Nayax Reports Fourth Quarter and Full Year 2024 Results

Full Year revenue of $314.0 million, recurring revenue growth of 47% YoY

On a constant currency basis revenue of $315.2 million, a 34% increase

Adjusted EBITDA of $35.5 million (1) and Free Cash Flow of $18 million (1) for the year

2025 Revenue guidance of $410 million - $425 million

2025 Adjusted EBITDA(1)(2) guidance of $65 million- $70 million

HERZLIYA, Israel, March 4, 2025 - Nayax Ltd. (Nasdaq: NYAX, TASE: NYAX), a global commerce payments and loyalty platform designed to help merchants scale their business, today announced its financial results for the fourth quarter and full year ended December 31, 2024.

“We are pleased to report another year of strong growth and performance for Nayax as we achieved several key milestones including significant revenue growth and margin expansion, robust operating leverage, and cash flow generation. We are well-positioned for 2025, with revenue growth guidance of 30% to 35%, of which at least 25% is expected to be organic, as we continue to grow our installed base globally and capture market share. We’ll also continue to focus on scaling our recurring revenue streams, in particular our payment processing capabilities, which benefit from the conversion trend of cash-to-cashless transactions,” commented Yair Nechmad, Chief Executive Officer and Chairman of the Board.

(1) Adjusted EBITDA and Free Cash Flow are non-IFRS financial measures. Please refer to the tables at the end of this press release for a reconciliation of adjusted EBITDA and Free cash flow to the most directly comparable IFRS measure.

(2) The Company does not provide a reconciliation of forward-looking adjusted EBITDA to IFRS net income (loss) due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliation, in particular, because special items such as finance expenses and Issuance and acquisition costs used to calculate projected net income (loss) vary dramatically based on actual events. Therefore, the Company is not able to forecast on an IFRS basis with reasonable certainty all deductions needed in order to provide an IFRS calculation of projected net income (loss) at this time. The amount of these deductions may be material and therefore could result in projected IFRS net income (loss) being materially less than projected adjusted EBITDA (non-IFRS).

Full Year 2024 Financial Highlights

(All comparisons are relative to the full year period ended December 31, 2023, unless otherwise stated)

Revenue	**2024 ($M)**	**2023 ($M)**	**Growth (%)**
Payment processing fees	133.8	92.2	45.1%
SaaS revenue	88.5	58.9	50.3%
Total recurring revenue (1)	**222.3**	**151.1**	**47.1 %**
POS devices revenue (2)	**91.7**	**84.4**	**8.6%**
Total revenue (3)	**314.0**	**235.5**	**33.3%**
Margin	**2024**	**2023**	**Variance**
Payment processing margin	34.0%	29.1%	4.9%
SaaS margin	77.3%	77.2%	0.1%
Total recurring margin	**51.3%**	**47.9%**	**3.4%**
POS devices margin	**30.1%**	**18.9%**	**11.2%**
Total margin	**45.1%**	**37.5%**	**7.6%**

(1) Recurring revenue comprised of SaaS subscription revenue and payment processing fees.
(2) POS devices revenue includes revenues that are derived mainly from the sale of our hardware products.
(3) Includes inorganic revenue, net of $25.3 million in 2024 from recent acquisitions of VMtecnologia, Roseman, and Retail Pro

- Revenue increased 33.3% to $314.0 million from $235.5 million in the prior year.
- Revenue at constant currency increased 33.8% to $315.2 million.
- Organic growth for the year was 23%.
- Our Recurring revenue engine remains our powerful growth driver. Payment processing fees and SaaS subscription revenues increased 47.1%, demonstrating the strength and resilience of our business model. Recurring revenue represented 71% of total revenue.
- Hardware revenue increased by 8.6% with strong demand to our end-to-end automated cashless product solutions and technology, supporting both the attended and unattended markets.

- Gross margin improved significantly to 45.1% from 37.5%. This was primarily due to:
    - Recurring margin improving to 51.3% from 47.9%, as we renegotiated key contracts with several bank acquirers and improved our smart-routing capabilities
    - Hardware margin rose to 30.1% from 18.9%, as we continued to improve our supply chain efficiency and negotiated better component costs.
- We achieved positive operating profit of $3.1 million for the year, an improvement of $15.5 million from an operating loss of $12.4 million.
- Finance expenses, Net of $7.5 million were mainly impacted by bank net interest, foreign currency volatility and earnout related to acquisitions.
- Net loss of $5.6 million compared to a net loss of $15.9 million.
- IFRS basic and diluted net loss per share was $(0.157) compared to IFRS basic and diluted net loss per share of $(0.479).
- Weighted average number of basic shares was 35,762,292 for the full year 2024 compared the weighted average number of basic shares 33,148,714 for the full year 2023
- Adjusted EBITDA reached $35.5 million higher than our guidance range of $30 to $35 million, representing a margin of 11.3% from total revenue. This represented an improvement of $27.3 million compared to prior year period.
- Both revenue and adjusted EBITDA were impacted by a $3.4 million purchase accounting adjustment, related to a fair-value adjustment of deferred revenue from the Retail Pro acquisition in Q4 2023.
- Cash flow from operating activities of $42.9 million compared to $8.8 million
- Free cash flow was $18 million compared to a negative $7.8 million

Full Year 2024 Operational Metric Highlights

Key Performance Indicators	2024	2023	Growth (%)
Total transaction value ($m)	4,900	3,600	36%
Number of processed transactions (millions)	2,400	1,800	33%
Take rate (payments) (4)	2.73%(5)	2.53%	0.2%
Managed and connected devices (thousands) (6)	1,260	1,044	21%
Customers (7)	95,060	72,253	32%
ARPU ($) (8)	215	192	12%

(4) Payment service providers typically take a percentage of every transaction in exchange for facilitating the movement of funds from the buyer to the seller. Take rate % (payments) is calculated by dividing the Company's processing revenue by the total dollar transaction value in the same quarter.
(5) Take rate for the period excludes certain gateway fees included in processing revenue and not reflected in our total transaction value
(6) Number of Managed and connected devices includes approximately 26,000 generated by VM Tech of the acquisition date.
(7) Number of customers includes approximately 3,600 related to the recent acquisitions of VMtecnologia and Roseman
(8) Average revenue per unit is calculated using recurring revenue divided by the number of connected devices over a 12-month trailing period.

- Total transaction value grew by 36% to nearly $4.9 billion.
- Number of processed transactions increased 33% to approximately 2.4 billion.
- Take rate increased to 2.73%(5) from 2.53%.
- Total number of managed and connected devices reached approximately 1.26 million devices representing an impressive increase of 21%, driven by robust customer demand, with approximately 215,000 devices added in the year.
- Growth in the customer base continued at a healthy pace, adding about 23,000 new customers during the year, bringing the total customer base to more than 95,000, an increase of 32%.
- Average revenue per unit(8) (ARPU) for the trailing 12-month period ended December 31, 2024, increased 12% to $215, compared to $192 in the prior year period.
- The dollar-based net retention rate remained high at 129%, reflecting strong customer satisfaction, while the customer churn rate remained low at 2.7%.

<u>Fourth Quarter 2024 Financial Highlights</u>

(All comparisons are relative to the Fourth quarter and three-month period ended December 31, 2023, unless otherwise stated)

Revenue Summary	**Q4 2024 ($M)**	**Q4 2023 ($M)**	**Growth (%)**
Payment processing fees	37.6	26.0	44.6%
SaaS revenue	25.3	16.3	55.2%
Total recurring revenue (1)	**62.9**	**42.3**	**48.7%**
POS devices revenue (2)	**26.1**	**24.3**	**7.4%**
Total revenue (3)	**89.0**	**66.6**	**33.6%**

Margin Summary	**Q4 2024**	**Q4 2023**	**Variance**
Payment processing margin	36.3%	32.2%	4.1%
SaaS margin	77.6%	76.7%	0.9%
Total recurring margin	**53.0%**	**49.3%**	**3.7%**
POS devices margin	**29.4%**	**23.6%**	**5.8%**
Total margin	**46.1%**	**39.9%**	**6.2%**

(1) Recurring revenue comprised of SaaS subscription revenue and payment processing fees.
(2) POS devices revenue includes revenues that are derived mainly from the sale of our hardware products.
(3) Q4 2024 includes $7.9 million of revenues from recent acquisitions of VMtecnologia, Roseman, and Retail Pro.

- Revenue increased 33.6% to $89.0 million, driven by both new and existing customer expansion.
- Recurring revenue from SaaS and payment processing fees grew 48.7%, demonstrating the strength and resilience of our business model. Recurring revenue represented 71% of total revenue.
- Hardware revenue increased by 7.4% with strong demand to our end-to-end automated cashless product solutions and technology, supporting both the attended and unattended markets.
- Gross margin improved significantly to 46.1% from 39.9%. This was primarily due to:
    - Recurring margin improving to 53.0% from 49.3%, as we renegotiated key contracts with several bank acquirers and improved our smart-routing capabilities
    - Hardware margin rose to 29.4% from 23.6%, as we continued to improve our supply chain efficiency and negotiated better component costs.
- Operating profit of $3.6 million compared to an operating loss of $2.0 million.
- Net income was $1.6 million compared to a loss of $3.3 million, an improvement of $4.9 million over the period.
- IFRS basic net profit per share was $0.045 and IFRS diluted net profit per share was $0.044 compared to IFRS basic and diluted net loss per share of $(0.10).
- Weighted average number of basic and diluted shares were 36,536,969 and 37,264,185, respectively, for the fourth quarter of 2024 compared the weighted average number of basic shares 33,315,257 for the fourth quarter of 2023.
- Adjusted EBITDA was $12.8 million, representing a margin of 14.4% of total revenue. This was an improvement of $8.8 million compared to prior year period.
- Cash flow from operating activities of $17 million compared to $4.6 million in the prior year period, while free cash flow was $9.3 million compared to $0.6 million in the prior year period.
- As of December 31, 2024, the Company had $92.5 million in cash and cash equivalents and short-term deposits. Short-term and long-term debt balances stood at $47.9 million.

Fourth Quarter 2024 Operational Metric Highlights

Key Performance Indicators	Q4 2024	Q4 2023	Growth (%)
Total transaction value ($m)	1,300	975	33%
Number of processed transactions (millions)	650	500	30%
Take rate (payments) (4)	2.80%(5)	2.66%	0.14%
Managed and connected devices (thousands) (6)	1,260	1,045	21%
Customers (7)	95,060	72,253	32%
ARPU ($) (8)	215	192	12%

(4) Payment service providers typically take a percentage of every transaction in exchange for facilitating the movement of funds from the buyer to the seller. Take rate % (payments) is calculated by dividing the Company's processing revenue by the total dollar transaction value in the same quarter.
(5) Take rate for the period excludes certain gateway fees included in processing revenue and not reflected in our total transaction value
(6) Number of managed and connected devices includes approximately 26,000 generated by VMtecnologia
(7) Number of customers includes approximately 3,600 related to the recent acquisitions of VMtecnologia and Roseman.
(8) Average revenue per unit is calculated using recurring revenue divided by the number of connected devices over a 12-month trailing period.

- Total transaction value grew by 33% to more than $1.3 billion.
- Number of processed transactions increased 30% to almost 650 million.
- Take rate increased to 2.80%(5) from 2.66% as we continue to expand to additional verticals.
- Total number of managed and connected devices reached approximately 1.26 million devices representing an increase of 21% year-over-year, driven by robust customer demand, adding approximately 33,000 devices in the quarter.
- Growth in the customer base continued at a healthy pace, adding about 4,200 new customers in the quarter, bringing the total customer base to more than 95,000, an increase of 32% year-over-year.
- The dollar-based net retention rate remained high at 129%, reflecting strong customer satisfaction, while the customer churn rate remained low at 2.7%.

Recent Business Highlights

- Launched Nayax's automated self-service payment solution in El Salvador, accelerating the Company's expansion into Latin America and improving access to secure cashless payments in an underserved market. Nayax has invested heavily in full Spanish-language commercial and technical support to deliver exceptional customer experiences and support further regional expansion.
- Launched Nayax's suite of attended retail payment solutions in Europe, introducing merchants in 40 new markets to our versatile and powerful retail POS devices and enabling existing customers to access a broader range of solutions. European retailers can now streamline operations and cut costs by managing all of their points of sale, both attended and unattended, through our one powerful platform.
- Enabled Discover Global Network cardholders to make payments through Nayax across EMEA, expanding payment access for Discover's 345+ million valued customers to tens of thousands of Nayax machines across the region.
- Deployed OTI PetroSmart's Fuel Management System in Tesco's UK Delivery Fleet, helping Tesco cut costs, accelerate automation, and support sustainable operations across its fleet of tractor units, refrigerated trailers, box trucks, delivery vans, lorries, and diverse industrial vehicles. Tesco is leveraging our precise, automatic fuel dispensing to eliminate human error, reduce waste, and optimize resource use.
- Announced a partnership with SECO to offer IoT-Integrated Payment Solutions for OEM's, which combine seamless and secure payments with remote machine management and AI-driven business intelligence. OEMs will gain access to differentiated, cost optimized hardware which contains a combination of SECO's industry-leading IoT capabilities and Nayax's versatile payment platform.

Subsequent Events

- On February 11, 2025, the Company filed an extension of the shelf prospectus in Tel Aviv Stock Exchange
- On February 28, 2025, the Company announced the acquisition of UpPay:

  UpPay more than doubles Nayax's connected devices footprint in Brazil, adding over 25,000 unattended devices, primarily in self-service coffee vending machines. UpPay manages the networks of two of the largest coffee operators in Brazil and supports hundreds of other customers. Integrating UpPay with our last year's acquisition of VMtecnologia creates a larger, more scalable platform that accelerates Nayax's expansion across Latin America.

Warrants and Notes Offering

On February 13, 2025, the Company filed a 6-K announcing that the Company is considering, and the Board of Directors has authorized management to prepare for, an offering of warrants and notes in Israel (the “Securities” and the “Offering”) under the Company’s shelf prospectus filed with the Israel Securities Authority (the “ISA”).

In preparation for the potential Offering, the Company filed in Hebrew with the ISA a draft deed of trust and summaries of the terms of the notes.

The timing, terms and the amount to be raised in the Offering have not been determined and are subject to further approval by the Company’s Board of Directors, the ISA and the Tel Aviv Stock Exchange. There is no assurance that the Offering will be completed.

If the Offering will be completed, the Company will file with the ISA, a shelf offering report under the Israeli Securities Law, 1968, and the regulations promulgated thereunder, and the Securities will be listed exclusively on the Tel Aviv Stock Exchange. This press release does not constitute an offer of securities for sale in the United States. Such securities may not be offered or sold in the United States absent registration or an exemption from registration.

2025 Financial Outlook

For the year ending December 31, 2025, Nayax expects revenue growth of between 30% to 35% representing a revenue range of $410 million to $425 million on a constant currency basis. This includes organic revenue growth of at least 25%.

Our adjusted EBITDA guidance for the full year is between $65 and $70 million, driven by continued revenue growth, market expansion, the full integration of recent acquisitions, and continuous operational optimization.

The Company expects at least 50% conversion from Adjusted EBITDA for the full year 2025. Free cash flow is defined as net cash provided from operating activities minus capitalized development costs and acquisition of property and equipment.

2028 Outlook

As for our 2028 targets, management continues to target annual revenue growth of approximately 35%, driven by a combination of organic growth and strategic M&A. Management also continues to target a gross margin of 50%, and an adjusted EBITDA margin of 30%, as we continue to drive high margin SaaS revenues and operational efficiency.

It is noted that the financial outlook provided by Nayax constitutes forward-looking information within the meaning of applicable securities laws and is based on a number of assumptions and subject to a number of risks and is current as of today. Unless required by law, Nayax has no obligation to update its guidance. Please see the cautionary note regarding Forward-looking Statements below.

Investor Conference Calls

Nayax will host a conference call in English and an in-person investor meeting in Hebrew at its offices in Herzliya, Israel to discuss its results later today, March 4, 2025.

The conference call in English will be held at 8:30 a.m. Eastern Time / 3:30 p.m. Israel Time / 5:30 a.m. Pacific Time. Participating on the call will be Yair Nechmad, Chief Executive Officer, Sagit Manor, Chief Financial Officer, and Aaron Greenberg, Chief Strategy Officer

For the conference call in English, Nayax encourages participants to pre-register using the link below. Those who pre-register will be given a unique PIN to gain immediate access to the call, bypassing the live operator. Participants may pre-register any time, including up to and after the call/webcast start time. Participants will immediately receive an online confirmation, an email with the dial in number and a calendar invitation for the event.

To pre-register, go to:

http://services.incommconferencing.com/DiamondPassRegistration/register?confirmationNumber=13751481&linkSecurityString=1dbf635633

For those who are unable to pre-register, kindly join the conference call/webcast by using one of the dial-in numbers or clicking the webcast link below.

- U.S. TOLL-FREE: 1-877-737-7051
- ISRAEL TOLL-FREE: 1-809-455-690

- INTERNATIONAL: 1-201-689-8878

WEBCAST
LINK: https://viavid.webcasts.com/starthere.jsp?ei=1706458&tp_key=9a2fca42c1

Following the conference call, a replay will be available until March 18, 2025. To access the replay, please dial one of the following numbers:

- Replay TOLL-FREE: 1-844-512-2921
- Replay TOLL/INTERNATIONAL: 1-412-317-6671
- Replay TOLL/Israel: 1-809-458-327
- Replay Pin Number: 13751481

An archive of the conference call will also be available on Nayax's Investor Relations website **Nayax - Investor Relations.**

Forward-Looking Statements

This press release contains statements that constitute forward-looking statements. Many of the forward-looking statements contained in this press release can be identified by the use of forward-looking words such as "anticipate," "believe," "could," "expect," "should," "plan," "intend," "estimate" and "potential," among others. Forward-looking statements include, but are not limited to, statements regarding our intent, belief or current expectations. Forward-looking statements are based on our management's beliefs and assumptions and on information currently available to our management. Such statements are subject to risks and uncertainties, and actual results may differ materially from those expressed or implied in the forward-looking statements due to various factors, including, but not limited to: our expectations regarding general market conditions, including as a result of the COVID-19 pandemic and other global economic trends; changes in consumer tastes and preferences; fluctuations in inflation, interest rate and exchange rates in the global economic environment; the availability of qualified personnel and the ability to retain such personnel; changes in commodity costs, labor, distribution and other operating costs; our ability to implement our growth strategy; changes in government regulation and tax matters; other factors that may affect our financial condition, liquidity and results of operations; general economic, political, demographic and business conditions in Israel, including the ongoing war in Israel that began on October 7, 2023 and global perspectives regarding that conflict; the success of operating initiatives, including advertising and promotional efforts and new product and concept development by us and our competitors; and other risk factors discussed under "Risk Factors" in our annual report on Form 20-F filed with the SEC on March 4, 2025 (our "Annual Report"). The preceding list is not intended to be an exhaustive list of all of our forward-looking statements. The forward-looking statements are based on our beliefs, assumptions and expectations of future performance, taking into account the information currently available to us. These statements are only estimates based upon our current expectations and projections about future events. There are important factors that could cause our actual results, levels of activity, performance or *achievements to differ materially from the results, levels of activity, performance or achievements expressed or implied by the forward-looking statements. In particular, you should consider the risks provided under "Risk Factors" in our Annual Report. You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that future results, levels of activity, performance and events and circumstances reflected in the forward-looking statements will be achieved or will occur. Each forward-looking statement speaks only as of the date of the particular statement. Except as required by law, we undertake no obligation to update publicly any forward-looking statements for any reason, to conform these statements to actual results or to changes in our expectations.*

Use of Non-IFRS Financial Information

In addition to various operational metrics and financial measures in accordance with accounting principles generally accepted under International Financial Reporting Standards, or IFRS, this press release contains financial metrics presented on a constant currency basis as well as Adjusted EBITDA and Free Cash Flow, each of which are non-IFRS financial measures, as a measure to evaluate our past results and future prospects.

Adjusted EBITDA

Adjusted EBITDA is a non-IFRS financial measure that we define as loss for the period excluding finance expenses, tax expense (benefit), depreciation and amortization, share-based compensation costs, non-recurring issuance and acquisition costs and our share in losses of associates accounted for by the equity method.
We present Adjusted EBITDA in this press release because it is a measure that our management and board of directors utilize as a measure to evaluate our operating performance and for internal planning and forecasting purposes. Accordingly, we believe that Adjusted EBITDA provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and board of directors.

We believe that Adjusted EBITDA, when taken collectively with financial measures prepared in accordance with IFRS, may be helpful to investors because it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies because it provides consistency and comparability with past financial performance. However, our management does not consider this non-IFRS measure in isolation or as an alternative to financial measures determined in accordance with IFRS.

Adjusted EBITDA is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with IFRS. Adjusted EBITDA may be different from similarly titled measures used by other companies. The principal limitation of Adjusted EBITDA is that it excludes significant expenses that are required by IFRS to be recorded in *our financial statements, as further detailed above. In addition, it is subject to inherent limitations as it reflects the exercise of judgment by management about which expenses are excluded or included in determining Adjusted EBITDA.*

A reconciliation is provided at the end of this press release for Adjusted EBITDA to net profit or loss, the most directly comparable financial measure prepared in accordance with IFRS. Investors are encouraged to review net loss and the reconciliation to Adjusted EBITDA included below and to not rely on any single financial measure to evaluate our business.

Constant Currency

Nayax presents constant currency information to provide a framework for assessing how our underlying businesses performed excluding the effect of foreign currency rate fluctuations. Future expected results for transactions in currencies other than United States dollars are converted into United States dollars using the exchange rates in effect in the last month of the reporting period. Nayax provides this financial information to aid investors in better understanding our performance. These constant currency financial measures presented in this release should not be considered as a substitute for, or superior to, the measures of financial performance prepared in accordance with IFRS.

The Company cannot provide expected net income without unreasonable effort because certain items that impact net income are out of the Company's control and/or cannot be reasonably predicted at this time, of which unavailable information could have a significant impact on the Company’s IFRS financial results.

Free Cash Flow

Net cash provided from operating activities minus capitalized development costs and acquisition of property and equipment. A reconciliation is provided at the end of this press release for Free Cash Flow to Net cash provided from operating activities, the most directly comparable financial measure prepared in accordance with IFRS.

Other Financial Metrics:

ARPU

A financial metric that measures the average recurring revenue generated per connected device over a 12-month trailing period.

Dollar-based net retention rate

Measured as a percentage of Recurring Revenue from returning customers in a given period as compared to the Recurring Revenue from such customers in the prior period, which reflects the increase in revenue and the rate of losses from customer churn.

About Nayax

Nayax is a global commerce enablement, payments and loyalty platform designed to help merchants scale their business. Nayax offers a complete solution including localized cashless payment acceptance, management suite, and loyalty tools, enabling merchants to conduct commerce anywhere, at any time. With foundations and global leadership in serving unattended retail, Nayax has transformed into a comprehensive solution focused on our customers' growth across multiple channels. As of Dec 31, 2024, Nayax has 11 global offices, approximately 1,100 employees, connections to more than 80 merchant acquirers and payment method integrations and globally recognized as a payment facilitator. Nayax's mission is to improve our customers' revenue potential and operational efficiency. For more information, please visit **www.nayax.com**

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NAYAX LTD.

Consolidated Financial Statements

2024 Annual Report

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Report of Independent Registered Public Accounting Firm

To the board of directors and shareholders of Nayax Ltd.

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of Nayax Ltd. and its subsidiaries (the “Company”) as of December 31, 2024 and 2023 and the related consolidated statements of profit or loss, comprehensive income (loss), changes in equity and cash flows for each of the three years in the period ended December 31, 2024, including the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023 and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024 in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Tel Aviv, Israel	/s/ Kesselman & Kesselman
March 4, 2025	Certified Public Accountants (Isr.)
	A member firm of PricewaterhouseCoopers International Limited

We have served as the Company's auditor since 2015.

NAYAX LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		December 31	
		2024	2023
	Note	U.S. dollars in thousands	
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	7	83,130	38,386
Restricted cash transferable to customers for processing activity	8	60,299	49,858
Short-term bank deposits		9,327	1,269
Receivables in respect of processing activity		45,071	43,261
Trade receivable, net	9	55,694	41,300
Inventory		19,768	20,563
Other current assets		14,368	8,772
Total current assets		287,657	203,409
NON-CURRENT ASSETS:			
Long-term bank deposits		2,155	2,304
Other long-term assets		4,253	5,883
Investment in associates		3,754	5,024
Right-of-use assets, net	10	6,292	5,341
Property and equipment, net	11	11,112	5,487
Goodwill and intangible assets, net	12	117,670	96,411
Total non-current assets		145,236	120,450
TOTAL ASSETS		432,893	323,859

The accompanying notes are an integral part of these financial statements.

NAYAX LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		December 31	
		2024	**2023**
	Note	**U.S. dollars in thousands**	
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Short-term bank credit and short term loan	13a.	25,276	47,477
Current maturities of long-term bank loans	13b.	3,978	1,101
Current maturities of other long-term liabilities		1,353	5,422
Current maturities of leases liabilities	10	2,967	2,145
Payables in respect of processing activity		130,958	104,523
Trade payables		21,059	17,464
Other payables		33,887	25,650
Total current liabilities		219,478	203,782
NON-CURRENT LIABILITIES:			
Long-term bank loans	13b.	18,605	327
Other long-term liabilities	14	20,716	14,476
Post-employment benefit obligations, net		497	427
Lease liabilities	10	4,078	4,149
Deferred income taxes	15	4,274	3,108
Total non-current liabilities		48,170	22,487
TOTAL LIABILITIES		267,648	226,269
EQUITY:	16		
Shareholders Equity:			
Share capital		9	8
Additional paid in capital		220,715	153,524
Capital reserves		7,832	9,643
Accumulated deficit		(63,311)	(65,585)
TOTAL EQUITY		165,245	97,590
TOTAL LIABILITIES AND EQUITY		432,893	323,859

The accompanying notes are an integral part of these financial statements.

NAYAX LTD.
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

		Year ended December 31		
		2024	2023	2022
		U.S. dollars in thousands		
	Note	(Excluding loss per share data)		
Revenues	17	314,013	235,491	173,514
Cost of revenues	18	(172,479)	(147,198)	(113,476)
Gross Profit		141,534	88,293	60,038
Research and development expenses	19	(25,374)	(21,928)	(22,132)
Selling, general and administrative expenses	20	(98,196)	(70,320)	(64,092)
Depreciation and amortization in respect of technology and capitalized development costs	12	(11,566)	(6,430)	(4,268)
Other expenses	1a, 25	(2,023)	(444)	(1,790)
Share of losses of equity method investees		(1,270)	(1,555)	(1,794)
Profit (Loss) from ordinary operations		3,105	(12,384)	(34,038)
Financial Income	21	3,408	2,493	438
Financial Expense	21	(10,897)	(4,781)	(3,458)
Loss before taxes on income		(4,384)	(14,672)	(37,058)
Tax expenses	15	(1,247)	(1,215)	(451)
Loss for the year		(5,631)	(15,887)	(37,509)
Loss per share attributed to shareholders of the Company:				
Basic and diluted loss per share	22	(0.157)	(0.479)	(1.143)

The accompanying notes are an integral part of these financial statements.

NAYAX LTD.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	Year ended December 31		
	2024	2023	2022
	U.S. dollars in thousands		
Loss for the year	(5,631)	(15,887)	(37,509)
Other comprehensive income (loss) for the year:			
Items that will not be recycled to profit or loss:			
Gain (loss) from remeasurement of liabilities (net) in respect of post-employment benefit obligations	215	-	146
Items that may be recycled to profit or loss:			
Gain (loss) from translation of financial statements of foreign activities	(2,454)	(170)	(374)
Gains on cash flow hedges	428	42	-
Total comprehensive loss for the year	(7,442)	(16,015)	(37,737)

The accompanying notes are an integral part of these financial statements.

NAYAX LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Equity attributed to shareholders of the Company						
	Share capital	Additional paid in capital	Remeasurement of post-employment benefit obligations	Other capital reserves	Foreign currency translation reserve	Accumulated deficit	Total equity
	U.S. dollars in thousands						
Balance as of January 1, 2022	8	150,366	102	9,503	394	(28,697)	131,676
Changes during the year;							
Loss for the year						(37,509)	(37,509)
Other comprehensive income (loss) for the year	-	-	146	-	(374)	-	(228)
Employee options exercised	*	1,040	-	-	-	-	1,040
Share-based payment	-	-	-	-	-	9,656	9,656
Balance as of December 31, 2022	8	151,406	248	9,503	20	(56,550)	104,635
Balance as of January 1, 2023	8	151,406	248	9,503	20	(56,550)	104,635
Changes during the year;							
Loss for the year		-	-	-	-	(15,887)	(15,887)
Other comprehensive income (loss) for the year	-	-	-	42	(170)	-	(128)
Employee options exercised and vesting of restricted shares	*	2,118	-	-	-	-	2,118
Share-based payment	-	-	-	-	-	6,852	6,852
Balance as of December 31, 2023	8	153,524	248	9,545	(150)	(65,585)	97,590
Balance as of January 1, 2024	8	153,524	248	9,545	(150)	(65,585)	97,590
Changes during the year;							
Loss for the year		-	-	-	-	(5,631)	(5,631)
Other comprehensive income (loss) for the year	-	-	215	428	(2,454)	-	(1,811)
Issuance of ordinary shares	1	63,190	-	-	-	-	63,191
Employee options exercised and vesting of restricted shares	*	4,001	-	-	-	-	4,001
Share-based payment	-	-	-	-	-	7,905	7,905
Balance as of December 31, 2024	9	220,715	463	9,973	(2,604)	(63,311)	165,245

*Presents less than 1 thousand

The accompanying notes are an integral part of these financial statements.

NAYAX LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31		
	2024	**2023**	**2022**
	U.S. dollars in thousands		
CASH FLOWS FROM OPERATING ACTIVITIES:			
Loss for the year	(5,631)	(15,887)	(37,509)
Adjustments required to reflect the cash flow from operating activities (see Appendix A)	48,533	24,685	9,962
Net cash provided by (used in) operating activities	42,902	8,798	(27,547)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capitalized development costs	(21,893)	(15,948)	(13,706)
Acquisition of property and equipment	(3,081)	(611)	(1,518)
Loans granted to related company	(559)	(1,432)	-
Increase in bank deposits	(7,952)	(2,154)	(480)
Payments for acquisitions of subsidiaries, net of cash acquired	(14,934)	(18,329)	440
Payment of deferred consideration with respect to business combinations	(555)	-	(4,500)
Interest received	3,108	1,683	76
Investments in financial assets	(283)	(195)	(6,856)
Proceeds from sub-lessee	243	155	-
Net cash used in investing activities	(45,906)	(36,831)	(26,544)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Issuance of ordinary shares	62,686	-	-
Interest paid	(4,549)	(2,651)	(504)
Changes in short-term bank credit and short term loan	(23,315)	39,135	5,874
Transactions with non-controlling interests	-	-	(186)
Receipt of long-term bank loans	22,835	-	-
Repayment of long-term bank loans	(3,177)	(998)	(2,282)
Receipt of long-term loans from others	-	-	6,908
Repayment of long-term loans from others	(3,837)	(3,626)	(2,577)
Repayment of other long-term liabilities	(1,100)	(304)	(328)
Employee options exercised	3,956	2,177	1,152
Principal lease payments	(2,655)	(2,182)	(1,851)
Net cash provided by financing activities	50,844	31,551	6,206
Increase (Decrease) in cash and cash equivalents	47,840	3,518	(47,885)
Balance of cash and cash equivalents at beginning of year	38,386	33,880	87,332
Gains (losses) from exchange differences on cash and cash equivalents	(2,688)	906	(6,189)
Gains (losses) from translation of cash and cash equivalents of foreign activity	(408)	82	622
Balance of cash and cash equivalents at end of year	83,130	38,386	33,880

The accompanying notes are an integral part of these financial statements.

NAYAX LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31		
	2024	**2023**	**2022**
	U.S. dollars in thousands		
Appendix A – adjustments required to reflect the cash flows from operating activities:			
Adjustments in respect of:			
Depreciation and amortization	21,370	12,505	9,028
Post-employment benefit obligations, net	(17)	25	(107)
Deferred taxes	(1,358)	(294)	(181)
Finance expenses, net	6,570	750	4,544
Expenses in respect of long-term employee benefits	634	237	245
Share of loss of equity method investee	1,270	1,555	1,794
Long-term deferred income	2,355	(85)	(104)
Expenses in respect of share-based payment	7,187	6,027	8,747
Total adjustments	38,011	20,720	23,966
Changes in operating asset and liability items:			
Increase in restricted cash transferable to customers for processing activity	(10,441)	(15,739)	(10,424)
Increase in receivables from processing activity	(1,810)	(17,880)	(10,986)
Increase in trade receivables	(10,683)	(12,487)	(8,272)
Increase in other current assets	(892)	(1,073)	(936)
Decrease (Increase) in inventory	2,069	3,239	(12,592)
Increase in payables in respect of processing activity	26,435	41,187	20,510
Increase in trade payables	3,361	1,189	4,519
Increase in other payables	2,483	5,529	4,177
Total changes in operating asset and liability items	10,522	3,965	(14,004)
Total adjustments required to reflect the cash flow from operating activities	48,533	24,685	9,962
Appendix B – Information regarding investing and financing activities not involving cash flows:			
Purchase of property and equipment on credit	152	97	215
Recognition of right-of-use assets through lease liabilities	1,653	338	2,048
Recognition of Sub lease asset	-	455	-
Share based payments costs attributed to development activities, capitalized as intangible assets	718	825	909

The accompanying notes are an integral part of these financial statements.

NOTE 1 – GENERAL

a. Background

1. Nayax Ltd. (hereafter – the "Company") was incorporated in January 2005. The Company provides processing and software as a service (SaaS) business operations solutions and services via a global platform. The Company is marketing its POS devices and SaaS solutions it develops in more than 60 countries worldwide (including Israel) through subsidiaries (the Company and the subsidiaries, hereafter – the "Group") and through local distributors.

2. On September 11, 2022 Company's shareholders approved a reverse share split in a ratio of 10:1. All issued and outstanding Company's Ordinary Shares have been retroactively adjusted to reflect the reverse share split for all periods presented in these financial statements prior the approval.

3. On September 21, 2022, Company's ordinary shares were listed on the Nasdaq Global Select Market under the symbol NYAX. As of that date, the company is dual listed on Nasdaq and as well as on the Tel Aviv Stock Exchange. The expenses incurred in the profit or loss report for the year ended December 31, 2022 from this listing were $1,790 thousand.

4. In August 2023, the company filed with the Israel Securities Authority a shelf prospectus (the "Shelf Prospectus"). Such Shelf Prospectus allows the Company to raise from time to time funds through the offering and sale of various securities including debt and equity, in Israel, at the discretion of the Company. In October 2023, the company filed with the SEC a Registration Statement on Form F-3 (the "Registration Statement"). Such Registration Statement allows the company to raise funds from time to time through the offering and sale of various securities including debt and equity, at the discretion of the Company. Under the Registration Statement, certain selling shareholders may also offer and sell ordinary shares from time to time in one or more offerings, but the Company is not entitled to any funds raised from such sales.

5. On March 12, 2024, the Company successfully concluded an offering of 2,600,000 ordinary shares. The net proceeds from this sale amounted to approximately $62.7 million. The expenses incrued for the year ended December 31, 2024 from this sale are $506 thousand.

NOTE 1 – GENERAL (continued):

b. "Swords of Iron" - War against terror organization Hamas

The "Swords of Iron" war, which began on October 7, 2023, has significant economic and social implications in Israel. However, during the financial year ended December 31, 2024, the Company's operations and financial performance were not materially impacted by the conflict. Management has assessed the potential risks and consequences related to the geopolitical environment and has determined that no adjustments to the financial statements or additional disclosures are necessary. The Company continues to monitor developments and remains committed to ensuring business continuity and risk management.

NOTE 2 – MATERIAL ACCOUNTING POLICY INFORMATION

a. Basis of presentation:

The financial statements of the Group as of December 31, 2024 and 2023 and for each of the three years ended December 31, 2024, are in compliance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") (hereinafter "IFRS") were approved for issuance by the Board of Directors (the "Board") of the Company on March 2, 2025.

In connection with the presentation of these financial statements, the following is stated:

1) The principal accounting policies set out below have been consistently applied to all periods presented, unless otherwise stated.

2) The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Group's management to exercise its judgment in the process of applying the Group's accounting policies. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3. Actual results may differ materially from estimates and assumptions used by the Group's management.

3) The Group's operating cycle is 12 months.

b. Consolidated financial statements

1) Subsidiaries and business combinations

Subsidiaries are all entities over which the Company has control. Subsidiaries are fully consolidated from the date on which control is obtained by the Company. They are deconsolidated from the date that control ceases.

When assessing control, the Company considers its potential voting rights, as well as such rights held by other parties to determine whether it has power over an investee. Potential voting rights are rights to obtain voting rights of an investee, such as those arising from convertible instruments or options, including forward contracts. Those potential voting rights are considered only if the rights are substantive. Business combinations are accounted for using the acquisition method.

NOTE 2 - MATERIAL ACCOUNTING POLICY INFORMATION (continued):

b. Consolidated financial statements (continued):

Goodwill represents the excess of the acquisition consideration and the amount of non-controlling interests and acquisition-date fair value of any previous equity interest in the acquired entity over the net identifiable assets acquired and liabilities assumed.

Intra-group transactions and balances, including revenues, expenses and dividends in respect of transactions between Group entities were eliminated. Gains and losses on intra-group transactions that are recognized as assets (such as inventory and property and equipment) are also eliminated.

2) Transactions with non-controlling interests' owners which do not result in loss of control

Transactions with non-controlling interests owners which do not result in loss of control are accounted for as transactions with shareholders. In such transactions, the difference between the fair value of any consideration paid or received and the amount in which the non-controlling interests are adjusted to reflect the changes in their proportional interest in a subsidiary are recognized directly in equity and attributed to the owners of the Company.

3) Associates

An associate is an entity over which the Group exercises significant influence, but not control. The investment in an associate is accounted for by the equity method.

4) The equity method

According to the equity method of accounting, the investment is initially recognized at cost and its carrying amount varies such that the Group recognizes its share of the associate's earnings or losses from acquisition date. Goodwill relating to associates is included in the investment’s carrying amount and tested for impairment as part of the entire investment.

The Group’s share of post-acquisition profit or loss is recognized in the statements of profit or loss , and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group’s share of losses in an associate equal or exceeds its interest in the associate (including any other unsecured long term receivables), the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there are any indications that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment (the higher of the value in use and the fair value less costs to sell) and its carrying amount and recognizes the impairment amount in the consolidated statement of profit or loss.

c. Translation of foreign currency balances and transactions:

1) Functional and presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (hereafter - the “Functional Currency”). When determining the functional currency of Group companies and whether their functional currency is identical to that of the Company, the materiality of the foreign operations as an extension of the reporting entity was taken into account. The consolidated financial statements are presented in US Dollars which is the functional and presentation currency of the Company and Group entities, except Nayax Retail, Weezmo, Roseman Engineering and Roseman Holdings whose functional currency is the NIS and VM tecnologia and Nayax Brazil whose functional currency is the BRL.

NOTE 2 - MATERIAL ACCOUNTING POLICY INFORMATION (continued):

c. Translation of foreign currency balances and transactions (continued):

2) Transactions and balances

Transactions made in a currency which is different from the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or revaluation, if the items are revalued. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the end-of-year exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit or loss. Gains and losses from changes in exchange rates are presented in the statement of profit or loss among "finance expenses, net".

3) Translation of financial statements of Group entities:

The results and financial position of Group entities, whose functional currency is different than the presentation currency, are translated into the presentation currency as follows:

(a) Assets and liabilities for each statement of financial position statement presented are translated at the closing rate at the date of the statement of financial position;

(b) Income and expenses for each statement of profit or loss are translated at average exchange rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions), and;

(c) All resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations whose functional currency is different than that of the Company are recognized in other comprehensive income. When a foreign operation is fully disposed of, exchange differences that were recorded in other comprehensive income are recognized in the statement of profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising from acquisition of foreign operations, are accounted for as assets and liabilities of the foreign operations and translated at closing rate. Exchange differences arising from the translation as aforesaid are carried to other comprehensive income.

d. Cash and cash equivalents

Cash and cash equivalents include cash on hand and short-term bank deposits, which are not restricted by liens, with original maturities of three months or less. For additional information about the restricted cash to be transferred to customers in respect of processing activity, see note 8 below.

NOTE 2 - MATERIAL ACCOUNTING POLICY INFORMATION (continued):

e. Inventory

Finished goods inventories are stated at the lower of cost and net realizable value. Cost is determined on a moving average basis. The cost of inventory includes all acquisition costs, conversion costs and other direct costs incurred in bringing the inventory to its current location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The Group periodically reviews the condition and age of the inventory, and makes impairment provisions if necessary.

f. Property and equipment

Property, plant and equipment items are initially recognized at acquisition cost. Subsequent costs are included as incurred in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. When a part of a property, plant and equipment item is replaced, its' carrying amount is derecognized.

All other repair and maintenance costs are charged to the statement of profit or loss during the financial period in which they are incurred. Depreciation on assets is calculated using the straight-line method to depreciate their cost to their residual value over their estimated useful lives, as follows:

	%
Computers and peripheral equipment	33
Rental of POS devices	10-20
Machinery and equipment	10

Leasehold improvements are depreciated by the straight-line method over the earlier of the term of the lease or the estimated useful life of the improvements.

g. Intangible assets:

1) Capitalized development Costs

Intangible assets arising from development projects or from internally-developed new products, development of internally-used operational systems and integration of external systems with the Group's existing systems, are recognized as intangible assets, subject to the following conditions being met:

a) The technical feasibility of completing the intangible asset so that it will be available for use exists;
b) Management intends to complete the intangible asset and use or sell it;
c) There is an ability to use or sell the intangible asset;
d) The way the intangible asset will generate probable future economic benefits is demonstrable;
e) The technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
f) The expenditure attributable to the intangible asset during its development can be reliably measured.

The Group monitors all its development projects to identify costs for recognition as an expense in profit or loss and costs for capitalization as an asset in the statement of financial position by making a distinction between:

(1) Investments in new products (hardware and software), as opposed to expenses aimed at maintaining normal functionality;
(2) Investment in integrations and opening markets; and
(3) Investment in software for own use.

NOTE 2 - MATERIAL ACCOUNTING POLICY INFORMATION (continued):

g. Intangible assets (continued):

1) Capitalized development Costs (continued):

The Group reviews, in relation to each investment, whether it is designed to substantially enhance the functionality in a way that would increase the economic benefit flowing to the Group (i.e. higher revenue and/or cost savings).

Investments designed to enhance functionality in a way that would increase the economic benefit flowing to the Group are capitalized as an asset and presented within "goodwill and intangible assets, net" in the statement of financial position (subject to satisfying of the terms as instructed in IAS38 and listed in an extract above).

The main types of costs that capitalized as an intangible asset as of December 31, 2024 and 2023 are:

(1) Payroll costs and related expenses, which are attributed by the Group to the different projects that meet the conditions for capitalization;
(2) Cost of subcontractors, which are specifically identified to projects that meet the conditions for capitalization.
(3) Share-based payment expenses attributed apportionately to payroll and related suppliers expenses arises from development.

Research costs are expensed as incurred to the "research and development expenses" item in the statement of profit or loss. Research costs of the Group in the reported periods are immaterial to its financial statements.

Development costs designed to maintain normal functionality or insignificantly enhance functionality, as well as development costs that are not identified with a project that can be capitalized, are expensed as incurred to "research and development expenses" in profit or loss.

Research and development expenses that were previously expensed to profit and loss are not recognized as intangible assets in subsequent reporting periods. Development costs presented as intangible assets are amortized from the point in time in which the asset is available for use, on a straight-line basis, over their useful lives (5 years). Development assets which have not yet reached the point in which the asset is available for use are tested for impairment every year.

2) Distribution rights and Brand

Distribution rights purchased as part of a business combination are recognized at fair value on the acquisition date. Separately purchased distribution rights are recognized at cost, plus directly attributable acquisition costs. The distribution rights have a definite useful life (3-20 years), and they are presented net of accumulated amortization on a straight-line basis.

3) Customer relationships

Customer relationships purchased as part of a business combination are recognized at fair value on the acquisition date. Separately purchased customer relationships are recognized at cost, plus directly attributable acquisition costs. The customer relationships have a definite useful life (4-10 years), and they are presented net of accumulated amortization on a straight-line basis.

NOTE 2 - MATERIAL ACCOUNTING POLICY INFORMATION (continued):

g. Intangible assets (continued):

4) Technology

Technology purchased as part of a business combination is recognized at fair value on the acquisition date. Technology has a definite useful life (5-7 years) and is presented net of accumulated amortization on a straight-line basis.

5) Goodwill

Goodwill arising from the acquisition of a business represents the overall excess of: (1) the consideration transferred; (2) the amount of any non-controlling interests in the acquiree; (3) in a business combination achieved in stages, also the existing fair value as of the acquisition date of the Group's previously held equity interest in the acquiree, over the net amount as of the acquisition date, of the identifiable assets acquired and the acquiree's liabilities and contingent liabilities assumed.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated, as from the acquisition date to each of the cash generating units or groups of cash generating units of the Group that are expected to benefit from the synergies of the combination.

Impairment testing of a cash generating unit to which goodwill was allocated is undertaken annually and whenever there is any indication of impairment of the cash generating unit, by comparing the carrying amount of the cash generating unit, including the goodwill, to its recoverable amount, which is the higher of its value in use and the fair value less costs to sell.

h. Impairment of non-financial assets

Intangible assets that have an indefinite useful life, such as goodwill, as well as intangible assets that are not yet available for use, are not amortized and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that such assets might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less selling costs and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels of identifiable cash flows (cash-generating units).

NOTE 2 - MATERIAL ACCOUNTING POLICY INFORMATION (continued):

i. Leases:

The Group accounts for a contract as a lease contract if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration:

1) The Group as a lessee:

In transactions in which the Group acts as lessee, the Group recognizes a right-of-use asset against a lease liability on the commencement date of the lease contract, except in the case of lease transactions with a lease term of up to 12 months and lease transactions for which the underlying asset value is low; in those cases, the Group recognizes the lease payments on a straight-line basis as an operating cost over the lease period.

As part of the measurement of the lease liability, the Group does not separate between lease and non-lease components, such as: management services, maintenance services and more, which are included in the relevant transaction.

The lease liability on the commencement date includes outstanding lease payments discounted by the interest rate implicit in the lease, if that rate can be readily determined, or by the lessee's incremental borrowing rate. The Group used the incremental borrowing rate, which is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Subsequent to the commencement date, the Company measures the lease liability using the effective interest method.

The right-of-use asset is measured using the cost model and depreciated over the shorter of its useful life and the lease period. When there are indications for impairment, the Group tests the right-of-use asset for impairment in accordance with the provisions of IAS 36.

2) The Group as a lessor:

Amounts due from finance leases are recognized as interest from receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Subsequent to initial recognition, the Group regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of IFRS 9, recognizing an allowance for expected credit losses on the lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortized cost (i.e. after a deduction of the loss allowance).

3) Subleases

In transactions where the Group leases an underlying asset (a head lease) and sub-leases that underlying asset to a third party (sublease), the Group checks whether the risks and rewards relevant to the right-of-use asset were transferred by, among other things, checking the sub-lease period in reference to the useful life of the right-of-use asset arising from the head lease.

When substantially all the risks and rewards incidental to ownership of the right-of-use asset were transferred, the Group accounts for the sub-lease as a finance lease. At sublease commencement date,

NOTE 2 - MATERIAL ACCOUNTING POLICY INFORMATION (continued):

i. Leases (continued):

3) Subleases (continued):

the leased asset is derecognized and a “receivable in respect of finance lease” is recognized in an amount equal to the present value of the lease proceeds discounted by the lease’s implicit interest rate. Any difference between the balance of the leased asset prior to derecognition and the receivable balance in respect of the lease is recognized in profit and loss.

j. Financial instruments:

Hedge Accounting

Cash flow hedges

The objective of hedge accounting is to represent in the financial statements the effect of risk management activities that use financial instruments to manage the exposures arising from certain risks that could affect profit or loss or other comprehensive income. The Company reduces its exposure by entering into forward foreign exchange contracts with respect to operating expenses that are forecasted to be incurred in currencies other than the US Dollars. Certain operating expenditures are incurred in or exposed to other currencies, primarily the New Israeli Shekel. The Company has established forecasted transaction currency risk management programs to protect against fluctuations in fair value and the volatility of future cash flows caused by changes in exchange rates. The Company’s currency risk management program includes foreign exchange contracts designated as cash flow hedges.

Changes in the fair value of derivatives used to hedge cash flows, in accordance with the effective portion of the hedge, are recorded through other comprehensive income directly in a other capital reserve. With respect to the non-effective part, changes in the fair value are recognized in the statement of income. The amount recognized in the capital reserve is reclassified in the statement of income in the same period as the hedged cash flows affected profit or loss under the same line item in the statement of income as the hedged item. If the hedging instrument no longer meets the criteria for hedge accounting, expires or sold, terminated or exercised, then hedge accounting is discontinued. The cumulative gain or loss remains in other comprehensive income and is presented in the hedging reserve in equity until the forecasted transaction occurs or is no longer expected to occur and then is reclassified to the statements of income.

Classification of financial assets

The Group classifies its financial assets into the following categories: financial assets at fair value through profit or loss and financial assets at amortized cost. The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows in respect thereof.

NOTE 2 - MATERIAL ACCOUNTING POLICY INFORMATION (continued):

j. Financial instruments (continued):

Classification of financial assets (continued):

Financial assets at amortized cost are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and their contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at fair value through profit or loss are financial assets not classified into one of the categories of financial assets at amortized cost or financial assets at fair value through other comprehensive income.

The Group's financial assets at amortized cost are included in the following items: "receivables in respect of processing activity", "trade receivable", "other current assets", "cash and cash equivalents", "short- term bank deposits", "restricted cash transferable to customers in respect of processing activity", "Other long-term assets", "long-term bank deposits" in the statement of financial position.

Recognition and measurement

Ordinary course purchase and sales of financial assets are recorded in the Group's books of accounts on the date on which the asset is delivered to the Group or by the Group.

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership associated with these assets. Financial assets at fair value through profit or loss are presented in subsequent periods at fair value. In subsequent periods, financial assets at amortized cost are measured based on the effective interest method.

Financial assets measured at fair value through profit or loss are initially recognized at fair value and transaction costs are carried to profit or loss. Gains or losses arising from changes in the fair value of financial assets at fair value through profit or loss are presented in profit or loss under "finance expenses, net", in the period in which they are incurred.

Impairment of financial assets measured at amortized cost

The Group recognizes a provision for loss in respect of expected credit losses on debt instruments measured at amortized cost and lease receivables.

At each statement of financial position date, the Group assesses whether the credit risk of the financial asset has increased significantly since it was initially recognized, whether assessed on an individual or collective basis. For that purpose, the Group compares the risk of default at the reporting date with the risk of default on the initial recognition date, taking into account all reasonable and supportable information that is available, including forward-looking information.

For financial assets that experience a significant increase in their credit risk since initial recognition, the Group measures the impairment for loss at the amount of expected credit losses over the entire life of the instrument. Otherwise, the provision for loss is measured at the expected credit loss in a 12-month period.

However, the Group measures the provision for loss at an amount equal to expected credit losses over the instrument's life for trade receivables or assets in respect of contract with customers arising from transactions within the scope of IFRS 15, and for receivables in respect of lease, stemming from transactions within the scope of IFRS 16.

NOTE 2 - MATERIAL ACCOUNTING POLICY INFORMATION (continued):

j. Financial instruments (continued):

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position, only when there is an immediate legally enforceable right (which is not conditional upon the occurrence of a future event) to offset the recognized amounts under all of the following circumstances: in the ordinary course of business, in the event credit default, insolvency or bankruptcy of the entity and of all counterparties, and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or at fair value through profit or loss.

Financial liabilities measured at amortized cost:

Upon initial recognition, the Group measures the financial liabilities at fair value, net of transaction costs. Any differences between the amount of initial recognition (net of transaction costs) and the redemption value are recognized in the statement of profit or loss over the term of the financial liability, in accordance with the effective interest method.

Fees paid in respect of receipt of a credit facility are recognized as transaction costs attributed to the relevant loan, to the extent that it is probable that a portion or all of the credit facility amount shall be utilized. In such a case, the recognition of fees is deferred until the funds are actually withdrawn as part of the loan. If there is no evidence that a portion or all of the credit facility will be utilized, the fee is capitalized as a prepaid payment in respect of financing services and amortized over the term of the relevant credit facility.

Financial liabilities measured at fair value through profit or loss:

The Group measures these financial liabilities at fair value each reporting period. Transaction costs are recognized in profit or loss.

Financial liabilities are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.

k. Trade receivables

Trade receivables are amounts due from customers for sales of POS devices or services performed in the ordinary course of business.

l. Trade payables

Trade payables are the Group’s obligations to pay for goods or services that have been rendered by suppliers in the ordinary course of business.

m. Income taxes

Income tax expenses or benefit for the reported years include current and deferred taxes. Taxes are recognized in profit or loss, except for taxes arising from business combination and taxes relating to items carried to other comprehensive income or directly to equity, which are also recognized in other comprehensive income or equity, respectively, together with the item in respect of which they were created.

NOTE 2 - MATERIAL ACCOUNTING POLICY INFORMATION (continued):

m. Income taxes (continued):

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted in the countries in which Group companies operate and generate taxable income at the statement of financial position date. The Group periodically evaluates the tax aspects applicable to its taxable income based on the relevant tax laws and makes provisions in accordance with the amounts expected to be paid to the tax authorities.

The Group recognizes deferred income tax using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

The amount of deferred taxes is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for temporary differences that are tax deductible, up to the amount of the differences that are expected to be utilized in the future, against taxable income. Deferred tax assets are recognized in respect of unused carryforward losses, if it is probable that future taxable profit will be available against which the unused tax losses can be utilized.

The Group does not recognize deferred taxes on temporary differences arising on investments in subsidiaries, since the timing of the reversal of the temporary differences is controlled by the Group and it is probable that these temporary differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are off set only if: (a) An enforceable legal right exists to set off current tax assets against current tax liabilities; and; (b) Deferred tax assets and liabilities relate to income tax imposed by the same tax authority on the same entity or on different entities that intend to settle the balances on a net basis.

n. Revenue recognition

The Group has revenues from sales of Point of Sales (POS) devices, software as a service (SaaS) and payment processing fees.

1) Revenue measurement

The revenue of the Group is measured at the amount of the consideration to which the Group expects to be entitled in exchange for transferring promised terminals or services to a customer, excluding amounts collected on behalf of third parties, such as certain selling taxes. Revenue is presented net of VAT and after elimination of intra-group revenue.

2) Timing of revenue recognition

The Group recognizes revenue when the customer obtains control of the promised goods or service under the contract with the customer. For each performance obligation, the Group determines, when entering into a contract, if it satisfies the performance obligation over time or at a point in time.

The group satisfies a performance obligation over time if one of the following criteria is met: (1) the customer is receiving and consuming the benefits of the Group's performance as the Group performs; (2) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (3) the Group's performance does not create an asset with an alternative use to the Group, and the Group has an enforceable right to payment for performance completed to that date.

NOTE 2 - MATERIAL ACCOUNTING POLICY INFORMATION (continued):

n. Revenue recognition (continued):

3) Types of revenues of the Group

Revenue from sales of POS devices

The Group sells POS devices to customers.

Pursuant to IFRS 15, goods or services promised to a customer are distinct if the customer can benefit from the good or service supplied (either on its own or together with other resources that are readily available); and the Group's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract.

The POS devices sold to the Group's customers enable multiple functionalities. The sale of the POS device does not oblige the customer to purchase a full solution or to make a further purchase of the Group's services. Accordingly, the POS devices constitute a performance obligation that is separate from the service component, and the Group recognizes revenues from sales of POS devices at a point in time, when control of the POS devices is transferred to its customers.

SaaS revenue and payment processing fees (hereafter –"Recurring revenue")

The Group provides management services and payment processing services. The consideration for the management services includes monthly fees in respect of each POS device. The consideration for the payment processing fees includes processing services, which are mostly calculated as a percentage of the transaction's value and/or a defined fee for each processed transaction. Payment is made per the normal payment terms of the Company, which are generally 15 to 60 days from the date of the invoice. The revenue from those services is recognized in the period the services are rendered.

The Group recognizes the payment processing fees collected from its customers on a gross basis, since the Group controls the specified services before it is transferred to the customers, in accordance with the provisions of IFRS 15. In particular, the Group is primarily responsible for fulfilling the promise to provide the payment processing services to the customer, and the Group has discretion in establishing the price for the specified services. As a payment service provider, the Group acts as a merchant of record for its merchants. The Group bears the risk of chargebacks if amounts cannot be recovered from the customer. The fees paid to the processing companies are recognized as expenses under cost of revenue.

Allocation of the consideration in transactions that include the sale of POS devices and the above related services is based on the relative stand-alone selling price of each performance obligation based on the price at which a good or service is sold separately.

NOTE 2 - MATERIAL ACCOUNTING POLICY INFORMATION (continued):

o. Share-based payments

From time to time, the Group's Board of Directors approves plans for the award of options or RSUs to the Group's employees and suppliers, whereby the Group receives services from its employees and/or suppliers in consideration for equity instruments (options) of the Group.

The amount recognized for share-based payments to employees is determined in reference to the fair value of the options or RSUs granted on the grant date. Non-market vesting terms are included among the assumptions used to estimate the number of options expected to vest, such that the expense is recognized during the vesting period. As to other service providers, the cost of the transactions is measured in accordance with the fair value of the goods or services received in return for the equity instruments that were granted. Where it is not possible to measure reliably the fair value of the goods or services received in consideration for equity instruments, they are measured at the fair value of the granted equity instruments. At each statement of financial position date, the Group revises its estimates as to the number of options expected to vest, based on the non-market vesting conditions, and recognizes the impact of the change compared to the original estimates, if any, in the statement of profit or loss, with a corresponding adjustment to equity.

p. Earnings (Loss) per share

The computation of basic earnings (loss) per share is based on the profit (loss) attributable to holders of ordinary shares, divided by the weighted average number of ordinary shares outstanding during the period. When calculating the diluted earnings (loss) per share, the Group adds to the average number of ordinary shares outstanding, that was used to calculate the basic earnings per share, the weighted average of the number of shares to be issued assuming that all shares that have a potentially dilutive effect would be converted into shares. Potential Ordinary Shares are only taken into account in cases where their effect is dilutive (reducing the earnings per share or increasing the loss per share).

q. Provisions

Provisions are recorded when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

r. New International Financial Reporting Standards:

On April 9, 2024, the International Accounting Standards Board (IASB) issued IFRS 18, Presentation and Disclosure in Financial Statements, which will replace IAS 1. The new standard introduces significant changes to the presentation of Financial Statements:

1. New categories and subtotals in the statement of profit or loss: The standard requires entities to classify income and expenses into operating, investing, and financing categories, enhancing comparability across entities.

2. Management-defined performance measures (MPMs): Entities must disclose MPMs in a single note to the financial statements, providing transparency about measures that management uses to assess financial performance.

3. Enhanced aggregation and disaggregation principles: The standard provides guidance to ensure that financial information is presented in a way that is useful to users, preventing the obscuring of material information.

In addition, certain amendments have been made to IAS 7, Statements of cash flows. The standard is effective for annual periods beginning on or after January 1, 2027, with earlier application permitted. The Company is currently evaluating the potential impact of IFRS 18 on its financial statements, including whether to adopt the standard earlier than its mandatory effective date.

NAYAX LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 - MATERIAL ACCOUNTING POLICY INFORMATION (continued):

r. New International Financial Reporting Standards:

In May 2024, the IASB issued an amendment to IFRS 9, *Financial Instruments*, clarifying the timing of recognition and derecognition of financial assets and liabilities. Among other aspects, the amendment introduces a new exception for the derecognition of financial liabilities when settled through electronic payment systems.

Under the revised guidance, an entity may derecognize a financial liability when it has initiated an irrevocable payment instruction via an electronic payment system. The conditions for the exception are that the entity making the payment does not have: (a) the practical ability to withdraw, stop or cancel the payment instruction; (b) the practical ability to access the cash, and; (c) significant settlement risk.

The amendment is effective for annual reporting periods beginning on or after January 2026, with earlier application permitted. The company is assessing the impact of this amendment on its financial statements.

NOTE 3 - CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

As part of financial reporting, the Group's management makes assumptions and estimates that impact the value of assets, liabilities, income, expenses, and disclosures in the consolidated financial statements. These estimates are based on historical experience and expectations of future events, but may differ from actual results. The Group regularly reviews these estimates, considering relevant facts, historical data, external factors, and other reasonable assumptions in light of current circumstances. Below are the key accounting estimates and judgments, which involve significant uncertainty. The Group takes into account, as applicable, the relevant facts, historical experience, impact of external factors and reasonable assumptions in accordance with the circumstances.

1) Capitalized development costs

The Group capitalizes development costs as intangible assets when specific conditions are met (as outlined in note 2(g)), while costs that do not meet these conditions are expensed as incurred. Management exercises judgment to determine if each project meets the criteria for capitalization, and eligible costs are recognized as development assets. The estimated useful life and amortization of these assets are based on the expected period for marketing the products developed. These estimates may change due to technological advancements or market conditions. If the useful life is revised, amortization may increase, or development assets may be impaired or written off if they become obsolete.

2) Distribution rights, customer relationship and technology

Distribution rights, customers relationship and technology recognized as a result of business combinations carried out by the Group are amortized on an ongoing basis on a straight-line basis in accordance with expected useful life. The Company assesses the need to change the intangible assets' useful lives on an ongoing basis.

3) Determining the lease terms

The Group applies IFRS 16 to account for leases. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Based on historical experience and its business plans, the Company assesses whether it is expected that the extension options included in the lease agreements it entered into shall be exercised or not.

NOTE 3 - CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

4) Fair value of share-based payments

The fair value of the Group's equity instruments that were granted to its employees is determined using valuation methods. Fair value of stock-option awards was determined using a the Black-Scholes option pricing model, which requires a number of assumptions, of which the most significant are the share price, volatility, and the expected option term. Expected volatility was estimated based on the historical volatility of the company. The risk-free interest rate is based on the yield from U.S. treasury bonds with an equivalent term.

5) Deferred tax assets

Deferred tax assets are recognized in respect of carryforward losses and unused deductible temporary differences, if it is probable that future taxable income will exist against which they can be utilized. A management estimate is required to determine the amount of the deferred tax asset that can be recognized based on the timing, amount of expected taxable income, its origin and tax planning strategy.

NOTE 4 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's risk management plan focuses on the uncertainty of the financial markets seeking to minimize potential negative impacts on the Group's financial performances. Group's risk management is carried out under policies approved by senior management. This policy relates to management of market risks, credit risks, liquidity risks and capital risks (cash management risks).

1) Market risks:

a) Foreign exchange risks

The Group operates internationally and is exposed to fluctuations in exchange rates of various currencies, primarily with respect to the exchange rates of the NIS, Euro, GPB and AUD against the US Dollar.

Foreign exchange risks arise from commercial transactions, assets or liabilities, or net investments in foreign operations which are denominated in a currency which is not the entity's functional currency. The following table presents a sensitivity test as of December 31, 2024, 2023 and 2022 to reasonably possible changes in the exchange rates, when all other variables remain unchanged. The impact on pre-tax income of the Group is due to changes in financial assets and liabilities.

		Sensitivity test for changes in exchange rate	
Foreign currency	**Years**	**Income (loss) from change**	
		10% increase in exchange rate	**10% decrease in exchange rate**
		US Dollars in thousands	
NIS	2024	(3,524)	3,524
	2023	(1,762)	1,762
	2022	(2,168)	2,168
EUR	2024	(1,644)	1,644
	2023	(1,698)	1,698
	2022	1,288	(1,288)
GPB	2024	316	(316)
	2023	123	(123)
	2022	713	(713)
AUD	2024	233	(233)
	2023	40	(40)
	2022	201	(201)

b) Risk in respect of interest rate change

Risks related to interest rates stem from changes in interest rates, which may have an adverse effect on the Group's net income or cash flows. Changes in interest rates trigger changes in the Group's interest income and expenses in respect of interest-bearing assets and liabilities.

The Company has loans from an Israeli bank which have the, variable interest rate, Secured Overnight Financing Rate (SOFR) and prime rate.

NOTE 4 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued):

Financial risk factors (continued):

2) Credit risks

Credit risk is managed on a Group level. Credit risks arise mainly from cash and cash equivalents, bank deposits, and credit exposures to receivables. The Group carries out a risk assessment by assessing the credit quality of each customer, taking into account the customer's financial position, past experience, and other factors. The Group settles the processing fee before remitting funds to the customers.

The loss allowance for trade receivables as of December 31, 2024 and 2023 was determined as follows:

December 31, 2024	**Not overdue**	**Over 30 days overdue**	**Over 60 days overdue**	**Over 120 days overdue**	**Total**
	US Dollar in thousands				
Gross carrying amount – trade receivables	45,592	2,629	465	10,787	59,473
Less – provision of allowance for credit loss	-	-	-	(3,779)	(3,779)
Trade receivable	45,592	2,629	465	7,008	55,694

December 31, 2023	**Not overdue**	**Over 30 days overdue**	**Over 60 days overdue**	**Over 120 days overdue**	**Total**
	US Dollar in thousands				
Gross carrying amount – trade receivables	25,023	1,818	3,851	12,474	43,166
Less – provision of allowance for credit loss	-	-	-	(1,866)	(1,866)
Trade receivable	25,023	1,818	3,851	10,608	41,300

Most of the Group's cash and cash equivalents as of December 31, 2024 and 2023 were deposited with Israeli, European and American banks. In the opinion of the Group, the credit risk arising from those balances with banks is low. In respect of the processing activity, the Group has a restricted cash balance for transfer to customers and is also entitled to receive proceeds from international processing companies. In the opinion of the Group, the credit risk arising from the balances with those processing companies is low.

3) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and credit facilities to fund operations. In view of the dynamic nature of its business activity, the Group maintains financing flexibility through maintaining the availability of credit facilities from banks and investments in share capital.

NOTE 4 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued):

3) Liquidity risk (continued):

The table below analyzes the Group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts presented in the table represent undiscounted cash flows.

	Less than one year	Between 1 and 2 years	Between 3 and 5 years	More than 5 years	Total
	US Dollars in thousands				
December 31, 2024:					
Short-term loans	25,276	-	-	-	25,276
Long-term bank loans	6,009	11,213	9,566	1,812	28,600
Lease liabilities	3,072	3,724	627	26	7,449
Payables in respect of processing activity	132,612	-	-	-	132,612
Trade payables	21,059	-	-	-	21,059
Other payables	33,887	-	-	-	33,887
Total	221,915	14,937	10,193	1,838	248,883

	Less than one year	Between 1 and 2 years	Between 3 and 5 years	More than 5 years	Total
	US Dollars in thousands				
December 31, 2023:					
Short-term loans	47,477	-	-	-	47,477
Long-term bank loans	1,110	370	-	-	1,480
Long-term loans from others	3,835	-	-	-	3,835
Liability in respect of purchase of servers	99	74	-	-	173
Lease liabilities	2,325	1,897	2,022	495	6,739
Payables in respect of processing activity	104,523	-	-	-	104,523
Trade payables	17,464	-	-	-	17,464
Other payables	25,650	-	-	-	25,650
Total	202,483	2,341	2,022	495	207,341

Group Management periodically reviews the ratio between future cash flows that will arise from maturities of its liabilities and the future cash flows that will arise from maturities of its financial assets; where necessary, the Group changes its liability mix and the timing of their maturity.

4) Capital risk:

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stockholders and to maintain an optimal capital structure to reduce the cost of capital.
From time to time the Group assesses, as applicable, the need to raise funds from external investors.

Changes in financial liabilities, the cash flows in respect of which are classified as cash flows from financing activities:

NOTE 4 - FINANCIAL INSTRUMENTS AND FINANICAL RISK MANAGEMENT (continued):

4) Capital risk (continued):

	Short-term credit	Long-term bank loans	Loans from others	Lease liabilities	Other liabilities	Total
	US Dollars in thousands					
Balance at January 1, 2024	47,477	1,428	3,920	6,294	170	59,289
Changes in 2024:						
Liabilities added in respect of new leases	-	-	-	1,875	-	1,875
Liabilities added in respect of loans from banks and others	-	22,835	-	-	-	22,835
Liabilities added in respect of acquisitions	561	-	-	1,519	-	2,080
Cash flows paid	(23,315)	(3,177)	(3,837)	(2,655)	(47)	(33,031)
Amounts recognized in profit or loss and other changes	553	1,497	(83)	12	(123)	1,856
Balance at December 31, 2024:	25,276	22,583	-	7,045	-	54,904
Balance at January 1, 2023	7,684	2,496	7,367	8,150	362	26,059
Changes in 2023:	-	-	-	-	-	
Liabilities added in respect of new leases	-	-	-	595	-	595
Liabilities added in respect of loans from banks and others	39,135	-	-	-	-	39,135
Cash flows paid	-	(998)	(3,626)	(2,182)	(182)	(6,988)
Amounts recognized in profit or loss and other changes	658	(70)	179	(269)	(10)	488
Balance at December 31, 2023:	47,477	1,428	3,920	6,294	170	59,289
Balance at January 1 2022	-	5,166	3,220	6,895	721	16,002
Changes in 2022:	-	-	-	-	-	
Liabilities added in respect of new leases	-	-	-	2,014	-	2,014
Liabilities added in respect of loans from banks and others	5,874	-	6,908	-	-	12,782
Liabilities added in respect of acquisitions	2,000	-	-	1,696	-	3,696
Cash flows paid	-	(2,282)	(2,577)	(2,146)	(288)	(7,293)
Amounts recognized in profit or loss and other changes	(190)	(388)	(184)	(309)	(71)	(1,142)
Balance at December 31 2022:	7,684	2,496	7,367	8,150	362	26,059

NOTE 4 - FINANCIAL INSTRUMENTS AND FINANICAL RISK MANAGEMENT (continued):

5) Fair Value Measurement**:**

The Company measures certain financial instruments and non-financial assets at fair value on a recurring or non-recurring basis in accordance with IFRS 13. The fair value hierarchy categorizes the inputs used in valuation techniques into three levels, as defined below:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for the asset or liability that are not based on observable market data.

The following table shows the fair value hierarchy of financial instruments measured at fair value as of December 31, 2024 and 2023:

Assets	Level 2	Level 3	Total
January 1, 2024	42	1,831	1,873
Initialy recognized	3,139	-	3,139
Changes in fair value	428	(1,436)	(1,008)
December 31, 2024	3,609	395	4,004
January 1, 2023	-	-	-
Initialy recognized	42	1,918	1,960
changes in fair value	-	(87)	(87)
December 31, 2023	42	1,831	1,873

Liabilities	Level 2	Level 3	Total
January 1, 2024	(1,484)	(12,141)	(13,625)
Initialy recognized	-	(2,132)	(2,132)
Changes in fair value	559	(1,137)	(578)
December 31, 2024	(925)	(15,410)	(16,335)
January 1, 2023	(1,448)	-	(1,448)
Initialy recognized	-	(12,141)	(12,141)
changes in fair value	(36)	-	(36)
December 31, 2023	(1,484)	(12,141)	(13,625)

For each level, the following key assumptions were applied:

- Level 2: The fair value of Level 2 instruments is derived using observable inputs, including interest rates, yield curves, credit spreads, and foreign exchange rates. Valuation techniques such as discounted cash flow models, Black and Scholes and comparable market transactions are utilized, with inputs obtained from reputable market data sources.
- Level 3: Instruments classified under Level 3 are valued using models that incorporate significant unobservable inputs. These may include company's assumptions regarding future cash flows, discount rates, market liquidity, and counterparty credit risk. The valuation process involves management judgment, and sensitivity analyses are conducted to assess the impact of changes in key assumptions.

NOTE 5 – SEGMENT REPORTING

The Group operates in a single reportable segment; the center of its activities is in Israel, and all of its sales are carried out in USA, Europe, UK, Australia, Israel and the rest of the world. Set forth below is a breakdown of revenues from external parties by geographic regions:

	For the year ended December 31		
	2024	**2023**	**2022**
	US Dollars in thousands		
USA	123,033	83,528	60,270
Europe (excluding UK)	76,000	72,887	48,664
UK	38,688	26,391	21,931
Australia	27,521	22,484	17,235
Israel	16,967	13,095	14,129
Rest of the world	31,804	17,106	11,285
	314,013	235,491	173,514

Set forth below is a breakdown of the non-current assets, excluding deferred tax assets and financial assets, by geographic regions:

	As of December 31	
	2024	**2023**
	US Dollars in thousands	
Israel	106,215	97,209
USA	12,615	13,696
Rest of the world	16,247	1,027
	135,077	111,932

In 2024, 2023 and 2022, the Group did not have any single customer representing 10% or more of its sales.

NOTE 6 - BUSINESS COMBINATIONS

a. Acquisition of VMtecnologia LTDA.

On April 30, 2024, the company successfully completed the acquisition of the entire share capital of VM tecnologia LTDA. (hereinafter "VM"), a Brazilian entity incorporated under the laws of Brazil and operates in the unattended retail market with an easy-to-use, proprietary and secure technology.

VM's solution simplifies and enables the operation of autonomous stores with hardware, point-of-sale software, and payment solutions. The purchase consideration and remuneration comprised of (1) approximately $12,762 thousands in cash on the closing date (BRL 66,000 thousands) reduced by the Estimated Indebtedness and increased by the Estimated Cash, amounted to $11,345 thousands (BRL 58,653) (2) Deferred and contingent consideration of approximately $8,508 thousands (BRL 44,000 thousands) where an amount of $3,414 (BRL 17,887 thousands) recognized as consideration of the acquisition at fair value and the remaining amount will be recognized as remuniration. The contingent consideration of approximately $1,209 thousand (BRL 6,252 thousands) measured at fair value through profit and loss and subject to VM’s revenue performance, and the deferred consideration of approximately $2,205 thousands (BRL 11,401 thousands) measured in amortized cost and subject to final Cash, Indebtedness and Working Capital adjustments (as defined in the purchase agreement).One individual seller will receive his portion by cash, the other sellers may receive, in company's sole discretion, up to 50% of the consideration in company's shares, all to be paid in installments up to April 30, 2027 and subject to certain revenue growth conditions (3) Contingent liability structured as an earnout of approximately $5,317 thousands (BRL 27,500 thousands) where $4,834 thousands (BRL 25,000 thousands) treated as share based compensation that is not part of the consideration of the acquisition and shall be paid by the Company's shares, at the share price of the Company determined at the closing date and the remaining amount of approximately $483 thousands (BRL 2,500 thousands) will be recognized as a liability, both are due on April 30, 2027.

The acquisition has been accounted for using the acquisition method. The identifiable assets acquired, and liabilities assumed have been measured at fair values as of the acquisition date. The following table summarizes the fair values of the identifiable assets and liabilities at the acquisition date:

NOTE 6 - BUSINESS COMBINATIONS (continued)

a. Acquisition of VMtecnologia LTDA. (continued)

	US Dollars in thousands
Cash	11,345
Deferred consideration	2,205
Contingent consideration	1,209
Total consideration	14,759
Amounts recognized on the acquisition date:	
Cash and cash equivalents	99
Trade receivables	669
Other receivables	651
Property and equipment	6,015
Right of use	46
Brand	1,292
Customer relations	3,773
Technology	2,926
Trade payables	(407)
Other payables	(710)
Other liabilities	(684)
Lease liability	(53)
Long term liabilities	(433)
Deferred Tax Liability	(2,734)
Total identifiable assets, net	10,450
Goodwill (*)	4,309
Total consideration	14,759
Cash paid upon the acquisition of a subsidiary	11,345
Cash and cash equivalents consolidated for the first time	(99)
As reported in cash flows from investing activities for the acquisition	11,246

The excess of the purchase consideration over the fair value of the net identifiable assets has been recorded as Goodwill. Goodwill represents the expected synergies and intangible assets that do not qualify for separate recognition.

The following is a pro forma information about revenues and losses of the Group under the assumption that VM transaction was completed on January 1, 2024: (1) The Group’s revenues for the reported period ended December 31, 2024, would have been $317,421 thousand, compared to $314,013 thousand as reported, and; (2) The Group's losses for reported period ended December 31, 2024, would have been $4,740 thousand compared to $5,631 thousand as reported.

The additional revenue included in the consolidated income statement since the acquisition date resulting from consolidating VM's results was $8,117 thousand during the reported period. Additionally, the consolidation of VM resulted in a decrease by $797 thousand in the loss for the reported period ended December 31, 2024.

(*) The elements and factors that the Company paid above the fair value of the net identifiable assets recognized, represented as goodwill for VM's expressed by synergy of good reputation, an especially talented workforce. Thus, the Goodwill resulted from the acquisition of VM represents the excess of the acquisition consideration on the acquisition date in fair value over the net identifiable assets acquired and liabilities assumed.

NOTE 6 - BUSINESS COMBINATIONS (continued)

b. Acquisition of Roseman Engineering Ltd.

On April 1, 2024, (hereinafter "the acquisition date") the Company completed the acquisition of the entire share capital of Roseman Engineering Ltd. and Roseman Holdings Ltd. (hereinafter, together, "Roseman"). Roseman, a private entity incorporated under the laws of Israel, manage smart systems in the fields of refueling, charging stations and management systems for forecourts and vehicle fleets. The purchase consideration comprises of cash in amount of approximately $4,089 thousands (NIS 15,200 thousands), deferred consideration in amount of approximately $555 thousands (NIS 2,100 thousands) and the issuance of 19,722 Ordinary Shares worth of approximately $505 thousands (NIS 1,900 thousands) which presents their fair value through Company's equity transferred at the closing date.

The acquisition has been accounted for using the acquisition method. The identifiable assets acquired, and liabilities assumed have been measured at fair values as of the acquisition date. The following table summarizes the fair values of the identifiable assets and liabilities at the acquisition date:

	US Dollars in thousands
Cash	4,089
Deferred consideration	555
Issuance of Ordinary Shares	505
Total consideration	5,149
Amounts recognized on the acquisition date:	
Cash and cash equivalents	401
Trade receivables	2,643
Inventory	1,269
Other receivables	284
Right of use assets	1,466
Property and equipment	158
Customer relations	1,109
Technology	665
Deferred Income	(693)
Trade payables	(635)
Other liabilities	(754)
Other payables	(1,744)
Lease liabilities	(1,466)
Deferred Tax Liability	(408)
Total identifiable assets, net	2,295
Goodwill (*)	2,854
Total consideration	5,149
Cash paid upon the acquisition of a subsidiary	4,089
Cash and cash equivalents consolidated for the first time	(401)
As reported in cash flows from investing activities for the acquisition	3,688

NOTE 6 - BUSINESS COMBINATIONS (continued)

b. Acquisition of Roseman Engineering Ltd. (continued)

The excess of the purchase consideration over the fair value of the net identifiable assets has been recorded as Goodwill. Goodwill represents the expected synergies and intangible assets that do not qualify for separate recognition.

The following is a pro forma information about revenues and losses of the Group under the assumption that Roseman transaction was completed on January 1, 2024: (1) The Group's revenues for the reported period ended December 31, 2024, would have been $315,847 thousand, compared to $314,013 thousand as reported, and; (2) The Group's losses for reported period ended December 31, 2024, would have been $5,827 thousand compared to $5,631 thousand as reported.

The additional revenue included in the consolidated income statement since the acquisition date resulting from consolidating Roseman's results was $7,488 thousand during the reported period. Additionally, the consolidation of Roseman resulted in a decrease of $1,090 thousand in the loss for the reported period ended December 31, 2024.

(*) The elements and factors that the Company paid above the fair value of net identifiable assets recognized, represented as goodwill for Roseman's expressed by synergy of good reputation, brand identity, an especially talented workforce. Thus, the Goodwill resulted from the acquisition of Roseman represents the excess of the acquisition consideration on the acquisition date in fair value over the net identifiable assets acquired and liabilities assumed.

c. Acquisition of Retail Pro

On November 30, 2023, (hereinafter "The Closing Date") the company successfully concluded its acquisition of Retail Pro International, LLC (hereinafter "RPI"), a leading global entity in retail Point of Sale (POS) software. RPI owns an intellectual property catering to both mid-size and global retailers with a full-featured, flexible product designed to navigate the complexities of the global retail landscape. The purchase price for the transaction represents an implied enterprise value of $34.5 million on a cash-free debt-free basis, to be paid partially in cash and the remainder in cash or equity, subject to certain earnout targets being met (refer to note 14). The remaining amount of approximately $14.6 million will be paid over a three-year period, since the specific earnout targets were met as of the date of these financial statements, and may be settled in either cash or equity at the company's discretion (hereinafter "Contingent consideration"). It will be broken up into 5 payments, with the first payment of 33% of the contingent consideration (approximately $5.5 million) being due January 2025, and the rest being broken up into 4 semi-annual payments of 16.67% of the contingent consideration (approximately $2,768 thousand each) beginning July 2025. The first payment of the contingent consideration will include a reduction of $2 million due to a portion of deferred revenues to be recognized subsequent to the acquisition.

NOTE 6 - BUSINESS COMBINATIONS (continued)

c. Acquisition of Retail Pro (continued)

The following table presents the consideration for RPI's acquisition, and the amounts recognized for assets acquired and liabilities assumed at fair value:

	US Dollars in thousands
Consideration paid in cash	18,759
Contingent Consideration	12,141
Total consideration	30,900
Amounts recognized on the acquistion date:	
Cash and cash equivalents	430
Trade receivables	1,854
Other receivables	280
Property and equipment	140
Technology	20,148
Customer relations	7,092
Brand	3,031
Trade payables	(1,339)
Other payables	(924)
Deferred Tax Liability	(2,626)
Total identifiable assets, net	28,086
Goodwill (*)	2,814
Total consideration	30,900
Cash paid upon the acquisition of a subsidiary	18,759
Cash and cash equivalents consolidated for the first time	(430)
As reported in cash flows from investing activities for the acquisition	18,329

Other expenses for the year ended December 31, 2023 were approximately $444 thousand, primarily attributable to professional fees incurred in connection with RPI acquisition. The following is a pro forma information about revenues and losses of the Group under the assumption that the RPI transaction was completed on January 1, 2023: (1) The Group's revenues for the year ended December 31, 2023, would have been $251,391 thousand, compared to $235,491 thousand as reported, and; (2) The Group's losses for year ended December 31, 2023, would have been $8,910 thousand compared to $15,887 thousand as reported.

The additional revenue included in the consolidated income statement since Acquisition Date resulting from consolidating RPI's results was $503 thousand during the year. Additionally, the consolidation of RPI resulted in an increase by $310 thousand in the loss for the year.

(*) The elements and factors that the Company paid above the fair value of the net identifiable assets recognized, represented as goodwill for RPI's expressed by synergy of good reputation, and an especially talented workforce. Thus, the Goodwill resulted from the acquisition of RPI represents the excess of the acquisition consideration on the acquisition date in fair value over the net identifiable assets acquired and liabilities assumed.

NOTE 7 - CASH AND CASH EQUIVALENTS:

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Below is the composition of cash and cash equivalents by US Dollar and other currencies:

	December 31,	
	2024	**2023**
	US Dollars in thousands	
US Dollar	56,141	14,673
New Israeli Shekel	4,939	9,777
Euro	4,758	3,044
British pound sterling	5,169	2,026
Australian Dollar	1,495	1,078
Other currencies	10,628	7,788
	83,130	38,386

NOTE 8 – RESTRICTED CASH TRANSFERABLE TO CUSTOMERS FOR PROCESSING ACTIVITY

Nayax Europe, a subsidiary of the Group, holds a Payment Institution License from the central bank of Lithuania and is licensed to hold and transfer funds to the Group’s customers across Europe for the purpose of the Group processing activity in Europe. In accordance with the requirements of the central bank of Lithuania, the funds of Nayax Europe’s customers are held in a segregated account before being transferred to customers. Nayax Financial Services, a subsidiary of the group, also holds a Payment Institution License. Nayax Financial Services specializes in providing payment and acquiring services for the group's customers, including payment management solutions and segregated accounts services in various regions. The license for Nayax Financial Services was granted by the Financial Conduct Authority (the "FCA"), a regulatory body in the UK.

As of December 31, 2024 and 2023, $60,299 and $49,858 thousand, respectively, were held in segregated accounts for the Group's customers.

NOTE 9 - TRADE RECEIVABLES

Trade receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components then they are recognized at fair value. The balance subsequently measured at amortized cost less allowance for credit losses. Below is the composition of trade receivables in net values:

a. Composed as follows:

	December 31,	
	2024	**2023**
	US Dollars in thousands	
Open accounts	59,473	43,166
Less – provision of allowance for credit loss	(3,779)	(1,866)
Trade receivables - net	55,694	41,300

For information about receivable aging and calculating the impairment of accounts receivables in 2024 and 2023, see note 4(2).

b. Changes in provision of allowance for credit loss:

	US Dollars in thousands
Balance as of January 1, 2024	1,866
Amounts provided against profit or loss in respect of receivables for which the provision for loss is measured over the entire life of the receivable balance	1,913
Balance as of December 31, 2024	3,779
Balance as of January 1, 2023	2,432
Amounts provided against profit or loss in respect of receivables for which the provision for loss is measured over the entire life of the receivable balance	(566)
Balance as of December 31, 2023	1,866

NOTE 10 – LEASES

a. General

As of December 31, 2024, the Group had right of use assets related to leased buildings used as the Group's used for operating activities. Set forth below are the right-of-use asset years of depreciation and the interest rates used to discount the lease payments:

	Years of depreciation	Interest rate
Buildings	2-4	1.5%-5%

NOTE 10 – LEASES (continued)

b. Composition and movement of right-of-use assets:

The following is the composition of right-of-use asset balances as of December 31, 2024:

	Buildings
	US Dollars in thousands
Cost:	
Balance as of January 1, 2024	11,087
Additions during the year	1,653
Additions in respect of acquisition	1,512
Other changes	249
Balance as of December 31, 2024	14,501
Depreciation and amortization:	
Balance as of January 1, 2024	5,746
Depreciation during the year	2,463
Balance as of December 31, 2024	8,209
Right-of-use assets - net	6,292

The following is the composition of right-of-use asset balances as of December 31, 2023:

	Buildings	Technological equipment	Total
	US Dollars in thousands		
Cost:			
Balance as of January 1, 2023	10,947	331	11,278
Additions during the year	338	-	338
Disposals	(455)	(331)	(786)
Other changes	257	-	257
Balance as of December 31, 2023	11,087	-	11,087
Depreciation and amortization:			
Balance as of January 1, 2023	3,579	318	3,897
Depreciation during the year	2,167	11	2,178
Disposals	-	(329)	(329)
Balance as of December 31, 2023	5,746	-	5,746
Right-of-use assets - net	5,341	-	5,341

NOTE 10 – LEASES (continued):

b. Composition and changes in right-of-use assets (continued)**:**

The following is the composition of right-of-use asset balances as of December 31, 2022:

	Buildings	Technological equipment	Total
	US Dollars in thousands		
Cost:			
Balance as of January 1, 2022	7,382	331	7,713
Additions during the year	2,048	-	2,048
Additions in respect of acquisition	1,722	-	1,722
Disposals	(462)	-	(462)
Other changes	257	-	257
Balance as of December 31, 2022	10,947	331	11,278
Depreciation and amortization:			
Balance as of January 1, 2022	2,186	252	2,438
Depreciation during the year	1,731	66	1,797
Disposals	(338)	-	(338)
Balance as of December 31, 2022	3,579	318	3,897
Right-of-use assets - net	7,368	13	7,381

c. Composition and changes in lease liabilities

The following table summarizes the composition of lease liability balances as of December 31, 2024:

	Buildings
	US Dollars in thousands
Balance as of January 1, 2024	6,294
Additions during the year	1,653
Additions in respect of acquisition	1,519
Interest expenses	342
Lease payments	(2,997)
Other changes	234
Balance as of December 31, 2024	7,045
Current maturities of lease liabilities	2,967
Long-term lease liabilities	4,078
Balance as of December 31, 2024	7,045

NOTE 10 – LEASES (continued):

c. Composition and changes in lease liabilities (continued):

The following table summarizes the composition of lease liability balances as of December 31, 2023:

	Buildings	Technological equipment	Total
	US Dollars in thousands		
Balance as of January 1, 2023	8,141	9	8,150
Additions during the year	338	-	338
Interest expenses	330	-	330
Lease payments	(2,503)	(9)	(2,512)
Other changes	(12)	-	(12)
Balance as of December 31, 2023	6,294	-	6,294
Current maturities of lease liabilities	2,145	-	2,145
Long-term lease liabilities	4,149	-	4,149
Balance as of December 31, 2023	6,294	-	6,294

The following table summarizes the composition of lease liability balances as of December 31, 2022:

	Buildings	Technological equipment	Total
	US Dollars in thousands		
Balance as of January 1, 2022	6,769	126	6,895
Additions during the year	2,014	-	2,014
Additions in respect of acquisition	1,696	-	1,696
Disposals	(131)	-	(131)
Interest expenses	293	3	296
Lease payments	(2,036)	(111)	(2,147)
Other changes	(464)	(9)	(473)
Balance as of December 31, 2022	8,141	9	8,150
Current maturities of lease liabilities	2,197	9	2,206
Long-term lease liabilities	5,944	-	5,944
Balance as of December 31, 2022	8,141	9	8,150

d. The Group incurred expenses in the amounts of $402, $330 and $209 thousand in 2024, 2023 and 2022, respectively, related to short-term leases, which were included in research and development expenses and selling, general and administrative expenses.

NOTE 11 – PROPERTY, PLANT AND EQUIPMENT

Composition of property and equipment and accumulated depreciation thereon, grouped by major classifications, and changes therein in 2024, are as follows:

	Leasehold improvements	Computers and peripheral equipment	Rented POS devices	Machines and equipment	Total
	US Dollars in thousands				
Cost:					
Balance as of January 1, 2024	3,969	16,071	639	586	21,265
Additions	46	1,364	1,818	5	3,233
Acquired through business combinations	49	273	5,806	45	6,173
Disposals	-	(83)	-	-	(83)
Translation differences	(9)	(41)	(1,349)	(3)	(1,402)
Balance as of December 31, 2024	4,055	17,584	6,914	633	29,186
Accumulated depreciation:					
Balance as of January 1, 2024	1,194	13,720	552	312	15,778
Depreciation during the year	390	1,284	937	75	2,686
Disposals	-	(82)	-	-	(82)
Translation differences	(3)	(19)	(285)	(1)	(308)
Balance as of December 31, 2024	1,581	14,903	1,204	386	18,074
Net book value:					
As of December 31, 2024	2,474	2,681	5,710	247	11,112

Composition of property and equipment and accumulated depreciation thereon, grouped by major classifications, and changes therein in 2023, are as follows:

	Leasehold improvements	Computers and peripheral equipment	Rented POS devices	Machines and equipment	Total
	US Dollars in thousands				
Cost:					
Balance as of January 1, 2023	3,956	15,380	606	586	20,528
Additions	13	641	54	-	708
Acquired through business combinations	-	140	-	-	140
Disposals	-	(83)	-	-	(83)
Translation differences	-	(7)	(21)	-	(28)
Balance as of December 31, 2023	3,969	16,071	639	586	21,265
Accumulated depreciation:					
Balance as of January 1, 2023	883	12,391	316	270	13,860
Depreciation during the year	311	1,414	237	42	2,004
Disposals	-	(83)	-	-	(83)
Translation differences	-	(2)	(1)	-	(3)
Balance as of December 31, 2023	1,194	13,720	552	312	15,778
Net book value:					
As of December 31, 2023	2,775	2,351	87	274	5,487

NOTE 11 – PROPERTY AND EQUIPMENT (continued):

Composition of property and equipment and accumulated depreciation thereon, grouped by major classifications, and changes therein in 2022, are as follows:

	Leasehold improvements	Computers and peripheral equipment	Rented POS devices	Machines and equipment	Total
	US Dollars in thousands				
Cost:					
Balance as of January 1, 2022	3,638	6,245	523	547	10,953
Additions	79	1,388	227	39	1,733
Acquired through business combinations	239	8,043	-	-	8,282
Disposals	-	(269)	-	-	(269)
Translation differences	-	(27)	(144)	-	(171)
Balance as of December 31, 2022	3,956	15,380	606	586	20,528
Accumulated depreciation:					
Balance as of January 1, 2022	511	3,772	215	230	4,728
Depreciation during the year	372	1,271	113	40	1,796
Disposals	-	(265)	-	-	(265)
Acquisitions during the year	-	7,622	-	-	7,622
Translation differences	-	(9)	(12)	-	(21)
Balance as of December 31, 2022	883	12,391	316	270	13,860
Net book value:					
As of December 31, 2022	3,073	2,989	290	316	6,668

NOTE 12 – GOODWILL AND INTANGIBLE ASSETS

Composition of intangible assets and accumulated amortization thereon, grouped by major classifications, and changes therein in 2024 are as follows:

	Capitalized development costs **	Distribution rights and brand*	Customer relationships purchased *	Technology **	Goodwill (a)	Patents **	Total
	US Dollars in thousands						
Cost:							
Balance as of January 1, 2024	66,415	8,323	15,916	24,574	12,866	806	128,900
Additions	20,930	-	-	1,681	-	-	22,611
Acquired through business combinations	-	1,292	4,882	3,591	7,163	-	16,928
Translation differences	(38)	(211)	(644)	(615)	(766)	-	(2,274)
Balance as of December 31, 2024	87,307	9,404	20,154	29,231	19,263	806	166,165
Accumulated amortization:							
Balance as of January 1, 2024	23,451	2,576	3,260	3,031	-	171	32,489
Amortization	6,428	969	3,684	5,078	-	62	16,221
Translation differences	(3)	(12)	(68)	(132)	-	-	(215)
Balance as of December 31, 2024	29,876	3,533	6,876	7,977	-	233	48,495
Net book value:							
As of December 31, 2024	57,431	5,871	13,278	21,254	19,263	573	117,670

Composition of intangible assets and accumulated amortization thereon, grouped by major classifications, and changes therein in 2023 are as follows:

	Capitalized development costs **	Distribution rights and brand *	Customer relationships purchased *	Technology **	Goodwill (a)	Patents **	Total
	US Dollars in thousands						
Cost:							
Balance as of January 1, 2023	49,806	5,292	8,884	4,456	10,196	806	79,440
Additions	16,773	-	-	-	-	-	16,773
Acquired through business combinations	-	3,031	7,092	20,148	2,814	-	33,085
Disposals	(138)	-	-	-	-	-	(138)
Translation differences	(26)	-	(60)	(30)	(144)	-	(260)
Balance as of December 31, 2023	66,415	8,323	15,916	24,574	12,866	806	128,900
Accumulated amortization:							
Balance as of January 1, 2023	18,206	2,261	1,693	2,055	-	109	24,324
Amortization	5,386	315	1,574	984	-	62	8,321
Disposals	(138)	-	-	-	-	-	(138)
Translation differences	(3)	-	(7)	(8)	-	-	(18)
Balance as of December 31, 2023	23,451	2,576	3,260	3,031	-	171	32,489
Net book value:							
As of December 31, 2023	42,964	5,747	12,656	21,543	12,866	635	96,411

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NOTE 12 – GOODWILL AND INTANGIBLE ASSETS (continued):

Composition of intangible assets and accumulated amortization thereon, grouped by major classifications, and changes therein in 2022 are as follows:

	Capitalized development costs **	Distribution rights *	Customer relationships purchased *	Technology **	Goodwill (a)	Patents **	Total
	US Dollars in thousands						
Cost:							
Balance as of January 1, 2022	34,209	5,292	4,188	2,921	8,271	806	55,687
Additions	14,615	-	-	-	-	-	14,615
Acquired through business combinations	1,261	-	5,046	1,711	2,724	-	10,742
Translation differences	(279)	-	(350)	(176)	(799)	-	(1,604)
Balance as of December 31, 2022	49,806	5,292	8,884	4,456	10,196	806	79,440
Accumulated amortization:							
Balance as of January 1, 2022	13,454	1,996	843	1,546	-	47	17,886
Amortization	3,642	265	902	564	-	62	5,435
Acquisitions during the year	1,116	-					1,116
Translation differences	(6)	-	(52)	(55)	-	-	(113)
Balance as of December 31, 2022	18,206	2,261	1,693	2,055	-	109	24,324
Net book value:							
As of December 31, 2022	31,600	3,031	7,191	2,401	10,196	697	55,116

* Amortization of customer relationship and distribution rights are included under selling, general and administrative expenses.

** Amortization of technology, patents and development costs are included in "Depreciation and amortization in respect of technology and capitalized development costs ".

NOTE 12 – GOODWILL AND INTANGIBLE ASSETS (continued):

(a) Goodwill

The group tests whether goodwill has suffered any impairment on an annual basis. For the 2024 reporting period, the recoverable amount of the cash-generating units (CGUs) was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management. The discount rate was a pre-tax measure using a rate of return that reflects the relative risk of the investment, as well as the time value of money. Five years of cash flows were included in the discounted cash flow model. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

1. VMtecnologia LTDA. - During the fiscal year 2024, the Company completed the acquisition of VM Technologia LTDA (hereinafter – "VM") resulting in the recognition of goodwill (see note 6a). Under IAS 36 Impairment of Assets, the company is required to perform an annual impairment test on goodwill. As part of the business combination for the purchase of VM, the Company recognized goodwill in the total amount of $4,309 thousand. The following key assumptions were used to determine the value in use of the CGU as at December 31, 2024:

	VM
Growth rate	3.5%
Discount rate	23%

The recoverable amount is greater than the carrying amount, and no impairment of goodwill was required.

2. Roseman Holdings Ltd. and Roseman Engineering Ltd. (hereinafter – "Roseman") - During the fiscal year 2024, the Company completed the acquisition of Roseman resulting in the recognition of goodwill (see note 6b). Under IAS 36 Impairment of Assets, the company is required to perform an annual impairment test on goodwill. As part of the business combination for the purchase of Roseman, the Company recognized goodwill in the total amount of $2,854 thousand. The following key assumptions were used to determine the value in use of the CGU as at December 31, 2024:

	Roseman
Growth rate	3%
Discount rate	16%

The recoverable amount is greater than the carrying amount, and no impairment of goodwill was required.

3. On Track Innovations Ltd. - As part of the business combination for the purchase of On Track Innovations Ltd. (hereinafter – "OTI") the Company recognized goodwill in the total amount of $2,724 thousand. The following key assumptions were used to determine the value in use of the CGU as at December 31, 2024:

	OTI
Growth rate	3%
Discount rate	20.1%

The recoverable amount is greater than the carrying amount, and no impairment of goodwill was required.

NOTE 12 – GOODWILL AND INTANGIBLE ASSETS (continued):

(a) Goodwill (continued):

4. Retail CGU - As part of the business combination for the purchase of Nayax Retail Ltd. (hereinafter "Nayax Retail") and Retail Pro LLC., the Company recognized goodwill in the total amount of $5,172 thousand. The following key assumptions were used to determine the value in use of the CGUs as at December 31, 2024:

	Retail
Growth rate	3%
Discount rate	20.9%

The recoverable amount is greater than the carrying amount, and no impairment of goodwill was required.

5. Weezmo - As part of the business combination related to the acquisition of Weezmo, a goodwill in the amount of $4,078 thousand was recognized. The following key assumptions were used to determine the value in use of the CGUs as at December 31, 2024:

	Weezmo
Growth rate	3%
Discount rate	21.9%

The recoverable amount is greater than the carrying amount, and no impairment of goodwill was required.

6. Vendsys - As part of the business combination related to the acquisition of Greenhithe Software Solutions Ltd (hereinafter – "VendSys") the Company recognized goodwill in the total amount of $891 thousand. The following key assumptions were used to determine the value in use of the CGU as at December 31, 2024:

	Vendsys
Growth rate	4%
Discount rate	12%

The recoverable amount is greater than the carrying amount, and no impairment of goodwill was required.

NOTE 13 – CREDIT AND LOANS FROM BANKS

a. Short-term bank credit(*)

1) The company is a party to a short-term credit facility with an Israeli bank with commitments totaling $15 million (NIS 54 million). As of December 31, 2024, a total of $11 million (NIS 42 million) was outstanding under the short-term credit facility. The short-term credit facility bears a prime based variable interest rate. (*)

2) In May 2023 the company received a short-term credit facility in the amount of NIS 17 million (approximately $4.8 million) from an Israeli bank that bears a prime based variable interest rate. (*)

3) In July 2023, the Company entered into an additional short-term credit facility with an Israeli bank in the amount of $9.75 million, which was later increased to $30 million. The short-term credit facility bears a prime based variable interest rate. In November 2023, the same bank approved an additional loan in amount of $17 million that was used as a bridge loan for the purchase of Retail Pro's intellectual property and the purchase of all of Retail Pro's equity rights by a fully owned subsidiary of the company. See note 13b(2) (*)

4) As of December 31, 2024, a wholly owned subsidiary of the Company has a short-term loan of $2 million (NIS 7.2 million) from an Israeli bank. The short-term loan bears a foreign exchange market variable interest rate. The loan is renewed monthly, in the Company's sole discretion.

(*) Under the credit facilities above of the financing agreements, the Company is required to meet certain financial covenants. As of December 31, 2024, the Company met all the covenants.

b. Long-term bank loans

	December 31,	
	2024	2023
	US Dollars in thousands	
Total bank loans	22,583	1,428
Less - current maturities	(3,978)	(1,101)
Total long-term bank loans	18,605	327

1. In May 2020, the Company received a long-term loan from an Israeli Bank, backed by a government guarantee, in the amount of NIS 15 million ($4.25 million). The loan bears interest of Prime + 1.5%, payable monthly beginning in May 2021. The loan's principal will be returned in 48 monthly installments beginning in May 2021.

2. In February 25, 2024, the Company fully repaid the bridge loan dislosed under note 13a(3) and received from the same bank an approval for a long-term loan. The long-term loan bears a SOFR based variable interest rates.

3. On December 18, 2024, a loan principal of NIS 21 million (approximately USD 5,675 thousand) was received, to be repaid in equal quarterly installments over a period of six years from the loan receipt date. The interest bears a prime based variable interest rate.

The carrying amount of the credit and loans from banks reasonably approximate their fair value.

NOTE 14 – OTHER LONG-TERM LIABILTIES

Composition of other long-term liabilities, net of current maturities

	December 31,	
	2024	**2023**
	US Dollars in thousands	
Contingent consideration, see note 6 (*)	14,290	12,141
Deferred consideration, see note 6 (*)	1,844	-
Liability for forward contract for acquisitions (**)	-	1,485
Other	4,582	850
	20,716	14,476

(*) With regards to liability for deferred and contingent payments as of December 31, 2024, the company recognized a deferred and contingent liabilities as part of the acquisitions of Retail Pro International LLC and VMtecnologia LTDA, see note 6.

(**)

1. Put Option: The Company has issued a put option allowing for an additional investment of up to $1 million. This put option is a liability financial instrument measured at fair value through profit or loss. See note 4

2. Call and Put Options: one of compay's investee sellers has granted the company right to purchase all option shares held by the respective seller as of the specified date through a call option. Additionally, the company has granted each seller a put option to sell all or a portion of their option shares. The call and put options are financial instrument measured at fair value through profit or loss, presented on net basis. See note 4.

NOTE 15 – INCOME TAXES

a. Taxation of the Company in Israel

1) Tax rates:

The Company's income in Israel (except for income qualifying for reduced tax rates under Israel encouragement law, see paragraph 2 below) is taxed at regular rates. The Israeli corporate tax rate in 2018 and thereafter is 23%. Capital gains of the Company in Israel are subject to tax at the regular corporate tax rate applicable during the tax year.

2) In December 2020, the Company received an in-agreement tax ruling, indicating that the enterprise of the Company meets the definition of a Technological Preferred Enterprise, and that the income of the Company from selling POS devices, provision of processing SaaS are deemed "technology income" as defined by Section 51 to the Encouragement of Capital Investment Law, 1959 (hereinafter - "the Law"), which are subject to 12% tax, while income attributed to production are "preferred income", as this term is defined by Section 51 to the Law, which are subject to 16% or 7.5%. tax (depending on the production activity place). This tax ruling applies to the Company beginning in the 2020 tax year through 2024. As of the date of these condensed financial statements, the company is in the process of renewing this tax status for subsequent years.

b. Taxation of subsidiaries outside of Israel

Subsidiaries that are incorporated outside Israel are assessed for tax under the tax laws applicable in their countries of residence.The principal tax rates applicable in 2024 to subsidiaries outside Israel are as follows:
Companies incorporated in the United States – tax rate of 34.7% (including federal, state and branch profits tax). The company incorporated in the UK – tax rate of between 19% to 25%. The company incorporated in Australia – tax rate of 30%. The company incorporated in Lithuania –corporate tax rate of 15%, In Mexico 30%, in Germany 15.5% (including solidarity surcharge) plus 14% trade tax. The companies incorporated in Brazil 34%. Generally, inter-company transactions between the Company and subsidiaries outside Israel are subject to the provisions and reporting requirements set out in the Income Tax Regulations (Determination of Market Terms), 2006.

c. Carry forward losses

Deferred tax assets on carryforward losses are recognized if the exercise of the relevant tax benefit is expected in the foreseeable future against a taxable income.

As of December 31, 2024 and 2023, the carryforward tax losses stemming from the Company in Israel amounted to $28,433 and $32,531 thousand, respectively.

The Group recognizes deferred taxes in respect of carryforward losses stemming from the Group only up to the amount of the liability for deferred tax, since the utilization of those losses is not expected in the foreseeable future. Carryforward tax losses accrued in Israel may be offset over an unlimited time.

d. Tax assessments

The limitation period in Israel of tax assessments filed by taxpayers in respect of tax year 2013 and thereafter is 4 years from the end of the tax year in which a tax return was filed.
Accordingly, the Company's tax assessments through tax year 2018 are considered to be final.

e. Tax rate reconciliation:

The reconciliation of the theoretical tax benefit (expense) by the Israeli statutory tax rate to the Company's effective benefit (expense) taxes are as follows:

NOTE 15 - INCOME TAXES (continued):

	For the year ended December 31, 2024	2023	2022
	US Dollars in thousands		
Loss before taxes on income	(4,384)	(14,672)	(37,058)
Tax rate	23%	23%	23%
Theoretical tax benefit	1,008	3,375	8,523
Share-based payment expenses which are not deductible	(1,660)	(1,388)	(2,012)
Carry forward losses without deferred taxes recognition	(521)	(3,176)	(6,872)
Other	(74)	(26)	(90)
Effective tax expenses	(1,247)	(1,215)	(451)

f. Deferred income tax:

The composition of deferred taxes as of statement of financial position dates and the change thereof in those years is:

	Intangible assets	Provisions for employee rights	Other	Losses for tax purposes	Total
	US Dollars in thousands				
Balance at January 1, 2024	(4,104)	579	-	417	(3,108)
Change in 2024:					
Recognized in income statement	987	110	-	543	1,640
Deferred taxes created in acquisition of subsidiary	(3,142)	-	-	-	(3,142)
Recognized in translation currency difference reserve	336	-	-	-	336
Balance at December 31, 2024	(5,923)	689	-	960	(4,274)
Balance at January 1, 2023	(1,074)	44	44	193	(793)
Change in 2023:					
Recognized in income statement	(421)	535	(44)	224	294
Deferred taxes created in acquisition of subsidiary	(2,626)	-	-	-	(2,626)
Recognized in translation currency difference reserve	17	-	-	-	17
Balance at December 31, 2023	(4,104)	579	-	417	(3,108)
Balance at January 1, 2022	(1,111)	-	-	23	(1,088)
Change in 2022:					
Recognized in income statement	(77)	44	44	170	181
Recognized in translation currency difference reserve	114	-	-	-	114
Balance at December 31, 2022	(1,074)	44	44	193	(793)

NOTE 15 - INCOME TAXES (continued):

f. Deferred income tax (continued):

Deferred taxes are presented in the statement of financial position as follows:

	December 31,	
	2024	2023
	US Dollars in thousands	
Non-current assets	-	-
Non-current liabilities	(4,274)	(3,108)
	(4,274)	(3,108)

g. Taxes on income included in profit or loss:

	For the year ended December 31,		
	2024	2023	2022
	US Dollars in thousands		
Current tax expenses	(2,887)	(1,509)	(632)
Deferred tax income	1,640	294	181
	(1,247)	(1,215)	(451)

NOTE 16 – CAPITAL AND RESERVES

a. Composition:

The share capital as of December 31, 2024, is composed of Ordinary shares, all having ILS 0.001 par value, as follows:

	Number of shares		In thousands	
	Authorized	Issued and paid	Authorized	Issued and paid
	December 31, 2024		December 31, 2024	
Ordinary shares	70,000,000	36,607,407	70,000	36,607

The share capital as of December 31, 2023, is composed of Ordinary shares, all having ILS 0.001 par value, as follows:

	Number of shares		In thousands	
	Authorized	Issued and paid	Authorized	Issued and paid
	December 31, 2023		December 31, 2023	
Ordinary shares	70,000,000	33,326,736	70,000	33,327

The share capital as of December 31, 2022, is composed of Ordinary shares, all having ILS 0.001 par value, as follows:

	Number of shares		In thousands	
	Authorized	Issued and paid	Authorized	Issued and paid
	December 31, 2022		December 31, 2022	
Ordinary shares	70,000,000	32,956,004	70,000	32,956

NOTE 16 – CAPITAL AND RESERVES (continued):

a. Composition (continued):

In April 2021, all ordinary A shares of NIS 0.001 par value and all ordinary B shares of NIS 0.001 par value – both issued shares and shares included in the Company's authorized capital – were converted into ordinary shares of NIS 0.001 par value each based on a 1:1 ratio, such that subsequent to the conversion, the Company's capital comprises only ordinary shares.

In April 2021, the Company increased the registered share capital by 32,000,000 Ordinary shares par value NIS 0.001 each.

On May 13, 2021, the Company completed an initial public offering (IPO) on the Tel Aviv stock exchange (TASE) in which it sold 4.4 million ordinary shares of NIS 0.001 par value for a gross amount, before issuance costs, of $141.6 million and $132.5 million, net of issuance costs. The IPO was a non-uniform offering, as this term is defined by Israeli Securities Regulations (Manner of Offering Securities to the Public), 2007, to institutional investors in Israel and outside of Israel.

On March 12, 2024, the Company completed an issuance of ordinary shares under an underwriting agreement. The Company issued and sold 2,600,000 ordinary shares, which included 469,565 shares sold upon the full exercise of the underwriters' option to purchase additional shares and apart from that 1,000,000 ordinary shares were sold by existing shareholders. The net proceeds to the company from this sale amounted to approximately $62.7 million. The expenses incured in company's profit or loss report for the year ended December 31, 2024 from this sale are $506 thousands.

b. Share-based payment:

1. September 6, 2024 award: In October 2021, 50,000 options were granted to an employee, of which 7,625 were exercised, leaving 42,375 options as of May 26, 2024, with 25,000 vested. Following an agreement, 25,000 options were converted to 8,350 restricted shares units (RSUs) at a 3:1 ratio, with full vesting approved retroactively as of September 6, 2024. The remaining 17,375 options were replaced by 5,792 RSUs, with 1,667 vesting on September 6, 2024, and the remaining of 4,125 will be vested by August 22, 2025.

   September 3, 2024 award: the company allotted 1,415 RSUs to an employee of the Company. The vesting period of these RSUs is 4 years, with 25% of the RSUs vesting on the first anniversary of the grant date and after that, an additional 6.25% of the RSUs vesting on the last day of each subsequent calendar quarter.

2. August 6, 2024 award: the company allotted 7,262 options and 5,694 RSUs to employees of the Company and subsidiaries. The vesting period of the options and RSUs is 4 years, with 25% of the options and RSUs vesting on the first anniversary of the grant date and after that, an additional 6.25% of the options and RSUs vesting on the last day of each subsequent calendar quarter. Options not exercised within 5 years of inception date will expire.

3. June 25, 2024 award: the company allotted 179,875 RSUs to employees of the Company and subsidiaries. The vesting period of the RSUs is 4 years, with 25% of the RSUs vesting on the first anniversary of the grant date and after that, an additional 6.25% of the RSUs vesting on the last day of each subsequent calendar quarter.

4. May 12, 2024 award: the company allotted 20,735 RSUs to employees of the Company and subsidiaries. An amount of 1,013 RSU's vesting over period of 4 years, with 25% vesting on the first anniversary of the grant date and after that, an additional 6.25% of the RSUs vesting on the last day of each subsequent calendar quarter. The remain 19,722 RSU's granted have the same rights in all respects as the existing ordinary shares in the company's capital as of that date.

NOTE 16 – CAPITAL AND RESERVES (continued):

b. Share-based payment (continued):

5. February 27, 2024 award: the company allotted 51,598 RSUs to employees of the Company and subsidiaries. The vesting period of the RSUs is 4 years, with 25% of the RSUs vesting on the first anniversary of the grant date and after that, an additional 6.25% of the RSUs vesting on the last day of each subsequent calendar quarter.

6. February 1, 2024 award: the company allotted 11,000 RSUs to employees of the Company and subsidiaries. The vesting period of the RSUs is 4 years, with 25% of the RSUs vesting on the first anniversary of the grant date and after that, an additional 6.25% of the RSUs vesting on the last day of each subsequent calendar quarter.

7. November 30, 2023 award: the Company allotted 96,731 RSUs to employees of the Company and subsidiaries. The vesting period of the RSUs is 4 years, with 25% of the RSU vesting on the first anniversary of grant date, and after that, additional 6.25% of the RSU's vesting on the last day of each subsequent calendar quarter.

7. June 26, 2023 award: the Company allotted 27,500 options and 137,524 RSUs to employees of the Company and subsidiaries. The vesting period of the options and RSUs is 4 years, with 25% of the options vest on the first anniversary of grant date, and after that, additional 6.25% of the options vesting on the last day of each subsequent calendar quarter. Options not exercised within 5 years of inception date will expire.

8. December 20, 2022 award: On December, 2022, the Company allotted 10,667 RSUs to employees of the Company and subsidiaries.

9. September 29, 2022 award: On September, 2022, the Company allotted 54,500 options and 18,600 RSUs to employees of the Company and subsidiaries. Options not exercised within 5 years of inception date will expire.

10. June 30, 2022 award: On June 30, 2022, the Company allotted 170,000 options and 6,000 RSUs to employees of the Company and subsidiaries. Options not exercised within 5 years of inception date will expire.

11. March 28, 2022 award: On March 28, 2022, the Company allotted 215,500 options and 45,000 RSUs to employees of the Company and subsidiaries. Options not exercised within 5 years of inception date will expire.

The vesting period of all grants rewarded during the year ended December 31, 2022 of both options and RSUs are 4 years, with 25% of the options vest on the first anniversary of grant date, and after that, additional 6.25% of the options vest on the last day of each subsequent calendar quarter.

The Company used the Black and Scholes option pricing model to measure the fair value of the share options on award dates. The key assumptions used by the Company in this model and the fair value of each option are as follows:

NOTE 16 – CAPITAL AND RESERVES (continued):

b. Share-based payment (continued):

Allotment date	Share price	Exercise price	Expected option life	Risk-free interest rate	Average standard deviation (**)	Option fair value
The weighted average for 2024	$25.78					$25.78
The weighted average for 2023	$19.92	-	-	-	-	$19.92
The weighted average for 2022	$11.1	-	-	-	-	$11.1
September, 6, 2024 – RSUs	$ 23.72	-	-	-	-	$ 23.72
September, 6, 2024 – Options	$21.02	$22.59	5	0.0373	0.6374	$11.59
August 6, 2024 - RSU	$ 21.02	-	-	-	-	$ 21.02
June 25, 2024 - RSUs	$ 21.55	-	-	-	-	$ 21.55
May 12, 2024 - RSUs	$ 28.49	-	-	-	-	$ 28.49
February 27, 2024 - RSUs	$ 27.93	-	-	-	-	$ 27.93
February 1, 2024 - RSUs	$ 24.25	-	-	-	-	$ 24.25
November, 2023 – RSUs	$ 19.57	-	-	-	-	$ 19.57
June 26, 2023 – Options	$ 19.34	$ 18.83	5	0.0396	0.678	$11.03
June 26, 2023 – RSUs	$ 19.34	-	-	-	-	$19.34
December 20, 2022 - RSUs	$19.7	-	-	-	-	$19.7
September 29, 2022 – Options	$23.9	25.5	5	0.0398	0.5445	$11.8-$23.9
September 29, 2022 - RSUs	$23.9	-	-	-	-	$23.9
June 30, 2022 – Options	$18.5	$16.7	5	0.0301	0.54	$9.7-$10.8
June 30, 2022 – RSUs	$18.5	-	-	-	-	$18.5
March 28, 2022 – Options	$18.4	$20.4	5	0.025	0.56	$8.7
March 28, 2022 – RSUs	$18.4	-	-	-	-	$18.4

(**) The Average standard deviation was determined based on historical volatility of the company.

All allotments to employees and offices in Israel carried out as part of the plan are subject to the terms set out in Section 102 of the Income Tax Ordinance. The allotments to Israelis who are not employees are subject to Section 3(i) to the Income Tax Ordinance. Foreign employees and service providers are subject to the tax law in the relevant countries.

NOTE 16 – CAPITAL AND RESERVES (continued):

b. Share-based payment (continued):

Below is a breakdown of the RSUs and options by their weighted average exercise price during the reported periods:

	December 31, 2024		December 31, 2023		December 31, 2022	
	Number of awards	Weighted average exercise price	Number of awards	Weighted average exercise price	Number awards	Weighted average exercise price
Number of awards outstanding at beginning of year	3,339,120	17.8	3,823,052	19.3	3,633,778	19.1
New granted	283,371	22.5	264,256	18.8	520,767	16.5
Exercised awards	(680,671)	8.0	(370,732)	6.57	(203,748)	5.0
Forfeited awards	(414,134)	26.0	(366,633)	26.1	(126,211)	17.0
Expired awards	(33,676)	19.2	(10,823)	14.76	(1,534)	6.7
Outstanding awards at end of year	2,494,010	18.7	3,339,120	17.84	3,823,052	19.3
Exercisable options at end of year	1,274,794	14.2	1,550,358	11.67	1,502,887	12.3

As of December 31, 2024, 2023 and 2022, the weighted-average remaining contractual life of exercisable options were 1.5, 3.5 and 2.7 years, respectively.

As of December 31, 2024, 2023 and 2022, the range of exercise prices for share options outstanding at the end of the period is NIS 0.001-$25.52 for the three periods.

The expenses related to share base compensation for each of the three years in the period ended December 31, 2024, 2023 and 2022 are $7,187, $6,027 and $8,747 thousand, respectively.

The amounts of expense recognized as capitalized development costs and included as intangible assets for each of the three years in the period ended December 31, 2024, 2023 and 2022 are $718, $825 and $909, respectively.

The balance of unrecognized benefit as of December 31, 2024, assuming that all conditions set were met, is $6,879 thousand.

NOTE 17 – REVENUES

	For the year ended December 31,		
	2024	2023	2022
	US Dollars in thousands		
Revenue from the sale of integrated POS devices	91,677	84,406	68,726
Recurring revenue:			
SaaS revenue	88,494	58,920	45,274
Payment processing fee	133,842	92,165	59,514
	222,336	151,085	104,788
	314,013	235,491	173,514

NOTE 18 – COST OF REVENUES

	For the year ended December 31,		
	2024	2023	2022
	US Dollars in thousands		
Cost of integrated POS devices sales	64,106	68,433	62,872
Cost of recurring revenue:			
Cost of services	20,088	13,419	9,394
Cost of processing	88,285	65,346	41,210
	172,479	147,198	113,476

As of the periods ended December 31, 2024, 2023 and 2022, cost of revenue includes employee related costs and share based compensation in the amount of $9,890, $7,385 and $6,352 thousand, respectively.

NOTE 19 – RESEARCH AND DEVELOPMENT EXPENSES

	For the year ended December 31,		
	2024	2023	2022
	US Dollars in thousands		
Payroll and related expenses	18,341	15,309	14,820
Suppliers and subcontractors	3,780	3,416	4,193
Office and maintenance	586	684	602
Share-based payment	1,355	1,148	1,279
Depreciation and amortization	1,312	1,371	1,238
	25,374	21,928	22,132

NOTE 20 – SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	For the year ended December 31,		
	2024	2023	2022
	US Dollars in thousands		
Payroll and related expenses	49,228	36,520	32,402
Share-based payment	5,475	4,627	7,097
Office and maintenance	3,745	2,749	2,365
Advertising and sales promotion	3,117	2,192	2,599
Depreciation and amortization	7,483	4,444	3,366
Computers and IT systems maintenance	8,260	5,196	4,452
Professional fees	12,256	8,443	5,903
Provision for credit losses and bad debts	675	-	630
Other expenses	7,957	6,149	5,278
	98,196	70,320	64,092

NOTE 21 – FINANCIAL EXPENSES OR INCOME

a. Financial Income

	For the year ended December 31,		
	2024	2023	2022
	US Dollars in thousands		
Interest income on cash and bank deosits	3,110	1,685	-
Financial income in respect of change in fair value options	148	-	423
Financial income in respect of shareholders and related companies	150	24	15
Financial income in respect of finance sub-lease	-	17	-
Financial income in respect of exchange rate differences	-	767	-
	3,408	2,493	438

b. Financial Expenses

	For the year ended December 31,		
	2024	2023	2022
	US Dollars in thousands		
Interest expense on bank loans and bank fees	(6,181)	(3,389)	(993)
Financial expenses in respect of change in fair value options	-	(310)	-
Financial expenses in respect of loans from others	(197)	(591)	(70)
Financial expenses in respect of other liabilities	(1,552)	(161)	(167)
Financial expenses in respect of leases liabilities	(333)	(330)	(260)
Financial Expenses in respect of exchange rate differences	(2,634)	-	(1,968)
	(10,897)	(4,781)	(3,458)

NOTE 22 - LOSS PER SHARE

a. Basic

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue.

	,For the year ended December 31		
	2024	**2023**	**2022**
Loss for the year attributed to holders of ordinary shares (US Dollars in thousands)	(5,631)	(15,887)	(37,509)
Weighted average of number of ordinary shares in issue (in thousands)	35,762	33,149	32,817
Basic loss per ordinary share (in dollars)	(0.157)	(0.479)	(1.143)

b. Diluted

Instruments that can potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per share, as their impact was anti-dilutive:

	Thousands of shares		
	As of December 31,		
	2024	**2023**	**2022**
Outstanding awards at end of the year issued as part of share-based compensation	2,494	3,339	3,823

NOTE 23 – RELATED PARTIES

a. Transactions with related parties:

	For the year ended December 31,		
	2024	**2023**	**2022**
	US Dollars in thousands		
Payroll, options and payments to related parties employed by the Company	3,550	2,671	5,378
Payroll to directors	228	176	207
Transactions - associated companies	3,474	2,202	766

NOTE 23 – RELATED PARTIES (continued):

b. Balances with related parties: (continued):

	December 31,	
	2024	2023
	US Dollars in thousands	
Receivables – associated companies	3,903	3,555
Trade payables – related companies and parties	83	97
Other payables – related companies and parties	37	41

NOTE 23 – RELATED PARTIES (continued):

c. Related parties' employment terms:

1. Employment terms of controlling shareholder and director – Mr. Yair Nechmad – for his service as the Company's CEO:

   Payments of management and consulting fee to Mr. Yair Nechmad for serving as CEO are performed under a November 2016 agreement (in this paragraph (1), the "Agreement"). Under the Agreement, the services are provided by Mr. Nechmad through Yair Nechmad Ltd., which is fully controlled by Mr. Yair Nechmad, in consideration for a management fee at a monthly cost of NIS 50 thousand ($14.5 thousand), and reimbursement of various expenses.

   On March 10, 2021, the Board of Directors and the general meeting of the shareholders of the Company approved a revision to the terms of engagement between the Company and Mr. Yair Nechmad, effective January 1, 2021, as follows: The management fee of Mr. Yair Nechmad, CEO of the Company, through Yair Nechmad Ltd, was changed to a monthly cost of NIS 150 thousand ($46 thousand), instead of NIS 50 thousand ($15 thousand).

   On May 4, 2021, the Board of Directors and general meeting of the Company approved engagement in revised service agreements with Mr. Yair Nechmad, in which the monthly management fee of each of them was revised to NIS 140 thousand ($43 thousand), beginning on the date completing the IPO on the Tel Aviv Stock Exchange, i.e. May 13, 2021. This amount is to increase each calendar year by 2.5% so the payment for each of the 12 months during the year ended December 31, 2024 accounted to NIS 149 thousand ($41 thousand).

   Arnon Nechmad, the son of Yair Nechmad, was hired by a wholly-owned subsidiary of the Company, in November 2021, prior to that was an employee of another wholly-owned subsidiary of the Company and, in 2023 became an employee of the Company. Mr. Nechmad received compensation of approximately $91 thousands, $81 thousands and $83 thousands in 2024, 2023 and 2022, respectively.

   Tal Tannenbaum, who became the daughter-in-law of Yair Nechmad in August 2022, has been a part-time employee of the Company since December 2021. Ms. Tannenbaum received compensation of approximately $80 thousand, $55 thousand and $26 in 2024, 2023 and 2022 respectively. The company granted to Ms. Tannenbaum 500 options in the March 28, 2022 grant.

2. The employment terms of controlling shareholder and director, Mr. David Ben Avi, for his service as the Company's CTO:

   Payment of management and consulting fee to Mr. David Ben Avi for serving as the Company's CTO is under a November 2016 agreement (in this paragraph (2), the "Agreement"). Under the Agreement, services are provided by Mr. Ben Avi through David Ben Avi Holdings Ltd., which is fully controlled by Mr. Ben Avi, in consideration for a monthly management fee at the cost of NIS 50 thousand ($14.5 thousand), and reimbursement of various expenses.

   On March 10, 2021, the Board of Directors and the general meeting of the shareholders of the Company approved a revision to the terms of engagement between the Company and Mr. David Ben-Avi, effective January 1, 2021, as follows: The management fee of Mr. David Ben Avi, CTO of the Company, through David Ben Avi Holdings Ltd, was changed to a monthly cost of NIS 150 thousand ($46 thousand), instead of NIS 50 thousand ($15 thousand).

NOTE 23 – RELATED PARTIES (continued):

c. Related parties' employment terms (continued)**:**

On May 4, 2021, the Board of Directors and general meeting of the Company approved engagement in revised service agreements with Mr. David Ben Avi, in which the monthly management fee was revised to NIS 140 thousand ($43 thousand), beginning on the date completing the IPO on the Tel Aviv Stock Exchange, i.e. May 13, 2021. This amount is to increase each calendar year by 2.5% so the payment for each of the 12 months during the year ended December 31, 2024 accounted to NIS 149 thousand ($41 thousand).

The total expenses related to Oded Frenkel, Mr. Ben Avi's brother-in-law, who is employed by the Company as Chief Customer Officer in 2024, 2023 and 2022 was $204 thousand, $212 thousand and $236 thousand, respectively. During 2024 Mr. Frenkel received an amount of 2,500 RSUs and in 2023 options to purchase 2,500 ordinary shares at the exercise price of $18.83 per share, and options in 2022 to purchase 2,500 ordinary shares at the exercise price of NIS 65.7 per share.

The total expenses related to Reuven Amar, Mr. Ben Avi's brother-in-law, who is employed by the Company as Engineering Lab Manager in 2024, 2023 and 2022 was $172 thousand, $177 thousand and $206 thousand, respectively. Mr. Amar received options in 2023 to purchase 2,500 ordinary shares at the exercise price of $18.83 per share, and options in 2022 to purchase 2,500 ordinary shares at the exercise price of NIS 65.7 per share.

3. **Payments to Mr. Amir Nechmad – controlling shareholder and former director**

During 2024, 2023 and 2022, the amount paid by the Company to Mr. Amir Nechmad for services rendered to the Company including directors' fees amounted to $17 thousand, $22 thousand and $28 thousand, respectively. As of July, 2024 Mr. Nechmad is no longer serves as a member of the Board of Director.

4. **Payments to Mr. Eran Havshush – Director of the board**

On July 2024, Mr. Havshush was appointed as a member of the Board of the Company. Mr. Havshush, has been acting as a consultant to the Company since 2012, providing services related to taxation, capital investments, and other financial and accounting matters. Previously served as the Company's auditor from 2006 to 2009. Furthermore, Mr. Havshush provides audit, tax, and consulting services on an ongoing basis to the Company's controlling shareholders, Mr. Yair Nechmad, Mr. Amir Nechmad, and Mr. David Ben-Avi. During years in 2024, 2023, and 2022, the fees paid by the Company to Mr. Havshush were $91 thousands, $88 thousands, and $112 thousands, respectively. Additionally, on May 12, 2024, the Company granted Mr. Havshush 1,013 RSUs (for further details see Note 16(b)(4)).

A. Omer & Co., an Israeli accounting firm where Mr. Havshush serves as a partner, has provided payroll and bookkeeping services to the Company and its Israeli subsidiaries since 2018. During the years 2024, 2023 and 2022 the fees paid by the Company to A. Omer & Co. were $32, $64, and $148, respectively. On May 29, 2024, the Company, Mr. Havshush, and A. Omer & Co. entered into a new service agreement (the "New Service Agreement"), under which Mr. Havshush will continue to provide services related to accounting, tax reporting and compliance, mergers and acquisitions in Israel, employee stock option plans, and other tax-related matters. Under this agreement, he will receive a monthly fee ranging from approximate amounts of $5 thousands to $8 (NIS 20 thousands to NIS 30 thousands, respectively), depending on hours worked. Additionally, he will receive compensation for services rendered in connection with completed acquisitions, offerings, or other special projects, equal to up to three times his monthly fees. Under the New Service Agreement, A. Omer & Co. will continue to provide payroll, bookkeeping, and tax-related services to the Company and affiliated entities. Fees for these services will be based on hourly rates of approximately $54 to

$68 (between NIS 200 and NIS 250, respectively), subject to a 25% discount. The fees paid to Mr. Havshush and A. Omer & Co. pursuant to the New Service Agreement are in addition to the director fees paid to Mr. Havshush for his service as a director of the Company.

NOTE 23 – RELATED PARTIES (continued):

c. Related parties' employment terms (continued)**:**

5. Directors insurance:

The Company has a directors and office holders insurance policy with limit of liability of NIS 67 million_($20 million) any one occurrence and in the aggregate plus excess limit of $5 million Side A Insurance for the directors & officers only.

NOTE 24 – LIENS, GUARANTEES AND COMMITMENTS

Liens

As of the approval date of these financial statements, the company has floating charge obligations to a local Israeli banks in order to secure credit line facilities and the activity related in the Israeli banks. In respect of a guarantee provided by the Israeli banks, the Company also provided specific liens in the amount of approximately $17 million.

NOTE 25 –SUBSEQUENT EVENTS:

a. Israel Competition Authority

On February 3, 2025 the company announced the settlement of the previously-disclosed investigation by the Israel Competition Authority (ICA) (together "the parties"), in connection with the company's acquisition of OTI in 2022 (See note 12). The company cooperated fully and transparently with the ICA throughout the investigative process, and the parties have reached a mutual understanding on the following terms of settlement in order to avoid further litigation while the company and OTI reserve their claims in relation to the circumstances of the acquisition. The settlement will be executed by way of a consent decree, which is subject to public commentary and pending approval by the Israeli Competition Court, and contains the following key terms:

1. The company will pay a sum of approximately $701 thousands (NIS 2,500 thousands) to the State Treasury.
2. Yair Nechmad, CEO and Chairman of the company, will pay a sum of approximately $67 thousands (NIS 240 thousands) to the State Treasury.
3. The company will sale up to 6,500 OTI's Points of Sale (POS) kits over a period of five years to thirdparties who may sell, distribute, and market the OTI POS kits under their own brands in the Israeli market.

In accordance with IAS 37, a provision of approximately $1.1 million has been recognized in company's financial statements as of December 31, 2024, as the obligation meets the recognition criteria.

b. Issuance of Corporate Bond

In February 9, 2025, at the Company’s request, the ISA extended the term of the shelf prospectus through August 23, 2025. On February 13, 2025, the company announced its intentions for issuance of warrants and notes in Israel. In preparation therefor, the company filed with the ISA a draft deed of trust and summaries of the terms of the notes. The timing, terms and the amount to be raised in such offering have not been determined as of the date of these financial statements and are subject to further approval by the Company’s board of directors, the ISA and the Tel Aviv Stock Exchange. There is no assurance that the offering will be completed and the warrants and notes, if offered, will not be registered under the Securities Act.

NOTE 25 –SUBSEQUENT EVENTS (continued):

c. **Business Combinations**

Subsequent to the reporting date and prior to the issuance of these consolidated financial statements, the Company acquired an entity, and gained control of an associate entity by completing the purchase of the majority of the shares. As a result of these two transactions, which are ongoing as of the date of issuance of these financial statements, the Company obtained control and will fully consolidate the entities' financial results in future reporting periods. UpPay Servicos De Tecnologia Da Infamramcao S.A. (“UpPay”), located in Brazil, was purchased for an Enterprise Value of 32.75 million Brazilian Real, which includes up to 2.75 million Brazilian Real as an earnout. The Company also completed the purchase of the majority of shares of Tigapo Ltd., an associated company, located in Israel. Both purchase price allocation and the impact of these transactions on the Company's consolidated financial statements are at a very early stage and the accounting implications on the Company's financial statements is still being assessed. As these acquisitions occurred after the reporting period, they do not impact the Company’s financial position as of December 31, 2024, and they may be reflected in the Company’s financial results in subsequent periods.

IFRS to Non-IFRS Reconciliation

The following is a reconciliation of Net Income/Loss for the period, the most directly comparable IFRS financial measure, **to Adjusted EBITDA** for each of the periods indicated.

	Year ended (U.S. dollars in thousands)		
	Dec 31, 2024	**Dec 31, 2023**	**Dec 31, 2022**
Loss for the period	**(5,631)**	**(15,887)**	**(37,509)**
Finance expense, net	7,489	2,288	3,020
Tax expenses	1,247	1,215	451
Depreciation and amortization	21,370	12,505	9,028
EBITDA	**24,475**	**121**	**(25,010)**
Share-based payment costs	7,187	6,027	8,747
Employment benefit cost(1)	541	-	-
Non-recurring issuance and acquisition costs(2)	2,023	444	1,790
Share of loss of equity method investee	1,270	1,555	1,794
ADJUSTED EBITDA	**35,496**	**8,147**	**(12,679)**

(1) Consists of other compensation arrangements provided to the shareholders of VMT

(2) Consists primarily of (i) expenses incurred in connection with our listing on Nasdaq, (ii) professional fees and other expenses incurred in connection with our acquisitions, (iii) fees and expenses, other than underwriter discount and commissions, incurred in connection with our March 2024 underwritten public offering of 3,130,435 ordinary shares, (iv) settlement arrangement and legal expenses incurred in connection with and throughout the ICA's investigative process related to our acquisition of OTI

Quarter ended (U.S. dollars in thousands)		
	Dec 31, 2024	**Dec 31, 2023**
Net income/loss for the period	**1,646**	**(3,292)**
Finance expense, net	1,171	932
Tax expenses	734	346
Depreciation and amortization	5,875	3,503
EBITDA	**9,426**	**1,489**
Share-based payment costs	1,240	1,763
Employment benefit cost(1)	203	-
Non-recurring issuance and acquisition costs(2)	1,517	444
Share of loss of equity method investee	385	311
ADJUSTED EBITDA	**12,771**	**4,007**

(1) Consists of other compensation arrangements provided to the shareholders of VMT

(2) Consists primarily of (i) expenses incurred in connection with our listing on Nasdaq, (ii) professional fees and other expenses incurred in connection with our acquisitions, (iii) fees and expenses, other than underwriter discount and commissions, incurred in connection with our March 2024 underwritten public offering of 3,130,435 ordinary shares, (iv) settlement arrangement and legal expenses incurred in connection with and throughout the ICA's investigative process related to our acquisition of OTI

The following is a reconciliation of Operating Cash for the period, the most directly comparable IFRS financial measure, to **Free Cash Flow** for each of the periods indicated.

Year ended (U.S. dollars in thousands)			
	Dec 31, 2024	Dec 31, 2023	Dec 31, 2022
Operating Cash	**42,902**	**8,798**	**(27,547)**
Capitalized development costs	(21,893)	(15,948)	(13,706)
Acquisition of property and equipment	(3,081)	(611)	(1,518)
Free Cash Flow	**17,928**	**(7,761)**	**(42,771)**

Quarter ended (U.S. dollars in thousands)		
	Dec 31, 2024	Dec 31, 2023
Operating Cash	**17,008**	**4,582**
Capitalized development costs	(6,435)	(3,698)
Acquisition of property and equipment	(1,296)	(270)
Free Cash Flow	**9,277**	**614**

The following is a reconciliation of OPEX for the period, the most directly comparable IFRS financial measure, to **Adjusted OPEX** for each of the periods indicated.

Year ended (U.S. dollars in thousands)			
	Dec 31, 2024	**Dec 31, 2023**	**Dec 31, 2022**
OPEX	**135,136**	**98,678**	**90,492**
Stock Based Compensation	(6,830)	(5,775)	(8,376)
Depreciation & Amortization	(20,361)	(12,245)	(8,872)
Adjusted OPEX	**107,945**	**80,658**	**73,244**

Quarter ended (U.S. dollars in thousands)		
	Dec 31, 2024	**Dec 31, 2023**
OPEX	**35,534**	**27,845**
Stock Based Compensation	(1,182)	(1,702)
Depreciation & Amortization	(5,378)	(3,427)
Adjusted OPEX	**28,974**	**22,716**