



August 9, 2022

Nayax Ltd.
(the "Company")

To:
Israel Securities Authority
22 Kanfei Nesharim Street
Jerusalem 95464

www.magna.isa.gov.il

To:
The Tel-Aviv Stock Exchange Ltd.
2 Achuzat Bayit Street
Tel Aviv 6525216

maya.tase.co.il

Re: Approval of Issuance of Non-Tradable Options and Restricted Share Units

The Company hereby reports that on June 30, 2022 the Company's Board of Directors (the "**BOD**") and the remuneration committee approved the issuance, without consideration, of: (a) 1,700,000 non-tradable options, exercisable into 1,700,000 ordinary shares par value ILS 0.0001 each of the Company ("**Ordinary Shares**"), to 106 offerees¹ (the "**Options**"); and (b) 60,000 non-tradable restricted share units, which will automatically convert into 60,000 Ordinary Shares upon their vesting (the "**RSUs**"), to 3 offerees^{2,3}. The Options and the RSUs will be issued under the Company's Options Outline ("מתאר"), published on 8 July, 2021 (reference no. 2021-01-050833) (the "**Outline**") pursuant to the provisions of section 15B(1)(a) of the Securities Law, 5728-1968 ("**Securities Law**") and the Securities Regulations (Details of an Outline on the Offering of Securities to Employees), 5760-2000. The provisions of the Outline are included in this immediate report, mutatis mutandis, by way of reference; all as described below:

1. On July 8, 2021 the Company's BOD approved that the Company shall be entitled to issue, under the Outline: (a) up to 14,800,000 non-tradable options, exercisable into 14,800,000 Ordinary Shares; and (b)

¹ Out of which 105 offerees are employees of the Company and companies under its control and one offeree is a service provider, who is a senior officer. The employees and the service provider are not, nor shall they be an interested party (as such term is defined in the Securities Law) by virtue of their holdings in the Company after the issuance described in this immediate report. It is clarified, that the number of Options which will be issued to the service provider is 50,000 Options.

² All three offerees are employees of the Company and companies under its control, which are not, nor shall they be an interested party (as such term is defined in the Securities Law) by virtue of their holdings in the Company after the issuance in this immediate report.

³ Subject to adjustment and acceleration mechanisms, as set forth in sections 14 and 15 of the Outline. On July 28, 2022 the Company published an immediate report regarding the convening of a general meeting of the Company's shareholders on the agenda of which is the consolidation of the Company's share capital (for additional information see such immediate report (reference no. 2022-01-078972) (the "**General Meeting Report**")) (the "**Capital Consolidation**"). Subject to the approval of the Capital Consolidation by the Company's shareholders' meeting: (a) in the event the Options and RSUs will be issued prior to the Capital Consolidation, the provisions of Section 1.1.2 of the General Meeting Report shall apply mutatis mutandis to the Options and RSUs, and (b) in the event where such Options and RSUs will be issued following the Capital Consolidation, the number of Options and RSUs which will be actually issued will be divided by ten (10), and the exercise price of the Options will be doubled by 10.

up to 2,000,000 non-tradable restricted share units, which shall be automatically converted into Ordinary Shares upon their vesting, into 2,000,000 Ordinary Shares; provided that the total amount of the options and restricted share units (together) which will actually be issued under the Outline will not exceed 14,800,000.

2. As of the date of this immediate report, the Company has issued 5,797,500 options and 950,000 restricted share units under the Outline (not including the issuance described in this immediate report).
3. The Options and the RSUs will not be listed for trade on the Tel Aviv Stock Exchange Ltd. (“**TASE**”). All the Ordinary Shares which will result from the exercise of the Options and from the vesting and conversion of the RSUs will be registered in the name of the nominee Company of the Tel Aviv Stock Exchange Ltd., will be listed for trading on the TASE, and as of their issuance, will have the same rights which are attached to the Company's existing Ordinary Shares, as described in chapter D of the Outline.
4. The issuance of the Options and of the RSUs is subject to the Company obtaining the approval of the TASE for the listing for trading on the TASE of the Ordinary Shares which will result from the exercise of the Options and from the vesting and conversion of the RSUs.
5. The Options and the RSUs shall be subject to the provisions of the Outline and to the provisions of the Company's Global Equity Incentive Plan (the “**Plan**”), unless specifically provided otherwise in this immediate report.
6. Exercise period and vesting terms:
 - 6.1. Except with regard to two offerees⁴, the Options and the RSUs shall vest over a four-year period, as follows: 25% of the Options to be issued to each of the offerees shall vest as of the lapse of twelve (12) months from their date of issuance (the “**First Vesting Date**”), and the rest of the Options shall vest in 12 equal quarterly installments, such that each such installment shall vest at the end of each calendar quarter, starting from the end of the calendar quarter following the calendar quarter in which the First Vesting Date falls; all- subject to adjustment and acceleration mechanisms, as set forth in sections 14 and 15 of the Outline. The Options to be granted to the two abovementioned offerees shall be fully vested upon their issuance.
 - 6.2. The Options shall expire, if not exercised into Ordinary Shares earlier, on the earlier of: (1) the lapse of five (5) years from their date of issuance; (2) the expiration date of the Options in the cases set forth in sections 14 and 15 of the Outline.

⁴ Who are employees of the Company.

7. The consideration for the Options and the exercise price:

7.1. The Options and the RSUs shall be issued to the offerees without consideration, as part of their remuneration for their employment in the Company and companies under its control.

7.2. Except with regard to two offerees, the exercise price of each Option is ILS 5.80 (subject to the adjustments set forth in Section 15 of the Outline). Such exercise price represents the average closing price of the Company's Ordinary Shares on TASE in the 30 trading days preceding the date on which the BOD approved the issuance of the Options (the "**Average Closing Price**"). The exercise price of each Option to be granted to the two abovementioned offerees is ILS 4.64 (subject to the adjustments set forth in Section 15 of the Outline), representing a 20% discount on the Average Closing Price.

7.3. The Options will be exercised into Ordinary Shares by payment of the exercise price by the offeree, or through a net exercise mechanism, as set forth in Section 13.4 of the Outline. Insofar as the net exercise mechanism is used, in light of the provisions of Section 304 of the Companies Law, 5759-1999 (the "**Companies Law**"), soon after the exercise date of the Options by any of the offerees, the Company will turn into share capital some of its profits as set forth in Section 304 of the Companies Law from premium on shares or from any other source in its equity which is permitted in the event shares are issued against an amount that is lower than their par value, according to its latest financial statements prior to the exercise date, in the par value amount of the shares that were actually issued, or alternatively, the offeree shall pay the par value of the issued shares, in accordance with the Company's resolution.

7.4. Upon the vesting of each RSU and its automatic conversion into an Ordinary Share of the Company, the offeree will not be required to pay the Company any monetary consideration. However, in accordance with the provisions of Section 304 of the Companies Law, upon the vesting of the RSUs, the Company will turn into share capital some of its profits as set forth in Section 304 of the Companies Law from premium on shares or from any other source in its equity which is permitted in the event shares are issued against an amount that is lower than their par value, according to its latest financial statements prior to the exercise date, in the par value amount of the shares that were actually issued, or alternatively, the offeree shall pay the par value of the issued shares, in accordance with the Company's resolution.

8. For additional information regarding the terms of the Options and the RSUs, including regarding the terms of shares which will be issued as a result of their exercise or vesting (as applicable), the manner in which the Options are exercised, provisions which apply in connection with the Options and RSUs in the event of termination of the employment relationship between the Company and the offerees, adjustments which will apply in connection with the Options and the RSUs as a result of the occurrence of various events in and with respect to tax aspects in connection with the Options and the RSUs, see sections 10, 13, 14, 15, 16, 17, 19, 20 and 21 of the Outline.

Sincerely,
Nayax Ltd.

Signed by: Michael Galai
Chief Legal Officer and Corporate
Secretary