of the Company	21,726	(3,587)	(106,230)	(70,502)
Non-controlling interest	851	510	2,560	1,037
	<b>22,577</b>	<b>(3,077)</b>	<b>(103,670)</b>	<b>(69,465)</b>
<b>Comprehensive income (loss) attributable to</b>				
Common shareholders of the Company	40,120	(13,655)	(73,375)	(79,727)
Non-controlling interest	851	510	2,560	1,037
	<b>40,971</b>	<b>(13,145)</b>	<b>(70,815)</b>	<b>(78,690)</b>
<b>Net income (loss) per share attributable to common shareholders of the Company - Basic and diluted</b>	<b>0.16</b>	<b>(0.05)</b>	<b>(1.08)</b>	<b>(1.15)</b>
<b>Weighted average number of common shares outstanding<sup>(a)</sup></b>				
Basic	135,837,128	75,751,716	98,681,060	61,483,675
Diluted	139,929,183	75,751,716	98,681,060	61,483,675

(a) The weighted average number of common shares outstanding previous to the IPO has been adjusted to take into consideration the Reorganization discussed in Note 17 of the Consolidated Financial Statements.

# Consolidated Statements of Financial Position

(In thousands of U.S. dollars)

	December 31, 2020	December 31, 2019
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash	180,722	60,072
Trade and other receivables	32,055	32,765
Inventory	80	709
Prepaid expenses	4,727	2,268
Income taxes receivables	6,690	-
Current portion of advances to third parties	8,520	8,901
Current portion of contract assets	1,587	1,720
Total current assets before segregated funds	234,381	106,435
Segregated funds	443,394	200,612
Total current assets	677,775	307,047
<b>Non-current assets</b>		
Advances to third parties	38,478	42,584
Property and equipment	16,537	15,272
Intangible assets	524,232	408,380
Goodwill	969,820	768,497
Contract assets	1,300	1,426
Processor deposits	13,898	12,478
Other non-current assets	1,944	3,088
<b>Total Assets</b>	<b>2,243,984</b>	<b>1,558,772</b>

(In thousands of U.S. dollars)

	December 31, 2020	December 31, 2019
	\$	\$
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	64,779	51,258
Income taxes payable	7,558	2,866
Current portion of loans and borrowings	2,527	2,874
Other current liabilities	7,132	9,875
Liability-classified common shares	-	58,262
Liability-classified preferred shares	-	39,967
Total current liabilities before due to merchants	81,996	165,102
Due to merchants	443,394	200,612
Total current liabilities	525,390	365,714
<b>Non-current liabilities</b>		
Loans and borrowings	212,726	722,166
Deferred tax liabilities	46,320	12,976
Other non-current liabilities	1,659	4,875
Unsecured convertible debentures due to shareholders	-	109,022
<b>Total Liabilities</b>	<b>786,095</b>	<b>1,214,753</b>
<b>Equity</b>		
<b>Equity attributable to shareholders</b>		
Share capital	1,625,785	450,523
Contributed surplus	11,966	1,603
Deficit	(211,042)	(104,812)
Accumulated other comprehensive income (loss)	22,470	(10,385)
	1,449,179	336,929
<b>Non-controlling interest</b>	8,710	7,090
<b>Total Equity</b>	<b>1,457,889</b>	<b>344,019</b>
<b>Total Liabilities and Equity</b>	<b>2,243,984</b>	<b>1,558,772</b>

# Consolidated Statements of Cash Flows

(in thousands of U.S. dollars)

	Year ended December 31	
	2020	2019
	\$	\$
<b>Cash flows from (used in) operating activities</b>		
Net loss	(103,670)	(69,465)
Adjustments for:		
Depreciation of property and equipment	5,121	3,682
Amortization of intangible assets	64,552	47,443
Amortization of contract assets	2,114	2,323
Share-based payments	10,407	994
Net finance costs	164,684	85,452
Impairment on disposal of a subsidiary	338	-
Write-down of inventory to net realizable value	513	134
Income tax expense (recovery)	3,087	(4,699)
Changes in non-cash working capital items	10,061	2,667
Interest paid	(43,788)	(43,197)
Net realized loss on foreign currency exchange	(5,937)	-
Income taxes paid	(14,223)	(2,629)
	93,259	22,705
<b>Cash flows from (used in) investing activities</b>		
Business acquisitions, net of cash acquired	(67,537)	(780,196)
Decrease (increase) in other non-current assets	(1,683)	1,158
Proceeds from the sale of a subsidiary, net of cash	19,045	-
Sale of equity investments	-	28,600
Net decrease (increase) in advances to third parties	9,401	(14,531)
Acquisition of property and equipment	(3,395)	(1,825)
Acquisition of intangible assets	(14,448)	(8,595)
	(58,617)	(775,389)

(in thousands of U.S. dollars)

	Year ended December 31	
	2020	2019
	\$	\$
<b>Cash flows from (used in) financing activities</b>		
Transaction costs related to loans and borrowings	(3,380)	(28,833)
Repayment of unsecured convertible debentures due to shareholders	(93,384)	(100,500)
Issuance of Subordinate Voting Shares	758,447	-
Equity issuance fees	(42,966)	-
Issuance of common shares	150	187,295
Proceeds from loans and borrowings	110,000	629,509
Repayment of loans and borrowings	(642,786)	(157,496)
Payment of lease liabilities	(946)	(939)
Dividend paid to non controlling interest	(940)	(360)
Redemption of preferred shares	-	(2,299)
Issuance of preferred shares	-	81,240
Issuance of unsecured convertible debentures due to shareholders	-	199,000
	84,195	806,617
<b>Effect of movements in exchange rates on cash</b>	1,813	69
<b>Net increase in cash</b>	120,650	54,002
<b>Cash – Beginning of year</b>	60,072	6,070
<b>Cash – End of year</b>	180,722	60,072

# Reconciliation from IFRS to Non-IFRS Results – Adjusted EBITDA

	Three months ended December 31		Year ended December 31	
	2020	2019	2020	2019
(in thousands of U.S. dollars)	\$	\$	\$	\$
<b>Net income (loss)</b>	<b>22,577</b>	<b>(3,077)</b>	<b>(103,670)</b>	<b>(69,465)</b>
Finance cost (recovery)	(1,257)	19,254	170,111	90,640
Finance income	(1,257)	(1,130)	(5,427)	(5,188)
Depreciation and amortization	18,410	17,041	69,673	51,125
Income tax expense (recovery)	(892)	(4,160)	3,087	(4,699)
Acquisition, integration and severance costs <sup>(a)</sup>	4,673	2,785	9,970	19,914
Share-based payments <sup>(b)</sup>	3,200	227	10,407	994
Net loss (gain) on foreign currency exchange <sup>(c)</sup>	4,780	1,018	7,898	3,620
Legal settlement costs and other <sup>(d)</sup>	1,079	(16)	933	259
<b>Adjusted EBITDA<sup>(e)</sup></b>	<b>51,313</b>	<b>31,942</b>	<b>162,982</b>	<b>87,200</b>
Advance from third party - merchant residual received <sup>(f)</sup>	2,946	4,303	12,469	11,671

a. These expenses relate to:

- i. professional, legal, consulting, accounting and other fees and expenses related to our acquisition activities and financing activities during the period and our IPO, which were \$5,669 and \$10,852 for the three months and year ended December 31, 2020, respectively (December 31, 2019 - \$2,328 and \$19,881, respectively). These costs are presented in the professional fees line item of selling, general and administrative expenses.
- ii. acquisition-related compensation, which was \$80 and \$803 for the three months and year ended December 31, 2020, respectively (December 31, 2019 - \$241 and \$964, respectively). These costs are presented in the employee compensation line item of selling, general and administrative expenses.
- iii. change in deferred purchase consideration for previously acquired businesses, which was a gain of \$1,200 and \$2,470 for the three months and year ended December 31, 2020, respectively (December 31, 2019 - \$117 and \$2,415, respectively). These adjustments are presented in the contingent consideration adjustment line item of selling, general and administrative expenses.
- iv. severances, which were \$121 and \$741 for the three months and year ended December 31, 2020, respectively (December 31, 2019 - \$296 and \$1,187, respectively), and integration expenses. Severance costs are presented in the employee compensation line item of selling, general and administrative expenses.

b. These expenses represent non-cash expenses recognized in connection with stock options and other awards issued under share-based plans.

c. This includes losses on foreign currency exchange included in selling, general and administration expenses.

d. This line item primarily represents legal settlements and associated legal costs reached outside of the normal course of business, which were \$203 and \$589 for the three months and year ended December 31, 2020 (December 31, 2019 - \$292 and \$716), as well as non-cash gains, losses and provisions and certain other costs. These costs are presented in the other line item of the selling, general and administrative expenses.

e. Adjusted EBITDA is a non-IFRS measure that the Company uses to assess its operating performance and cash flows.

f. Commencing in 2018, the Company entered into various agreements with a single third-party independent sales organization to acquire the rights to future cash flows from a portfolio of merchant contracts.

# Reconciliation from IFRS to Non-IFRS Results – Adjusted Net Income

(in thousands of U.S. dollars except for per share amounts)

	Three months ended December 31		Year ended December 31	
	2020 \$	2019 \$	2020 \$	2019 \$
<b>Net income (loss)</b>	<b>22,577</b>	<b>(3,077)</b>	<b>(103,670)</b>	<b>(69,465)</b>
Change in redemption value of liability-classified common and preferred shares <sup>(a)</sup>	-	3,616	76,438	41,744
Accelerated amortization of deferred transaction costs / loss on debt modification <sup>(b)</sup>	-	-	24,491	4,830
Amortization of acquisition-related intangible assets <sup>(c)</sup>	16,008	14,612	59,219	42,846
Acquisition, integration and severance costs <sup>(d)</sup>	4,673	2,785	9,970	19,914
Share-based payments <sup>(e)</sup>	3,200	227	10,407	994
Net loss (gain) on foreign currency exchange <sup>(f)</sup>	1,029	(10,725)	18,918	(11,680)
Legal settlement costs and other <sup>(g)</sup>	1,079	(16)	933	259
Adjustments	25,989	10,499	200,376	98,907
Income tax expense related to adjustments <sup>(h)</sup>	(2,074)	(2,058)	(7,720)	(7,096)
<b>Adjusted net income (loss)<sup>(i)</sup></b>	<b>46,492</b>	<b>5,364</b>	<b>88,986</b>	<b>22,346</b>
<b>Adjusted net income per share attributable to common shareholders of the Company<sup>(j)</sup></b>				
Basic	0.34	0.06	0.88	0.35
Diluted	0.33	0.06	0.84	0.33

a. This line item represents change in redemption value related to shares classified as liabilities prior to the IPO. As part of the IPO, the shares were converted into equity as Subordinate Voting Shares. These expenses are included in finance costs.

b. With the repayment of long-term debt from the IPO proceeds, the associated deferred transaction costs were recognized in finance costs on an accelerated pro-rata basis. Additionally, in 2019 a loss on debt modification was recognized because of the incremental debt taken to fund the SafeCharge acquisition.

c. This line item relates to amortization expense taken on intangible assets created from the purchase price adjustment process on acquired companies and businesses and from the acquisition of all the outstanding shares of Pivotal Holdings Ltd. by Nuvei in September 2017, and excludes amortization expense related to capitalized development costs incurred in the normal course of operations.

d. These expenses relate to

i. professional, legal, consulting, accounting and other fees and expenses related to our acquisition activities and financing activities during the period and our IPO, which were \$5,669 and \$10,852 for the three months and year ended December 31, 2020, respectively (December 31, 2019 - \$2,328 and \$19,881, respectively). These costs are presented in the professional fees line item of selling, general and administrative expenses.

ii. acquisition-related compensation, which was \$80 and \$803 for the three months and year ended December 31, 2020, respectively (December 31, 2019 - \$241 and \$964, respectively). These costs are presented in the employee compensation line item of selling, general and administrative

iii. change in deferred purchase consideration for previously acquired businesses, which was a gain of \$1,200 and \$2,470 for the three months and year ended December 31, 2020, respectively (December 31, 2019 - \$117 and \$2,415, respectively). These adjustments are presented in the contingent consideration adjustment line item of selling, general and administrative expenses.

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e. These expenses represent non-cash expenses recognized in connection with stock options and other awards issued under share-based plans.

f. This includes gains or losses on foreign currency exchange included in finance costs and selling, general and administrative expenses.

g. This line item primarily represents legal settlements and associated legal costs reached outside of the normal course of business, which were \$203 and \$589 for the three months and year ended December 31, 2020 (December 31, 2019 - \$292 and \$716), as well as non-cash gains, losses and provisions and certain other costs. These costs are presented in the other line item of the selling, general and administrative expenses.

h. This line item reflects income tax expense on taxable adjustments using the tax rate of the applicable jurisdiction.

i. Adjusted net income is a non-IFRS measure that the Company uses to further assess its operating performance.

j. Adjusted net income per diluted share is calculated using stock options outstanding at the end of each period on a fully diluted basis if they were in-the-money at that time.



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