

MIRA INFORM REPORT

Report No. :	790875
Report Date :	18.04.2023

IDENTIFICATION DETAILS

Name :	PAPAYA GAMING LTD
Registered Office :	35 Hamasger Street, TEL AVIV 6721407
Country :	Israel
Date of Incorporation :	13.03.2016
Com. Reg. No.:	51-542209-5
Legal Form :	Private Limited Company
Line of Business :	Developers and marketers of innovative versions of popular games for mobile users, which enable to gain real-money via multiplayer tournaments.
No. of Employees :	70

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

MIRA's Rating :	A
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Minimum Risk	Medium Risk	High Risk
Low Risk		Deceased
Acceptable Risk		New Business
		No Trace

Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Maximum Credit Limit :	US\$ 100,000.
Status :	Satisfactory

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Payment Behaviour :	No Complaints
Litigation :	Clear

NOTES : Any query related to this report can be made on e-mail : infodept@mirainform.com while quoting report number, name and date.

DISPUTE RESOLUTION SERVICES (OUT OF COURT)

For settlement of disputes outside Courts thru' arbitration, mediation or conciliation or any ADR related concerns and legal assistance like agreement drafting/review help at nominal costs, mail for more details:
miractrl@mirainform.com

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COMPANY NAME AND ADDRESS**PAPAYA GAMING LTD.**

Email: info@papayagaming.com

Registered Address
35 Hamasger Street
TEL AVIV 6721407 Israel**HISTORY & LEGAL FORMATION**

A private limited company, incorporated as per file No. 51-542209-5 on the 13.03.2016.

SHARE CAPITALAuthorized share capital NIS 5,000,000.00, divided into -
9,000,000 preference seed shares (6,976,000 shares issued),
32,750,000 preference seed1 shares (32,530,500 shares issued),
458,250,000 ordinary shares (62,819,500 shares issued),
all of NIS 0.01 each, of which shares amounting to NIS 1,023,260.00 were issued.**SHAREHOLDERS**

1. NFX CAPITAL FUND, a US VC fund, main shareholder,
2. NOA.TW LLC, of USA,
3. P.G.F. SYNERGY LP,
4. RAINFALL VENTURES (via 2 funds), a US VC fund,
5. Shaul Eyal,
6. Oriel Bachar,
7. ALTSHULER SHAHAM LTD.

Shares are held by further 24 shareholders (local and foreign individuals and companies), with a small holding each.

DIRECTORS

1. Oriel Bachar, General Manager*, co-founder,
2. Andrey Birman, co-founder,
3. Alex Liakhovetsky, co-founder,
4. Omri Krigel,
5. Gigi Levi-Weiss.

* The position of Oriel Bachar as General Manager is based on media reports and online sources.

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BUSINESS

Developers and marketers of innovative versions of popular games for mobile users, which enable to gain real-money via multiplayer tournaments.

Main games: 'Bubbles Cash', 'Solitaire Cash'.

Note: We were unable to reach subject or any of its officials, so business information is obtained from subject's website and other sources.

Having over 21 million downloads.

Place of activity could not be confirmed.

Registered address in the Registrar of Companies is 35 Hamasger Street, Tel Aviv.

In an Israeli online Venture Capital database, also having an office in St. Louis, MO, USA.

Website: www.papayagaming.com

From media report of August 2021, having 70 employees. Current number not forthcoming.

MEANS

According to an Israeli online Venture Capital database, subject raised US\$ 1 million in August 2018, as well as an undisclosed amount (according to media reports several US\$ million) in January 2021.

According to our knowledge, data appearing in a/m database is deemed to be approved by the company's officials.

Other financial data not forthcoming.

There are 2 charges for the total sum of NIS 3,770,000 registered on the company's assets (financial assets) in favor of Bank Leumi Le'Israel Ltd. (last charge placed December 2022).

REVENUES

According to a media report from August 2021, 2021 revenues are expected to exceed US\$ 150,000,000.

Later revenue data not forthcoming.

OTHER COMPANIES

NFX CAPITAL FUND, a US venture firm focused on pre-seed & seed stage startups, operating via 4 funds.

BANKERS

According to our (we could not reach subject's officials, therefore we were unable to confirm u/m bank details):
Bank Leumi Le'Israel Ltd. (No. 10), Leumitech Business Center Branch (No. 864), Herzliya, account No. 568400/97.

A check with the Central Banks' database did not reveal any negative information regarding subject's a/m account.

CHARACTER AND REPUTATION

In October 2021 an individual filed a claim for NIS 4.64 million against subject and Oriel Bachar at the Tel Aviv District Court. Case is pending, further data not forthcoming (file No. 71890-1021).

Apart from that nothing unfavorable learned.

Due to the Coronavirus crisis, apart from the mid-March 2020 the Israeli Authorities laid severe restrictions related to the work and business spaces and gatherings, including a confinement that lasted from mid-March to end of April 2020. As from late April 2020, the Government started a gradual implementation of a policy for getting out of the crisis, with reliefs in people movement, in workplaces and re-opening shops. Due to the renovated increase in contagious and sickness rates, a 2nd confinement laid in mid-September 2020, with reliefs steps gradually implemented since mid-October, and shops started to open mid-November 2020. The 3rd lockdown started in a "lighter" mode on 27/12/20, turning into a tight mode from 8/1/21 till early February, with reliefs steps gradually implemented since 7/2/21.

With the steady and dramatic decrease in morbidity rate, mainly thanks to large part of the population being vaccinated, since mid-March 2021 the local market is practically all open, with all restrictions lifted.

As an online gaming company, they worked during the confinement periods. Furthermore, the online gaming industry received a boost due to people being confined to their homes.

Despite our efforts, we were unable to speak with subject's officials.

We did not trace any telephone numbers for subject or its officials.

We sent an email which so far remains unanswered.

According to research firm IDC report, the global gaming market rose 30% in 2020, to US\$ 180 billion, as result of the pandemic and the fact that many stayed at home most of the time. The highest leap came from mobile, by 24% to US\$ 87.7 billion. In the consoles segment, sales grew to US\$ 52.5 billion, and in the PC segment – US\$ 39.5 billion. IDC forecasted in January 2021, that the number of gamers will grow by 100 million, to 2.8 billion gamers, and sales of equipment and games increase by 9% to US\$ 190 billion.

However, in July 2022, it was reported that after a decade of continuing economic growth, intensified by the two-years COVID, the gaming market is facing contraction in 2022, that based on 3 new reports. Research firm Ampere forecasts that the global gaming industry will contract by 1.2% from US\$ 191 billion in 2021 to US\$ 188 billion in 2022. A reason said to be the harsh inflation that hit many countries. The mobile segment expected to contract by 1.3% to US\$ 111 billion, one reason is due to the new privacy policy by APPLE and GOOGLE, that will make it hard for gaming firms to advertise and attract new users. Another research firm reports on 6% decrease in the mobile gaming market in the first quarter of 2022 compared to the first quarter 2021.

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SUMMARY

Notwithstanding the lack of updated data from subject's officials, considered good for trade engagements.
Maximum unsecured credit recommended US\$ 100,000.

NOTE: Subject is not listed in OFAC Sanctions List.

ISRAEL - ECONOMIC OVERVIEW

GDP growth is projected to moderate from a strong 6.3% in 2022 to 2.8% in 2023 and 3.4% in 2024. The global slowdown is set to weaken demand from Israel's trading partners. Elevated inflation will slow disposable income and private consumption. Increasing interest rates and lower stock market valuations will weigh on investment. Growth is projected to pick up towards its potential rate in 2024 as inflation abates. Risks are skewed to the downside, and particularly related to a continuation of Russia's war of aggression against Ukraine.

The gradual tightening of monetary policy should continue in order to bring inflation back into the target range. Fiscal policy should avoid adding to inflationary pressures while allowing for temporary and targeted support to households and firms most affected by rising costs. Recent reforms to reduce tariff and non-tariff import barriers are welcome and should continue. The expansion of renewable energy should be promoted by removing administrative barriers and investing in storage and transmission capacity.

Economic activity is robust

GDP growth moderated to 2.1% (annualised quarterly rate) in the third quarter of 2022. Private consumption contracted slightly, but investment expanded robustly. Confidence in the business sector remains positive. The labour market is tight, with employment above pre-crisis levels. The vacancy rate has stabilised at a historically high level in recent months. Consumer price inflation, at 5.1% in October, is lower than in most OECD countries, but is above the central bank's 1-3% target range. Inflation has become increasingly broad-based, with about three-quarters of the components of the consumer price index growing faster than the central bank's target. One year-ahead inflation expectations are around 3%. Real wages have declined somewhat in recent months, despite robust nominal wage growth.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees	US Dollars
US Dollar	1	INR 82.06	USD 1.00
UK Pound	1	INR 101.62	USD 1.24
Euro	1	INR 89.73	USD 1.09
ILS	1	INR 22.50	USD 0.27

Note : Above are approximate rates obtained from sources believed to be correct

INFORMATION DETAILS

Analysis Done by :	NIS
Report Prepared by :	TRUS

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RATING EXPLANATIONS

Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	High Risk	Business dealings on secured terms only
D	Deceased	Deceased / Closed Down / Dissolved / Dormant. Business dealings not recommended
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This rating serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)

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