

PAX Global Technology Limited
 (Stock Code: 327.HK)
Announces 2021 Annual Results

**Global demand for Android smart payment terminals surged
 PAX achieved record-high revenue and profit for the year**

HK\$ million	For the year ended 31 Dec		Change
	2021	2020	
Revenue	7,196.0	5,650.6	+27.3%
Gross profit	2,827.2	2,337.3	+21.0%
Gross profit margin	39.3%	41.4%	-2.1 pts
EBITDA	1,346.4	1,142.3	+17.9%
Profit for the year	1,092.2	903.9	+20.8%
Profit attributable to the owners of the Company	1,083.8	900.1	+20.4%
Basic earnings per share (HK\$)	0.989	0.828	+19.4%
Proposed final dividend per share (HK\$)	0.15	0.10	+50.0%

(HONG KONG, CHINA, 23 March 2022) **PAX Global Technology Limited** (“PAX” or the “Company” or the “Group”, HKSE stock code: 00327.HK), one of the world’s leading providers of electronic payment terminal (“E-payment terminal”) solutions and related services, is pleased to announce the audited annual results for the year ended 31 December 2021.

While the COVID-19 pandemic continued to hit economies across the world in 2021, it also acted as a powerful catalyst in the development of cashless payments and electronic payments, with the adoption of electronic payments becoming stronger than ever. PAX has successfully embraced the opportunities presented, strengthening partnerships with acquiring banks, payment service providers (“PSPs”), and independent sales organisations (“ISOs”) all over the world. Thanks to our distinct competitive edges in terms of innovative product portfolio and superior supply chain management, the Group has secured even more orders and garnered further client recognition. In 2021, the Group achieved record-high revenue and profit for the year, surging by 27.3% and 20.8% respectively.

As a leading international enterprise specialising in payment terminals, there is a rigorous security management system in place at PAX, which consists of a range of security controls implementing in the areas of operations and maintenance security in the system architecture, network security, data protection, privacy compliance and etc. The Group has attained the ISO/IEC 27001:2013 certification, which is internationally recognised as the most authoritative and widely adopted information security management system standard. PAX payment terminal portfolio and services are certified to comply with the international security standards of the Payment Card Industry (“PCI”) and Europay, Mastercard, Visa (“EMV”) requirements, and many other standards, laws, and mandatory regulations in countries and regions worldwide. With product innovation and expertise in reaching international security standards, PAX has become a trusted partner of many acquiring banks and PSPs around the world over the years.

Android smart terminals and PAXSTORE deliver intelligent value

PAX Android smart payment terminals in combination with our suite of SaaS, which are rapidly

[Press Release - For Immediate Release]

reshaping the payment terminal market landscape. Riding on PAX Android smart terminals as the interface of SaaS solutions, our clients are enabled to create one-stop solutions with cost-saving and efficiency enhancement for merchants of diverse sizes and business segments. Forward-thinking acquiring banks and PSPs have realised the potentials of smart payment terminal technology, and as a result, are incorporating PAX solutions as a key strategic priority. In 2021, sales of Android smart payment terminals increased sharply by 77.5% year-on-year to HK\$3,230.4 million, becoming an important driving force of revenue growth. SaaS solutions revenue rose significantly by 193.0% year-on-year to HK\$42.4 million.

Throughout the pandemic, more and more brick-and-mortar retailers, restaurants, and other merchants began implementing omni-channel retailing, integrating e-commerce and physical sales channels to boost income. Through PAX Android smart payment terminals, merchants can securely manage e-commerce orders, create automated marketing campaigns, improve inventory management, etc. Through PAXSTORE, acquiring banks and PSPs are further empowered to efficiently manage their payment terminal estates in real-time, optimise help-desk resources, reduce high on-site maintenance costs and deliver innovative value-added application services for different merchant categories with greater flexibility. PAXSTORE has experienced phenomenal growth since its launch, as of 31 December 2021, over 4 million smart payment terminals are connected and over 6,000 software applications are available to merchants.

Mr. Jack LU, Chief Executive Officer of PAX, stated, “The challenges brought by the pandemic are forcing the retail and catering industries to embrace a digital-first mindset. PAX will remain devoted to the value creation strategy, leveraging our leading position in Android smart payment terminal with technology innovation to enable merchants all over the world via the acquiring banks, PSPs, and ISOs to explore more business opportunities and improve operational efficiencies.”

PAX further cements its leading position in international markets

In 2021, PAX recorded impressive results in multiple international markets. Sales growth in the United States and Canada (“USCA”) and Europe, the Middle East, and Africa (“EMEA”) were particularly impressive, surging by 56.0% and 48.3% respectively, while PAX continued to expand in other global regions such as the Asia Pacific and Latin America.

Revenue (HK\$ million)	For the year ended 31 Dec		Change
	2021	2020	
Latin America and the Commonwealth of Independent States (“LACIS”)	3,252.1	2,723.6	+19.4%
Europe, the Middle East, and Africa (“EMEA”)	1,881.4	1,268.9	+48.3%
Asia Pacific (“APAC”)	1,269.4	1,149.8	+10.4%
United States of America and Canada (“USCA”)	793.1	508.3	+56.0%
Total	7,196.0	5,650.6	+27.3%

Latin America and the Commonwealth of Independent States (LACIS)

In the LACIS region, PAX continued to lead the market with its innovative product portfolio.

Latin America is one of the fastest-growing mobile payment markets in the world. In particular, the instant payment system, PIX, launched by the Central Bank of Brazil has swiftly gained popularity and PAX payment terminals fully support the PIX payment method. During the year, PAX successfully launched the world’s first Android PayPhone M30 in Brazil.



[Press Release - For Immediate Release]

In Argentina, PAX achieved high growth during the year by partnering with more PSPs and ISOs. The Group has also continued to strengthen investment and sales efforts in other promising markets such as Mexico and Chile.

Europe, the Middle East, and Africa (EMEA)

In Europe, the Middle East, and Africa, large-scale deployments of Android smart payment terminals are underway. PAX has been achieving success in numerous markets with its A-series Android portfolio, driving remarkable sales growth of 48.3% in the region.

In Europe, thanks to the high demand for PAX Android products and the PAXSTORE platform, the Group has gained more market share in Italy, the United Kingdom, Germany, Poland, France, and Greece. The Group achieved breakthroughs in niche sectors such as unattended self-service, multilane retail, and transportation.

In the Middle East and Africa, PAX continued to strongly dominate in Saudi Arabia and Egypt and achieved significant sales growth in 2021. More market share was achieved as acquiring banks in the GCC (Gulf Cooperation Council) countries and North Africa began deployment of Android smart terminals. Nigeria continued to be a fast-growing market for PAX, while the Group also explored new partnerships with some major acquiring banks and PSPs in South Africa and neighboring countries.

Asia Pacific (APAC)

In India, PAX successfully established itself as the leading brand for electronic payment terminals in just a few years, becoming an important growth engine for the Group in the APAC region. Fueled by the digital payment measures of the Central Bank of India, demand for PAX products by local acquiring banks and PSPs was particularly high during the year and the full range of the PAX Android portfolio continued to gain traction in India.

In other fast-growing APAC markets, in particular South Korea, Malaysia, and Thailand, PAX achieved decent growth and continued to invest in sales channel expansion and local product certifications.

The United States of America and Canada (USCA)

In the United States and Canada, the adoption of contactless payments by merchants continues to accelerate amid the pandemic, fueling strong market demand for payment terminals. PAX became the preferred business partner of more acquiring banks, PSPs, and ISOs, and achieved a notable growth of 56.0% to HK\$793.1 million in 2021.

PAX holds the distinction of being the first provider to deliver Android smart payment terminals in North America, earning an esteemed reputation for its state-of-the-art payment products in the market. An increasing number of ISOs have deployed PAX terminals across North America. In 2021, sales of Android products significantly grew by more than 80% in this region compared to the year before. North America continues to be a strategic market for the Group. PAX is well positioned and will continue to strategically acquire further market share.

Mr. Jack LU, Chief Executive Officer of PAX, commented, “Looking ahead, the world’s payment terminal market is experiencing unprecedented changes under the new normal, whether large-scale chain retailers or small and medium-sized businesses are becoming more enthusiastically appealed to digitalisation. Acquiring banks and PSPs all over the world are accelerating the deployment of modern payment terminals with merchants and retailers. PAX will continue to prioritize R&D investment in Android smart terminal product roadmap, a suite of cloud-based SaaS solutions, as



[Press Release - For Immediate Release]

well as reinforce the one-stop payment ecosystem of PAXSTORE. Also, PAX will continue to devote more resources to payment terminal certification, software testing, penetration testing, and other stringent security-related control measures, thereby delivering innovative and secure electronic payment terminals and software solutions for global customers."

- Ends -

About PAX Global Technology Limited

PAX Global Technology Limited (Stock Code: 00327.HK) incorporated in Bermuda with limited liability, is an innovative global provider of electronic payment terminals solutions. PAX is one of the fastest growing payment industry suppliers with state-of-the-art manufacturing facilities, excellent R&D capabilities, and a worldwide network of sales and channel partners.

For further information, please contact:

Joanne Chan	Tel : (852)3679 3671	Email : jchan@lbs-comm.com
Afa Wong	Tel : (852)3752 2677	Email : afawong@lbs-comm.com