

## **THE TEL-AVIV STOCK EXCHANGE LTD REPORTED FIRST QUARTER 2022 RESULTS**

May 24, 2022 (Tel Aviv) - Tel Aviv Stock Exchange Ltd (**TASE:TASE**) today announced its financial results for the first quarter ended March 31, 2022.<sup>1</sup>

### **1. General**

TASE Concludes the First Quarter with a 25% Increase in Revenues and 50% in the Adjusted Profit and Adjusted EBITDA Compared to the Corresponding Quarter Last Year.

TASE to Initiate the First Stage of the Previously Declared Intention of Buyback in an Amount of up to NIS 36 Million Over Six Months.

### **1.1 Highlights of TASE's Results for the First Quarter of 2022**

#### **First Quarter Results**

- TASE revenues amounted to NIS 97.7 million in the first quarter of 2022, an increase of 25% compared to the corresponding quarter last year. The increase in revenue is due mainly to an overall increase in activity (aprx. 18% of total increase) and update to the period of revenue recognition from listing fees (aprx. 7% of total increase). For additional information, see Section 4.3 below.
- Adjusted EBITDA increased in the first quarter of 2022 to NIS 36.8 million compared to NIS 24.6 million in the corresponding quarter last year, an inter-quarter increase of 50%. The increase is a result of the higher volume of activity and update to the period of revenue recognition from listing fees, less an increase in expenses, primarily marketing costs and employee benefits.
- Adjusted net profit amounted to NIS 14.9 million in the first quarter of 2022, compared to NIS 9.9 million adjusted net profit in the corresponding quarter last year, an increase of 50%. The increase in profit is a result of the higher volume of activity and update to the period of revenue recognition from listing fees, less an increase in expenses, primarily marketing costs and employee benefits, and to a transition to financing expenses as a result of a negative return on the Company's investments in financial assets held for trade.

In the first quarter of 2022, the Company examined the estimation of the period for recognition of revenue from listing fees on shares (in IPOs and secondary offerings) and on ETFs in accordance with International Financial Reporting Standard, "Revenue from Contracts with Customers" (IFRS 15). Following the aforesaid examination and based on the updated estimate, in respect of contracts for which the performance obligation, according to the updated estimate, ended by January 1, 2022, the Company recognized revenue from listing fees in an amount of NIS 4.3 million, and in respect of contracts for which the performance obligation has not yet ended as of January 1, 2022, an increase of NIS 1.55 million took place in revenue from listing fees for the three-month period ended March 31, 2022. For additional information, see Section 4.3 below.

<sup>1</sup> The Board of Directors of TASE today approved the Consolidated Financial Statement as of March 31, 2022. The consolidated financial statements of the Company were prepared in accordance with IFRS.

This is an English translation of parts of the information included in the approved financial statements. In the event of any discrepancy between the original Hebrew and the translation to English, the Hebrew version alone will prevail. The consolidated financial statements in the English Version will be published on the website by the end of June 2022.

## **1.2 Business and Corporate Highlights for the First Quarter of 2022**

### **BUSINESS HIGHLIGHTS**

- The average daily trading volume of shares in the first quarter of 2022 amounted to approximately NIS 2.6 billion, an increase of 40% compared to the volumes in the corresponding quarter in the previous year.
- The average daily trading volume of corporate bonds in the first quarter of 2022 amounted to approximately NIS 0.97 billion, a 17% increase compared to the volumes in the corresponding quarter in the previous year. The average daily trading volume of government bonds in the first quarter of 2022 amounted to approximately NIS 2.7 billion, a 26% decrease compared to the volumes in the corresponding quarter in the previous year.
- The daily average trading volume of derivatives in the first quarter of 2022 amounted to 176 thousand units a day, compared with 163 thousand units in the corresponding quarter in the previous year., an increase of 8%.
- The daily average trading volume of mutual funds in the first quarter of 2022 amounted to NIS 940 million compared with NIS 942 million in the corresponding quarter in the previous year.
- In the first quarter of 2022, NIS 7.5 billion was raised on TASE in shares, a decrease of 20% over the corresponding quarter in the previous year, of which NIS 1.4 billion was raised in 8 IPO's (compared to NIS 3.1 billion raised in 33 IPOs during the first quarter of 2021), mostly in the real estate sector.
- In the first quarter of 2022, NIS 25.6 billion was raised on TASE in corporate bonds, an increase of 27% over the corresponding quarter in the previous year and NIS 15.4 billion was raised on TASE in government bonds, a decrease of 69% over the corresponding quarter in the previous year.
- The leading indices TA-35, TA-90, TA-125 and TA-SME60 have risen by 2.2%, 2.3%, 2.0% and decreased by 4.1% respectively, in the first quarter of 2022 and risen by 7.0%, 6.1% ,6.1% and 13.0% respectively, in the first quarter of 2021.
- A 12% increase in the balance of assets in custodianship at TASE-CH in 2022 to an amount of NIS 3.1 trillion, compared to the balance of assets in the corresponding quarter.
- The marketing and distribution expenses of the Company totaled NIS 5.7 million in the first quarter of 2022, an increase of 232% over the corresponding quarter in the previous year. In the first quarter of 2022, the Company launched new advertising campaign on digital media and traditional media, at a total cost of NIS 3.9 million compared to NIS 0.3 million in the corresponding quarter last year.
- Net financing expenses of the Company totaled NIS 5.2 million, as compared to net financing income of NIS 0.1 million in the corresponding quarter last year. The transition to financing expenses this quarter resulted from a negative return of approximately 2.45% on the Company's investments in marketable securities' portfolios comprising Israeli Government bonds, as compared to a positive return of approximately 0.02% in the corresponding quarter last year.
- TASE to initiate the first stage of its declared buyback intention in an amount of up to NIS 36 million over six months. For additional information, see Section 4.2 below.

## **2. Presented below is information relating to the results for the first quarter of 2022 (NIS, in thousands)**

### **Three Months Ended March 31, 2022 Compared to the Three Months Ended March 31, 2021**

#### **Statement of Profit or Loss**

	Quarter ended		Difference	
	31.3.2022	31.3.2021	Amount	%
Revenue from services	97,676	78,370	19,306	25%
Expenses	73,406	65,674	7,732	12%
<b>Profit before financing income, net</b>	<b>24,270</b>	<b>12,696</b>	<b>11,574</b>	<b>91%</b>
Financing income (expenses)	(5,207)	134	(5,341)	-
Taxes on income	4,344	3,169	1,175	37%
<b>Net profit</b>	<b>14,719</b>	<b>9,661</b>	<b>5,058</b>	<b>52%</b>
<b>% of total revenue from services for the quarter</b>	<b>15.1%</b>	<b>12.3%</b>		

- **Revenue in the first quarter of 2022** amounted to NIS 97.7 million, compared to revenue of NIS 78.4 million in the corresponding quarter last year, an increase of 25%. The increase in revenue is mainly due to an overall increase in activity (aprx. 18% of total increase) and update to the period of revenue recognition from listing fees (aprx. 7% of total increase).
- **The costs in the first quarter of 2022** totaled approximately NIS 73.4 million, compared to costs of NIS 65.7 million in the corresponding quarter last year, an increase of 12%. The increase in the costs is due mainly to an increase in marketing expenses (aprx. 6% of total costs) in the reported period, as a result of the timing of performance of campaigns and to an increase in employee benefits expenses (aprx. 4% of total costs) resulting from salary updates and bonuses provisions.
- **Net financing expenses in the first quarter of 2022** totaled NIS 5.2 million, as compared to net financing income of NIS 0.1 million in the corresponding quarter last year. The transition to financing expenses this quarter resulted from a negative return of approximately 2.45% on the Company's investments in marketable securities' portfolios comprising Israeli Government bonds, as compared to a positive return of approximately 0.02% in the corresponding quarter last year.
- **The net profit in the first quarter of 2022** totaled NIS 14.7 million, compared to NIS 9.7 million in the corresponding quarter last year, an increase of 52%. The increase in profit was due to higher revenue from services, as explained above, which was partly offset by the increase in expenses and the transition to financing expenses, as described above.

	Quarter ended		
	31.3.2022	31.3.2021	Difference %
<b>Weighted average number of ordinary shares used to compute</b>			
Basic earnings per share	101,877,265	101,152,435	0.7%
Diluted earnings per share	104,092,262	104,112,911	0.0%
Basic earnings per share in NIS	0.144	0.096	50%
Diluted earnings per share in NIS	0.141	0.093	52%

**The revenue in the first quarter of 2022** – below is the composition of the first quarter's revenue, compared to the corresponding quarter last year:

Revenue from services	Quarter ended				
	31.3.2022	% of the Company's total revenues	31.3.2021	% of the Company's total revenues	% change
<b>Trading and clearing commissions</b>	39,445	40%	34,115	44%	16%
	15% of the increase in revenue from trading and clearing commissions is due to the higher share trading volumes compared to the corresponding quarter last year, and 3% of the increase in revenue is due to an increase (two trading days) in the number of trading days this quarter compared to the corresponding quarter last year.				
<b>Listing fees and levies</b>	24,789	25%	16,402	21%	51%
	36% of the increase in revenue from listing fees and levies is due to the updating of the estimate concerning the period of recognition of revenue from listing fees on shares and ETFs pursuant to International Financial Reporting Standard, "Revenue from Contracts with Customers" (IFRS 15), and to a 15% increase in revenue from listing fees and levies as a result of an increase in the number of companies.				
<b>Clearing House services</b>	17,352	18%	15,051	19%	15%
	8% of the increase in revenue from Clearing House services is due to an increase in Clearing House services to members, and 6% of the increase is due to the rise in revenue from custodian fees as a result of the increase in the value of assets that are held in custodianship at TASE-CH.				
<b>Data distribution and connectivity services</b>	14,299	15%	12,630	16%	13%
	6% of the increase in revenue from data distribution and connectivity services is due to a rise in revenue from connectivity services and 6% of the increase is due to the updating of the pricelist during 2021 for customers outside Israel.				
<b>Other revenue</b>	1,791	2%	172	-	941%
	The revenue for the quarter includes revenue from the sale of technological consulting services of NIS 0.7 million, revenue from the Conference Center and trade openings of NIS 0.6 million, and NIS 0.4 million from the rent of an office floor.				
<b>Total revenue from services</b>	<b>97,676</b>	<b>100%</b>	<b>78,370</b>	<b>100%</b>	<b>25%</b>

## Adjusted net profit and adjusted EBITDA data<sup>2</sup>

	Quarter ended		Difference	
	31.3.2022	31.3.2021	Amount	%
<b>Adjusted EBITDA for the quarter:</b>				
Profit before financing income (expenses), net	24,270	12,696	11,574	
<b>Adjustments:</b>				
Share-based payment expenses	131	233	(102)	
Depreciation and capital losses	12,448	11,627	821	
<b>Adjusted EBITDA for the quarter:</b>	<b>36,849</b>	<b>24,556</b>	<b>12,293</b>	<b>50%</b>
<b>% of total revenue from services for the quarter</b>	<b>37.7%</b>	<b>31.3%</b>		
<b>Adjusted profit for the quarter:</b>				
Profit for the quarter	14,719	9,661	5,058	
<b>Adjustments:</b>				
Share-based payment expenses	131	233	(102)	
<b>Adjusted profit for the quarter:</b>	<b>14,850</b>	<b>9,894</b>	<b>4,956</b>	<b>50%</b>
<b>% of total revenue from services for the quarter</b>	<b>15.2%</b>	<b>12.6%</b>		

- **The adjusted EBITDA in the first quarter of 2022** totaled NIS 36.8 million, compared to NIS 24.6 million in the corresponding quarter last year, an increase of 50%. The increase is due to a 25% rise in revenue as a result of the higher volume of activity and update to the period of revenue recognition from listing fees (aprx. 7% of total increase), less a 12% increase in expenses, primarily marketing costs and employee benefits.
- **The adjusted profit in the first quarter of 2022** totaled NIS 14.9 million, compared to NIS 9.9 million in the corresponding quarter last year, an increase of 50%. The increase is due to a 25% rise in revenue as a result of the higher volume of activity and update to the period of revenue recognition from listing fees (aprx. 7% of total increase), less a 12% increase in expenses, primarily marketing costs and employee benefits, and to a transition to financing expenses as a result of a negative return on the Company's investments in financial assets held for trade.

<sup>2</sup> Adjusted data for the profit and EBITDA (operating profit before interest, tax, depreciation and amortization): These data are based on the data in the Company's financial statements for the reported periods, after eliminating the effects of certain events and factors, as explained above, that are not typical of the Company's operating activities.

It is hereby clarified that the data presented above are not presented in accordance with generally accepted accounting principles and do not reflect the Company's cash flows from operating activities or its operating profits and net profit and, accordingly do not constitute a substitute for the data in the Company's financial statements regarding the operating profit and/or the net profit. Nevertheless, in the Company's opinion, these data enable a better comparison to be made of the Company's performance in the reported periods.

**Presented below is information relating to the financial position as of March 31, 2022 (NIS, in thousands):**

	As of 31.03.2022	As of 31.12.2021		
	NIS, in thousands		Difference	% Change
Cash and cash equivalents and short-term financial assets	417,102	390,057	27,045	7%
Other current assets	38,505	24,745	13,760	56%
Property and equipment and intangible assets	463,295	461,789	1,506	0%
Other non-current assets	15,207	17,566	(2,359)	(13%)
<b>Total assets (*)</b>	<b>934,109</b>	<b>894,157</b>	<b>39,952</b>	<b>4%</b>
Current liabilities	148,015	91,230	56,785	62%
Non-current liabilities	116,616	141,059	(24,443)	(17%)
<b>Total liabilities (*)</b>	<b>264,631</b>	<b>232,289</b>	<b>32,342</b>	<b>14%</b>
<b>Total equity</b>	<b>669,478</b>	<b>661,868</b>	<b>7,610</b>	<b>1%</b>
<b>Ratio of equity to total assets</b>	<b>72%</b>	<b>74%</b>		
<b>Surplus equity over regulatory requirements (in NIS millions)</b>	<b>311</b>	<b>311</b>	<b>-</b>	<b>-</b>
<b>Surplus liquidity over regulatory requirements (in NIS millions) (**)</b>	<b>137</b>	<b>165</b>	<b>(28)</b>	<b>(17%)</b>

(\*) The total assets and liabilities in the statement of financial position as of March 31, 2022 and December 31, 2021, include a balance of assets/liabilities in respect of open derivative positions amounting to NIS 572.2 million and NIS 665.3 million, respectively, which for reasons of convenience in analyzing the financial position have been offset against each other in this report.

- The total assets as of March 31, 2022 amounted to NIS 934.1 million, a 4% increase compared to December 31, 2021. Most of the increase is due to an increase in cash and cash equivalents and in other receivables.
- The total liabilities as of March 31, 2022 amounted to NIS 264.6 million, a 14% increase compared to December 31, 2021. Most of the increase is due to annual levies that were collected in advance and to a dividend that was declared and paid after the balance sheet date.
- The total equity as of March 31, 2022 amounted to NIS 669.5 million, a 1% increase compared to December 31, 2021. The increase in the equity is due mainly to the profit of NIS 14.7 million in the quarter, other comprehensive income of NIS 10 million and proceeds from the sale of shares within the framework of the TASE ownership restructuring in an amount of NIS 5.5 million, less a dividend in an amount of NIS 22.7 million declared and paid after the balance sheet date.

(\*\*) The Company has liquid balances of NIS 417.1 million, of which, as of March 31, 2022, an amount of NIS 203.8 million is managed in portfolios of marketable securities that comprise Israeli Government bonds. On the backdrop of the uncertainty and increased volatility of trading on TASE, among others, as a result of the anticipated inflation and interest rate raises and the war between Russia and the Ukraine, shortly before the publication date of the report (starting from 1.4.2022 to 15. 5.2022), the value of the portfolios decreased by an aggregate NIS 2.6 million. It should be noted that, barring the occurrence of another change by June 30, 2022, this amount will be included as a financing expense in the quarterly financial statements of the Company as of June 30, 2022.

**Presented below are Cash flows for the three months ended March 31, 2022 (NIS, in millions):**

		Three months ended March 31		Explanations of the Company
Item		2022	2021	
Net cash from operating activities	Adjusted EBITDA	36.8	24.6	The increase in adjusted EBITDA is due mainly to an increase in revenue from services as a result of the higher volume of activity and was partly offset by an increase in marketing and employee benefits expenses.
	Changes in working capital	13.1	18.4	The decrease in working capital is due mainly to a decrease in deferred income from listing fees.
	Financing and tax	(2.6)	(1.2)	The decrease is due mainly to higher tax payments in the quarter, compared to the corresponding quarter last year.
	<b>Total</b>	<b>47.3</b>	<b>41.8</b>	Cash flows from operating activities grew by 13% between the quarters.
Net cash for investing activities	Investments in property and equipment and in intangible assets and capitalized payroll costs	(15.5)	(13.3)	The increase is due to the timing of implementation of the Group's investment work plans in the quarters.
	Acquisition of financial assets, net	-	(1.4)	Acquisition of assets in accordance with the Company's investments policy.
	<b>Total</b>	<b>(15.5)</b>	<b>(14.7)</b>	
Net cash for financing activities	Lease payments	(2.2)	(2.3)	
	Payments carried directly to equity within the framework of implementing the TASE Restructuring Law, net	3.8	-	Receipts from a shareholder that realized shares that are subject to the provisions of the TASE Restructuring Law.
	<b>Total</b>	<b>1.6</b>	<b>(2.3)</b>	
<b>Total increase in cash and cash equivalents</b>		<b>33.4</b>	<b>24.8</b>	



### **3. Seasonality**

The revenue of the Company from trading and clearing is affected, inter alia, by the number of trading and clearing days. In the first quarter of 2022, there were 64 trading days, compared to 62 days in the corresponding quarter last year (a 3% increase).

**Presented below are expected trading days:**

	Q1	Q2	Q3	Q4
Year				
2021	62	61	56	65
2022	64	61	61	59

### **4. Events at the reporting date and there after**

**4.1** On April 7, 2022, a dividend of NIS 22,735 thousand (representing NIS 0.2220 per ordinary share) was paid to the Company's shareholders (that held their shares on March 30, 2022).

#### **4.2 Buyback of the Company's shares**

In March 2022, the Board of Directors of the Company instructed the Company to formulate a plan for the buyback of Company shares in an amount of up to NIS 100 million and for a period of up to two years. Accordingly, management of the Company has recommended that the buyback plan be carried out in conformity with the Securities Authority's Directive, Legal Position No. 199-8, "Safe Harbor Protection in the Acquisition of Securities by a Corporation" (hereafter: "Safe Harbor Format") and in the form of several consecutive plans that will be presented to the Board of Directors for approval.

In May 2022, after reviewing of the distribution criteria in accordance with the provisions of Section 302 of the Companies Law, 1999, the Board of Directors of the Company approved a first plan for the buyback of Company shares in an amount of up to NIS 36 million over a six-month period, in Safe Harbor Format. In view of its non-revocable nature, the plan imposes restrictions and qualifications on the performance of the purchases with regard to the daily volume of purchases and the purchasing prices. For this purpose, the Company entered into an agreement with an outside broker, which is not related to the Company, for the execution of the purchases in accordance with the buyback plan, based on an irrevocable power of attorney that is effective until the end of the plan period.

#### **4.3 Changes in estimates reported in prior reporting periods**

Revenue from listing fees on shares and ETFs is recognized over the period in which the securities of the customer on which the listing fees were paid are expected to be traded on TASE, since the customer simultaneously receives and consumes the rewards from the performance of the Group, where the Group provides such listing services.

For the purpose of determining the scheduling of the recognition of revenue from the listing fees, the Company estimates, among others with the assistance of an independent external consultant, the average duration of listing of similar securities in the past. The first-time examination was performed on the date of implementation of International Financial Reporting Standard 15, "Revenue from Contracts with Customers", in the financial statements for 2018 and determined that the average duration of shares and ETFs in IPOs is 13 years and in secondary offerings 13 years as well, which served as a basis for defining the revenue recognition periods.

In the first quarter of 2022, as part of an estimates validation process and in view of changes that occurred in offerings on TASE over the past three years, the Company examined the estimation of the period over which the securities of the customer are traded on TASE for revenue recognition purposes.

The examination was performed in relation to the period for recognition of revenue from listing fees on shares (in IPOs and secondary offerings) and on ETFs. Based on an examination performed by the Company, the period of recognition of revenue from listing fees on the initial listing of shares and on the listing of ETFs and ETNs is 12 years, and on the secondary offering of shares is 6 years.



Consequently, in respect of contracts for which the performance obligation, according to the updated estimate, ended by January 1, 2022, the Company recognized revenue from listing fees in an amount of NIS 4.3 million. In respect of contracts for which the performance obligation has not yet ended as of January 1, 2022, the remaining performance obligation period was adjusted to the updated estimate, such that the effect of the update is an increase of NIS 1.55 million in revenue from listing fees for the three-month period ended on March 31, 2022.

**Presented below are expected revenue recognition from listing fees before and after estimation update as of December, 31 2021:**

	Expected Revenue Recognition				Total amount of unfulfilled (or partially fulfilled) performance obligations
	up to 1 year	1-2 years	2-5 years	after 5 years	
	NIS, in thousands				
Before estimation update	24,588	18,169	36,956	31,314	111,027
After estimation update	(*) 33,625	20,657	38,546	18,199	111,027

(\*) Including revenue of NIS 4.3 million with respect to contracts for which, according to the updated estimation, the performance obligation has been fulfilled as of January 1, 2022.

**4.4** On May 10, 2022, the Interim Chairman of the Board of Directors of TASE, Mr. Steinberg, resigned from all of his duties in the TASE Group. Mr. Steinberg, who had served as Interim Chairman and has even been elected for permanent office in this position, announced his retirement due to a disagreement as to the terms of his compensation as Chairman of the Company's Board of Directors. In view of the aforesaid, the Board of Directors of the Company has appointed Mr. Salah Saabneh as Interim Chairman of the Board of Directors, pending the completion of a process for the sourcing and appointment of a new Chairman of the Board of Directors for the Company.

#### **4.5 Receipts from shareholders within the framework of implementing the ownership restructuring**

During the quarter the shareholders realized 485,401 shares. In respect of this realization and another realization carried out in December 2021, in the first quarter TASE received an amount of NIS 3.8 million (of which NIS 2.7 million in respect of realizations made in December 2021). Surplus consideration in an amount of NIS 4.4 million was received after the balance sheet date.

#### **4.6 Targets and Business Strategy**

Since the regularization of digital assets in Israel is inconclusive and in view of the uncertainty surrounding the scope of the sources that are available to the Company with respect to the right to receive surplus considerations from the sale of shares by shareholders who had obtained their shares as part of the TASE restructuring arrangement, the proceedings for the formulation of a new strategic plan are expected to be delayed. In addition, management of the Company is considering investment opportunities for its liquid and surplus balances, looking to generate surplus yield in the intermediate term through financial-type investments in corporations that engage in fields that are tangent or complementary to its own activities, such as Fintech.

## 5. Information relating to the results for the first quarter of 2022 (NIS, in thousands)

### CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (NIS, in thousands)

	March 31,	
	2022	2021
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	213,259	166,996
Financial assets at fair value through profit or loss	203,843	204,739
Trade receivables	16,179	14,603
Other receivables	22,326	17,514
	<b>455,607</b>	<b>403,852</b>
Assets derived from clearing operations in respect of open derivative positions	572,152	650,502
<b>Total current assets</b>	<b>1,027,759</b>	<b>1,054,354</b>
<b>Non-current assets</b>		
Cash restricted as to use	720	-
Deferred tax assets	12,254	15,597
Property and equipment, net	333,184	342,811
Intangible assets, net	130,111	126,357
Other long-term receivables	2,233	1,771
<b>Total non-current assets</b>	<b>478,502</b>	<b>486,536</b>
<b>Total assets</b>	<b>1,506,261</b>	<b>1,540,890</b>

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (NIS, in thousands) (CONT.)**

	March 31,	
	2022	2021
<b>Liabilities and Equity</b>		
<b>Current liabilities</b>		
Current maturities of lease liabilities	8,580	8,817
Trade payables	16,885	10,306
Other payables	5,527	4,914
Dividend declared	22,735	18,450
Income received in advance with respect to annual levies	26,053	22,172
Deferred income from listing fees, levies and others	29,640	22,396
Current tax liabilities	2,916	4,033
Short-term liabilities for employee benefits	35,679	34,421
	<b>148,015</b>	<b>125,509</b>
Liabilities derived from clearing operations in respect of open derivative positions	572,152	650,502
<b>Total current liabilities</b>	<b>720,167</b>	<b>776,011</b>
<b>Non-current liabilities</b>		
Lease liabilities	12,411	20,021
Deferred income from listing fees and levies	78,563	82,483
Non-current liabilities for employee benefits	24,922	37,759
Other liabilities	720	-
<b>Total non-current liabilities</b>	<b>116,616</b>	<b>140,263</b>
<b>Equity</b>		
Remeasurement of net defined benefit liability	(6,565)	(15,577)
Capital reserve in respect to share-based payment transactions	33,388	32,751
Other capital reserves	54,222	46,802
Retained earnings	588,433	560,640
<b>Total equity</b>	<b>669,478</b>	<b>624,616</b>
<b>Total liabilities and equity</b>	<b>1,506,261</b>	<b>1,540,890</b>

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
(NIS, in thousands)

	Three months ended March 31,		Year ended December 31,
	2022	2021	2021
<b>Revenue from services:</b>			
Trading and clearing commissions	39,445	34,115	131,116
Listing fees and levies	24,789	16,402	69,056
Clearing House services	17,352	15,051	65,505
Distribution of data and connectivity services	14,299	12,630	52,268
Other revenue	1,791	172	5,712
<b>Total revenue from services</b>	<b>97,676</b>	<b>78,370</b>	<b>323,657</b>
<b>Cost of revenue:</b>			
Employee benefits expenses	40,153	37,396	148,395
Expenses in respect to share-based payments	131	233	739
Computer and communications expenses	6,830	6,709	27,823
Property taxes and building maintenance expenses	3,140	3,048	13,190
General and administrative expenses	2,658	2,681	10,883
Marketing expenses	5,740	1,727	11,203
Fee to the Israel Securities Authority	2,306	2,253	9,123
Depreciation and amortization	12,448	11,572	47,618
Other expenses	-	55	262
<b>Total costs</b>	<b>73,406</b>	<b>65,674</b>	<b>269,236</b>
<b>Profit before financing income (expenses), net</b>	<b>24,270</b>	<b>12,696</b>	<b>54,421</b>
Financing income	(5,105)	315	5,488
Financing expenses	102	181	948
<b>Total financing income (expenses), net</b>	<b>(5,207)</b>	<b>134</b>	<b>4,540</b>
<b>Profit before taxes on income</b>	<b>19,063</b>	<b>12,830</b>	<b>58,961</b>
Taxes on income	4,344	3,169	13,491
<b>Profit for the year</b>	<b>14,719</b>	<b>9,661</b>	<b>45,470</b>
<b>Basic earnings per share (NIS)</b>	<b>0.144</b>	<b>0.096</b>	<b>0.449</b>
<b>Diluted earnings per share (NIS)</b>	<b>0.141</b>	<b>0.093</b>	<b>0.436</b>

# CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (NIS in thousands)

	Share-based payment reserve	Remeasurement of net defined benefit liability	Other capital reserves	Retained earnings	Total
<b>Balance at January 1, 2022</b>	33,257	(16,536)	48,698	596,449	661,868
Profit for the period	-	-	-	14,719	14,719
Other comprehensive loss for the period	-	9,971	-	-	9,971
<b>Total comprehensive income for the period</b>	-	9,971	-	14,719	24,690
Dividend declared	-	-	-	(22,735)	(22,735)
Share-based payment	131	-	-	-	131
Receipts from shareholders within the framework of implementing the ownership restructuring, net	-	-	5,524	-	5,524
<b>Balance at March 31, 2022</b>	<b>33,388</b>	<b>(6,565)</b>	<b>54,222</b>	<b>588,433</b>	<b>669,478</b>

## CONSOLIDATED STATEMENTS OF CASH FLOWS (NIS, in thousands)

	Three months ended March 31,		Year ended December 31,
	2022	2021	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit for the period	14,719	9,661	45,470
Expenses in respect of share-based payments	131	233	739
Tax expenses recognized in profit or loss	4,344	3,169	13,491
Net financing expenses (income) recognized in profit or loss	5,207	(134)	(4,540)
Depreciation and amortization	12,448	11,572	47,618
Loss from disposal of property and equipment and intangible assets	-	55	262
	<u>36,849</u>	<u>24,556</u>	<u>103,040</u>
<b>Changes in asset and liability items:</b>			
Increase in trade receivables and other receivables	(12,573)	(12,474)	(5,000)
Decrease (increase) in receivables in respect to open derivative positions	93,119	(297,309)	(312,078)
Increase in trade payables and other payables	1,257	810	5,719
Increase in income received in advance with respect to annual levies	25,763	22,061	179
Increase (decrease) in deferred income from listing fees, levies and others	(2,534)	5,280	11,138
Increase (decrease) in payables in respect to open derivative positions	(93,119)	297,309	312,078
Increase in liabilities for employee benefits	1,182	2,783	1,725
	<u>49,944</u>	<u>43,016</u>	<u>116,801</u>
Interest received	1,234	1,486	4,300
Interest paid	(122)	(171)	(726)
Tax payments - operating activities	(3,684)	(2,545)	(13,993)
	<u>(2,572)</u>	<u>(1,230)</u>	<u>(10,419)</u>
<b>Net cash provided by operating activities</b>	<u><b>47,372</b></u>	<u><b>41,786</b></u>	<u><b>106,382</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of property and equipment	(7,461)	(3,152)	(6,239)
Proceeds from the disposal of property and equipment	-	14	16
Acquisitions of intangible assets	(3,354)	(4,889)	(11,883)
Payments in respect to costs capitalized to property and equipment and to intangible assets	(4,738)	(5,240)	(17,527)
Disposal (acquisition) of financial assets at fair value through profit or loss, net	34	(1,418)	(4,591)
<b>Net cash used in investing activities</b>	<u><b>(15,519)</b></u>	<u><b>(14,685)</b></u>	<u><b>(40,224)</b></u>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>			
Lease payments	(2,248)	(2,319)	(9,125)
Dividend paid	-	-	(18,450)
Receipts (payments) carried directly to equity within the framework of implementing the TASE Restructuring Law, net	3,793	-	(800)
<b>Net cash provided by (used in) financing activities</b>	<u><b>1,545</b></u>	<u><b>(2,319)</b></u>	<u><b>(28,375)</b></u>
<b>Net increase in cash and cash equivalents</b>	<b>33,398</b>	<b>24,782</b>	<b>37,783</b>
<b>Cash and cash equivalents, beginning of the period</b>	<b>179,768</b>	<b>142,154</b>	<b>142,154</b>
<b>Effect of changes in exchange rates on cash balances held in foreign currency</b>	<b>93</b>	<b>60</b>	<b>(169)</b>
<b>Cash and cash equivalents, end of the period</b>	<u><b>213,259</b></u>	<u><b>166,996</b></u>	<u><b>179,768</b></u>

**Quarterly statements of profit or loss for 2021 and for the first quarter of 2022 (NIS, in thousands)**

	Jan-Mar 2021	Apr-Jun 2021	Jul-Sep 2021	Oct-Dec 2021	Jan-Mar 2022	2021
Item	(Unaudited)					(Audited)
<b>Number of trading days</b>	62	61	56	65	64	244
<b>Revenue from services:</b>						
Trading and clearing commissions	34,115	31,649	28,727	36,625	39,445	131,116
Listing fees and levies	16,402	18,347	16,867	17,440	24,789	69,056
Clearing House services	15,051	16,945	15,931	17,578	17,352	65,505
Distribution of data and connectivity services	12,630	13,195	12,927	13,516	14,299	52,268
Other revenue	172	4,456	516	568	1,791	5,712
<b>Total revenue from services</b>	<b>78,370</b>	<b>84,592</b>	<b>74,968</b>	<b>85,727</b>	<b>97,676</b>	<b>323,657</b>
<b>Cost of revenue</b>						
Expenses in respect of employee benefits, net	37,396	37,910	35,423	37,666	40,153	148,395
Share-based payment expenses	233	236	136	134	131	739
Computer and communication expenses	6,709	7,325	6,389	7,400	6,830	27,823
Property taxes and building maintenance expenses	3,048	3,202	3,482	3,458	3,140	13,190
General and administrative expenses	2,681	2,034	2,924	3,244	2,658	10,883
Marketing expenses	1,727	5,585	1,715	2,176	5,740	11,203
Fee to the Israel Securities Authority	2,253	2,309	2,280	2,281	2,306	9,123
Depreciation and amortization expenses	11,572	11,777	12,076	12,193	12,448	47,618
Other expenses	55	44	8	155	-	262
<b>Total cost of revenue</b>	<b>65,674</b>	<b>70,422</b>	<b>64,433</b>	<b>68,707</b>	<b>73,406</b>	<b>269,236</b>
<b>Profit before financing income (expenses), net</b>	<b>12,696</b>	<b>14,170</b>	<b>10,535</b>	<b>17,020</b>	<b>24,270</b>	<b>54,421</b>
Financing income	315	1,513	2,105	1,555	(5,105)	5,488
Financing expenses	181	175	307	285	102	948
<b>Total financing income (expenses), net</b>	<b>134</b>	<b>1,338</b>	<b>1,798</b>	<b>1,270</b>	<b>(5,207)</b>	<b>4,540</b>
<b>Profit before taxes on income</b>	<b>12,830</b>	<b>15,508</b>	<b>12,333</b>	<b>18,290</b>	<b>19,063</b>	<b>58,961</b>
Taxes on income	3,169	3,435	2,698	4,189	4,344	13,491
<b>Net profit</b>	<b>9,661</b>	<b>12,073</b>	<b>9,635</b>	<b>14,101</b>	<b>14,719</b>	<b>45,470</b>



## ABOUT TASE

The Company, including by means of the subsidiaries consolidated in its financial statements (collectively, “the Group”), is engaged in the area of securities trading and securities clearing.

Within this framework, the Group is engaged in setting rules regarding the TASE companies, rules for listing securities on TASE (including the obligations that apply to companies whose securities are listed) and rules regarding trading on TASE. The Group operates trading systems and provides clearing services for both listed and non-listed securities. In addition, the Group operates a derivative clearing house that writes derivatives that are traded on TASE, clears them and serves as a central counterparty for transactions in them. The Group provides central counterparty (CCP) services for transactions in securities and derivatives that are executed on TASE and also provides central securities depository (CSD) services for securities. The Group engages in calculating security indices, in authorizing the use of indices for the creation of financial instruments that track the indices, and in distributing TASE trading data. In addition, since January 2018, the Group has operated a nominee company as defined in the Securities Law (securities traded on TASE are registered in the nominee company's name). The Company has one area of activity that is reported as a business segment in the Company's consolidated financial statements – trading and clearing transactions in securities

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## Appendix – Transactional Metrics

	Three months ended March 31,		Year ended December 31,
	2022	2021	2021
<b>Number of trading days</b>	64	62	244
<b>SHARES</b>			
Market cap of Shares (ex. ETFs)	1,135	877	1,125
Market cap of ETFs on share indices	76	66	75
Total market cap (in NIS billions)	1,211	943	1,200
Shares ADV (ex. ETFs)	2,093	1,545	1,543
ETFs on share indices ADV	504	315	335
Total average daily volume (in NIS millions)	2,597	1,860	1,878
Average commissions	0.01043%	0.01091%	0.01081%
<b>Revenue (in NIS thousands)</b>	<b>17,340</b>	<b>12,578</b>	<b>49,538</b>
<b>BONDS</b>			
Market cap of government bonds -unlinked	331	361	364
Market cap of government bonds - linked	334	293	341
Market cap of corporate bonds	422	389	426
Market cap of bonds (ex. ETFs)	1,087	1,043	1,131
Market cap of ETFs on bond indices	30	31	32
Total market cap (in NIS billions)	1,117	1,074	1,163
Government bonds - unlinked ADV (in NIS millions)	1,702	2,354	1,868
Government bonds - linked ADV (in NIS millions)	1,030	1,346	1,155
Corporate bonds ADV excluding ETFs (in NIS millions)	820	696	781
ETFs on bond indices ADV	152	135	125
Total Average daily volume (in NIS millions)	3,704	4,531	3,929
Government bonds unlinked - average commissions	0.00188%	0.00193%	0.00193%
Government bonds linked - average commissions	0.00283%	0.00270%	0.00285%
Corporate bonds - average commissions	0.00693%	0.00712%	0.00709%
Government bonds - unlinked (in NIS thousands)	2,053	2,820	8,817
Government bonds - linked (in NIS thousands)	1,869	2,254	8,022
Corporate bonds (in NIS thousands)	4,309	3,666	15,674
Other (MTS) (in NIS thousands)	103	73	299
<b>Revenue (in NIS thousands)</b>	<b>8,334</b>	<b>8,813</b>	<b>32,812</b>
<b>TREASURY BILLS</b>			
Market cap (in NIS billions)	126	91	115
Treasury bills ADV (in NIS millions)	470	449	320
Average commissions	0.00265%	0.00240%	0.00269%
<b>Revenue (in NIS thousands)</b>	<b>797</b>	<b>668</b>	<b>2,104</b>
<b>MUTUAL FUNDS</b>			
Market cap (in NIS billions)	284	255	292
Average daily value of creation/ redemptions (in NIS millions)	940	942	890
Average commissions	0.01134%	0.01160%	0.01200%
<b>Revenue (in NIS thousands)</b>	<b>6,818</b>	<b>6,776</b>	<b>26,054</b>
<b>DERIVATIVES</b>			
Derivatives on indices	125.3	104.1	106.4
Derivatives on foreign currency	43.3	54.3	47.9
Derivatives on individual shares	7.5	4.6	5.0

	Three months ended March 31,		Year ended December 31,
	2022	2021	2021
Total derivative contracts (in '000 units)	176.1	163.0	159.3
Options on indices - Average commissions	0.580	0.580	0.580
Derivatives on FX -Average commissions	0.360	0.360	0.360
Derivatives on single shares- Average commissions	1.000	1.000	1.000
<b>Revenue (in NIS thousands)</b>	<b>6,156</b>	<b>5,280</b>	<b>20,608</b>
<b>Total revenue from trading and clearing commissions</b>	<b>39,445</b>	<b>34,115</b>	<b>131,116</b>

## Appendix – Non-Transactional Metrics

	Three months ended March 31,		Year ended December 31,
	2022	2021	2021
<b>CLEARING HOUSE SERVICES</b>			
Average Monthly Market value of assets (in NIS billions)	3,116	2,776	2,975
Avg. commissions from Custodian Fees	0.00108%	0.00108%	0.00108%
<b>Revenue from: (in NIS thousands)</b>			
Custodian Fees	8,444	7,495	32,221
Clearing House services for members / company events	7,609	6,229	28,163
Other	1,299	1,327	5,121
<b>Total revenue from Clearing House services</b>	<b>17,352</b>	<b>15,051</b>	<b>65,505</b>
<b>LISTING FEES AND LEVIES</b>			
<b>Weighted avg. number of companies / funds</b>			
Companies	617	545	535
Mutual funds and ETFs	2,270	2,182	2,210
<b>Avg. revenue from levies (in NIS thousands)</b>			
Companies	5.7	5.4	21.6
Mutual funds and ETFs	1.9	1.9	7.4
<b>Revenue from Annual Levies from: (in NIS thousands)</b>			
Companies	3,515	2,938	11,547
Mutual funds and ETFs	4,350	4,096	16,335
Nominee Company and others	1,564	1,256	5,178
<b>Total revenue from Annual levies</b>	<b>9,429</b>	<b>8,290</b>	<b>33,060</b>
<b>The value of issuance used to calculate Listing fees (in NIS millions)</b>			
Companies – Shares, Bonds and ETFs	43,409	54,073	182,966
Government bonds (including swap transactions)	15,418	49,633	157,956
Treasury-bills	40,929	31,996	130,926
<b>Number of issuances</b>			
Number of public offerings of shares on TASE (including on TASE-UP)	29	57	170
Number of new issuers of shares	8	33	94
Number of new (dual-listed) companies	1	1	2
<b>Number of Offerings and Volumes Raised</b>			
Amount raised in share IPOs of new issuers (in NIS millions)	1,391	3,101	10,490

	Three months ended March 31,		Year ended December 31,
	2022	2021	2021
Amount raised in bond offerings by new issuers (in NIS millions)	272	119	364
Number of corporate bond offerings to the public	51	34	177
Number of corporate bond offerings to the public by new companies	2	2	5
<b>Average revenue from Examination and Listing Fees</b>			
Companies – shares, bonds and ETFs	0.0178%	0.0154%	0.0172%
<b>Revenue from Examination and Listing Fees (in NIS thousands)</b>			
<b>Examination fees</b>	<b>2,320</b>	<b>2,332</b>	<b>8,986</b>
<b>Receipts from listing Fees</b>			
Listing fees - shares, bonds & ETF's	7,741	8,329	31,388
Listing fees - government bonds	1,488	1,749	5,812
Listing of T-bills	287	224	916
Levies and examination fees from members	158	53	290
Other	53	5	162
<b>Total</b>	<b>9,727</b>	<b>10,360</b>	<b>38,568</b>
<b>Accounting adjustments to revenue recognition</b>	<b>3,313</b>	<b>(4,580)</b>	<b>(11,558)</b>
<b>Total revenue from listing Fees</b>	<b>13,040</b>	<b>5,780</b>	<b>27,010</b>
<b>Total revenue from examination and listing fees (in NIS thousands)</b>	<b>15,360</b>	<b>8,112</b>	<b>35,996</b>
<b>Total revenue from listing fees and levies</b>	<b>24,789</b>	<b>16,402</b>	<b>69,056</b>
<b>DATA DISTRIBUTION AND CONNECTIVITY SERVICES (*)</b>			
<b>Average number of data terminals</b>			
Domestic business clients	7,718	7,785	7,551
Overseas business clients	5,480	4,852	4,927
Non-display data	318	273	286
<b>Revenue from distribution and connectivity services (in NIS thousands)</b>			
Domestic business clients	4,315	4,259	16,516
Overseas business clients	2,108	1,425	7,160
Private clients	2,285	2,322	8,577
Derivative data and non-display data	1,005	828	3,954
Data files and other data	982	847	3,381
Authorization for indices usage	902	844	3,093
Connectivity services	2,702	2,105	9,587
<b>Total revenue from Data distribution and Connectivity services</b>	<b>14,299</b>	<b>12,630</b>	<b>52,268</b>

**(\*) Changes in the presentation of data regarding revenue from data distribution and connectivity services**

During this period, changes took place in the business activity, including the modification of the pricing model for data distribution customers and the institution of a distinction between business and private customers, and the improvement of the accessibility and quality of the information, which made it necessary to alter the presentation of the data. Accordingly, the detailed data in reports commencing in the current quarter present revenues from business customers separately from the revenues from private customers, and contain additional information regarding derivative information as well as information and data files.

**Presented below are details regarding the velocity of trading <sup>(1)</sup> in Israel in the reported period:**

	Three months ended March 31,		% Change	Year ended December 31,
	2022	2021		2021
Velocity of trading				
Shares	48.5%	46.1%	5%	39.8%
Corporate bonds (2)	56.2%	51.9%	8%	54.8%
Government bonds – shekel (3)	101.9%	124.2%	(18%)	100.3%
Government bonds – linked (4)	66.9%	87.1%	(23%)	78.3%
Treasury bills	87.2%	89.7%	(3%)	62.4%

(1) The velocity of trading does not include off-exchange transactions.

(2) The velocity of trading does not include data of corporate bonds traded on TASE UP.

(3) Including “Shahar” fixed-interest shekel bonds and short-term government bonds.

(4) Including CPI-linked bonds, “Gilon” variable-interest shekel bonds and global government bonds.

#### Appendix – Deferred income from listing fees

	Deferred income from listing fees as of	Income recognition in Three months ended				Income recognition in Twelve months ended		Deferred income from listing fees as of
	31.03.21	30.06.22	30.09.22	31.12.22	31.03.23	31.03.24	31.03.25	31.03.25
Listing of								
Shares	30.2	2	1.7	1.5	1.4	5	4.2	14.4
Corporate bonds	38.3	3.1	2.9	2.6	2.6	8.6	6.3	12.2
ETF	27	1.6	1.5	1.5	1.4	5.3	5.1	10.6
Government bonds	11.2	1.1	1.1	1.1	1	2.6	1.2	3.1
T-bills	0.5	0.2	0.2	0.1	0	0	0	0
Total	107.2	8.0	7.4	6.8	6.4	21.5	16.8	40.3

(\*) For more details regarding estimate update in relation to the period for recognition of revenue from listing fees on shares (in IPOs and secondary offerings) and on ETFs, please see clause 4.3 above.