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Nuvei Corp. (NVEI.CA)

Q4 2021 Earnings Call

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MANAGEMENT DISCUSSION SECTION

Operator: Good morning, ladies and gentlemen, and thank you for standing by. Welcome to Nuvei Corporation's Fourth Quarter 2021 Earnings Call. As a reminder, this conference call is being recorded.

I'll now turn the conference over to Anthony Gerstein, Vice President and Head of Investor Relations for Nuvei. Please go ahead, sir.

Anthony Gerstein

Vice President & Head-Investor Relations, Nuvei Corp.

Thank you, operator, and good morning, everyone, and thank you for joining us. With me today are Philip Fayer, Chair and CEO; and David Schwartz, CFO. As a reminder, this conference call is being recorded and webcast and is copyrighted property of Nuvei, and rebroadcast of this information in whole or in part without written consent of Nuvei is prohibited.

This morning, Nuvei issued a press release announcing financial results for the three-month period and full year ended December 31, 2021. The release, as well as an accompanying presentation, is available in the Investor Relations section of the company's website, nuvei.com, under Events & Presentations.

During this call, we may make certain forward-looking statements within the meaning of the applicable securities laws. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the business or developments in Nuvei's industry could

differ materially from anticipated results, performance achievements and developments expressed or implied by such forward-looking statements.

Information about these factors that could cause actual results to differ materially from anticipated results or performance can be found in Nuvei's filings with the Canadian Securities Regulatory Authority and on the company's website.

Our discussion today will include non-IFRS measures including adjusted EBITDA, adjusted net income, adjusted net income per share, and free cash flow. Management believes non-IFRS results are useful in order to enhance our understanding of our ongoing performance, but they are not supplement to and should not be considered in isolation from or as a substitute for IFRS financial measures. Reconciliation of these measures to IFRS measures is available in our earnings release and MD&A. We'll open up the call to your questions after our prepared remarks.

With that, I'll now turn the call over to Phil.

Philip Fayer

Chairman & Chief Executive Officer, Nuvei Corp.

Thanks, Anthony, and thank you, everyone, for joining us today. We had an excellent fourth quarter delivering results ahead of our outlook and capping off an exceptional year in which we advanced our strategic initiatives while achieving an unprecedented number of milestones along the way. For the fourth quarter, total volume increased 127%, revenue increased 83%, and adjusted EBITDA increased 78% year-over-year.

For the full year 2021, total volume increased 121%, revenue increased 93%, and adjusted EBITDA reached 95% year-over-year. On organic revenue basis, which excludes revenue from acquisitions completed in the trailing 12-month period, increased 55% and 61% for the fourth quarter and full year, respectively. Our net revenue retention rate was 146% for the 12 months ended December 31, 2021.

Our consistent revenue growth profile, combined with our exceptional free cash flow generation and strong balance sheet, is class leading in our opinion when comparing Nuvei to many other fintech companies. We have made tremendous progress transforming the company into a leading global payments platform. Most importantly, our TAM is large and growing, and we saw so much opportunity ahead of us.

To continue to accelerate our momentum, we've announced several promotions and leadership changes across our organization. First, we've appointed Yuval Ziv to President of Nuvei, a newly created global role. Yuval has been with the Nuvei group of companies for the past 15 years, and his leadership and experience are invaluable. He leads worldwide product, sales, marketing, client engagement and AI. We've also promoted Praful Morar who joined the company in 2014 as Chief Strategy Officer to Nuvei's Global Expansion Officer. Praful has moved to Singapore and is responsible for driving Nuvei international growth in target markets across Asia Pacific, the Middle East, and North Africa.

Third, we've appointed Netanel Kabala, a co-founder of Simplex who joined through our acquisition of Simplex last September to Chief Data and Analytics Officer as we continue to grow our data-led services. I also want to welcome all 75 of our new teammates who joined us in the fourth quarter from around the world. We're excited to have you as part of the Nuvei family which totaled 1,368 at December 31, 2021.

We remain steadfast in our mission to make the world a local marketplace by growing our modern, scalable, modular technology with our key growth pillars, namely expanding our geographic reach, growing with our

existing customers, accelerate new client wins, and finally exploring inorganic opportunities that drive further value to our customers.

As you know, our focused verticals each have inherent growth, longevity, and a propensity to operate globally. Our technology and expanded geographic reach is helping win customers in all our core verticals which include regulated online gaming, social gaming, online retail, digital goods and services, financial services, travel and now digital assets and cryptocurrencies. We're excited about the progress we're making across all verticals, and in our earnings supplement and press release today, we are providing a one-time disclosure which includes showing revenue contribution and growth by vertical for the full year 2021.

While we have historically discussed concentration by vertical in terms of gross profit dollars which continues to be no more than approximately 21% for any given vertical, our additional disclosures provided today focus on revenue to remain consistent across all one-time disclosures. As you'll be able to see, Nuvei is experiencing momentum across all verticals, but we are especially pleased with the progress we're making in our focused global verticals.

At our core, we are a technology company, we're a payment innovator driving real-world solutions that make a material difference to our customers' businesses. What's crucial to understand is that our modern, scalable, modular technology stack addresses the needs of our customers with an unprecedented number of solutions offered uniquely as modules, a la carte that go far beyond acquiring. Our technology stack has been purpose-built from the ground up by our nearly 500 software engineers and product experts supporting our exceptional growth. Having our own acquiring licenses in multiple jurisdictions, principal membership with the card schemes and our own processing platform allows us to dictate our own roadmap and is the primary reason we have been able to successfully accelerate our product innovations. In fact, we are one of the few truly global payment platforms to-date.

Available a la carte as modules, our platform offers our customers incredible flexibility as they look to simplify efficient technologies, consolidate global vendors, and streamline their back office functions while achieving cost and operating synergies. While we intend to impact these modules and respective features in detail at our upcoming Capital Markets Day, I thought it important to highlight a few key modules. The journey begins with the flexibility of our API solutions, allowing our customers to connect to our platform for their global operations, supporting in-app, online, and soon in-store customer engagements, or preferably our customers can elect to use our local cashier simplifying global commerce and instantly offering our entire tool kit while rescoping PCI burden.

Once integrated, our clients can use our solutions as is appropriate for their business model. And this could include our advanced authentication tools to comply with enhanced customer authentication mandates around the world available as plug-ins, meaning that our authentication tools are available in conjunction with any third-party acquirer. Our global payment gateway which offers payment orchestration and connectivity to over 200 markets around the world. Our single global processing platform connected directly with the card schemes. Our local acquiring now offered in 46 markets globally with simplified onboarding and contracting. Our open banking payments for faster SEPA and instant SEPA in Europe, faster payments in the UK, and same-day ACH in RTP in the US. Our more than 530 alternative payment methods including cryptocurrency acceptance. Our instant payout solutions across multiple payment mediums. Our risk-as-a-service enabling transaction scoring, mitigation, and now full guarantee on both ACH and card acquiring. Our debit and very soon prepaid card issuing. Our advance currency management solutions to help localize product offerings. Our rich data reporting to enhance business intelligence. Our extensive reconciliation tools to streamline back office functions across all regions. Our on- and off-ramp solutions for cryptocurrencies, NFTs, and DeFi, supporting over 109 different coins via 89 different fiat currencies in addition to a long list of value-added capabilities that build deep moats with our customers.

And while the list is long, I thought it worthwhile to highlight our native commerce platforms, which includes all key components that our customers require to operate globally. Each individual module has its own independent addressable market and that's why you can't simply compare acquiring only peers to Nuvei as our modules expand our [ph] TAM (00:10:07) and differentiate Nuvei from additional and legacy acquirers. And remember, to enable all this functionality, customers would need multiple vendors per country, resulting in increased cost, complexity, inefficiencies which would impact their flexibility and ultimately hinder their growth opportunities.

Providing all these services is why we win. For example, combining risk-as-a-service, acquiring, and payouts simplifies experience for both our customer and their customers as we manage the complete risk-free process of pay-ins regardless of payment medium. Reconciliation, drive real-time payouts to our customers' customer and net settle to our customer eliminating back office workload, allowing our customers to focus on what's important, growing their business. So, while each module can be consumed individually, combining them together creates an incredibly powerful offering to our customers, their customers and Nuvei.

We believe our approach to offering solutions as individual modules provides greater flexibility and allows us to engage with customers based on their specific needs at the time of onboarding and [ph] grow (00:11:14) with them as their needs and requirements change. It's a foundation to our land-and-expand strategy and when drives our net revenue retention rate, which I'll highlight in a moment.

We've broken our processing revenue into acquiring and modular technology revenue to help you appreciate the breadth of our technology and the relevant contribution to our growth trajectory. For the full year 2021, acquiring represented approximately 62% of total revenue, an increase of 73% from the prior year, while modular technology revenue represented 38% of total revenue, increasing 138% from the prior year, nearly twice the rate of acquiring. Because of our modular technology and its significance to our success, you can see why comparing Nuvei to other acquirers is simply not accurate in our view. Most importantly, we're not standing still as our pace of innovation is accelerating.

At the same time, our technology is scalable. In 2021, our transaction count grew 77% from 2020. Breaking it down one level deeper, credit card transactions increased 51%, debit card transactions increased 21%, and alternative payment methods increased 286%. Furthermore, we have ample capacity to continue processing significantly more going forward. And because our technology is fully proprietary, we customize our solutions to any customer, vertical and geography. This flexibility is paramount as we continue scaling and growing our customer base around the world.

The takeaway here is that Nuvei's technology is really second to none in our opinion. Unlike other global payment providers including Adyen and Stripe, we believe customers prefer our flexibility in our modular offering. We are one of the few leading global payment solution providers with this depth of capabilities, which is driving our overall performance and showing up in our new customer wins which I'll address momentarily.

I'll now walk you through our growth pillars in greater detail to help you appreciate our focus, momentum and growth trajectory. I'd also describe how we expand our TAM and explain why we are so confident in our outlook for this year and beyond. First, let's talk about geographic expansion. Many of our customers may be expanding country to country, growing not only in one market but in many markets around the world. As we enable more geographies, it allows our customers to seamlessly and immediately access those markets via their existing integration into Nuvei, and this is where we absolutely shine. We normalize customer experiences from market to market, so they could focus on growing their business. And coupled with our single integration, as we enable more countries, our clients can activate them without any technical integration whatsoever.

Today, we offer connectivity in over 200 markets, making sure our platform can support our clients everywhere they want to be. Additionally, we now offer local acquiring in 46 markets with simplified onboarding, contracting, client services, and standardized reporting.

As part of our geographic expansion strategy, we also continuously seek payment institution licenses, card association memberships, and acquiring licenses in order to better support our customers. We have obtained our Visa license in both Hong Kong and Singapore. We continue to focus both in Asia and LATAM to expand our self-acquiring. As this occurs, it allows us to increase our capabilities for providing gateway or routing [indiscernible] (00:14:55) to provide full-stack end-to-end offering. This strategy, in unison with our technology, is another key pillar to driving our impressive NRR.

Embedded in our geographic expansion is a changing regulatory framework around the world in certain key focus verticals. As you know, we believe we are in the very early days of online gaming and sports betting, not just in the United States, but also in Canada and hopefully soon in Brazil. We're executing well in these markets, and our momentum in the US has been accelerating. In 2021, we launched our global payment business unit in North America and significantly enhanced our capabilities in LATAM with the acquisition of Paymentez. Today, we have commercial teams across both regions, and coupled with key product launches, we now support most of our modular offerings in both geographies, dramatically expanding our TAM in 2020. And naturally, we are not stopping there. Our mission is to make the world a local marketplace and while we are focused on scaling in our current regions, we're also excited about meaningfully expanding our presence in key Asian markets. For perspective, looking at our revenue by region, for the full year 2021, EMEA, North America, LATAM and APAC represent approximately 54%, 42%, 3% and 1% of revenue, respectively. And from a growth perspective, EMEA, North America, LATAM and APAC all increase 123%, 64%, 112%, and 16%, respectively.

Our second growth pillar is growing with our customers. And when you bring it all together, approximately 80% of our growth in 2021 came from capturing greater wallet share from our existing customers. And these are driven by changing consumer behavior, advancing regulatory frameworks, our customers own growth trajectory, our technology and our new geographies. This is best reflected in our overall net revenue retention rate of 146% for the 12 months ended December 31, 2021. What's most interesting and compelling is that when you unpack it further, you'll see that our global e-commerce direct channel had an NRR of 179%, which is a true testament to the success of our investment in this channel.

Our global e-commerce direct channel is the largest in terms of revenue contribution and is growing the fastest. By contrast, our North American small business portfolio and our e-commerce reseller channels are slower growth and a smaller part of our revenue. Naturally, as our global e-commerce direct channel continues to expand, so too will our growth. With our new geographic capabilities in North America and LATAM, we feel there remains a significant opportunity to cross-sell within our current customer base, and we're starting to see this with some of our existing gaming customers who are entering the US and Canadian markets for example.

The next growth pillar is winning new customers. As you may recall, we have frequently spoken about being under-distributed, and we've since been accelerating our investments and expanding our direct commercial teams globally. We've done this because the complexity, the breadth of our technology, and the types of customers we are targeting in addition to its global nature simply requires a direct sales force. Our investments are yielding exceptional results with so much more to come. Our objective remains to be local to our customers around the world and remain focused on continually expanding our sales force in every region to make sure we have global coverage.

We manage our commercial teams by having regionally vertically focused sales teams that are in country, in time zone, and in language supported by a team of local solutions engineers, integration specialists, and account managers. This white glove service is crucial to building relationships with our customers given the complexity and importance of the challenges we are solving for them, and the sophistication and capabilities of our leading technology.

Looking back, we started with a commercial team of about 10 salespeople and have now expanded to more than 100 at the end of 2021 with a target of multiplying again in the coming years, mostly as a result of our expanded TAM opportunities as I mentioned earlier. In 2020, new in-year customers generated \$42 million in revenue. This cohort subsequently grew in 2021 to more than \$190 million. In 2021, new in-year customers represent an excess of \$71 million which represents a 69% increase in new business compared to 2020.

You can appreciate that the 2021 core is expected to significantly grow in 2022. And our momentum continues as we see exceptional depth in our pipeline. We are engaged with the [indiscernible] (00:19:48) across all our key verticals and geographies. We're expecting a very strong performance in this area in 2022.

Alongside our investment in direct sales is our increased investment in marketing. For perspective, we're increasing our marketing spend in 2022 by up to approximately \$20 million compared to 2021. We expect this investment to yield greater brand awareness with the objective of ensuring Nuvei is associated with other global providers. The increased marketing spend is fully considered in our adjusted EBITDA outlook for the year.

Remember, our land-and-expand strategy is also relevant to new sales and allows us to engage with customers around the flexibility of our modular technology offerings, which means Nuvei can build relationships with customers and grow with them accordingly.

Turning now to our last strategic growth pillar which is M&A. We don't do acquisitions simply to buy short-term revenue growth. Rather, our acquisition strategy follows three strict criteria as we look at adding new geographies, new capabilities and/or scale to support our long-term growth. We completed four acquisitions in 2021 – Base Commerce, Mazooma, Simplex, and Paymentez – and we are pleased with how all these acquisitions are performing. What's most exciting is that each one of these early stage businesses strengthens our technology and sales proposition, bringing additional growth opportunities and capabilities to our platform for the long term.

For 2021, we reported revenues from these four acquisitions of approximately \$73 million, representing approximately 10% of our revenue. Going forward, our exceptionally strong balance sheet and low leverage provides optionality and flexibility as we continue exploring future opportunities.

With additional one-time disclosures today and the double click into our growth pillars, you should have a much better understanding as to why we are unique when compared to others in this space and appreciate why we're so excited about our future. We're also looking forward to sharing even more detail with you at our upcoming Capital Markets Day later this month.

This morning, we are announcing that the board has authorized a share repurchase program pursuant to which Nuvei can purchase in open periods in one or more transactions and at its discretion up to approximately 6.6 million subordinate voting shares over the 12-month period which represents approximately 10% of the public float. The NCIB does not obligate Nuvei to acquire a specific dollar amount or number of shares and may be extended, modified or discontinued any time.

Also this morning, we're introducing our financial outlook for the first quarter and full year 2022, which Dave will walk you through in greater detail. We are also reiterating the medium and long-term targets previously provided of total volume and revenue growth in excess of 30% annually in the medium term and adjusted EBITDA margins greater than 50% over the longer term.

Before turning it over to Dave, I want to briefly touch on the tragic events in Ukraine. Our thoughts are with the innocent people of Ukraine. As it relates to our business, we are of course complying with all global sanctions and confirm that our exposure there is negligible. We've also announced that we will match any and all employee donations to any accredited charity supporting Ukraine up to a total of \$500,000. Furthermore, I've extended our global HR teams to help our employees across neighboring countries to ensure theirs and their family's safety.

Finally, I want to recognize all the fabulous and hard work of all of our employees who contribute to Nuvei success each and every day. Your commitment is invaluable and it's a privilege to have you all the shareholders to our global LTIP program, which we introduced companywide in November. We also recently implemented a policy that each time we beat our outlook, our employees receive an additional 2.5 days' vacation. You guys are rock stars, and I'm grateful for your dedication and contribution to our mutual success.

In closing, I'll reiterate how pleased I am with our results and the progress we are making across the entire company. I love where we sit as a company today, and I've never been more confident and optimistic about our future.

With that, I'm going to turn it over to Dave to discuss the financials and our financial outlook for 2022.

David S. Schwartz

Chief Financial Officer, Nuvei Corp.

Thanks, Phil, and good morning, everyone. Let me start with what we believe to be the four key financial takeaways from our fourth quarter. As a result of the power of our platform, we grew revenue year-over-year by 83%, and on an organic basis, this translates to revenue growth of 55%. Our scalable operating model drove adjusted EBITDA margin of 43% and generated free cash flow of \$82 million. As you can see, we had another great quarter.

Now, let me get into the details. In addition to the four key takeaways, the fourth quarter represented some new milestones for Nuvei. Notably, it's the first time the total volume exceeded \$30 billion and revenue exceeded \$200 million in a given quarter. More specifically, total volume increased 127% to \$31.5 billion and was above the top of our outlook range of between \$25.5 billion and \$26.5 billion. The variance versus our outlook is in part due to certain recent large wins in the government and charitable services sector, which also tend to have higher volume in Q4.

For the quarter, revenue increased by 83% to \$212 million compared to our previously provided outlook range of between \$204 million and \$210 million. Organic revenue, which excludes revenue attributable to acquired businesses for a period of 12 months following our acquisition and excluding revenue attributable to divested businesses, was \$179 million, representing 85% of our revenue and which grew by 55%. Previously, we presented different adjusted revenue non-IFRS measures, but as we continue to execute on our acquisition strategy and align with other companies in our industry, we believe organic revenue and organic revenue growth best portrays our organic growth and presents more useful information about comparable growth in the period.

Take rate in the fourth quarter was lower due to high ticket transactions such as property tax payments and charitable donations relating to the new client wins I just mentioned. In many cases, especially for property taxes,

the fees charged are typically fixed transaction fees. Therefore, these transactions have a lower yield. However, as we've stated in the past, our focus is on meeting the needs of our customers and driving incremental gross profit dollars through our land-and-expand approach.

Gross margin in the fourth quarter was 76.8% compared to 79.7% in the fourth quarter of 2020. The change in gross margin is primarily as a result of the inclusion of certain acquisitions which have a higher associated cost of revenue. In terms of gross profit for the quarter, we generated \$163 million, which represents more than a \$70 million increase as compared to the prior year period.

Selling, general and administrative expenses increased by \$72 million as a result of both organic and inorganic growth. The largest contributor to the increase in SG&A was share-based payments which increased by \$30 million primarily due to awards to employees who joined Nuvei as part of the acquisitions completed during the third quarter and other employee grants made in the third and fourth quarters including the annual LTIP grants for our entire employee base which occurred in the fourth quarter.

Employee compensation other than share-based payments increased by \$21 million. This is as a result of the investments we're making in the business including distribution and technology as well as increased head count of approximately [ph] 280 team (00:28:07) members and our associated costs relating to the four acquisitions completed in the year.

Commission expense increased by \$10 million primarily due to the acquisition of Base Commerce as well as the increase in commission-based volume and revenue from organic growth. Adjusted EBITDA increased by 78% in the fourth quarter to \$91.5 million as compared to the outlook range we previously provided of between \$86 million and \$90 million. Adjusted EBITDA margin was 43% in the quarter compared to 44% in the prior year period and towards the top end of the output range.

Net finance cost was \$4.5 million compared to just over \$1 million in last year's fourth quarter that's mainly due to increased borrowing costs related to the acquisitions we made in 2021. Income tax expense in the quarter was \$7.5 million, which represented an effective tax rate of approximately 38%. The reason for the higher effective tax rate is primarily due to an increase in nondeductible share-based compensation expense. As the share-based expense is expected to continue, the effective tax rate will also continue at this level everything else being equal.

Net income for the quarter was \$12.3 million or \$0.07 per diluted share compared to \$22.6 million or \$0.16 per share in the fourth quarter of 2020. As I mentioned earlier, this year's fourth quarter included a \$30 million increase in share-based expense, which represented approximately \$0.20 per diluted share. Adjusted net income was \$70.6 million, or \$0.47 per diluted share, compared to \$46.5 million or \$0.33 per diluted share in the fourth quarter of 2020.

I will now turn to our full year results. Total volume increased 121% to \$95.6 billion from \$43.2 billion in 2020 with e-commerce volume representing 86%. Revenue for the year increased 93% to \$725 million from \$376 million in 2020. Gross margin was 79.6% compared to 81.6% in 2020. Similar to the fourth quarter, the change is primarily as a result of the inclusion of certain acquisitions, which have a higher associated cost of revenue.

SG&A expenses increased by \$196 million as a result of both organic and inorganic growth. Of that, commission expense increased by \$58 million, employee compensation other than share-based payments increased by \$52 million, and share-based payments increased by almost \$43 million.

Adjusted EBITDA for the year increased 95% to \$317 million, up from \$163 million in the prior year. Adjusted EBITDA margin was 43.8%, which compares to 43.3% in 2020. Net income for the year was \$107 million, or \$0.71 per diluted share, compared to a net loss of \$104 million or \$1.08 per share in 2020. Adjusted net income was \$249 million or \$1.69 per diluted share compared to \$89 million or \$0.85 per diluted share in 2020.

Looking at our balance sheet and liquidity for the year, our cash position and cash generation remain strong. Cash flow from operating activities for the full year was \$267 million compared to \$95 million for the comparable prior period. Free cash flow, which we define as adjusted EBITDA less capital expenditures, increased to \$299 million for fiscal year 2021, representing free cash flow conversion of over 90%. As at December 31, 2021, we had cash of nearly \$750 million, which includes the net proceeds of \$411 million raised from our Nasdaq listing in the fourth quarter. In addition, we had term debt of \$500 million, resulting in a net cash position of almost \$250 million, with access to an additional \$385 million available under our revolving credit facility. In addition, our leverage remains low.

I will now discuss our financial outlook for the first quarter and full year 2022 and refer you to our forward-looking information disclosure in our press release and MD&A. For the first quarter, we expect total volume of between \$28 billion and \$29 billion; revenue of between \$208 million and \$214 million; and adjusted EBITDA of between \$82 million and \$85 million. For the full year 2022, we expect total volume of between \$127 billion and \$132 billion; revenue of between \$940 million and \$980 million; and adjusted EBITDA of between \$407 million and \$425 million. The outlook, specifically the adjusted EBITDA, reflects our strategy to continue to invest in our business such as in distribution, marketing, innovation and technology.

Historically, our marketing spend has been nominal. As Phil mentioned, for 2022, in addition to the investments we are making in the marketing team, we've also planned to significantly increase our advertising spend to increase brand awareness and drive growth. We're very pleased with our Q4 and full year 2021 results and are excited about 2022.

We're now happy to answer your questions. Operator, please open the lines for Q&A.

QUESTION AND ANSWER SECTION

Operator: Thank you. At this time, we'll be conducting a question-and-answer session. [Operator Instructions] Our first question comes from the line of George Mihalos with Cowen & Company. Please proceed with your question.

Georgios Mihalos

Analyst, Cowen & Co. LLC

Q

Hey, guys. Good morning. Congrats on the results, the outlook, and I'm not sure there's anything left to complain about on the disclosures. I think you've covered more than everything anyone could have imagined. I guess first question for me, guys, if we look at the guide for 2022, a couple of macro things to sort of think about. I'm assuming FX is working against. Now, I know you usually don't call that out, but I'm just curious how much of a negative impact is embedded in the guide for the strengthening USD?

And then just a point of clarification, Phil. I understand you don't have direct exposure to some of these Ukraine and Russia and the like, but I'm just curious, could there be any sort of fall-through for some of the partner platforms that you service, any sort of slowdown there that might give you some pause? Thank you.

Philip Fayer

Chairman & Chief Executive Officer, Nuvei Corp.

A

Thanks, George. I'll take the second...

David S. Schwartz

Chief Financial Officer, Nuvei Corp.

A

Hey, George.

Philip Fayer

Chairman & Chief Executive Officer, Nuvei Corp.

A

...question and I'll let – go ahead, Dave.

David S. Schwartz

Chief Financial Officer, Nuvei Corp.

A

Yeah. Hey, George. I'll take the first one. I guess, Phil will take the second, as he was just saying. So, from an FX perspective, as you probably know, the largest single currency we deal with is the US dollar. The euro would probably be the second largest that we deal with, so – and we're obviously operating an environment that has some volatility, and so it's kind of difficult to forecast. So, for the most part, we've kept it relatively flat. And what I'd say is, in recent history, the FX impact has been pretty minor on our results. So, like I said, probably, we're in US dollars anyway, so that impact should be muted because of that. I'll let Phil answer the next question, the second part.

Philip Fayer

Chairman & Chief Executive Officer, Nuvei Corp.

A

Thanks, Dave, and George, for clarification, so we don't have any merchants that operate in Russia and Ukraine. Naturally, there are our customers' customers that were accepting transactions from Russia and Ukraine. We

have implemented the sanctions as they were developing and, certainly, this week, Visa and Mastercard have ceased accepting transactions across the board. It was a very small and negligible amount of volume from our end. In terms of platforms, when we end up looking around it, and we included this impact ultimately in the outlook for 2022, we found that also to be fairly negligible.

Georgios Mihalos

Analyst, Cowen & Co. LLC

Q

Okay. That's helpful. And just a quick follow-up, Phil, if you look at the growth you've seen in the modular technology and the success you're having there, I'm just curious if you could talk a little bit about the pipeline of where a customer starts with you on the modular side and then you're able to sort of cross-sell via acquiring into them. What does that pipeline look like? And typically, if there is, if you can say typically, how long does it take to sort of get that cross-sell into new customers? Thank you, guys.

Philip Fayer

Chairman & Chief Executive Officer, Nuvei Corp.

A

Yeah. Thanks, George. Great question. I mean we always start with the ethos that we want to help our customers connect with their customers and whichever module is right for their business, it's a win for us. So for us, we have ultimate flexibility of how customers engage and utilize our platform. Sometimes it's restricted on one particular item, but that item allows you to grow, for example, in one of our large social gaming customers. They started with one single alternative payment method and now they've expanded to multiple.

So the expansion is not just necessarily to moving from technology to acquiring, it's really what's right for their business, and how do we incorporate the customers' needs from a geographic perspective and from a overall market perspective into our product roadmap. So our team is tasked naturally of building relationships, understanding where their needs are. We do a great job of staying close to the customer and embed them really within our roadmap. And that is what's driving the growth from the business because roughly 80% of our growth last year came from existing customers.

Georgios Mihalos

Analyst, Cowen & Co. LLC

Q

Thank you. Congrats again.

Philip Fayer

Chairman & Chief Executive Officer, Nuvei Corp.

A

Thank you, George.

Operator: Thank you. Our next question comes from the line of Will Nance with Goldman Sachs. Please proceed with your question.

Will Nance

Analyst, Goldman Sachs & Co. LLC

Q

Hey, guys. Good morning. Thank you for all the additional disclosures. They're really great and a lot of work went into those. I wanted to ask a question on some of the near-term puts and takes. I know and I guess we could see from the new disclosure that there is a decent exposure on the cryptocurrency side. Just wonder what you're seeing from an activity level perspective and whether that's kind of impacting any of the near-term numbers.

Philip Fayer

Chairman & Chief Executive Officer, Nuvei Corp.

A

Thanks, Will. On the crypto side, we've taken into consideration. So, naturally, Simplex is directly tied because they do on- and off-ramps, so they are directly tied to the price of crypto. So, certainly, we have taken that into consideration. From an overall perspective, what we found in the crypto market is because they utilize multiple solution stocks across the board from us. We feel that this year will be a continuous trend of last year if you look at our portfolio. We have predominantly services now in Europe. We're looking at expanding that into North America and LATAM. So, those will offset any of the headwinds that we would see in Europe.

Will Nance

Analyst, Goldman Sachs & Co. LLC

Q

Got it. That's helpful. Appreciate it. And then just on the Simplex business, any color on just the thought process or plans on rolling that out to other verticals outside of crypto and what the roadmap on the product looks like?

Philip Fayer

Chairman & Chief Executive Officer, Nuvei Corp.

A

Yeah. We have really exciting roadmap around Simplex. So it's not just rolling it out to other verticals, it's actually looking at infrastructure, custodial, looking at pivoting more – with a greater focus on NFT platform. So there is an incredible amount of opportunity with Simplex within its own current vertical focus. But certainly from a Nuvei standpoint, we are using that capability from a transaction guarantee perspective and that is planned for this year.

Will Nance

Analyst, Goldman Sachs & Co. LLC

Q

Got it. Appreciate you taking my questions. Nice job today.

Philip Fayer

Chairman & Chief Executive Officer, Nuvei Corp.

A

Thanks, Will.

Operator: Thank you. Our next question comes from the line of Sanjay Sakhrani with KBW. Please proceed with your question.

Sanjay Sakhrani

Analyst, Keefe, Bruyette & Woods, Inc.

Q

Thanks. Good morning. And I appreciate all the disclosure as well. I've got a bunch of questions, but let me focus on one related to earnings and one on the disclosures, and maybe summarizing some of the ones that were asked before. Just in terms of the outlook for 2022, can you remind us, David, maybe how much of the acquisitions contribute to the growth rate. And then Phil, you sort of indicated you were applying some of the market pressures out there from a macro standpoint and crypto as well. Can you just maybe just go through sort of the macro assumption embedded in your guidance? Thanks.

David S. Schwartz

Chief Financial Officer, Nuvei Corp.

A

Hey, Sanjay. It's David. So, from an acquisition perspective, I guess what I'd point you to is you'll see in our financials, and I'll give you a bit of history and then I'll talk a bit about kind of the outlook, which is more of your

question, but on a historical basis, the acquisitions represented about 10% of our revenue for the full year of 2021 and about 13% for Q4. So, on a go-forward basis, for the most part, Mazooma and Paymentez are still kind of early stage in terms of the size of revenue they contribute, and you'll see that base is larger, but a more steady kind of business. Phil just alluded a bit on the Simplex side, that's [indiscernible] (00:42:11) question before, that's where – it's a little bit more, let's say, volatile and difficult to forecast as we look forward just because of the sector that Simplex primarily services today. So, we've taken that into consideration in our outlook. But it's certainly part of the growth that we see coming forward.

Sanjay Sakhrani

Analyst, Keefe, Bruyette & Woods, Inc.

Q

Anything more like on the macro? Like, you guys are assuming crypto is going to be weak. Anything else from a macro's perspective inside that and the share buyback? Like, are you guys assuming you're going to use it?

Philip Fayer

Chairman & Chief Executive Officer, Nuvei Corp.

A

Lots of questions there, Sanjay. But let me come back.

Sanjay Sakhrani

Analyst, Keefe, Bruyette & Woods, Inc.

Q

Sorry. I told you I have a lot of them.

Philip Fayer

Chairman & Chief Executive Officer, Nuvei Corp.

A

Yeah. So, what we assumed is, and Dave highlighted, we assumed a slower year for Simplex in 2022. Certainly, Simplex moves fast, right. As markets change, Simplex moves very quickly as well. On the crypto portfolio, for us, we've assumed a relatively flat crypto this year, predominantly as slowdowns are offset by more market expansions which we're executing on now, so we feel really good about where we sit. The other element to highlight is we're pivoting to – and there's really good momentum around not just crypto, but enhancing our position in NFTs. And we have been announcing some of the early stage wins that we've been onboarding, and we're actually really excited about what that's going to drive for us.

So from our perspective, we pulled the chair. We really like what we see in terms of consumption. It's not just acquiring, keep in mind, right. It could be payouts. Mazooma is a really good product for any digital asset purchase for bank-to-bank payments in North America which we're rolling out now as well. So, we feel really good about the solution stack and ultimately will now drive forward for us in 2022.

Sanjay Sakhrani

Analyst, Keefe, Bruyette & Woods, Inc.

Q

Okay. Great. I'll leave it to the rest to ask others. Thanks.

Philip Fayer

Chairman & Chief Executive Officer, Nuvei Corp.

A

Thanks, Sanjay.

Operator: Thank you. Our next question comes from the line of Jason Kupferberg with Bank of America. Please proceed with your question.

Jason Kupferberg

Analyst, BofA Securities, Inc.

Q

Hey. Thanks, guys. Maybe just to build on Sanjay's question, can you just clarify how much of the 30% to 35% revenue growth in 2022 is organic? And then can you just talk about margin cadence for the year? I think the Q1 guide puts you right at around 40% at the midpoint, full year is 43%. So, just talk about the drivers of the ramp. I don't know if it's just some of the expense timing and then maybe if you can quantify some of the year-over-year increase in the other spend categories. I know you gave \$20 million on the marketing side. Thank you.

Philip Fayer

Chairman & Chief Executive Officer, Nuvei Corp.

A

Yeah. The 30% to 35% is organic...

Jason Kupferberg

Analyst, BofA Securities, Inc.

Q

Okay.

Philip Fayer

Chairman & Chief Executive Officer, Nuvei Corp.

A

...if you take into consideration the slowdown of Simplex. So, it is purely organic. On the margin cadence, ultimately the largest increase in expenditure is marketing. It's front loaded as you guys could probably see in the first couple of quarters and [indiscernible] (00:45:08) expanded from that. We have lots of interesting opportunities to build lead generations and build brand awareness. From our organization, our marketing spend was very light compared to our peers. So we are enhancing that and our objective is to make sure that as folks look at their global options from payment enablement, they don't just consider Ayden and Stripe, they also consider Nuvei. So it is a journey. It's starting now. It is probably a little bit late from our end, but we're really excited about from a positioning perspective to the capabilities that we've onboarded with talent and others helping us build out our marketing strategy for 2022 and beyond.

Jason Kupferberg

Analyst, BofA Securities, Inc.

Q

Okay. That's helpful. And then I just wanted to ask a follow-up on yield. I know you called out some of the mix factors, the property taxes, the charity piece. I mean you came in, I think, around 67 bps in Q4. The guide for 2022, I think, implies around mid-70s, call it, at the midpoint. So what would drive that expansion? And I guess there must be some other mix factors or anything on pricing, apples-to-apples pricing, and any part to your customer base worth calling out.

Philip Fayer

Chairman & Chief Executive Officer, Nuvei Corp.

A

No. I think, ultimately, when you end up looking at the yield factor, tax, property tax and charitable giving are typically Q1 and Q4 events. [ph] So it (00:46:24) is very seasonal and they are large tickets and they carry a fixed transaction fee, so they'll impact the take rate. And that is why we've always stayed away from take rate. We've always said we're at-scale platform and every incremental gross profit dollar falls to the bottom line. And most certainly, we wouldn't reject customers if opportunities presented themselves. So from our standpoint, actually, as that volume shifts down because of the seasonality, our take rate will go back up.

In terms of areas of opportunity for us, we think LATAM is a higher take rate market. We certainly are excited about our expansion in the US. We're excited about the momentum that we're seeing across the US. I'm sure we're very comfortable with the outlook on the take rate.

Jason Kupferberg

Analyst, BofA Securities, Inc.

Q

All right. Great. And thanks for those new disclosures. Appreciate it.

Philip Fayer

Chairman & Chief Executive Officer, Nuvei Corp.

A

Thanks, Jason.

Operator: Thank you. Our next question comes from the line of Bob Napoli with William Blair. Please proceed with your question.

Robert Napoli

Analyst, William Blair & Co. LLC

Q

Thank you. And good morning, David and Phil. And, again, thank you for the disclosures. They're super, super helpful. So...

Philip Fayer

Chairman & Chief Executive Officer, Nuvei Corp.

A

Pleasure.

Robert Napoli

Analyst, William Blair & Co. LLC

Q

...just the – what I guess product is in the product pipeline, Phil, what are the most important areas of technology development that you've had over the past 12 months organically and is in the pipeline or that you're focused on in 2022 and 2023?

Philip Fayer

Chairman & Chief Executive Officer, Nuvei Corp.

A

Sure. I'd urge you guys to go back and look at the press releases because they've been accelerating from our capabilities and what we've been rolling out. I would call out naturally our SEPA payments, faster SEPA UK instant payments and our bank payments with Mazooma and ACH with ACH guarantee. But in combination of that, we've also dramatically expanded the APM reach that we have. So, I'm very excited about what's happened there.

I think the other elements for us, payouts in North America, and, Bob, we're seeing some wonderful traction across the board there. We have now launched payouts in Canada as well. So, we're normalizing our capabilities around the world. And certainly, going forward for us, a couple – and it's not limited, but ultimately we like to ramp our card-issuing business. We are highly focused on our global platform capability to expand our marketplace reach. And a third lever for us is at the end of this year stay in-source all processing around the world, but specifically in North America, which we still outsource. So, those would be some of the big rocks, but at Capital Markets Day, we're going to unpack some of our focuses and the rationale behind them. So, stay tuned for a few weeks.

Robert Napoli

Analyst, William Blair & Co. LLC

Q

Thank you. Then a follow-up, I guess, on the bank-to-bank or account-to-account payments opportunities that you see there, investments you're making in account-to-account or in the open banking, if you would?

Philip Fayer

Chairman & Chief Executive Officer, Nuvei Corp.

A

Yeah. We're seeing wonderful momentum. So, wonderful momentum, not just in Europe, but also in North America. So, we actually think when you end up coming back to payment age, be it from card or bank-to-bank payments with recognition of your bank with a one-click checkout is incredibly powerful and required. It is a value-add solution for certain verticals as well where they have a higher propensity decline rate or where credit card transactions are considered quasi cash, for example, like in crypto or digital assets. And for us, the embedded solution is gaining momentum.

So very, very excited about we're seeing in North America as well as in Europe as bank-to-bank payments and open banking are becoming somewhat of the norm with the expectation of capturing between 5% and 10% of the wallet share. What's fascinating is that we haven't seen the impact on card volume, but we suspect that other alternative forms of payment are being replaced by bank-to-bank payments. So it is a must have from a wallet share perspective. And we think making it easy from an acceptance from our merchants for them to be fully neutral, meaning they accept the credit card or debit card, any form of alternate payment or open banking payment for them is reconciled and settled in the same manner it's critical. So we're at the early innings of it, but our momentum that we're seeing around the world is very exciting.

Robert Napoli

Analyst, William Blair & Co. LLC

Q

Okay. Thank you. Appreciate it.

Philip Fayer

Chairman & Chief Executive Officer, Nuvei Corp.

A

Thanks, Bob.

Operator: Thank you. Our next question comes from the line of Timothy Chiodo with Credit Suisse. Please proceed with your question.

Timothy Chiodo

Analyst, Credit Suisse Securities (USA) LLC

Q

Great, thanks. Good morning and thanks for taking the question. Global e-com direct, clearly that is the largest and the fastest growing portion of the business. Really impressive growth there. I wanted to talk about the direct sales force growth. I know you disclosed total employee growth, so the head count growth year-over-year, which was very strong. Is it safe to say that the sales force growth was faster than that? And in the past, you've talked about how you sort of benchmark your sales head count versus peers, where would you say you are relative to peers at this point? Are you kind of getting closer? Is there still a lot of hiring ahead?

Philip Fayer

Chairman & Chief Executive Officer, Nuvei Corp.

A

I'll start with the last part. We still think there's a lot of hiring ahead. So, we – if you remember, Tim, since IPO, we always talked about being under-distributed. I want to congratulate [ph] Yuvi and Motie (00:51:26) and the overall team of how we've built out our reach across Europe. In the last six months, we've brought in our full team in North America in all our key verticals and now with the – with [indiscernible] (00:51:37) through payment as we're building out our team in LATAM. So, we want to always be close to our customers in verticals, in regions, then in time zones.

Today we have roughly 100 folks on the direct sales part of the business. We think it can continue growing by a multiple when you end up looking at LATAM in particular, obviously what we're doing in APAC is early, [ph] perhaps even (00:51:58) moving out to Singapore to help accelerate with licenses and local capabilities across the region. It's going to be net new for us and then we'll pivot to MENA and Africa. So, a lot left to do and ultimately that's why we always say we're on the ground floor. But the effectiveness of the direct sales force because of the complexity of our technology has just been really the driver for our momentum, right? So, we're scaling our technology. We're able to show our wares to more merchants in our verticals of operation. And that is driving a significant amount of our growth and we think we're right in the early innings of that as well.

Timothy Chiodo

Analyst, Credit Suisse Securities (USA) LLC

Q

Excellent. Thank you so much for that, Phil.

Philip Fayer

Chairman & Chief Executive Officer, Nuvei Corp.

A

Thanks, Tim.

Operator: Thank you. Our next question comes from the line of Paul Treiber with RBC Capital Markets. Please proceed with your question.

Paul Treiber

Analyst, RBC Capital Markets

Q

Thanks very much and good morning. You commented on crypto just the trends that you've seen there more recently. Generally speaking, can you speak to the linearity of growth across all your verticals that you've seen through Q4 and even Q1 to-date?

Philip Fayer

Chairman & Chief Executive Officer, Nuvei Corp.

A

I don't have it by quarter, but ultimately what I would urge you guys is to look at the top line because there's – sorry – the disclosure that we have in the supplement, we think all of our verticals and there's some seasonality that you end up coming back to them, but all of them are seeing momentum. And ultimately, if you want to run down, look at our performance and social gains, or if you look at the performance in regulated gaming, our performance in financial services, all of them are seeing really, really strong momentum, and all of them have been seeing momentum within our new net wins as well.

So if you want to talk about crypto, we are now engaged with many of the top 10 exchanges. We're now engaged with many of the top NFT platforms. Our solutions stack goes from transaction guarantee, AML, KYC to open banking, to real-time payments and payouts, to acquiring, and all forms of alternative payment methods, which we think actually if you look at open banking and the alternative payment methods is probably more conducive for the

industry because they don't have the higher credit card fees. So, overall, I wouldn't pinpoint one particular month, but we're really excited with the momentum that we've seen.

In terms of overall, what we saw in January was certainly an impact in Canada from Omicron and that was taken into consideration. In fact, that was available in December as well unfortunately in some parts. February was a good recovery. And so far for March, we like what we see. So a very good momentum in the first quarter.

Paul Treiber

Analyst, RBC Capital Markets

Q

Thanks. And related to that like in terms of the bigger picture in terms of customer demand for digital or e-commerce versus card present, when you look at your sales pipeline coming out of COVID, are you seeing continued demand across the digital channel, but then also building for card present? I mean, how do you sort of [ph] gauge (00:55:01) the momentum in both of those categories?

Philip Fayer

Chairman & Chief Executive Officer, Nuvei Corp.

A

Yeah. I mean, we're very happy with the performance of our card present business, but there's not necessarily a huge overlap. As we start rolling out our omni-solution, especially in North America, where that single integration will be available across all channels, there'll be a convergence between the sales efforts for retail and online, but our digital verticals are predominantly digital, so, if that makes sense, Paul, right. These are digital first in global operations. When you end up looking at the performance of them, their growth in different geographies, their requirements to solidify [indiscernible] (00:55:36) we're right at the beginning of it, and our demand is very high. So, really like what we see. In fact, I mentioned in my prepared remarks, our pipeline has never been deeper, and the engagements that we're seeing on the digital side are by far a multiple of where they were in the previous year. So, we're starting off the year very strong.

Paul Treiber

Analyst, RBC Capital Markets

Q

Okay. Thank you. I'll pass the line.

Operator: Thank you. Our next question comes from the line of John Davis with Raymond James. Please proceed with your question.

Q

Hey, guys. This is [ph] Matt (00:56:07), on for JD. Thanks for taking my question and thank you for all the disclosure. Just wanted to ask about NRR for a moment. 2020 was definitely impacted by COVID, and 2021 was likely a little bit higher [indiscernible] (00:56:20) normal. So, just, what are you expecting for NRR in 2022, and is there any reason [ph] year-over-year (00:56:25) growth from the previous year cohorts can't be the same in 2022? I think it was about 360% in 2021.

Philip Fayer

Chairman & Chief Executive Officer, Nuvei Corp.

A

Yeah. We're not giving an outlook on the NRR. What we did want to kind of show for everyone is where the business was growing. Certainly, when you end up looking for a total organization, 146% this year NRR, but when you end up zooming into e-commerce, which is really the point that our e-commerce business had and are almost

180%, and that NRR, when you end up looking at e-commerce as we expand our geographies into LATAM, what we are doing right now in North America and our objectives across Asia, we actually think we can continue maintaining that in our global e-commerce business.

From a small business perspective, probably more market driven, certainly an impact both in 2020 negatively and then 2021 from a COVID recovery perspective. So, I would look at those two that way, but from a global e-com direct, there is not just geography actually to add to it, there's also capabilities. So as we launch more solutions, as we monetize more of our technology stack, certainly that helps growing the acquiring and other value-added services that we do with the merchants. So, we feel very good with what we're doing on the digital side. Certainly, there could be an impact on the small business side post-COVID, but we're pretty bullish on what we see in the small business for 2022.

Q

Okay.

David S. Schwartz

Chief Financial Officer, Nuvei Corp.

A

And it's David. I would just add something to that as well. You may recall in our – when we did our US IPO, NRR was 127% for the first six months of the year. As you can see – it accelerated when you look at the full year to 146%. So, there's been an acceleration even within 2021 and think about the first six months of 2020, that base year period obviously was the most COVID impacted. So, still an acceleration in the latter half of 2021.

Q

Okay. Thank you. And then just as a follow-up, social gaming was very, very impressive. Can you just talk about growth drivers there, maybe it's like a geographic mix, larger enterprise customers, and just how much, if any, part of that growth do you think was pandemic or lockdown related?

Philip Fayer

Chairman & Chief Executive Officer, Nuvei Corp.

A

I think social gaming hasn't necessarily benefited as much in our portfolio from a lockdown perspective because in markets that we're operating in have remained relatively open. From a technology perspective, it's really across the board. It's more of a focus and something that we guys appreciate. We're investing the same dollars in all our core verticals around the world. And we are all – we think that there's many opportunities across all key verticals, not just gaming and others that we talked about today. We're seeing momentum across all key verticals. Certainly, social gaming has been a pretty exciting growth for last year with lots of momentum. But the same is true in digital goods and online retail as well for us.

So, we're happy with the investments that we're making. They'll all come in at different times, right? The certain wins will come at different times. For example, the [ph] Hut Group (00:59:26) has been something that we're really pleased with a win, large UK retail – online retailer that is going live now on the retail side. These things take conversations of sometimes three months, but sometimes years. So, same investments across the board, same horsepower that we're providing across the board. Some will come earlier, some will come later, but these are the investments that we're making on core verticals.

Q

Okay. Great. Thanks again.

Philip Fayer

Chairman & Chief Executive Officer, Nuvei Corp.

Thank you.

A

Operator: Thank you. Our next question comes from the line of Andrew Bauch with SMBC Nikko Securities. Please proceed with your question.

Andrew Bauch

Analyst, SMBC Nikko Securities America, Inc.

Hey, guys. Congratulations on a pretty solid set of results here, and thanks for all the disclosure. Just wanted to touch upon the regulated online gaming piece. Obviously you're continuing to announce a bunch of new licenses and new partnerships in this area. So, could you help us kind of get a sense of how much of the performance in 2021 was from US efforts? And when you do kind of secure these new licenses, is it as simple as kind of flipping a switch to translate to revenue or is there some more integration timeline that needs to play out?

Q

Philip Fayer

Chairman & Chief Executive Officer, Nuvei Corp.

Yeah. So, gaming revenue in the United States was negligible in 2021. We're starting to see momentum in Q4, pretty excited about what that's going to shape up for this year. But again, it'll always be small. We've always said it was more of a 2023 opportunity. Licenses are pay to play meaning that you have to have the infrastructure and licenses to be able to operate in those particular markets. And, thereafter, each state that a version goes live has an onboarding process that we need to follow. So not just because you're licensed you can flip the switch, it's a new implementation on a per state basis.

A

Andrew Bauch

Analyst, SMBC Nikko Securities America, Inc.

Got it. And then I wanted to touch upon the Nuvei's approach around e-commerce platforms, specifically the Wix partnership. This is a really nice headline to a big tech partner. Could you help us kind of understand how this all came together in the differentiation that you have that helped you win that business?

Q

Philip Fayer

Chairman & Chief Executive Officer, Nuvei Corp.

Yeah. I mean, I highlighted a lot of our modules, right? So it can help you appreciate our differentiation. We're adamant that there is no e-commerce platform like Nuvei in the market today. And our flexibility in what we offer to platforms we think is unparalleled. Naturally, it's a new endeavor. I'm super proud of the team for onboarding Wix. We think there's a lot more to do with our capabilities in development with Wix. But Wix is one of many that we're engaged with across our digital service verticals. So very, very excited about Wix. It's our first win. Why we wanted? I think there was a region that we had specific requirements that we're able to adhere to. Very thankful for Wix for that partnership, and we certainly think we can grow that around the world.

A

Andrew Bauch

Analyst, SMBC Nikko Securities America, Inc.

Great. Congratulations again.



Philip Fayer

Chairman & Chief Executive Officer, Nuvei Corp.

Thank you.



Operator: Thank you. Ladies and gentlemen, that concludes our question-and-answer session. I'll turn the floor back to management for any final comments.

Philip Fayer

Chairman & Chief Executive Officer, Nuvei Corp.

Yeah. Thank you, everybody, for joining today. Really appreciate everyone's feedback over the past few months that drove us to the one-time disclosure that you guys see now. So we really are thankful for our partnership. Thanks, everyone, for dialing in and looking forward to seeing everyone very soon.

Operator: Thank you. This concludes today's conference call. You may disconnect your lines at this time. Thank you for your participation.

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