

# TRANSACT<sup>®</sup>

**INVESTOR PRESENTATION**

**NASDAQ: TACT**

**ICR 2023**

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**TRANSACT<sup>®</sup>**

# SAFE HARBOR

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Certain statements in this press release include forward-looking statements. Forward-looking statements generally can be identified by the use of forward-looking terminology, such as "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "project", "plan", "design" or "continue", or the negative thereof, or other similar words. All forward-looking statements involve risks and uncertainties, including, but not limited to, the adverse effects of current economic conditions, whether due to the COVID-19 pandemic or otherwise on our business, operations, financial condition, results of operations and capital resources, including difficulties or delays in manufacturing or delivery of inventory or other supply chain disruptions, shutdowns and/or operational restrictions imposed on our customers, an inability of our customers to make payments on time or at all, diversion of management attention, necessary modifications to our business practices and operations, cost cutting measures we have made and may continue to make, a possible future reduction in the value of goodwill or other intangible assets, inadequate manufacturing capacity or a shortfall or excess of inventory as a result of difficulty in predicting manufacturing requirements due to volatile economic conditions, price increases or decreased availability of component parts or raw materials, exchange rate fluctuations, volatility of and decreases in trading prices of our common stock and the availability of needed financing on acceptable terms or at all; our ability to successfully develop new products that garner customer acceptance and generate sales, both domestically and internationally, in the face of substantial competition; our reliance on an unrelated third party to develop, maintain and host certain web-based food service application software and develop and maintain selected components of our downloadable software applications pursuant to a non-exclusive license agreement, and the risk that interruptions in our relationship with that third party could materially impair our ability to provide services to our food service technology customers on a timely basis or at all and could require substantial expenditures to find or develop alternative software products; our ability to successfully transition our business into the food service technology market; risks associated with potential future acquisitions; general economic conditions; our dependence on contract manufacturers for the assembly of a large portion of our products in Asia; our dependence on significant suppliers; our ability to recruit and retain quality employees as the Company grows; our dependence on third parties for sales outside the United States; our dependence on technology licenses from third parties; marketplace acceptance of new products; risks associated with foreign operations; the availability of third-party components at reasonable prices; price wars or other significant pricing pressures affecting the Company's products in the United States or abroad; increased product costs or reduced customer demand for our products due to changes in U.S. policy that may result in trade wars or tariffs; our ability to protect intellectual property; the effect of the United Kingdom's withdrawal from the European Union; the ongoing war between Russia and Ukraine and the global response to this war; risks associated with the Company's ongoing implementation of a new ERP system; and other risk factors detailed in the Company's Annual Report on Form 10-K for the year ended December 31, 2021, and other reports filed with the Securities and Exchange Commission. Actual results may differ materially from those discussed in, or implied by, the forward-looking statements. The forward-looking statements speak only as of the date of this release, and the Company assumes no duty to update them to reflect new, changing or unanticipated events or circumstances, except as required by applicable law.

# CAUTIONARY STATEMENT REGARDING PRELIMINARY ESTIMATED FINANCIAL INFORMATION

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TransAct has prepared the preliminary estimated financial information set forth in this presentation, including preliminary expected net sales, recurring revenue and average annual revenue per terminal for the quarter ended September 30, 2022, on a materially consistent basis with its historical financial information and in good faith based upon its internal reporting as of and for the three and nine months ended September 30, 2022. This financial information is preliminary and is thus inherently uncertain and subject to change as TransAct finalizes its financial results and related reviews as of and for the three and nine months ended September 30, 2022. During the course of the preparation of the condensed consolidated financial statements and related notes as of and for the three and nine months ended September 30, 2022, TransAct may identify items that could cause its final reported results to be materially different from the preliminary estimated financial information set forth herein. As a result, there can be no assurance that the final results for this period will not differ from such preliminary estimated financial information.

This preliminary estimated financial information should not be viewed as a substitute for full financial statements prepared in accordance with GAAP. In addition, this preliminary estimated financial information is not necessarily indicative of the results to be achieved for any future period.

# TRADEMARKS, SERVICE MARKS, TRADE NAMES AND COPYRIGHTS

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Trademarks, service marks and trade names appearing in this presentation are the property of their respective owners. The trademarks we own include TransAct®, BOHA!™, AccuDate™, Epic, EPICENTRAL®, Mobile Host™ and Ithaca®. Solely for convenience, some of the trademarks, service marks, trade names and copyrights referred to are listed without the ©, ® and ™ symbols, but we will assert, to the fullest extent under applicable law, our rights to our trademarks, service marks, trade names and copyrights.

# ABOUT TRANSACT®

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TransAct Technologies Incorporated is a global leader in software-driven technology and printing solutions for high-growth markets. We have designed and marketed solutions to help restaurants, convenience stores, and food service operators improve their food safety, increase operational efficiencies, reduce costs and gain critical insights into their daily processes.

**Our mission is to automate the back-of-house!**

TransAct is a leading provider of technology solutions for the Casino & Gaming markets.

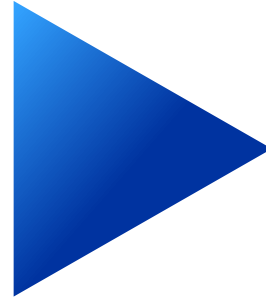


# EVOLUTION OF TRANSACT

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## Gaming Solutions (Epic)

- Printers for the worldwide gaming and casino market
- Historically, prior to the Covid-19 pandemic, casinos replaced 5-10% of their slot machines every year which creates an ongoing revenue business for TransAct



## Food Service Technology (BOHA!)

- Complete back-of-house solution for restaurants and convenience stores with large recurring revenue component
- Food safety and labor cost savings driving adoption of BOHA! technology
- Initial Sale: approximately \$500-800 per terminal
- Recurring Revenues: approximately \$1,000-\$1,200 per year per terminal in high-margin software, services and label sales
- Generally 3-year contracts

## POS (Ithaca)

- Globally approved provider of POS Printers to McDonald's and other restaurant companies

# INVESTMENT CONSIDERATIONS

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## 1 Early Innings of a Corporate Transformation Characterized by Shift to a Recurring Revenue Model

- Cash flows from gaming and casino printers and software products + POS printers fueling investment and growth in software-based food service technology
- Company shifting to a recurring revenue model in new Food Service Technology (FST) market
- FST recurring revenue includes SaaS software, service and label sales

## 2 Food Service Technology : Significant Growth Potential / Large Market Opportunity / High-Margin Recurring Revenue

- Successful expansion to the “back-of-house” with our BOHA! platform is a game changer for the market
- Convenience stores, restaurants and food service operators adopting new technology due to FDA labeling and FDA Smarter Food Safety requirements and productivity needs
- Increasing demand for automation and food safety technologies drives a multi-billion dollar market opportunity
- BOHA! Platform launched May 2019

## 3 Casino & Gaming : Leading Market Player / Sticky Revenue from a Blue Chip Customer Base

- Market leading global provider of printer hardware embedded in casino slot machines and other gaming machines
- High barriers to entry and significant degree of customer stickiness
- History of strong cash generation
- Replacement-driven market drives stable long-term growth outlook

## 4 End Markets Rebounding from COVID Setback

- TACT’s primary end markets – casinos, restaurants and convenience stores – continue to recover following a sharp COVID-driven decline beginning in March 2020
- BOHA! food service technology adoption is coming from convenience stores, QSR, fast casual restaurants and food service operators
- Company has secured business with 22 convenience store chains in the US-one is expected to roll-out 10,000 BOHA! terminals and software

# BOHA! IS IN THE EARLY STAGES OF SUCCESSFULLY ADDING NEW FOOD SERVICE CUSTOMERS!

BOHA! is a software-driven technology and printing solution for the food service market. We have helped thousands of food service operators improve their back-of-house operations, improve food safety, reduce operating costs and leverage real time data to gain critical insights to better manage their back-of-house.



*Note: Sample of FST customers*



The logo features the text "BOHA!" in a bold, sans-serif font. The letters "BOH" are dark blue, while "A!" is a vibrant blue. To the right of the exclamation point is a small "TM" trademark symbol. The text is centered over a background of several concentric, light blue circles that create a ripple effect.

**BOHA!**<sup>TM</sup>

BACK-OF-HOUSE **AUTOMATION** STARTS HERE

# MARKET OPPORTUNITY

BOHA! represents a tremendous opportunity to generate recurring revenue through the sale of software, consumables and service

BOHA! offers upfront sales of purpose-built hardware

Potential BOHA! customers include: quick-serve, fast-casual, casual restaurants, fine dining restaurants, convenience stores, foodservice operators and grocery stores

We believe total addressable market exceeds \$1 billion in hardware, software, services and label sales

	Potential Contact Points 2022
<b>Total Restaurants and Bars</b>	<b>690,098</b>
<b>Limited-Service Restaurants</b>	<b>334,328</b>
Fast Casual	51,149
Fast Food/Quick Service	283,179
<b>Full-Service Restaurants</b>	<b>296,426</b>
Midscale	71,333
Casual Dining	210,843
Fine Dining	14,250
<b>Bars and Taverns</b>	<b>59,344</b>
<b>Retailers</b>	<b>189,426</b>
<b>Supermarket Foodservice</b>	<b>39,391</b>
<b>Convenience Stores</b>	<b>133,091</b>
<b>All Other Retailers</b>	<b>16,944</b>
<b>Travel &amp; Leisure</b>	<b>135,391</b>
<b>Recreation</b>	<b>29,650</b>
<b>Lodging</b>	<b>55,375</b>
<b>Transportation</b>	<b>1,325</b>
<b>Caterers</b>	<b>49,041</b>
<b>Noncommercial</b>	<b>258,315</b>
<b>Business &amp; Industry</b>	<b>9,396</b>
<b>Education</b>	<b>132,916</b>
Primary/Secondary Schools	128,966
Colleges/Universities	3,950
<b>Healthcare</b>	<b>96,428</b>
Hospitals	5,139
Long-Term Service	59,138
Senior Living	32,151
<b>Refreshment Services</b>	<b>12,950</b>
<b>Military</b>	<b>329</b>
<b>Corrections</b>	<b>6,296</b>
All Other Foodservice	39,600
<b>Total Foodservice</b>	<b>1,312,830</b>

*\*Data from Technomic*

# WHY BACK-OF-HOUSE AUTOMATION

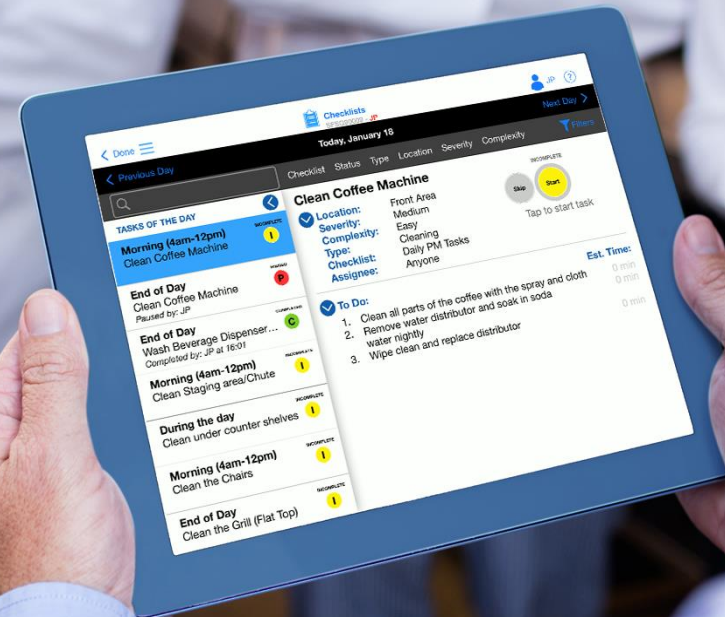
- Front-of-house automation systems (food ordering, reservations) is a well established category >\$15 Billion Hardware, Software and Services revenue in 2019\*
- The back-of-house has been largely ignored, but as focus shifts to improving operations around food safety, customer & employee health & safety, food quality and grab 'n go merchandising & FDA compliance, restaurants and convenience stores are looking for a single source solution
- Operators first invested in front-of-house technology to face increased cost pressures and are now shifting attention towards automating back-of-house tasks to drive down expenses
- As restaurants open up to 100% capacity, they must streamline operations to help with the labor shortage and make training easier.

\*Data from statista



# TAILWINDS FOR BACK-OF-HOUSE TECHNOLOGY

- ✓ FDA Food Safety Modernization Act mandates nutritional labeling for grab 'n go items
- ✓ FDA Smarter Food Safety Program wanting technology to create a safer more digital, traceable food system
- ✓ Convenience stores and Grocery stores expanding fresh food offerings that require FDA-compliant labeling
- ✓ Restaurants need to do more with less
- ✓ \$15/hour wages driving food service providers towards increasing productivity
- ✓ Food safety now critical to all food service providers
- ✓ Food service providers must protect customers and employees
- ✓ FDA laid the groundwork for mandates to increase the use of technology with announcement of 'New Era of Food Safety' in July 2020



## BOHA! UNIT ECONOMICS

- Initial sale approximately \$500-\$800 per unit for BOHA! TERMINAL
- Recurring revenues of approximately \$1000-\$1200+ per year per terminal in high-margin software, services and label sales
- Generally 3-year contracts



# WHAT SOME BOHA! CUSTOMERS ARE ACHIEVING BY DEPLOYING OUR SOLUTION

**14%**

Speed of service improvements

**56%**

Decrease in food quality issues

**16.5**

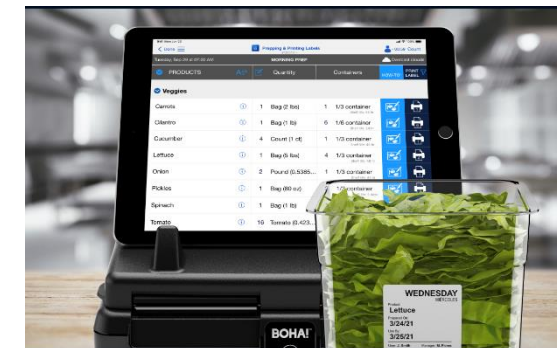
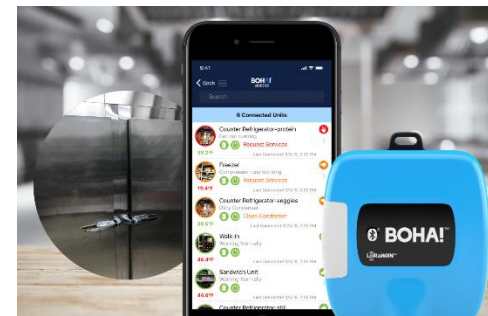
Hours saved per location/month when digitizing checklists

**\$1000s**

Saved on per-incident basis when using IOT sensors to monitor refrigeration equipment

**2**

Hours saved per location/day with automated date code labeling



# PRODUCT ROADMAP

2012

2014

2016

2019

2020

2021

2022

- AccuDate 9700 for McDonald's, to automate Food Safety Date Code Labeling

- AccuDate PRO
- Grab 'N Go Labels
- Videos and Recipe Cards

- AccuDate XL
- Updates delivered via the cloud

- BOHA! Terminal and BOHA! ecosystem of cloud-based apps, including Food Safety Labeling, Checklist, Temp Taking, Timers and more.

- iOS Native Apps

- Completed iOS Support
- Launched BOHA! Restaurant Operations Platform
- Additional Apps and Functions
- Launch of BOHA! Work Station

- Build-Your-Own (BYO) Functionality
- Canadian Nutritional Fact Panel support
- Completed Android tablet support
- pH Meter Integration



STANDALONE DEVICES



CLOUD-ADMINISTERED DEVICES

# BOHA! – LEADING THE DIGITAL REVOLUTION FOR BACK-OF-HOUSE OPERATIONS

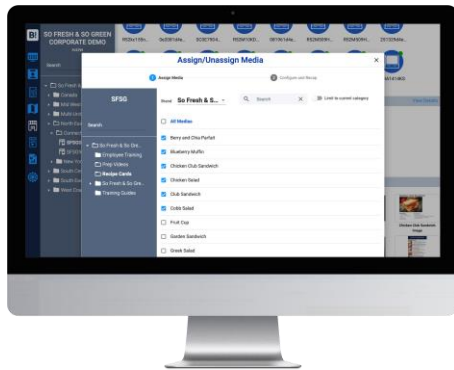
## BOHA! RESTAURANT OPERATIONS PLATFORM

Food Safety

Grab 'N Go Merchandising & FDA-Compliance

Brand Standards & Food Quality

Employee and Customer Health & Safety



BOHA! Control Center



Labeling



Media



Checklist



Temp



Timer

Functions



Native iOS and Android



## HEAR ABOUT BOHA! FROM A CUSTOMER



# BOHA! TERMINAL GROWTH

YEAR	QUARTER	# REVENUE GENERATING TERMINALS CUMULATIVE TOTAL
2019	4 <sup>th</sup> Quarter	2,750
2020	1 <sup>st</sup> Quarter	3,130
2020	2 <sup>nd</sup> Quarter	3,501
2020	3 <sup>rd</sup> Quarter	3,813
2020	4 <sup>th</sup> Quarter	5,688
2021	1 <sup>st</sup> Quarter	7,009
2021	2 <sup>nd</sup> Quarter	7,942
2021	3 <sup>rd</sup> Quarter	8,749
2021	4 <sup>th</sup> Quarter	9,818
2022	1 <sup>st</sup> Quarter	10,127
2022	2 <sup>nd</sup> Quarter	10,941
2022	3 <sup>rd</sup> Quarter	11,929

## BOHA! RECURRING REVENUES (\$000)

2019	Q1	Q2	Q3	Q4	TOTAL
	\$310	\$325	\$613	\$687	\$1,935
2020	Q1	Q2	Q3	Q4	TOTAL
	\$616	\$659	\$1,578	\$943	\$3,796 - 96% YOY
2021	Q1	Q2	Q3	Q4	TOTAL
	\$1,205	\$2,066	\$2,017	\$2,111	\$7,399 – 95% YOY
2022	Q1	Q2	Q3	Q4	TOTAL
	\$1,567	\$2,179	\$2,561	TBD	TBD

# Epic

THE NAME IN CASINO PRINTING AND  
MARKETING SOFTWARE SOLUTIONS

# CASINO & GAMING

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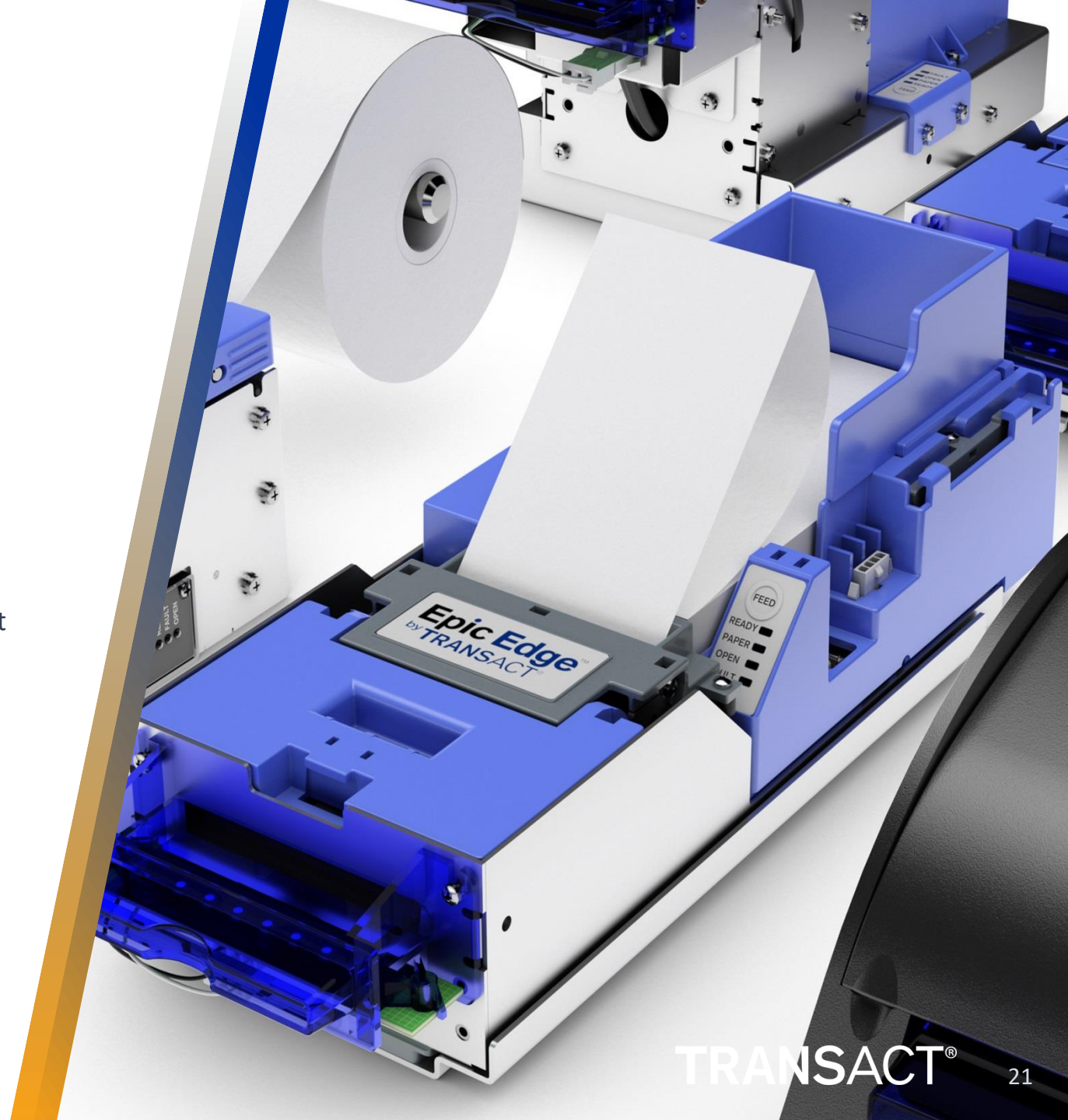
Industry-leading Casino and Gaming printer business provides a strong financial foundation for TransAct's ongoing investments in its Food Service Technology business

## CASINO

- Award-winning Epicentral software system, now with Mobile Host
- Epic Ticket-in/Ticket-out printers for slot machines and electronic gaming machines

## GAMING

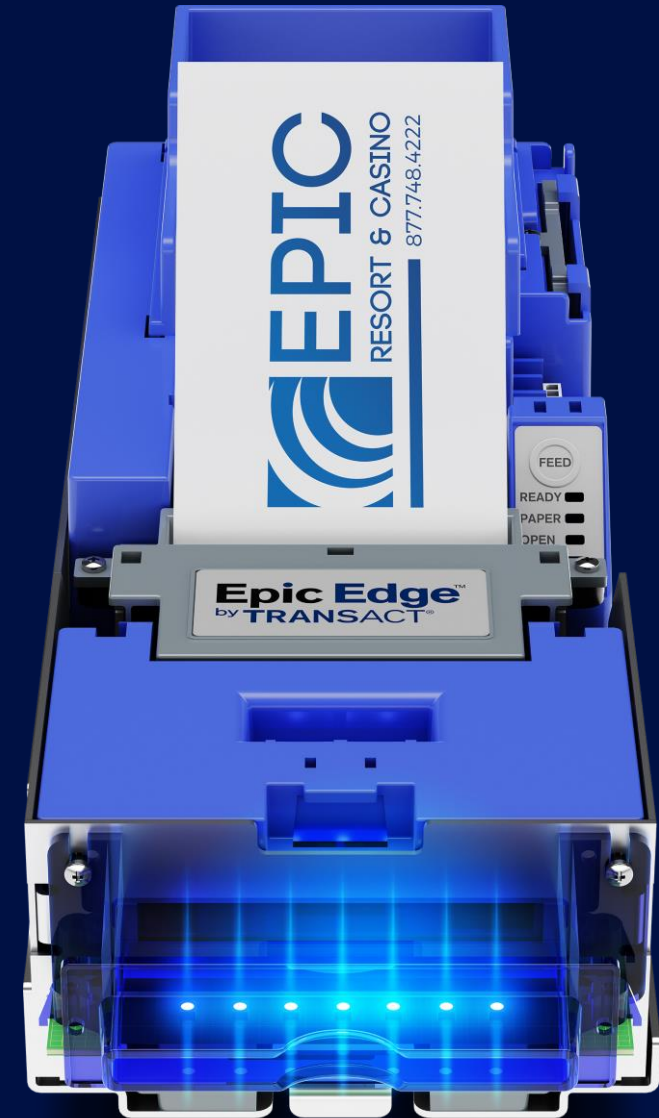
- Epic roll fed printer for emerging sports betting kiosks in casinos and betting parlors
- Europe big market for 'street' gaming machines



# EPIC EDGE™

## Next-generation casino and gaming printer

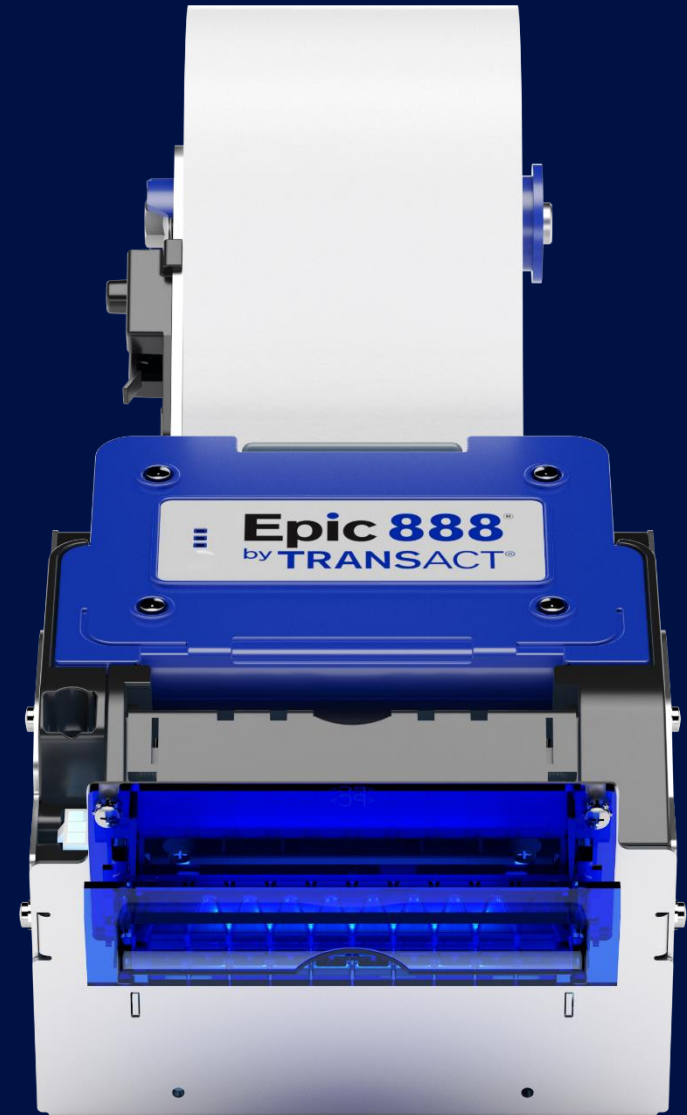
- First TITO printer to offer 300 DPI print resolution (a more than 2x improvement over current printers)
- Improves bill validator performance and coupon artwork, reduces attendant calls
- Fully equipped with serial and USB interfaces that are conveniently built into a single board
- Firmware updates via a convenient full speed USB 2.0 connection or directly via a micro SD card
- Adjustable ticket bucket for smaller, paper-saving tickets
- Runs side-by-side with Epic 950 printer
- Rugged metal chassis with Serial, USB, MicroSD and Netplex interfaces
- Hot swappable
- Upgraded ServerPort™ connection



# EPIC 888™

## Next-generation roll fed printer for Betting, Video Lottery Terminals and more

- Perfect print every time – Ticket Burst™ technology prints up to 8.5” long and cuts receipts before presenting
- Modular design – configurable to any space with adjustable bracket and spindle
- Accommodating straight paper path – Holds 4” and 6” diameter rolls. Door swings up for automatic paper loading and simple feeding
- Flexible dual-sided paper mounting arm – position mounting on left or right side of printer for easy cabinet integration
- Dual interfaces – Serial and USB
- New Anti-Jam Bezel – Bezel design to prevent users from jamming or accidentally blocking paper path



Delivers printed coupons and promotions  
in real-time

- Communicates with Epic Edge and Epic 950 printers
- Works with nearly all electronic gaming devices and slot management systems
- Extends time-on-device, increases player spend and generates increased customer loyalty

## EPICENTRAL 4.0

- New features include sleek user interface and web-based architecture which makes it easier to install, update and secure
- Run multiple promotions at the same time
- Reach un-carded players
- Create games within a game
- Promote to carded and un-carded players
- Reward players based on their individual behaviors





# EPICENTRAL<sup>®</sup> MOBILE HOST™

## Giving casino hosts the ability to reward customers at play with on-demand awards & coupons

- Casino floor staff can print promotional coupons directly to a player's active slot machine from iPad tablet
- Using a data connector, hosts can quickly access carded player information including name, status, spend and awards to provide enhanced face-to-face experience.
- App Home Page provides a summary of the casino floor, allowing users to view the current day and the last seven days coin-in, awards printed and award redemption
- Hosts can view all active and inactive Epic printers on the floor and can easily choose to print an on-demand coupon or award to the chosen slot machine



# CASINO BUSINESS UPDATE

- Pent up demand from casinos being shut down accelerating new game deliveries
- Traffic at casinos rising sharply to pre-pandemic levels
- Competitor struggling through production issues
- Ramping up production to meet worldwide demand



# TRANSACT<sup>®</sup>

## FINANCIAL OVERVIEW

# INCOME STATEMENT

US\$ in thousands, except per share data and percentages	Year Ended December 31,		
	2021	2020	2019
Net sales	\$39,386	\$30,595	\$45,748
Gross profit	15,382	12,929	21,935
Gross margin	39.1%	42.3%	47.9%
Operating income (loss)	(9,377)	(8,173)	343
Income (loss) before income taxes	(6,083)	(8,169)	367
Net income (loss)	(4,041)	(5,630)	516
Net income (loss) per diluted share	\$(0.43)	\$(0.72)	\$0.07
<b>Non-GAAP: (see "Non-GAAP Financial Measures")</b>			
EBITDA	(5,030)	(6,775)	\$1,749
Adjusted EBITDA	(5,997)	(5,899)	2,441
<b>Net sales by market:</b>			
Food service technology	\$12,625	\$7,734	\$6,104
POS automation and banking	4,825	3,770	5,758
Casino and gaming	15,302	10,979	21,529
Lottery	-	817	1,291
Printrex	631	300	1,166
TransAct services group	6,003	6,995	9,900

# INCOME STATEMENT

US\$ in thousands, except per share data and percentages	Three Months Ended September 30,			Nine Months Ended September 30,	
	2022	2021		2022	2021
Net sales	\$17,856	\$10,637		\$40,181	\$28,263
Gross profit	8,193	4,305		16,193	11,076
Gross margin	45.9%	40.5%		40.3%	39.2%
Operating income (loss)	387	(1,616)		(8,171)	(6,780)
Income (loss) before income taxes	466	459		(8,483)	(4,847)
Net income (loss)	528	901		(6,196)	(3,218)
Net income (loss) per diluted share	\$0.05	\$0.09		\$(0.63)	\$(0.35)

<b>Non-GAAP:</b> (see "Non-GAAP Financial Measures")					
Adjusted net income (loss)	\$528	\$(1,272)		\$(6,196)	\$(5,391)
Adjusted net income (loss) per diluted share	\$0.05	\$(0.13)		\$(0.63)	\$(0.59)
EBITDA	878	723		(7,364)	(4,055)
Adjusted EBITDA	1,165	(1,193)		(6,486)	(5,276)

<b>Net sales by market:</b>					
Food service technology	\$3,748	\$3,282		\$9,310	\$9,103
POS automation	5,228	1,188		7,700	3,608
Casino and gaming	7,743	4,036		19,030	10,368
Lottery	-	-		-	-
Printrex	-	160		-	431
TransAct Services Group	1,137	1,971		4,141	4,753

# BALANCE SHEET

US\$ in thousands	September 30, 2022	December 31, 2021	December 31, 2020
Cash and cash equivalents	\$6,364	\$19,457	\$10,359
Accounts receivable, net	13,639	7,593	3,377
Inventories, net	11,115	7,711	11,286
Other assets	18,821	16,173	17,225
<b>Total assets</b>	<b>\$49,939</b>	<b>\$50,934</b>	<b>\$42,247</b>
Accounts Payable	\$6,156	\$4,308	\$1,691
Other liabilities	8,251	7,642	8,147
Debt	2,250	-	2,173
<b>Total liabilities</b>	<b>\$16,657</b>	<b>\$11,950</b>	<b>\$12,011</b>
Shareholders' equity	\$33,282	\$38,984	\$30,236

# NON-GAAP FINANCIAL MEASURES

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TransAct is providing certain non-GAAP financial measures because the Company believes that these measures are helpful to investors and others in assessing the ongoing nature of what the Company's management views as TransAct's core operations. EBITDA and adjusted EBITDA provide the Company with an understanding of one aspect of earnings before the impact of investing and financing charges and income taxes. The Company believes that these non-GAAP financial measures provide relevant and useful information to an investor evaluating the Company's operating performance because these measures are: (i) widely used by investors to measure a company's operating performance without regard to items that do not reflect the ordinary earnings from operations excluded from the calculation of such measure; (ii) used as financial measurements by lenders and other parties to evaluate creditworthiness; and (iii) used by the Company's management for various purposes including strategic planning and forecasting and assessing financial performance. Adjusted net income (loss) and adjusted net income (loss) per diluted share provide the Company with an understanding of the results of the primary operations of the business by excluding the effects of special items (for example, the forgiveness of the Company's \$2.2 million loan under the Paycheck Protection Program (the "PPP Loan") administered by the Small Business Administration (the "SBA") pursuant to the Coronavirus Aid, Relief, and Economic Security Act of 2020 (the "CARES Act") that do not reflect the ordinary earnings of the Company's operations. The Company uses these measures to evaluate period-over-period operating performance because the Company believes this provides a more comparable measure of the Company's continuing business, as these measures adjust for special items that are not reflective of the normal results of the business. These measures may be useful to an investor in evaluating the underlying operating performance of the Company's business. The presentation of this non-GAAP information is not considered superior to or a substitute for, and should be read in conjunction with, the financial information prepared in accordance with GAAP.

EBITDA is defined as net income (loss) before net interest expense, income taxes, depreciation and amortization. A reconciliation of EBITDA to net income (loss), the most comparable GAAP financial measure, is presented below.

Adjusted EBITDA is defined as net income (loss) before net interest expense, income taxes, depreciation and amortization and is adjusted for share-based compensation and the impact of the forgiveness of the PPP Loan. The Company adjusts EBITDA for share-based compensation because the Company considers share-based compensation to be a non-cash expense similar to depreciation and amortization. A reconciliation of adjusted EBITDA to net income (loss), the most comparable GAAP financial measure, is presented below.

Adjusted net income (loss) is defined as net income (loss) adjusted for the impact of the forgiveness of the \$2.2 million PPP Loan. A reconciliation of adjusted net income (loss) to net income (loss), the most comparable GAAP financial measure, is presented below.

Adjusted net income (loss) per diluted share is defined as adjusted net income (loss) divided by diluted shares outstanding. A reconciliation of adjusted net income (loss) per diluted share to net income (loss) per diluted share, the most comparable GAAP financial measure, is presented below.

# TRANSACT TECHNOLOGIES INCORPORATED

## RECONCILIATION OF NET (LOSS) INCOME TO EBITDA AND ADJUSTED EBITDA

### NON-GAAP FINANCIAL MEASURES

US\$ in thousands	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net income (loss)	\$528	\$901	\$(6,196)	\$(3,218)
Interest expense, net	53	129	145	71
Income tax benefit	(62)	(442)	(2,287)	(1,629)
Depreciation and amortization	359	235	984	721
EBITDA	878	723	(7,354)	(4,055)
Share-based compensation expense	287	257	868	952
Forgiveness of PPP Loan	-	(2,173)	-	(2,173)
Adjusted EBITDA	\$1,165	\$(1,193)	\$(6,486)	\$(5,276)



# TRANSACT TECHNOLOGIES INCORPORATED

## RECONCILIATION OF NET INCOME (LOSS) TO EBITDA AND ADJUSTED EBITDA

### NON-GAAP FINANCIAL MEASURES

US\$ in thousands	Year Ended December 31,		
	2021	2020	2019
Net (loss) income	\$(4,041)	\$(5,630)	\$516
Interest expense, net	96	52	11
Income tax benefit	(2,042)	(2,539)	(149)
Depreciation and amortization	957	1,342	1,371
EBITDA	(5,030)	(6,775)	1,749
Share-based compensation expense	1,206	876	692
Forgiveness of PPP loan	(2,173)	-	-
Adjusted EBITDA	\$(5,997)	\$(5,899)	\$2,441

# RECAP

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- The BOHA! market opportunity is an over \$1 billion-dollar market
- Transitioning to recurring revenue business
- Restaurants need to add technology to their operations to lower costs, protect customers and their employees
- Food Safety in the restaurant, convenience store and grocery store market are critically needed
- FDA Labeling Act driving Convenience and Grocery Stores to purchase BOHA! for growing fresh food business
- FDA Labeling Act driving need for labeling systems for Grab-n-Go offerings
- Fast growing FST recurring revenue: software, service, and labels
- Only company to offer the Food Service Market a full suite of technology applications and hardware solutions
- Solid position in world-wide Casino and Gaming market