Nayax Ltd.

(the "Company")

Board of directors' report on the state of the corporation's affairs

As of March 31, 2021

Nayax Ltd.

The Board of Directors Report on the State of the Corporation’s Affairs

For the three-month period ended March 31, 2021

The Company’s board of directors hereby respectfully submits the board of directors' report on the state of the corporation’s affair for the three-month period ended March 31, 2021 (the “**Report Period**”), according to the Securities Regulations (Periodic and Immediate Reports), 5730-1970 (the “**Reports Regulations**”).

The scope of such board of directors' report is limited, and it is drafted under the assumption that the reader also has available the Company’s initial public offering prospectus dated May 11, 2021 (published May 10, 2021; reference no: 2021-01-082128) (the “**Company Prospectus**”). Anything set forth in the Company Prospectus is incorporated in this Report by way of reference.

A. The board of directors’ explanations on the state of the Company’s affairs

1. The Company’s activity during and after the Report Period

1.1. General

The Company was incorporated in Israel on January 16, 2005, as a private company with the name “Sarankot Ltd.”. On May 10, 2005, the Company changed its name to its current name. On May 10, 2021, the Company published a prospectus on the initial public offering of the Company’s shares (the “**IPO**”), and starting May 13, 2021, the Company’s shares have been traded on the Tel Aviv Stock Exchange Ltd., and the Company became a public company.

As of its incorporation date and as of the publication date of this Report, the Company, including through corporations that it directly and indirectly owns (hereinafter together: the “**Group**”), is engaged in the area of solutions and services for clearing and operation of businesses through a global platform. In the framework of its activity, the Company offers its customers, through its platform, which combines proprietary hardware and software developed by the Company, comprehensive solutions and services to unattended points of sale and service ("**Unattended**" or the "**Unattended Activity**"), and to attended points of sale and service ("**Attended**" or the "**Attended Activity**").

1.2. <u>Dealing with the effects of the Coronavirus outbreak</u>

During Q1 of 2020 the Coronavirus (COVID-19) ("**Coronavirus**") began to spread globally, and on March 11, 2020, the World Health Organization declared the Coronavirus a global pandemic. The Coronavirus led to sharp declines on stock markets all over the world, and to a global economic slowdown. The global economic slowdown led, and may in the future lead, to a decrease in consumption, and thus it had, and may also in the future have, a negative effect on the Group's activity and its results. Among others, the effect was noticeable on the Group's activity by way of a decrease in the number of consumer transactions performed with the Company's customers at Attended and Unattended points of sale, in particular during periods when it was prohibited to go to non-essential workplaces, or when tourism and leisure sites and other businesses whom the Group provides services to were closed. Nevertheless, as of the date of this Report, the number of Unattended points of sale of the Company's customers is higher than what it was before the Coronavirus outbreak.

An additional trend is that due to the Coronavirus outbreak, consumers prefer cashless payment methods in order to limit interactions with other people and surfaces, in the framework of social distancing rules. This behavior has a positive effect on the Company, in light of the fact that its platform and products enable various cashless payment methods, including through alternative payment products (such as credit cards and payment applications) and online payments.

Since the global outbreak of the Coronavirus the Company has been taking action in order to deal with issues and events with respect to the crisis and its potential implications. In order to limit the effects of the crisis, the Company is among others taking the following actions:

(1) Business development - The Company is continuing to examine business development opportunities and is taking action with the purpose of promoting business opportunities in the Israeli and international markets.

(2) Marketing activity - In light of the Coronavirus crisis, the Company also accelerated the launch of its online marketing and sales activity, so that it would engage with its customers and perform sale transactions through its websites.

For details about efficiency programs implemented by the Company in order to deal with the Coronavirus crisis, see Section 6.21.8 in Chapter 6 of the Company Prospectus.

For details about a long-term state-guaranteed loan of ILS 15 million that the Company received, and regarding subsidies that the Company received from the governments of the countries of incorporation of a few subsidiaries, see Sections 6.25.2.3, 6.25.4, and 6.25.5 in Chapter 6 of the Company Prospectus.

The Company's estimates with respect to the potential implications of the spread of Coronavirus on the Group's activity are considered forward looking information, as defined in the Securities Law, 5728-1968, the materialization of which is uncertain and is not within the Company's control.

1.3. Financial position

A summary of data on the financial position is presented below (in USD thousands):

Item	As of March 31		As of December 31	Board of directors' explanation
	2021	2020	2020	
Current assets	56,154	39,874	54,518	The increase in current assets as of March 31, 2021, compared to current assets as of March 31, 2020, mostly derived from an increase in cash and cash equivalents, an increase in the cash balances restricted to transfer to customers for clearing activity, and an increase in the balance of customers as a result of an increase in the Company's scope of activity.
Non-current assets	46,459	32,655	38,235	The increase in non-current assets as of March 31, 2021, compared to non-current assets as of March 31, 2020, mostly derived from an increase in the balance of goodwill and intangible assets (mainly due to the acquisition of Weezmo and due to development costs that were capitalized).
Current liabilities	74,366	41,109	62,251	The increase in current liabilities as of March 31, 2021, compared to current liabilities as of March 31, 2020, mostly derived from an increase in loans received from the shareholders, an increase in the balance of creditors for the clearing activity, and from the deferred consideration and liability for an options arrangement plus businesses that were recognized for the first time during the period (following the acquisition of Weezmo).
Non-current liabilities	16,325	16,049	18,001	The increase in non-current liabilities as of March 31, 2021, compared to non-current liabilities as of March 31, 2020, mostly derived from deferred tax liabilities that were recognized in the framework of allocating the purchase cost of the Weezmo transaction. In

				addition there was a decrease in the long-term loan balances from others, that was offset against an increase in long-term loans from banking corporations.
Equity	11,922	15,371	12,501	The decrease in equity as of March 31, 2021, compared to equity as of March 31, 2020, mostly derived from the Company's loss in 2020 and in Q1 of 2021.

1.4. Activity results

Data about the activity results is presented below (in USD thousands):

Item	Three-months ended March 31		Year ended December 31	Board of directors' explanation
	2021	2020	2020	
Revenue	22,774	18,102	78,783	The increase in revenues in the three-month period ended March 31, 2021, mostly derived from an increase in the end units sold by the Company, from an increase in revenues from services, in light of an increase in the scope of active paying units and from an increase in the scope of clearing activity. Despite the fact that one of the Company's main markets (Europe) was still under significant restrictions during Q1 2021, due to the Coronavirus, whereas the restrictions in the corresponding quarter last year only began towards its end, the Company recorded an increase in revenues of approximately 26%.
Cost of revenue	12,273	9,441	41,603	The increase in cost of revenues in the three-month period ended March 31, 2021, mostly derived from an increase in the Company's scope of activity and revenues.
Gross profit	10,501	8,661	37,180	Gross margin during the presented periods: In the first three months of 2021 - 46%, in the first three months of 2020 - 48%, in 2020 - 47%.
Research and development expenses	3,300	2,228	9,300	The increase in research costs for the three-month period ended March 31, 2021, derived from an increase in the scope of salary and affiliated costs for the research and development department.
Sale, administrative, and general expenses	8,316	6,621	26,545	The increase in administrative and general costs for the three-month period ended March 31, 2021, mostly derived from an increase in salary and affiliated costs.

Depreciation and amortization in respect of capitalized development costs	878	901	3,559	
Other expenses, net	161	-	-	The increase derives from costs that arose from the IPO, but that do not constitute "issue costs" to be deducted from the equity upon the actual IPO.
Loss from ordinary operations	(2,154)	(1,089)	(2,224)	The increase in operating loss mainly derives from an increase in operating costs as set forth above.
Financing expenses	924	377	4,277	The increase in financing costs in the three-month period ended March 31, 2021, derived from an increase in the scope of shareholder loans and loans from banking corporations, and from a revaluation of deferred consideration and obligation for an options arrangement, plus businesses that were for the first time recognized during the period (following the acquisition of Weezmo).
Financing income	840	148	403	The increase in financing revenues in the three-month period ended March 31, 2021, mostly derived from profit from exchange rate differentials during the period, and from financing revenues that were recognized in light of the loan that was forgiven (see Note 6B to the consolidated financial statements).
EBITDA *	52	1,109	6,649	Throughout the last few years the Company has been focusing on growth, and therefore it is investing in marketing, sales, and development.
Capital investments (CapEx) **	2,254	1,762	7,856	The increase in capital investments for the three-month period ended March 31, 2021, mostly derived from an increase in development costs that were capitalized in light of a salary increase and increase in the number of development employees.

* **EBITDA** – an index that is not calculated under GAAP, which is used by the Company to measure its results from continuing operations. This index is calculated as follows - Operational loss plus depreciation and amortization, non-recurring issue expenses that were included in the profit or loss report, and plus share-based payment expenses, as detailed below:

	Three-months ended March 31		**Year ended December 31, 2020**
	2021	**2020**	
Operational loss	(2,154)	(1,089)	(2,224)
Depreciation and amortization	1,672	1,433	5,908
share-based payment expenses	373	765	2,965
non-recurring issue expenses	161	-	-
EBITDA	**52**	**1,109**	**6,649**

** **Capital investments (CapEx)** - Cash investments in fixed assets and investments in intangible assets.

1.5. Liquidity

Data about the liquidity is presented below (in USD thousands):

Item	**For the year ended March 31**		**For the year ended December 31**	**Board of directors' explanation**
	2021	**2020**	**2020**	
Cash flow from operating activities	3,745	(283)	6,488	The increase in cash flow from current activities in the three-month period ended March 31, 2021, mostly derived from changes to the balances for the clearing activity of the Company.
Cash flow from	(2,496)	(1,552)	(8,572)	The increase in cash flow from investing activities for the three-month period ended

investing activities				March 31, 2021, mostly derived from an increase in development costs that were capitalized and from an investment in Tigapo (see Note 5B to the consolidated financial statements).
Cash flow from financing activities	4,168	4,681	6,046	The decrease in cash flow from financing activity in the three-month period ended March 31, 2021, mostly derived from receiving shareholder loans in Q1 of 2021, which were offset *vis-à-vis* loans that were received in the corresponding quarter last year from the Group's clearing entity and from a banking corporation.
Balance of cash and cash equivalents as of the end of the period	13,291	7,043	8,195	--

As of March 31, 2021, March 31, 2020, and December 31, 2020, the Company has a negative working capital (current assets lest current liabilities) of approximately USD 18,212, 1,235 and 7,733 thousand, respectively. The decrease in the working capital mainly derives from investments in development costs that were capitalized, investments for continued growth of the Company and from a current liability that was recognized with respect to the acquisition of Weezmo. Following the completion of the IPO after the balance date, and as of the date of this interim report, the working capital balance improved.

1.6. Financing sources

1.6.1. The Group finances its activity mainly from its independent sources, and through shareholder loans (for details see Section 8.2.4 in Chapter 8 of the Company Prospectus), and through loans and credits that it took from a banking corporation and under a loan agreement with one of the clearing entities whom it engaged with. Similarly, following the Coronavirus crisis, subsidiaries of the Group were supported by governments of their countries of incorporation. For additional details about the Company's financing sources, see Section 6.25 in Chapter 6 of the Company Prospectus.

1.6.2. On May 10, 2021, the Company published a prospectus for the initial public offering of the Company's shares, in the framework of which it raised a total of ILS 462,000 thousand (gross) (the "**Issue Proceeds**") (for additional details about the Issue Proceeds, see the Company Prospectus).

1.6.3. The average scope of the Company's long-term loans in Q1 ending March 31, 2021, and March 31, 2020, was approximately USD 12.2 million and approximately USD 8.5 million, respectively. The increase in long-term loans mostly derived from a state-guaranteed loan of ILS 15 million (approximately USD 4.25 million) that was received from a banking corporation.

1.6.4. The average scope of the Company's short-term credit in Q1 ending March 31, 2021, and March 31, 2020, was approximately USD 15.5 million and approximately USD 9.4 million, respectively. The increase in short-term credit derived from an increase in credit facility use and an increase in facilities from banking corporations starting October 2020.

1.6.5. The average credit from suppliers in Q1 ending March 31, 2021, and March 31, 2020, was approximately USD 9.7 million and approximately USD 7.4 million, respectively.

The average credit to customers in Q1 ending March 31, 2021, and March 31, 2020, was approximately USD 13.3 million and approximately USD 10.1 million, respectively.

1.6.6. Following the balance sheet date the Company repaid the entire shareholders loan (including credit line) through the Issue Proceeds. For additional details, see Section 8.2.4 of the Company Prospectus and Note

9 to the consolidated financial statements.

1.6.7. Following the balance sheet date the Company repaid all the short-term bank credit facilities that it had actually utilized, through the Issue Proceeds.

2. Material events after the date of the balance sheet

For details regarding events and transactions after the report date on the financial situation, see Notes 5A, 5B, 5C, 5D, 5E, 6B, 8A, 8D, 9C, 9D, and 10 to the consolidated financial statements.

3. Material valuations

Below are details about material valuations, according to Regulation 8B(i) to the Report Regulations:

3.1. Valuation of an ordinary share (409A) for the Financial Statements for the three-month period ended March 31, 2021:

Identifying the subject of valuation:	Valuation of ordinary share
Timing of the valuation:	March 31, 2021
Value of the valuation's subject immediately prior to the valuation date if the accepted accounting rules, including depreciation and amortization, would not require its change in value according to the valuation:	
Value of the valuation's subject that was determined according to the valuation:	Ordinary share USD 1.95
Details about the appraiser:	Raphael Meyara - Head of Financial Department

	Raphael has a lot of experience in the area of valuations, Raphael is one of the founders of AlgoValue, a CT and valuations management system. Raphael for 3 years worked as a supervisor at PWC, where his activity included valuations of private and public companies in various segments. Raphael advised and advises CEOs and owners of startup companies, funds, and investors. Raphael has an MBA in finance and strategic management from the Paris Dauphine University and a post-MBA from Tel Aviv University Elior Sitlani, CPA Elior has experience in valuation and financial modeling, in the past he worked in valuations at the financial department of EY. Elior has a lot of experience in financial consulting, measuring financial instruments, and company valuations, as well as in accompanying merger and acquisition transactions. Elior has an MBA in financing and financial management from Bar Ilan University and a BA in Business Administration and Accounting from the Ono Academic College.
Is there an indemnification agreement with the appraiser?	No
The valuation model under which the appraiser acted:	2 scenarios were conducted: First, we estimated the Company's value by using the multiplier method, thereafter, in order to determine the value of the Company's different shares we used the OPM model, with the help of which the

	equity value can be divided between the various instruments. A second model assumed an IPO and completely flattening the equity according to the IPO value.
The assumptions under which the appraiser made the valuation, according to the valuation model:	Main multiplier assumptions - We used the Company's actual revenues and a multiplier of comparable listed companies of 5.45. OPM - The model assumed a liquidation event that would occur in approximately six months, a USD risk-free interest of 0.14% and a fluctuation rate based on comparable companies of 60.34%. The discount rate for an ordinary share that was taken into account is 17.276% Main assumptions IPO scenario Value at IPO - USD 900 million, in approximately six months, capitalization rate of 16%, and 7.82% discount on ordinary shares.

3.2. Temporary valuation (*) of the acquisition proceeds and of the allocation of the purchase cost for acquiring Weezmo (see Note 5A to the consolidated financial statements):

Identity of the valuation's subject:	Valuating the consideration transferred of the Weezmo transaction, purchase price allocation (PPA) and revaluation of the deferred consideration and liability for the options arrangement as of March 31, 2021.
Timing of the valuation:	January 7, 2021 and March 31, 2021.
Value of the evaluation's subject immediately prior to the	

evaluation date if the accepted accounting rules, including depreciation and amortization, would not require its change in value according to the evaluation:	
Value of the valuation's subject that was determined according to the valuation:	Approx. USD 5.3 million as of January 7, 2021 and approx. USD 5.8 million as of March 31, 2021.
Details about the appraiser:	Gil Finkelstein, Ph. D., founding partner of ClearStructure Ltd. Gil is an appraiser and quantitative analyst specializing in valuation of business and companies, as well as valuation and risk assessment for a broad range of financial derivatives and complex securities. Over the last 15 years Gil has conducted a wide range of valuations, including business activities and shares of companies, employee stock options, complex group securities, credit derivatives, interest derivatives etc., for private and public companies, investment and commercial banks from Israel, the US, Canada, Australia, New Zealand and Germany. Gil has a bachelor's degree in industrial engineering from Tel Aviv University, an MBA from the Hebrew University in Jerusalem, and a Ph.D. in corporate finance also from the Hebrew University.
Is there an indemnification agreement with the appraiser?	Indemnity agreement above three times the fee that was paid.
The valuation model under which the appraiser acted:	Acquisition proceeds according to the consideration scenarios defined in the acquisition agreement. Customer relationships MPEEM Royalties model technology

The assumptions under which the appraiser made the valuation, according to the valuation model:	Equity price of 19% Royalty rate 5% Technology lifespan 7 years Customer relationships lifespan 10 years

(*) As of the date of signing these reports, the temporary valuation has not yet been completed, and therefore, according to the provisions of IFRS 3, there may be changes in the allocation of such purchase cost in the period of up to one year from the acquisition date.

May 27, 2021

Mr. David Ben-Avi	**Mr. Yair Nechmad**
Director	**CEO and Chairman of the Board**

Changes and novelties that occurred in the Company' business during and after the Report Period on matters that need to be described in the Periodic Report

In this Report, the following terms shall have the meaning:

"Company" - Nayax Ltd.

"Group" - The Company and corporations that it directly and indirectly owns.

"Financial Statements" - The Company's consolidated financial statements as of March 31, 2021.

"Periodic Report" - The Company's annual report for 2020, which was published in the framework of the Company Prospectus.

"Prospectus" or **"Company Prospectus"** - The Company's prospectus published on May 10, 2021 (reference no: 2021-01-082128).

1. **Update to Section 6.3.1 in the Company Prospectus - growth and key metrics**

   The Company has been growing consistently since its incorporation in 2005, and in recent years the Company's growth has even accelerated. The Company is examining its growth through three key metrics: The number of connected points of sale that the Company provides services to, the number of transactions executed at the points of sale, and the financial value of the transactions executed at the points of sale. Data with respect to these three key metrics for the three months ended March 31, 2021, can be found below:

Connected points of sale (in thousands)	302 (*)
Number of transactions (in millions)	143.9
The financial value of the transactions (in USD millions)	246

(*) As of March 31, 2021, the Company provided services to a further approximately 100,000 points of sale, out of which approximately 87,000 through Vendsys's solution, and the remaining ones are end points as part of the Attended Activity.

2. **Update to Section 6.5 of the Company Prospectus - Investments in the Company's equity and transactions in its shares**

Completing the IPO, secondary offering, and listing on TASE - On May 10, 2021, the Company published a prospectus on the initial public offering of the Company's shares (the "**IPO**"), in the framework of which it raised a total of ILS 462,000 thousand (gross), and starting May 13, 2021, the Company's shares have been traded on the Tel Aviv Stock Exchange Ltd. ("**TASE**"), and the Company turned into a public company. The Company's share price in the framework of the IPO was ILS 10.5 per share. For additional details, see the Company's immediate report on the results of the offering under the Prospectus for the IPO and secondary offering dated May 10, 2021 (reference no: 2021-01-082185).

NAYAX LTD

INTERIM FINANCIAL INFORMATION

(Unaudited)

March 31, 2021

NAYAX LTD

INTERIM FINANCIAL INFORMATION

(Unaudited)

March 31, 2021

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Auditors' review report to the shareholders of
Nayax Ltd

Introduction

We have reviewed the accompanying financial information of Nayax Ltd and its subsidiaries (hereinafter - the "Company"), which comprises the condensed consolidated statements of financial position as of March 31, 2021 and the condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three months period then ended. The Company's board of directors and management are responsible for the preparation and presentation of this interim financial information for this interim period in accordance with IAS 34, "Interim Financial Reporting". In addition, they are responsible for the preparation of this interim financial information for this interim period in accordance with Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with (Israel) Review Standard No. 2410, issued by the Israeli Institute of Certified Public Accountants regards "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing principles generally accepted in Israel and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements do not present fairly, in all material respects, in accordance with IAS 34 "Interim Financial Reporting".

In addition to the said in the previous paragraph, based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements do not present, in all material respects, in accordance with Chapter D of Securities Regulations (Periodic and immediate reports), 1970.

Tel Aviv, Israel
May 27, 2021

Kesselman & Kesselman
Certified Public Accountants (lsr.)
A member firm of PricewaterhouseCoopers International Limited

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NAYAX LTD

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		March 31		December 31,
		2021	2020	2020
		(Unaudited)		(Audited)
	Note	U.S. dollars in thousands		
A s s e t s				
CURRENT ASSETS:				
Cash and cash equivalents		13,291	7,043	8,195
Restricted cash transferable to customers for clearing activity		15,415	9,685	18,166
Short-term bank deposits		90	26	87
Receivables for clearing activity		8,568	6,612	7,213
Accounts receivable:				
Trade, net		12,793	10,490	13,840
Others		1,397	1,606	1,976
Inventories		4,600	4,412	5,041
Total current assets		56,154	39,874	54,518
NON-CURRENT ASSETS:				
Long-term bank deposits		799	448	798
Long-term receivables	5B	300	74	-
Property, plant and equipment, net		5,160	3,776	5,047
Right-of-use assets, net		4,579	4,134	4,761
Goodwill and intangible assets, net		35,380	24,088	27,388
Deferred income tax		241	135	241
Total non-current assets		46,459	32,655	38,235
TOTAL ASSETS		**102,613**	**72,529**	**92,753**

NAYAX LTD

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

	Note	March 31		December 31,
		2021	2020	2020
		(Unaudited)		(Audited)
		U.S. dollars in thousands		
Liabilities and equity				
CURRENT LIABILITIES:				
Short-term bank borrowings		11,490	9,418	11,589
Short-term bank loans and current maturities of long-term bank loans		2,150	1,041	1,938
Loans from shareholders		5,400	-	-
Current maturities of loans from others		2,710	945	3,041
Current maturities of other long-term liabilities		1,241	469	686
Current maturities of leases liabilities		1,235	1,185	1,320
Payables in respect of clearing activity		29,624	17,279	27,181
Deferred consideration and liability for option arrangement in business combination	5A	5,829	-	-
Accounts payable:				
Trade		8,488	7,129	10,998
Other		6,199	3,643	5,498
Total current liabilities		74,366	41,109	62,251
NON-CURRENT LIABILITIES:				
Long-term bank loans		4,589	1,866	5,391
Long-term loans from others		2,365	4,837	2,662
Long-term loans from shareholders		-	270	-
Retirement benefit obligation, net		888	619	894
Other long-term liabilities		2,817	3,599	3,374
Lease liabilities		4,686	4,264	5,154
Deferred income tax		980	594	526
Total non-current liabilities		16,325	16,049	18,001
TOTAL LIABILITIES		90,691	57,158	80,252
EQUITY:				
Equity attributed to parent company's shareholders:				
Share capital		7	7	7
Share premium		16,689	16,689	16,689
Put option to purchase subsidiary's shares		-	(493)	-
Capital reserves		8,918	9,493	9,238
Accumulated deficit		(15,152)	(11,354)	(13,433)
Total equity attributed to shareholders of the parent		10,462	14,342	12,501
Non-controlling interest		1,460	1,029	-
TOTAL EQUITY		11,922	15,371	12,501
TOTAL LIABILITIES AND EQUITY		**102,613**	**72,529**	**92,753**

Date of approval of the financial statements: May 27, 2021.

The accompanying notes are an integral part of the condensed financial statements.

NAYAX LTD

CONDENSED CONSOLIDATED STATEMENT OF INCOME

	Note	Three months ended March 31		Year ended December 31,
		2021	2020	2020
		(Unaudited)		(Audited)
		U.S. dollars in thousands (excluding loss per share data)		
Revenue	4	22,774	18,102	78,783
Cost of revenue		12,273	9,441	41,603
Gross Profit		10,501	8,661	37,180
Research and development expenses		3,300	2,228	9,300
Selling, general and administrative expenses		8,316	6,621	26,545
Depreciation and amortization in respect of capitalized development costs		878	901	3,559
Other expenses, net		161	-	-
Loss from ordinary operations		(2,154)	(1,089)	(2,224)
Finance expenses		924	377	4,277
Finance income		840	148	403
Loss before taxes on income		(2,238)	(1,318)	(6,098)
Tax benefit		56	15	15
Loss for the period		(2,182)	(1,303)	(6,083)
Attribution of loss for the period:				
To shareholders of the Company		(2,176)	(1,317)	(6,254)
To non-controlling interests		(6)	14	171
Total		(2,182)	(1,303)	(6,083)
Loss per share attributed to shareholders of the Company:				
Basic and diluted loss		(0.0088)	(0.0053)	(0.0252)

The accompanying notes are an integral part of the condensed financial statements.

NAYAX LTD

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)

	Three months ended March 31		Year ended December 31,
	2021	2020	2020
	(Unaudited)		(Audited)
	U.S. dollars in thousands		
Loss for the period	(2,182)	(1,303)	(6,083)
Other comprehensive income (loss) for the period:			
Items that will not be recycled to profit or loss:			
Loss from remeasurement of liabilities (net) for retirement benefit obligations	-	-	(126)
Items that may be recycled to profit or loss:			
Gain (loss) from translation of financial statements of foreign activities	(384)	16	243
Total comprehensive loss for the period	(2,566)	(1,287)	(5,966)
Attribution of total comprehensive loss for the period:			
To shareholders of the Company	(2,496)	(1,301)	(6,137)
To non-controlling interests	(70)	14	171
Total comprehensive loss for the period	(2,566)	(1,287)	(5,966)

The accompanying notes are an integral part of the condensed financial statements.

NAYAX LTD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Defined benefit plans	Reserve from transactions with controlling shareholders	Reserve from transactions with non-controlling interests	Call option to purchase shares of subsidiary	Capital reserve from gain and loss on translation of financial statements	Accumulated deficit	Total equity attributed to shareholders of the Company	Non-controlling interests	Total equity
	U.S. dollars in thousands										
Balance at January 1, 2021 (audited)	7	16,689	(329)	10,085	(761)	-	243	(13,433)	12,501	-	12,501
Changes in the three months ended March 31, 2021 (unaudited):											
Loss for the period	-	-	-	-	-	-	-	(2,176)	(2,176)	(6)	(2,182)
Other comprehensive loss for the period	-	-	-	-	-	-	(320)	-	(320)	(64)	(384)
Non-controlling interests from business combination	-	-	-	-	-	-	-	-	-	1,530	1,530
Share-based payment	-	-	-	-	-	-	-	457	457	-	457
Balance at March 31, 2021 (unaudited)	7	16,689	(329)	10,085	(761)	-	(77)	(15,152)	10,462	1,460	11,922
Balance at January 1, 2020 (audited)	7	16,689	(203)	10,085	(405)	(493)	-	(11,026)	14,654	1,015	15,669
Changes in the three months ended March 31, 2020 (unaudited):											
Income (loss) for the period	-	-	-	-	-	-	-	(1,317)	(1,317)	14	(1,303)
Other comprehensive income for the period	-	-	-	-	-	-	16	-	16	-	16
Share-based payment	-	-	-	-	-	-	-	989	989	-	989
Balance at March 31, 2020 (unaudited)	7	16,689	(203)	10,085	(405)	(493)	16	(11,354)	14,342	1,029	15,371
Balance at January 1, 2020 (audited)	7	16,689	(203)	10,085	(405)	(493)	-	(11,026)	14,654	1,015	15,669
Changes in 2020 (audited):											
Income (loss) for the period	-	-	-	-	-	-	-	(6,254)	(6,254)	171	(6,083)
Other comprehensive income (loss) for the period	-	-	(126)	-	-	-	243	-	117	-	117
Transactions with non-controlling interests	-	-	-	-	(356)	493	-	-	137	(1,186)	(1,049)
Share-based payment	-	-	-	-	-	-	-	3,847	3,847	-	3,847
Balance at December 31, 2020 (audited)	7	16,689	(329)	10,085	(761)	-	243	(13,433)	12,501	-	12,501

The accompanying notes are an integral part of these financial statements

NAYAX LTD

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Three months ended March 31		Year ended December 31,
	2021	2020	2020
	(Unaudited)		(Audited)
	U.S. dollars in thousands		
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss for the period	(2,182)	(1,303)	(6,083)
Adjustments required to reflect the cash flow from operating activities (see Appendix A)	5,927	1,020	12,571
Net cash provided by (used in) operating activities	3,745	(283)	6,488
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capitalized development costs	(1,731)	(1,204)	(5,731)
Acquisition of property, plant and equipment	(523)	(558)	(2,125)
Loans extended to others	-	(26)	(141)
Advance payment on acquisition of shares (see note 5b)	(300)	-	-
Loans (extended to) repaid by shareholders	(118)	848	786
Decrease (increase) in bank deposits	(5)	-	(411)
Purchase of subsidiary net of purchased cash (note 5a)	102	(686)	(686)
Repayment of liability to pay deferred consideration in respect to business combinations	-	-	(580)
Interest received	1	5	14
Proceeds from sub-lessee	78	69	302
Net cash used in investing activities	(2,496)	(1,552)	(8,572)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Interest paid	(266)	(282)	(1,065)
Short-term bank credit received, net	338	1,794	2,976
Support received (royalties paid) in respect to government assistance plans	(55)	-	16
Exercise of stock option of subsidiary and increase in equity interest therein	-	-	(1,049)
Long-term bank loans received	-	-	4,734
Repayment of long-term bank loans	(414)	(255)	(1,003)
Long-term loans received from others	-	3,451	3,804
Repayment of long-term loans from others	(446)	-	(920)
Loans received from shareholders	5,400	270	-
Decrease in other long-term liabilities	(72)	(43)	(280)
Repayment of lease liability principal	(317)	(254)	(1,167)
Net cash provided by financing activities	4,168	4,681	6,046
Increase in cash and cash equivalents	5,417	2,846	3,962
Balance of cash and cash equivalents at Beginning of period	8,195	4,412	4,412
Gains (losses) from exchange differences on cash and cash equivalents	(315)	(222)	(222)
Gains (losses) from translation of cash and cash equivalents of foreign activity	(6)	7	43
Balance of cash and cash equivalents at end of period	13,291	7,043	8,195

The accompanying notes are an integral part of the condensed financial statements.

NAYAX LTD
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

	Three months ended March 31		Year ended December 31,
	2021	2020	2020
	(Unaudited)		(Audited)
	U.S. dollars in thousands		
Appendix A – adjustments required to reflect the cash flows from operating activities:			
Adjustments in respect of			
Depreciation and amortization	1,672	1,433	5,908
Retirement benefit obligation, net	(6)	(43)	106
Income tax revenue	(74)	(27)	(230)
Financing expenses (income), net	130	(203)	3,428
Expenses in respect of long-term employee benefits	46	72	5
Expenses in respect of share-based payment	373	765	2,965
	2,141	1,997	12,182
Changes in operating asset and liability items:			
Decrease (increase) in restricted cash in respect of clearing activity	2,751	(3,449)	(11,930)
Decrease (increase) in receivables from clearing activity	(1,357)	5,605	5,003
Increase in trade receivable	1,104	(612)	(3,894)
Decrease (increase) in other receivables	632	726	(389)
Decrease (increase) in inventory	436	107	(511)
Increase (decrease) in payables for clearing activity	2,443	(2,700)	7,203
Increase (decrease) in trade payables	(2,658)	(581)	3,154
Increase (decrease) in other payables	435	(73)	1,753
	3,786	(977)	389
	5,927	1,020	12,571
Appendix B – Information regarding investing and financing activities not involving cash flows:			
Purchase of property, plant and equipment on credit	-	-	575
Acquisition of patents against offset of loan	-	-	806
Recognition of right-of-use asset in respect of lease of buildings against a lease liability	74	-	1,235
Amount of expenses attributed to development costs, capitalized and included in goodwill and intangible assets	497	224	883

NOTE 1 - GENERAL

a. Nayax Ltd. (hereafter: the "Company") was incorporated in January 2005. The Company provides transaction clearing and business operations solutions and services via a global platform. The Company markets the systems it developed in more than 50 countries worldwide (including Israel) through subsidiaries (the Company and the subsidiaries, hereafter: the "Group") and through local distributors.

The Company is a public company and its shares have been traded on the Tel Aviv Stock Exchange (TASE) since May 2021 (for more information about the initial public offering, see note 10 below).

b. The COVID crisis

In December 2019, the COVID-19 pandemic broke out in the Chinese city of Wuhan, which quickly spread worldwide in early 2020, causing global economic uncertainty and distress due to mandatory shut-downs of many businesses, slower manufacturing and disruption of national and international shipments and travel (hereinafter: the "COVID"). As part of the efforts to cope with COVID, most countries worldwide imposed certain restrictions on their populations, including limits on movement, gathering and presence in public places; caps on the numbers of employees allowed in workplaces and more. Those restrictions have had a direct impact on many industries, with some of them experiencing complete halt.

Certain restrictions were imposed in Israel since March 2020, which were partially lifted in the second quarter of 2020. However, given the increased number of new cases and a "second wave", new restrictions were imposed in the third quarter of 2020, with some similar to those previously lifted. In December 2020, with the third wave of the pandemic, another lockdown was announced, which included, among others, limitations on travel, gatherings and opening of retail locations. Following a successful mass vaccination effort in Israel during the first quarter of 2021, some restrictions introduced in the third lockdown were gradually lifted, and in February 2021, the "Green Passport" was launched to allow live performances and leisure activities. Additionally, some restrictions on gatherings were partially and gradually eased, and retail businesses began to reopen.

However, in many other countries worldwide, COVID still continues, with high new cases figures reported in some countries even today, while in certain other countries the pandemic is under control but restrictions on retail are still in place.

At this stage, the Group is unable to assess the impact of COVID going forward. The impact is dependent, among others, on the scope and intensity of the pandemic globally, the depth of imposed restrictions, additional potential lockdowns, pace of returning to normal, the scale of government support and whether the downturn in Israel and globally continues or deepens.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED CONDENSED FINANCIAL INFORMATION

a. The interim condensed consolidated financial information of the Partnership as of March 31, 2021 and for the three-month interim period ended on that date (hereinafter: "the Interim Financial Information") was prepared in accordance with International Accounting Standard No. 34 - "Interim Financial Reporting" (hereafter – "IAS 34") and the additional disclosure required under Chapter D of the Securities Regulation (Periodic and Immediate Reports), 1970. The Interim Financial Information does not include all the information and disclosures required in annual financial statements. The Interim Financial Information should be read in conjunction with the 2020 annual financial statements of the Company, prepared in accordance with International Financial Reporting Standards (hereafter – the "annual financial statements"), which are standards and interpretations published by the International Accounting Standards Board (hereinafter: the IFRS Regulations), and include the additional disclosure required by Securities Regulations (Annual Financial Statements), 2010.

The revenue of the Group and its results of activity in the three-month period ended March 31, 2021, do not necessarily provide indication of the results that can be expected in the year ended December 31, 2021.

b. Estimates

The preparation of Interim Financial Information requires management to exercise its judgment and to use significant accounting estimates and assumptions that affect the application of the Group's accounting policy and the amounts of reported assets, liabilities, income and expenses. Actual results may materially differ from those estimates.

The significant accounting estimates exercised by the general partner in implementing the accounting policy of the Group and the underlying estimates used by the general partner are not materially different from those used in the annual financial statements.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES

a. Significant accounting policies and calculation methods that have been applied in the preparation of the interim financial information are consistent with those used in the preparation of the Group's 2020 consolidated annual report, excluding the following:

Taxes on income
The calculation of taxes on income in the interim period is based on the best estimate of the weighted average of the expected tax rate for the fiscal year.

b. New standards and amendments to existing standards that are not yet in effect and which the Group elected not to adopt early:

The Group's 2020 consolidated annual financial statements present information about an amendment to an existing IFRS that is not yet effective and that the Group elected not to adopt early. This note refers to amendments to existing

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. New standards and amendments to existing standards that are not yet in effect and which the Group elected not to adopt early (continued):

standards published after the Group's 2020 annual financial statements were published.

a. Amendment to IAS 1 "Presentation of Financial Statements" (hereafter: "Amendment to IAS 1")

   The Amendments to IAS 1 require companies to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

   The amendments clarify that accounting policy information is expected to be material if, without it, users of an entity’s financial statements would be unable to understand other material information in the financial statements. Additionally, the amendment clarifies immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting policy information.

   The Amendments to IAS 1 is applicable retrospectively for annual periods beginning on or after January 1, 2023. According to provisions of the Amendment, early adoption is permitted. Initial application of the Amendment to IAS 1 is not expected to have material impact on the Group's consolidated financial statements.

b. Amendment to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" (hereafter: "Amendment to IAS 8")

   The amendments to IAS 8 clarify how entities should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events, and also to present events and present transactions.

   The Amendments to IAS 8 will be applied retrospectively for annual periods beginning on or after January 1, 2023. According to provisions of the Amendments, early adoption is permitted. Initial application of Amendments to IAS 8 is not expected to have material impact on the Group's consolidated financial statements.

NOTE 4 - REVENUE

	Three months ended March 31		Year ended December 31
	2021	2020	2020
	(Unaudited)		(Audited)
	USD in thousands		
Sale of end units and others	9,300	7,768	35,414
Service revenue	7,509	6,050	25,127
Clearing revenue	5,965	4,284	18,242
Total	22,774	18,102	78,783

NOTE 5 - BUSINESS COMBINATIONS AND HELD ENTITIES

a. Agreement to acquire Weezmo Technologies Ltd (a company included in consolidation for the first time in the reporting period)

On January 7, 2021 (hereinafter: the "Acquisition Date"), the Company entered into an agreement with Weezmo Technologies Ltd. ("Weezmo "), which is active in the interactive receipts business in Israel and worldwide, with seven of its shareholders, as well as five Weezmo option holders, according to which the Company acquired from three Weezmo shareholders (hereinafter: the "Sellers") Weezmo preferred shares, representing 36.13% (31.59% on a fully-diluted basis) of its issued share capital. According to the agreement, the consideration to two of the Sellers will be a total of $300 thousand in cash, such that on Acquisition Date, the Company paid $100 thousand and three months after Acquisition Date, it will pay an additional amount of $200 thousand (hereinafter: the "Cash to Two of the Sellers") in exchange for 5.78% (5.06% fully diluted) of Weezmo's issued share capital.

The consideration to the third Seller (the "Third Seller") will be $3.2 million in cash or alternatively through issuance of 1,909,716 ordinary shares of the Company to the Third Seller (hereinafter: the "Liability to the Seller"), at the discretion of the Company, with the number of shares issued under that alternative being subject to adjustments, as described in the agreement.

In addition, each of Weezmo's additional shareholders (including option holders) with whom the Company entered into the agreement (the "Joining Shareholders") granted the Company a call option to purchase all the ordinary Weezmo shares or options held by them (representing 43.73% stake, or 41.68% on a fully-diluted basis) (hereinafter: the "Call Options"). The Call Options can be exercised by the Company during the thirty-six months' period starting from the Acquisition Date. In general, the consideration to all Joining Shareholders for an exercise of the Call Options will be a cash amount of $2.6 million, or alternatively, through an issuance of 1,706,213 ordinary shares of the Company to the Joining Shareholders, at the

NOTE 5 - BUSINESS COMBINATIONS AND HELD ENTITIES (CONTINUED)

a. Agreement to acquire Weezmo Technologies Ltd (a company included in consolidation for the first time in the reporting period) (continued)

Company's discretion, with the number of shares issued under this alternative being subject to adjustments, as described in the agreement. However, under certain circumstances stipulated by the agreement, the Joining Shareholders may require the Company to pay some of the consideration in cash.

In addition, the Company granted each of the Joining Shareholders a put option to sell to the Company all shares of Weezmo they hold (hereinafter: the "Put Options"). The Put Options can be exercised by each of the Joining Shareholders starting from the Acquisition Date until the earlier of: (a) 36 months after Acquisition Date (or until another date to be agreed in writing between the Company and any Joining Shareholder); and (b) closing of an initial public offering of the Company's shares (hereinafter: "IPO"); and (c) the closing of the sale of all or substantially all shares of the Company to a third party ("Exit"). Generally, the consideration to all Joining Shareholders for the exercise of the Put Options will be $2.6 million in cash or alternatively an allotment of 1,455,301 ordinary shares of the Company to the Joining Shareholders, at the discretion of the Company, with the number of shares issued under that alternative being subject to adjustments, as described in the agreement. Notwithstanding the above, to the extent that the Put Options are exercised before and subject to closing an IPO or an Exit, the number of shares the Company will allot to the Joining Shareholders is a total 1,580,758 ordinary shares. Even in this case, under certain circumstances that are detailed in the agreement, the Joining

Shareholders may demand that the Company pay some of the consideration in cash.

Note that the election of the Company to pay in cash to Put and Call Option holders is limited to a period of six months, from the Acquisition Date.

On acquisition date, the Company received all voting rights of the Sellers and the Joining Shareholders, and also received and exercised the right to appoint all directors on the board of Weezmo.

Accordingly, beginning on Acquisition Date, the Company controls Weezmo and consolidates its financial statements.

The consideration for the business combination comprises a number of elements, as follows:

- The Cash to Two of the Sellers, as defined above;
- The Liability to the Third Seller, as defined above; and
- The liability for the arrangement that includes the Put Options and Call Options, as defined above.

The Company recognized financial liabilities for the Liability to the Third Seller and its liability for the arrangement that includes the Put Options and the Call Options, as permitted by IFRS 9 to account for a financial liability with an embedded derivative.

NOTE 5 - BUSINESS COMBINATIONS AND HELD ENTITIES (CONTINUED)

a. Agreement to acquire Weezmo Technologies Ltd (a company included in consolidation for the first time in the reporting period) (continued)

The overall fair value of those liabilities as of the Acquisition Date and as of March 31, 2021 is $5.3 million and $5.8 million, respectively. The difference, a sum of approximately $0.5 million, was recorded to the "financial expenses" in the comprehensive income (loss) report.

After the date of the statement of financial position, shortly before the completion of the IPO (see note 10 below), the Put Options representing 43.73% of Weezmo's share capital (41.68% on a fully diluted basis) were exercised in exchange for $2.6 million in cash. As of the date of signing these financial statements, the consideration to the Third Seller has not yet been paid.

The portion of Weezmo's income attributed to owners of the Company also includes the portion of non-controlling interest to whom the Company issued the Put Options and received from them the Call Options. Accordingly, the rate of non-controlling interests reflected in the consolidated financial information of the Company as of Acquisition Date and as of March 31, 2021 is approximately 20%.

The Company engaged an external valuer for measuring the fair value of acquisition consideration and its allocation to the assets acquired and liabilities assumed in the acquisition (hereinafter: the "Temporary Valuation"). As of the date of signing these financial statements, the Temporary Valuation had not been completed, and therefore, according to IFRS 3, changes are possible in the purchase price allocation within a period of up to one year after Acquisition Date.

NOTE 5 - BUSINESS COMBINATIONS AND HELD ENTITIES (CONTINUED)

a. Agreement to acquire Weezmo Technologies Ltd (a company included in consolidation for the first time in the reporting period) (continued)

The following table presents the consideration for the acquisition of Weezmo, based on the Temporary Valuation, the non-controlling interests and the amounts recognized for assets acquired and liabilities assumed on acquisition date, at fair value (*):

	USD in thousands
	(Unaudited)
The Cash to Two of the Sellers	300
The Liability to the Third Seller	2,937
The liability for the arrangement that includes the Put Options and Call Options	2,386
Total consideration	5,623
Amounts recognized on acquisition date:	
Cash and cash equivalents	202
Accounts receivables	98
Property, plant and equipment	3
Accounts payable	(25)
Other Payables	(240)
Technology	798
Customer relations	1,544
Deferred tax liability	(539)
Total identifiable assets, net	1,841
Goodwill (**)	5,312
Non-controlling interests (***)	(1,530)
Total Consideration	5,623
Cash flows in respect of the acquisition, as presented in cash flows from investing activities	
Cash paid	(100)
Cash and cash equivalents of subsidiary included in consolidated for the first time	202
Acquisition of subsidiary, less cash acquired, as presented in cash flows from investing activity	102

(*) The amounts presented above are subject to completion of the Temporary Valuation.

(**) Goodwill is not deductible for tax purposes and arises mainly from projected synergies with activities of the Group, and from workforce that does not qualify for recognition as a separate asset.

(***) Non-controlling interests are measured at fair value on acquisition date. In May 2021, an agreement was signed with all holders of non-controlling interests whereby the Company acquired their entire interest in Weezmo for $1.3 million, and thus the interest of the Company in Weezmo will increase to 100%.

NOTE 5 - BUSINESS COMBINATIONS AND HELD ENTITIES (CONTINUED)

a. Agreement to acquire Weezmo Technologies Ltd (a company included in consolidation for the first time in the reporting period) (continued)

The additional revenue included in the consolidated statement of income since Acquisition Date as a result of consolidating Weezmo's results was $84 thousand in the three months ended March 31, 2021 (unaudited). Additionally, the consolidation of Weezmo resulted in an increase of $17 thousand (unaudited) in the loss for the period.

b. In-principle agreement and memorandums of principles for acquisition of the shares of Tigapo Ltd

On February 4, 2021, the Company entered into a memorandum of understanding (hereinafter: "the First Memorandum of Principles") with Tigapo Ltd. ("Tigapo"), which is engaged in developing a smart, cloud-based system for management of gaming arcades.

According to the First Memorandum of Principles, the Company invested $300 thousand in Tigapo under a Simple Agreement for Future Equity (SAFE) against a right to future allotments of shares in a future investment event in Tigapo at an amount of not less than $1.5 million. The allocation of shares to the Company following the future investment event, as above, will be based on a share price at the lower of: (1) 20% of a share price to be paid by the investor on that future investment event (on a fully-diluted basis); (2) a share price reflecting a company valuation of $10 million (on a fully-diluted basis).

However, if the price per share in that future investment event is greater than $5.6943, then the share price used for allocating shares to the Company will not be less than $5.6943.

The amount paid, $300 thousand, is presented within "long-term receivables" in the statement of financial position as of March 31, 2020. This investment is accounted for as a financial asset at fair value through profit or loss.

The First Memorandum of Principles provided that the parties will enter into a detailed agreement within 60 days (hereinafter: the "Detailed Agreement"), in accordance with which the Company would invest a total of $4 million (hereinafter: the "Additional Investment Amount") against an allotment of shares of Tigapo based on a pre-money valuation of $12 million, on a fully-diluted basis. The First Memorandum of Principles indicated that, subject to signing the Detailed Agreement, the Additional Investment Amount would be paid by May 1, 2021, subject to completion of an initial public offering of the Company's shares (hereinafter: "IPO") by that date, and to the extent that no IPO is completed, the Additional Investment Amount would be paid through monthly installments of $200 thousand from May 1, 2021 to December 1, 2022, or alternatively, until the time of completing an IPO, whichever is the earlier.

On March 31, 2021, the closing date for the Detailed Agreement, as defined above, was deferred by mutual agreement of the parties, to a later date to be set by mutual agreement of the parties.

NOTE 5 - BUSINESS COMBINATIONS AND HELD ENTITIES (CONTINUED)

b. In-principle agreement and memorandums of principles for acquisition of the shares of Tigapo Ltd (continued):

Concurrently with the First Memorandum of Principles, the Company signed on January 28, 2021 an additional memorandum of principles (hereinafter: "the Second Memorandum of Principles") to acquire 28.86% of the shares of Tigapo from some of the company's shareholders (hereinafter: "the Selling Shareholders") for a consideration of $1,868 thousand.

On February 23, 2021, an additional memorandum of principles was signed with another shareholder (hereinafter: the "Third Memorandum of Principles" and "the Additional Shareholder", respectively) to acquire 3.51% of Tigapo's shares (on a fully diluted basis) for $264 thousand.

During May 2021, after the date of the statement of financial position, agreements were signed with the Selling Shareholders and the Additional Shareholder, whereby the Company would acquire from them 32.37% of Tigapo's shares (fully diluted) for a cash consideration of $2.1 million. As of the date of signing this financial information, the acquisition has not yet completed.

c. Agreement to acquire Dually Ltd after balance sheet date

According to an agreement signed between the controlling shareholders of the Company, the Company and Dually, according to an in-agreement tax ruling that was received from the Israel Tax Authority, and after receiving an approval from the Company's board of directors and the shareholders meeting dated April 1, 2021, a three-part restructuring process was performed on April 1, 2021 (which is tax exempt under the provisions of Sections 104B, 103T and 104C to the Income Tax Ordinance [New Version] (the "Ordinance"), as detailed in note 31c to the 2020 consolidated financial statements the end result of which was that all shares of Dually were transferred to the Company (such that Dually became a wholly owned subsidiary of the Company), and 281,202,800 dormant shares (as this term is defined by Section 308(a) of the Companies Law) were created. On April 1, 2021, the Company eliminated all said dormant shares.

d. Nayax Retail Ltd (formerly: UPITec Software Ltd)

As discussed in note 6b to the annual consolidated financial statements (hereinafter in this section: "Note 6b"), according to an agreement for the acquisition of the shares of Nayax Retail Ltd (hereinafter: "Nayax Retail"), the remaining shares, representing a 49% interest in Nayax Retail, were supposed to be acquired by the Company over five years, for an aggregate consideration of ILS 4.9 million (approx. $1.5 million), payable in five equal installments, beginning on March 8, 2021. However, during the period, the parties reached an understanding that the installment scheduled for March 8, 2021 was deferred to May 31, 2021.

Additionally, as disclosed in Note 6b, in the event of a qualifying transaction (as defined in the agreement), the additional acquisitions would be accelerated, and performed within 14 business days from the date of the qualifying transaction.

NOTE 5 - BUSINESS COMBINATIONS AND HELD ENTITIES (CONTINUED)

d. Nayax Retail Ltd (formerly: UPITec Software Ltd) (continued):

Accordingly, and given the completion of the initial public offering by the Company after balance sheet date (see note 10), the entire additional consideration, as above, was accelerated, and is expected to be paid through the end of May 2021, such that all shares of Nayax Retail would be transferred to the Company against payment of the additional consideration in full. As described in the Company's annual consolidated financial statements, the Nayax Retail acquisition was accounted for as acquisition of the entire share capital of that entity, with a corresponding recognition of a liability for the forward contract.

e. Modularity Technologies Ltd

According to note 6a(4) to the annual consolidated financial statements, ILS 1 million (approx. $0.3 million) was supposed to be paid by the Company within 30 days from the closing of a transaction, in which the company would raise capital of at least ILS 20 million, subject to eligibility and depending on the continuation of employment. Accordingly, in light of the completion of an initial public offering by the Company after balance sheet date (see note 10), and given the fact that on the date of IPO completion some of the employees were no longer with the Company, ILS 0.5 (approx. $0.15 million) was payable by the end of June 2021.

NOTE 6 - LOANS AND OTHER LONG-TERM LIABILITIES

a. As stated in note 18 to the 2020 consolidated financial statements, in February 2020, the Group received a €3.5 million ($3.8 million) loan from a clearing entity. In March 2021, following the COVID crisis, the Company received an approval to defer repayment of the said loan by six months. The change in the terms of the loan, as above, did not have a material impact on the consolidated financial statements of the Company.

b. Further to note 1d to the 2020 consolidated financial statements, in the reported period, a $115 thousand loan was forgiven. Accordingly, that loan was derecognized against the "finance income" item in profit or loss for the three months ended March 2021.

Additionally, in May 2021, after the date of the statement of financial position, an additional loan, at $368 thousand, was forgiven.

NOTE 7 - FINANCIAL INSTRUMENTS AND RISKS

Fair value of financial assets and financial liabilities

The carrying amounts of all financial assets and financial liabilities in the Company's statement of financial position reasonably approximate their fair value.

NOTE 8 - SHARE-BASED PAYMENT

a. January 7, 2021 grant

On January 7, 2021, the Company allotted to two employees of the Company 400,000 options each (a total of 800,000 options) under the 2018 Plan (as defined in note 21c to the annual consolidated financial statements).

The vesting period of the options is four years, where 25% of the options vest on the first anniversary of grant date, and additional 6.25% of the options vest on the last day of each subsequent calendar quarter. Options not vested by the fifth anniversary of grant date will expire.

400,000 options have an exercise price of $0.67 (hereinafter: "Part A Options") and 400,000 options have an exercise price of the par value of the shares (ILS 0.0001) and also include accelerated vesting in the event of an IPO or at the termination of the employee's service, such that they vested upon completion of the IPO of the Company, after balance sheet date (hereinafter: "Part B Options") (see note 10 below).

The fair value of each Part A Option on grant date, calculated using the Black and Scholes formula, is $0.53. This value is based on the following assumptions: a share price of $0.97, expected dividend of 0%, expected standard deviation of 51.22%, risk-free interest rate of 0.46% and period to maturity of five years.

The fair value of each Part B Option on grant date, calculated using the Black and Scholes formula, is $0.97. This value is based on the following assumptions: a share price of $0.97, expected dividend of 0%, expected standard deviation of 51.22%, risk-free interest rate of 0.46% and period to maturity of five years.

b. March 24, 2021 grant

On March 24, 2021, the Company allotted 2,825,000 options to employees of the Company and subsidiaries under the 2018 Plan (as this term is defined by note 21c to the annual consolidated financial statements). The exercise price of 2,530,000 options is $0.67 each (hereinafter: "Part C Options") and the exercise price of 295,000 options that were allotted to employees of subsidiaries in the US is $1.95 each (hereinafter: "Part D Options").

NOTE 8 - SHARE-BASED PAYMENT (CONTINUED)

b. March 24, 2021 grant (continued):

The vesting period of the options is five years, with 20% of the options vesting on the first anniversary of grant date, and after that, additional 5% of the options vest on the last day of each subsequent calendar quarter. Options not vested by the end of the quarter following the fifth anniversary of grant date will expire.

The fair value of each Part C Option on grant date, calculated using the Black and Scholes formula, is $1.41. This value is based on the following assumptions: a share price of $1.95, expected dividend of 0%, expected standard deviation of 50.3%, risk-free interest rate of 0.88% and period to maturity of 5.25 years.

The fair value of each Part D Option on grant date, calculated using the Black and Scholes formula, is $0.87. This value is based on the following assumptions: a share price of $1.95, expected dividend of 0%, expected standard deviation of 50.3%, risk-free interest rate of 0.88% and period to maturity of 5.25 years.

Regarding employees and officers in Israel, said plans are managed under the relevant rules in Section 102 to the Income Tax Ordinance, in the equity track.

Allotments to non-employee Israelis are subject to Section 3(i) to the Income Tax Ordinance.

Overseas employees and service providers are subject to the tax laws in the relevant jurisdictions.

c. For details about share-based payments to Mr. Yair Nechmad and Mr. David Ben-Avi, see note 9c(2) below.

d. Further to note 21c to the annual consolidated financial statements (hereinafter in this paragraph: "Note 21c"), and in light of completing an initial public offering by the Company after balance sheet date (see note 10 below):

(1) In the second quarter of 2021, the Company will recognize an expense of $221 thousand in respect of the 2013 Options benefit balance (as defined in Note 21c), which were replaced against 2018 Options (as defined in Note 21c), whose vesting is accelerated in the event of an IPO.

(2) In the second quarter of 2021, the Company will recognize an expense of $509 thousand in respect of the 2013 Options benefit balance (as defined by Note 21c), whose vesting is accelerated in the event of an IPO.

NOTE 9 - RELATED PARTIES

a. Transactions with related parties:

	Three months ended March 31		Year ended December 31
	2021	2020	2020
	(Unaudited)		(Audited)
	USD in thousands		
Salary and payments to interested parties and related parties employed by the Company	501	269	1,519
Number of interested parties to which the benefits relate	8	7	8
Dually (related company) – revenues from sales and	900	497	3,520
Shareholders interest expenses, net	104	6	27

b. Balances with related and interested parties

	Three months ended March 31		Year ended December 31
	2021	2020	2020
	(Unaudited)		(Audited)
	USD in thousands		
Trade receivable - Dually	380	747	1,248
Other receivables - shareholders	180	-	61
Other receivables – related company	-	666	-
Loans to interested parties	42	39	44
Trade payables – related companies	116	8	27
Trade payables – shareholders	60	-	-
Loans from shareholders	5,400	270	-

c. Employment terms of Mr. Yair Nechmad and Mr. David Ben-Avi

(1) As indicated in note 29(6) to the 2020 consolidated financial statements, on March 10, 2021, the Board of Directors and the general meeting of the shareholders of the Company approved a revision of the terms for engagement of the Company with interested parties, such that during the period beginning on January 1, 2021, their compensation is as follows:

a. The monthly compensation of Mr. Yair Nechmad, CEO of the Company, through Yair Nechmad Ltd, was changed to a monthly cost of ILS 150 thousand, instead of ILS 50 thousand.
b. The monthly compensation of Mr. David Ben Avi, CTO of the Company, through David Ben Avi Holdings Ltd, was changed to a monthly cost of ILS 150 thousand, instead of ILS 50 thousand.

NOTE 9 - RELATED PARTIES (CONTINUED)

c. Employment terms of Mr. Yair Nechmad and Mr. David Ben-Avi (continued):

On May 4, 2021, the Company's board of directors and general meeting of shareholders of the Company approved the engagement of the Company in revised service agreements with Mr. Yair Nechmad and Mr. David Ben Avi, in which the monthly management fee of each was set to ILS 140,000 beginning on the date of completion of the IPO on TASE, i.e. May 13, 2021 (see note 10 below). This amount will be increased by 2.5% at the beginning of each calendar year.

(2) In May 2021, after the date of the statement of financial position, Mr. Yair Nechmad and Mr. David Ben-Avi were each allotted 7,250,000 options, which are convertible into ordinary shares of the Company. The options will vest over five years (until 2025), subject to attaining the following goals:

a. To the extent that revenue growth of the Company in any given calendar year over the preceding calendar year (beginning in 2021, relative to 2020) is at least 30%, and subject to a gross profit rate of not less than 40% in that calendar year, 750,000 options will vest and be exercisable into ordinary shares of the Company over a five-year period.

b. Additionally to the vested options in paragraph a. above, for revenue growth of the Company in any given calendar year over the preceding calendar year (beginning in 2021, relative to 2020) of at least 30% and up to 45%, and subject to a gross profit rate of not less than 40% in that calendar year, up to 700,000 additional options will vest and be exercisable into ordinary shares of the Company over a five-year period, with the number of options vesting under this paragraph calculated linearly, based on the revenue growth rate of between 30% and 45% over to the previous year.

If the Company does not meet those goals in a given calendar year, the options attributed to that calendar year will expire.

The exercise price of the options, as above, will be the price of the Company's share in the IPO (see note 10 below).

The plan is governed by Section 3(i) to the Income Tax Ordinance.

NOTE 9 - RELATED PARTIES (CONTINUED)

d. Shareholders loans

Mr. Amir Nechmad, through Ofer R.G Ltd. (a company wholly owned by Mr. Amir Nechmad), provided shareholders' loans to the Company in the reporting period, carrying an annual interest of 6%, in an aggregate amount of $5.4 million.

According to the terms of the loan agreements, Ofer R.G Ltd had a right to call the loans at any time, but provided that the Company received 10 business days' advance notice. Accordingly, current liabilities were recognized at the amount of the expected undiscounted payment, i.e. $5.4 million in the statement of financial position as of March 31, 2021, within the "loans from shareholders" item.

d. Shareholders loans (continued):

Additionally, after the date of the statement of financial position, the Company received additional shareholders' loans under the same terms and conditions, at an additional aggregate amount of $2.2 million.

In May 2021, after the date of the statement of financial position, the Company fully repaid the above shareholders' loans.

e. Credit line

In April 2021, after the date of the statement of financial positionMr. Amir Nechmad, through Ofer R.G Ltd, provided the Company a $2 million credit line, from which the Company can draw at any time. Amounts drawn by the Company, as above, bear annual interest of 6%.

According to the terms of the credit line, Ofer R.G. Ltd has a right to call the loans utilized at any time, but provided that the Company is provided 10 business days' advance notice.

Through the date of signing these condensed consolidated financial statements, the Company drew $1.3 million from the credit line, which were fully repaid in May 2021.

NOTE 10 - INITIAL PUBLIC OFFERING AFTER BALANCE SHEET DATE

On May 13, 2021, after the date of the statement of financial position, the Company completed an initial public offering (IPO) in which it sold 44 million ordinary shares of ILS 0.0001 par value each for a gross amount, before issuance costs, of ILS 462 million (approx. $140 million) and ILS 432 million, net (approx. 131 million).

Additionally, as part of the IPO, 19.5 million ordinary shares of the Company were sold by Mr. Yair Nechmad, Mr. Amir Nechmad and Mr. David Ben-Avi for ILS 205 million ($62 million).

Following completion of the IPO, as above, the ordinary shares of the Company are traded on the Tel Aviv Stock Exchange (TASE).

The IPO was a non-uniform offering, as this term is defined by Securities Regulations (Manner of Offering Securities to the Public), 2007, to institutional investors in Israel and outside of Israel.

For information about acceleration of the payment of obligations in the Nayax Retail and Modularity transactions following an initial public offering, see notes 5d and 5e, respectively.

NAYAX LTD

CONDENSED SEPARATE FINANCIAL INFORMATION DISCLOSED IN ACCORDANCE WITH REGULATION 38D TO THE SECURITIES REGULATIONS (PERIODIC AND IMMEDIATE REPORTS), 1970

AS OF MARCH 31, 2021

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To:
The Shareholders of
Nayax Ltd

Dears Sirs and Madams,

Re: Auditors' report on the review of separate interim financial information in accordance with Regulation 38D to the Israel Securities Regulations (Periodic and Immediate Reports), 1970

Introduction

We have reviewed the separate interim financial information presented in accordance with Regulation 38D to the Israel Securities Regulations (Periodic and Immediate Reports), 1970 of Nayax Ltd (hereinafter – "the Company") as of March 31, 2021 and for the three-month period then ended. The Company's Board of Directors and management are responsible for the preparation and presentation of this separate interim financial information in accordance with Regulation 38D to the Israel Securities Regulations (Periodic and Immediate Reports), 1970. Our responsibility is to express a conclusion on this separate interim financial information based on our audits.

Scope of review

Our review was performed in accordance with Israel Review Standard 2410 - "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Certified Public Accountants in Israel. Review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Auditing Standards generally accepted in Israel and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Regulation 38D to the Israel Securities Regulations (Periodic and Immediate Reports), 1970.

Tel-Aviv,
May 27, 2021

Kesselman & Kesselman
Certified Public Accountants (Isr.)
A member firm of PricewaterhouseCoopers International Limited

Kesselman & Kesselman, Azrieli Town Tower, 146 Derech Menachem Begin St, Tel- Aviv, 6492103, Israel
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NAYAX LTD

SEPARATE FINANCIAL INFORMATION DISCLOSED IN ACCORDANCE WITH REGULATION 38D TO THE SECURITIES REGULATIONS (PERIODIC AND IMMEDIATE REPORTS), 1970

ASSETS AND LIABILITIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS, ATTRIBUTED SEPARATELY TO THE COMPANY AS PARENT

	March 31		December 31
	2021	2020	2020
	(Unaudited)		(Audited)
	U.S dollars in thousands		
Assets			
CURRENT ASSETS:			
Cash and cash equivalents	2,163	3,428	1,095
Short-term bank deposits	60	58	62
Held companies	15,394	12,080	16,971
Related parties	380	747	1,247
Accounts receivable:			
Trade, net	3,573	3,244	3,430
Other	1,240	1,573	1,789
Inventory	2,221	1,896	2,179
Total current assets	25,031	23,026	26,773
NON-CURRENT ASSETS:			
Long-term bank deposits	799	390	798
Long-term receivables	300	74	-
Property, plant and equipment, net	4,764	3,616	4,696
Right-of-use assets	4,256	3,639	4,396
Intangible assets, net	18,413	14,362	17,653
Total non-current assets	28,532	22,081	27,543
Total assets	53,563	45,107	54,316
Net amount attributed to total assets of the parent net total liabilities, presented in the consolidated financial statements in respect of held companies, including goodwill	13,919	6,390	7,554
Total assets attributed separately to the Company as parent	**67,482**	**51,497**	**61,870**

NAYAX LTD

SEPARATE FINANCIAL INFORMATION DISCLOSED IN ACCORDANCE WITH REGULATION 38D TO THE SECURITIES REGULATIONS (PERIODIC AND IMMEDIATE REPORTS), 1970

ASSETS AND LIABILITIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS, ATTRIBUTED SEPARATELY TO THE COMPANY AS PARENT

	Note	March 31		December 31
		2021	2020	2020
		(Unaudited)		(Audited)
		U.S dollars in thousands		
Liabilities and Equity				
CURRENT LIABILITIES:				
Short-term bank borrowings		11,490	9,407	11,589
Short-term loans and current maturities of long-term bank loans		2,150	1,041	1,938
Shareholders' loans		5,400	-	-
Current maturities in respect to loans from others		2,710	945	3,041
Current maturities of long-term liabilities		1,241	469	686
Current maturities of lease liabilities		1,045	1,014	1,133
Payables for clearing activity		602	388	563
Deferred consideration and liability for option arrangement in business combination		5,829	-	-
Accounts payable:				
Trade		7,682	6,449	10,338
Other		4,061	2,339	3,306
Total current liabilities		42,210	22,052	32,594
NON-CURRENT LIABILITIES:				
Long-term bank loans		4,222	1,842	4,908
Long-term shareholders' loans			270	-
Long-term loans from others		2,365	4,837	2,662
Retirement benefit obligation, net		888	616	894
Other long-term liabilities		2,817	3,599	3,374
Lease liabilities		4,518	3,939	4,937
Total non-current liabilities		14,810	15,103	16,775
Total liabilities attributed separately to the Company as parent		57,020	37,155	49,369
Total equity		10,462	14,342	12,501
Total liabilities and equity		**67,482**	**51,497**	**61,870**

Yair Nechmad	**David Ben Avi**	**Liron Grossman**
CEO	**Director**	**CFO**

Date of approval of the financial statements: May 27, 2021.

NAYAX LTD

SEPARATE FINANCIAL INFORMATION DISCLOSED IN ACCORDANCE WITH REGULATION 38D TO THE SECURITIES REGULATIONS (PERIODIC AND IMMEDIATE REPORTS), 1970

STATEMENT OF COMPREHENSIVE INCOME INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS, ATTRIBUTED SEPARATELY TO THE COMPANY AS PARENT

		Three months ended March 31		Year ended December 31,
		2021	**2020**	**2020**
		(Unaudited)		(Audited)
	Note	U.S. dollars in thousands		
Revenue	3	12,709	11,956	52,467
Cost of revenue		6,860	6,289	27,757
Gross Profit		5,849	5,667	24,710
Research and development expenses		3,011	2,186	8,803
General and administrative expenses		5,627	4,788	17,901
Other expenses, net		161	-	-
Operating loss		(2,950)	(1,307)	(1,994)
Finance Expense, net		(190)	(115)	(3,700)
Loss for the year		(3,140)	(1,422)	(5,694)
Net amount, attributed to owners of the parent, of total revenue less total expenses, presented in the consolidated financial statements in respect of held companies		964	105	(561)
Total income for the period attributed to the parent:		(2,176)	(1,317)	(6,255)
Items not recycled to profit or loss:				
(Loss) income from remeasurement of liabilities (net) in respect of retirement benefit obligation		-	-	(126)
Item that may be recycled to profit or loss:				
Total comprehensive income (loss) for the period, net of tax, attributed separately to the Company as parent		(320)	16	243
Total comprehensive income for the period, attributed to the parent		(2,496)	(1,301)	(6,138)

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SEPARATE FINANCIAL INFORMATION DISCLOSED IN ACCORDANCE WITH REGULATION 38D TO THE SECURITIES REGULATIONS (PERIODIC AND IMMEDIATE REPORTS), 1970

CASH FLOWS INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS, ATTRIBUTED SEPARATELY TO THE COMPANY AS PARENT

	Three months ended March 31		Year ended December 31,
	2021	**2020**	**2020**
	(Unaudited)		**(Audited)**
	U.S. dollars in thousands		
CASH FLOWS FROM OPERATING ACTIVITIES:	(2,176)	(1,317)	(6,255)
Net loss for the period	1,960	1,075	8,369
Adjustments required to reflect the cash flow from operating activities (see Appendix A)	(216)	(242)	2,114
Net cash provided by (used in) operating activities			
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capitalized development costs	(1,578)	(1,205)	(5,408)
Acquisition of property, plant and equipment	(469)	(536)	(1,815)
Loans extended to others	-	(26)	(141)
Investment in subsidiaries	(398)	(856)	(2,901)
Advance payment for acquisition of subsidiary	(300)	-	-
Loans repaid (received) by shareholders	(118)	1,118	786
Decrease (increase) in bank deposits	2	-	(412)
Interest received	-	5	14
Proceeds from sub-lessee	78	69	302
Net cash used in investing activities	(2,783)	(1,431)	(9,575)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Interest paid	(261)	(282)	(733)
Short-term bank credit received, net	338	1,794	3,560
Support received (royalties paid) in respect to government assistance plans	(55)	-	16
Long-term bank loans received	-	-	4,252
Long-term bank loans repaid	(299)	(255)	(1,003)
Loans received from others	-	3,451	3,804
Loans from others repaid	(446)	-	(920)
Loans received from shareholders	5,400	270	-
Decrease in other long-term liabilities	(72)	(43)	(74)
Repayment of lease liability	(272)	(254)	(1,004)
Net cash provided by financing activities	4,333	4,681	7,898
Increase (decrease) in cash and cash equivalents	1,334	3,008	437
Balance of cash and cash equivalents at beginning of period	1,095	649	649
Gains (losses) from foreign exchange on cash and cash equivalents	(318)	(223)	9
Gains (losses) from translation of cash and cash equivalents of foreign activities	52	(6)	-
Balance of cash and cash equivalents at end of period	2,163	3,428	1,095

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SEPARATE FINANCIAL INFORMATION DISCLOSED IN ACCORDANCE WITH REGULATION 38D TO THE SECURITIES REGULATIONS (PERIODIC AND IMMEDIATE REPORTS), 1970

CASH FLOWS INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS, ATTRIBUTED SEPARATELY TO THE COMPANY AS PARENT

	Three months ended March 31		Year ended December 31,
	2021	2020	2020
	(Unaudited)		(Audited)
	U.S. dollars in thousands		
Appendix A – adjustments required to reflect the cash flows from operating activities:			
Adjustments in respect of			
Equity gains (losses)	(964)	(105)	561
Depreciation and amortization	1,395	1,199	4,828
Retirement benefit obligation, net	(6)	-	152
Financing expenses (income), net	62	(174)	2,064
Expenses in respect of long-term employee benefits	46	72	5
Expenses in respect of share-based payment	373	766	2,965
	906	1,758	10,575
Changes in operating asset and liability items:			
Decrease (increase) in trade receivables	(168)	172	738
Decrease (increase) in balance of held companies	1,577	(1,590)	(6,481)
Decrease (increase) in related parties	867	228	(272)
Decrease (increase) in other receivables	584	1,037	(402)
Decrease (increase) in inventory	(46)	414	131
Increase (decrease) in payables for clearing activity	39	81	256
Increase (decrease) in trade payables	(2,580)	(1,078)	2,808
Increase (decrease) in other payables	781	53	1,016
	1,054	(683)	(2,206)
	1,960	1,075	8,369

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SEPARATE FINANCIAL INFORMATION DISCLOSED IN ACCORDANCE WITH REGULATION 38D TO THE SECURITIES REGULATIONS (PERIODIC AND IMMEDIATE REPORTS), 1970

CASH FLOWS INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS, ATTRIBUTED SEPARATELY TO THE COMPANY AS PARENT

	Three months ended March 31		Year ended December 31,
	2021	2020	2020
	(Unaudited)		(Audited)
	U.S. dollars in thousands		
Appendix B – Information regarding investing and financing activities not involving cash flows:			
Purchase of property, plant and equipment on credit	-	-	575
Acquisition of patents against offset of loan	-	-	806
Recognition of right-of-use asset in respect of lease of buildings against a lease liability	74	-	1,235
Amount of expenses attributed to development costs, capitalized and included in goodwill and intangible assets	388	224	883
Investment in subsidiary against deferred consideration	-	1,927	1,348

NAYAX LTD

SELECTED NOTES AND ADDITIONAL INFORMATION TO THE SEPARATE FINANCIAL INFORMATION DISCLOSED IN ACCORDANCE WITH REGULATION 38D TO THE ISRAELI SECURITIES REGULATIONS (PERIODIC AND IMMEDIATE REPORTS), 1970

NOTE 1 – BASIS OF PREPARATION OF SEPARATE FINANCIAL INFORMATION DISCLOSED IN ACCORDANCE WITH REGULATION 38D TO THE ISRAELI SECURITIES REGULATIONS (PERIODIC AND IMMEDIATE REPORTS), 1970:

a. Definitions

"The Company" – Nayax Ltd.

"The separate financial information" – Separate financial information disclosed in accordance with Regulation 38D to the Israeli Securities Regulations (Periodic and Immediate Reports), 1970.

Unless otherwise stated, all the terms used within the scope of the separate interim financial information have the same meaning as assigned to them in the Company's consolidated financial information as of March 31, 2021 and the three-month period then ended (hereafter - "the condensed consolidated financial statements").

"Held company" – A subsidiary, associate or joint venture.

"Subsidiary" – A subsidiary or joint venture accounted for using the proportionate consolidation method.

"Intercompany transactions" – Transactions of the Company with its subsidiaries or with joint ventures accounted for using the proportionate consolidation method.

"Intercompany balances", "intercompany income and expenses", "intercompany cash flows" – Balances, income or expenses, and cash flows, as applicable, resulting from intercompany transactions that were eliminated in the consolidated financial statements.

b. The significant accounting policies applied in the condensed separate financial information

The accounting policy in this condensed separate financial information is corresponding to the accounting policy detailed in the separate financial information as of December 31, 2020.

c. Incorporation and activity

Nayax Ltd. (hereafter: the "Company") was incorporated in January 2005 and began its business activity in September 2006. The Company provides a global platform for transaction clearing solutions and services and business operations. The Company markets the systems it developed in more than 50 countries worldwide (including Israel) through subsidiaries and local distributors.

d. Manner of preparation of separate financial information in accordance with Regulation 38d to the Israeli Securities Regulations (Periodic and Immediate Reports), 1970

The separate financial information has been prepared in conformity with Regulation 38D to the Israeli Securities Regulations (Periodic and Immediate Reports), 1970 (hereafter - "Regulation 38D") including all the particulars specified in the Tenth Addendum to the said Regulations (hereafter - "the Addendum"), and subject to the clarifications specified in "Clarification Regarding the Corporation's Separate Financial Statements", which was published on the website of the Israeli Securities Authority on January 24, 2010 and which addresses the manner of application of the said Regulation and Addendum (hereafter - "the ISA Staff Clarification").

NAYAX LTD

SELECTED NOTES AND ADDITIONAL INFORMATION TO THE SEPARATE FINANCIAL INFORMATION DISCLOSED IN ACCORDANCE WITH REGULATION 38D TO THE ISRAELI SECURITIES REGULATIONS (PERIODIC AND IMMEDIATE REPORTS), 1970

NOTE 1 – BASIS OF PREPARATION OF SEPARATE FINANCIAL INFORMATION DISCLOSED IN ACCORDANCE WITH REGULATION 38D TO THE ISRAELI SECURITIES REGULATIONS (PERIODIC AND IMMEDIATE REPORTS), 1970 (continued):

The separate financial information does not constitute financial statements, including separate financial statements, which are prepared and presented in conformity with International Financial Reporting Standards (hereafter - "IFRS") in general, and the provisions of IAS 27 "Consolidated and Separate Financial Statements" in particular. Nevertheless, the accounting policy specified in note 2 to the consolidated financial statements regarding the significant accounting policies and the method by which the financial data were classified in the consolidated financial statements, were applied for the purpose of presenting the separate financial information, with the required changes as stated below.

The notes presented below also include disclosure regarding additional material information, in conformity with the disclosure requirements specified in Regulation 38D and as specified in the Addendum and subject to the ISA Staff Clarification, to the extent that such information was not included in the consolidated financial statements in a way explicitly referring separately to the Company as a parent.

NOTE 2 - MATERIAL ENGAGEMENTS, COMMITMENTS, LOANS, INVESTMENTS AND TRANSACTIONS BETWEEN THE COMPANY AND THE ENTITY IT HOLDS

a. **Additional information on the overall material engagements, commitments, loans, investments and transactions between the Company and its held companies:**

1) Transactions with held companies

In the reported period, the Company performed with its held companies sales and purchasing transactions in the ordinary course of business, as well as intercompany charges for other services that were provided/received, at arm's length.

2) Investments and commitments with held companies

In the reported period, the Company performed investment in held companies. For information, see note 5 to the condensed interim consolidated financial information.

NOTE 3 - REVENUE

	Three months ended March 31		Year ended December 31
	2021	2020	2020
	(Unaudited)		(Audited)
	U.S dollars in thousands		
Sale of end units and others	7,706	7,396	32,944
Services and Clearing	5,003	4,560	19,523
	12,709	11,956	52,467