



October 24, 2022

Re: Strategic Plan for 2023 - 2027

Further to the stated in Section 1.36.2 of the Description of the Business of the Company included in the 2021 Periodic Report published on March 21, 2022 (reference no.: 2022-01-032368) (hereafter: “**the Periodic Report**”) in connection with the formulation of a new five-year strategic plan, the Company (hereafter, also: “**TASE**”) announces that on October 23, 2022 the Board of Directors of the Company approved a strategic plan for the years 2023-2027 (hereafter: “**the Strategic Plan**”). As stated in the Periodic Report, the formulation of the Strategic Plan took into consideration of the progress of implementation of the principal strategic projects that were included in the Company’s previous strategic plan as well as the principal changes, trends and developments in the financial markets and in the business environment of TASE.

Presented below are the principals of the Strategic Plan:

1. Strategic Goals

According to the Strategic Plan, the Company intends to promote four principal strategic goals:

- a. Further developing and enhancing the value proposition of the core activity of TASE - The Company attributes significant strategic value to further enhancement and upgrading of its core activities and to increasing its value proposition to customers in the various segments. Within this framework, the Company intends to pursue: (1) the reinforcement of TASE’s international profile and attraction of foreign investors; (2) a stronger connection with the investors, improvement of liquidity and upgrading of Israel’s markets; (3) the regularization and upgrading of the mechanisms for the clearing and reporting of off-exchange (OTC) transactions.
- b. Strengthening the engagement with the end customers - The Company will consider courses of action for strengthening the interrelations and the interfaces with its customers, in all relevant segments, whether directly or through intermediaries, as appropriate. Within this framework, the Company intends to pursue: (1) the



leveraging and upgrading of its digital assets and the creation of new digital assets. Additionally, and taking into consideration the greater volume of the information available in the financial markets, the demand for such information and the effect of technological innovations on the distribution processes in the market - to develop and make accessible innovative solutions and services in connection with stock-exchange information; (2) to pursue the provision of direct services to local institutional investors and to market participants, all this in the light of common practices in other advanced markets around the world and in the spirit of generally accepted regulatory directives; (3) improvement and expansion of its value proposition in the private market, utilizing the expertise, reputation and operating solutions that it possesses, with emphasis on strengthening the engagement with the qualified or the classified customers to further this activity.

- c. Digital assets strategy - Creation of a Blockchain (DLT) platform for trading in digital assets and gaining foothold in the Crypto arenas: taking into consideration, inter alia, the development and growth of new digital assets, TASE will pursue, similarly to moves that are advanced by other leading global exchanges, the implementation of innovative technologies, including, among others, the use of DLT, tokenizing of various asset classes and smart contracts, and the consideration of the implications and advantages of multiple potential courses of action in this context.
- d. Export of technological services and solutions to foreign exchanges - TASE intends to promote the sale of technological services and solutions designed for small and medium exchanges, based on TASE's existing technological capabilities and those that will be developed as part of the implementation of the new Strategic Plan. The advancement of these moves will be, par for the course, subject to the obtaining of a specific approval from the Board of Directors of the Company, and shall be conditional upon the practicability of executing such moves concurrently with the advancement and execution of the other goals defined above.

2. Quantitative Goals

As part of the approval of the Strategic Plan, the Board of Directors of the Company has set a quantitative revenue target of a compounded annual growth rate (CAGR) from



organic growth of 10%-12% in the years 2023-2027. Achievement of the aforesaid goal depends, among others, on TASE's flexibility in determining its tariffs.

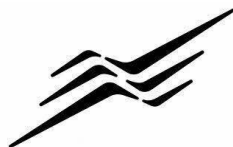
3. Restructuring of the TASE Group

In light of the strategic challenges presented by the Company's business environment, taking into consideration the strategic goals specified above, and based on a study of the operating structure of the leading global exchanges, the Board of Directors of the Company approved the advancement of a restructuring in the TASE Group in order to ensure the effective implementation of the Strategic Plan and to further the continued development and upgrading of the capital market for the benefit of the public. Within this framework, a new public holding company will be established, which will hold 100% in the Company that will become a private company, and at the same time the subsidiaries of the Company will be moved up, becoming subsidiaries of the new holding company and fellow subsidiaries of the Company and of new companies that would be established as part of the implementation of the aforementioned business and strategic plans of the TASE Group. It is hereby emphasized that the implementation of the aforesaid restructuring requires the obtaining of the approval of TASE's shareholders' meeting and various regulatory approvals, including the approval of the Israel Securities Authority.

4. Mergers and Acquisitions

As part of the implementation and advancement of its strategic goals, the Company intends to consider the implementation of a plan for strategic purchases and/or investments in its areas of activity and/or in areas that offer added value to its activity (programmatic M&A). Specific plans will be presented to the Board of Directors of the Company for approval, as necessary.

It is hereby clarified that the implementation of the Strategic Plan and the courses of action that may ensue from the principal strategic goals described above, requires, inter alia, the execution of significant changes to structure and infrastructure, this subject to regulatory restrictions that apply to the activity of TASE and to the ability of TASE to provide sufficient dedicated sources for this purpose. To the extent that an extraordinary investment is required to further any of the new strategic goals of TASE, or any of the ensuing courses



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of action, the matter will be presented to the Board of Directors for discussion and approval, as required.

For additional information in connection with the Strategic Plan, see the presentation attached to this immediate report.

The information provided in this immediate report and in the attached presentation contains the principals of the Company's Strategic Plan, as formulated by it over the recent months and approved by the Board of Directors of the Company. The aforesaid information, including the rate of increase in the revenue of the Company, the restructuring of the TASE Group and the merger and acquisition activity, contains forecasts, assessments, estimates and other information pertaining to prospective events and matters, the realization of which is uncertain and is not in the control of the TASE Group. Accordingly, it is hereby clarified that the aforementioned forecasts, assessments, estimates and other information may not be realized or may be realized differently, inter alia as a result of inability to obtain the requisite approvals, and as a result of changes in the volumes of activity of the Company and in the relevant market conditions compared to those known at present or the realization of the risk factors that apply to the TASE Group, as described in Section 1.38 of the Periodic Report.

Yours sincerely,

Ittai Ben Zeev, CEO

TASE Strategic Plan

2023–2027

Disclaimer

This presentation was prepared by The Tel-Aviv Stock Exchange Ltd. as a presentation of the strategic plan of the company and the subsidiaries of the company (hereafter collectively: "the Company") for the years 2023 – 2027. Accordingly, the information that is contained in this presentation unequivocally constitutes forward-looking information.

The presentation does not constitute an advice, recommendation, opinion or offer to purchase securities of the Company or an invitation to accept such offers, and is intended solely for conveying information to potential investors, and is not a substitute for the need to perform an independent examination and the receipt of personalized advice based on the specific circumstances of each investor.

The information contained in this presentation is condensed and basic, and in order to obtain a complete picture of the data of the Company and its operations, including the risks confronted by the Company, it is necessary to peruse the reports that have been and will be published by the Company. In the event of any contradiction between the information provided in this presentation and the information contained in the reports of the Company, the stated in the reports of the Company shall prevail. This presentation should not be relied upon and should not be construed as a representation of an undertaking of any kind whatsoever, including as regarding the integrity or accuracy of the data contained therein. The presentation may include information and/or data that are presented in a manner and/or specification and/or edit and/or breakdown that differ from those presented in the reports of the Company. Under no circumstances is this presentation a substitute for the reports of the Company and it is recommended to peruse the reports of the Company.

The presentation contains information and data that are based, inter alia, on estimates and assessments of the Company and therefore must be regarded with caution. Furthermore, the presentation may contain data and assessments that are based on external sources that have not been independently examined by the Company and therefore the Company is not responsible for their accuracy, although it finds them reasonable. Investment in securities in general and in a company in particular involves risk. It should be kept in mind that past results are not necessarily indicative of future performance. This presentation contains forward-looking information, as defined in the Securities Law, 1968 ("forward-looking information"). In some instances, forward-looking information may be identified by the use of terms such as: "probable", "anticipates", "believe", "may", "assess", "expects", "intends", "continues", "could", "plans", "projects", "forecast" and similar terms and expressions. Such information, including information concerning the rate of increase in the revenue of the Company, the restructuring of the TASE Group and the merger and acquisition activity, contains forecasts, assessments, estimates and other information pertaining to prospective events and matters, the realization of which is uncertain and is not in the control of the TASE Group. Forward-looking information does not constitute proven fact and is based solely on the perspective of management of the Company, which is based on the analysis of general information of which management of the Company has knowledge on the presentation date of this presentation and is intended solely for the date to which it relates. Forward-looking information, by nature, is subject to significant risks of non-realization, and such information is uncertain, cannot be assessed in advance and can be outside the control of the Company.

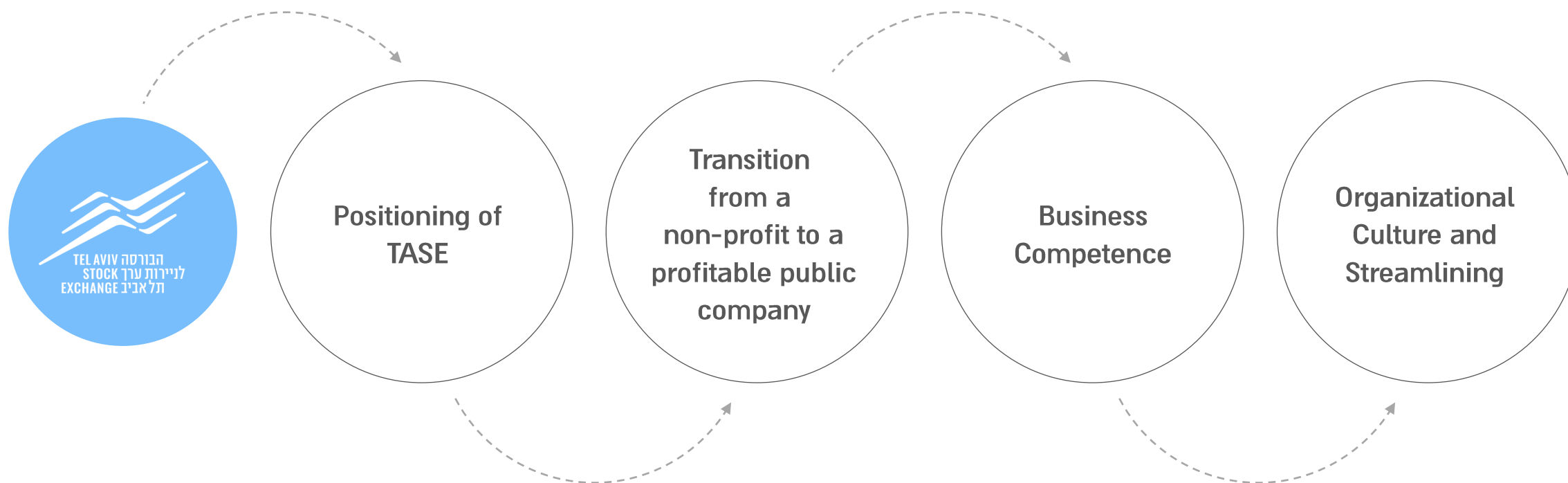
Accordingly, it is hereby clarified that the aforementioned forecasts, assessments, estimates and other information may not be realized or may be realized differently, inter alia as a result of inability to obtain the requisite approvals, and as a result of changes in the volumes of activity of the Company and in the relevant market conditions compared to those known at present or the realization of the risk factors that apply to the TASE Group, as described in Section 1.38 of the Company Periodic Report for 2021 published on March 21, 2022 (reference no.: 2022-01-032368). Therefore, the readers of this presentation are cautioned that the actual results and achievements of the Company in the future could materially differ from those presented in the forward-looking information that is contained in this presentation.

With the exception of an undertaking to properly disclose information in accordance with the securities laws that apply to the Company, the Company makes no undertaking to update or modify any information that is contained in the presentation, whether as a result of new information, a future event or otherwise. In addition, it is hereby clarified that the Company's strategy and plans, which are included in this presentation, are accurate as of their publication date and may change according to resolutions of the Board of Directors of the Company, as shall be from time to time, including, inter alia, due to inability to obtain any of the approvals required by law or the realization of any of the risks referred to above.

TASE Strategic Goals 2017-2022



TASE's Journey | Principal Developments Since 2017



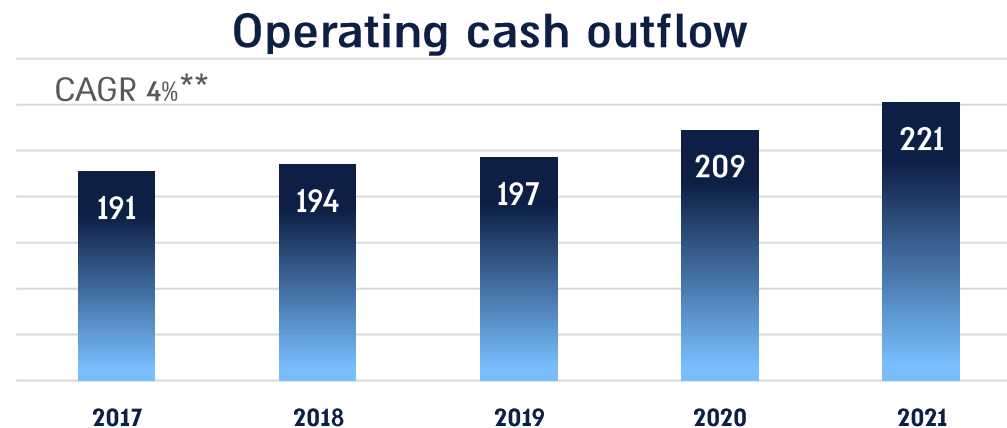
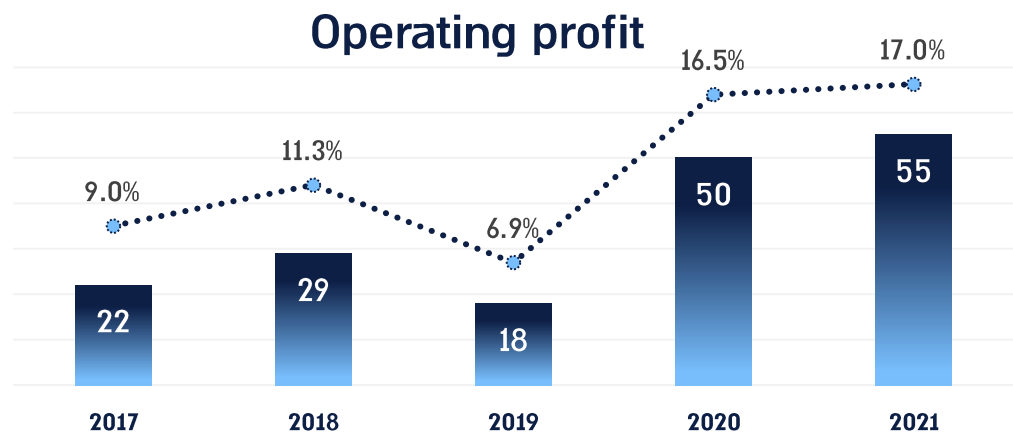
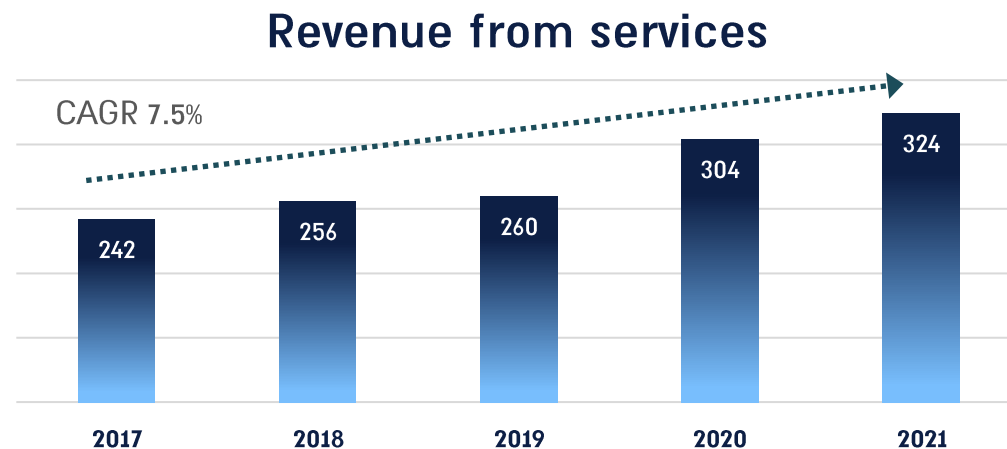
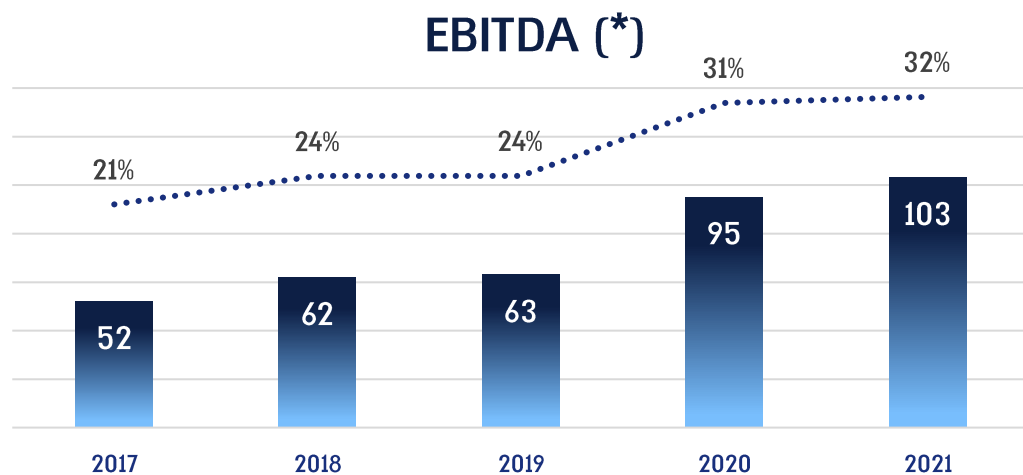
TASE's Journey | Financial Results (NIS, in millions)

Year ended December 31

| | 2017 | 2018 | 2019 | 2020 | 2021 | H1 2022* |
|----------------------------------------|------|-------|------|-------|------|----------|
| Revenue from services | 242 | 256 | 260 | 304 | 324 | 189 |
| Operating cash outflow | 191 | 194 | 197 | 209 | 221 | 116 |
| Adjusted EBITDA (*) | 52 | 62 | 63 | 95 | 103 | 73 |
| % of revenue | 21% | 24% | 24% | 31% | 32% | 39% |
| Depreciation and amortization expenses | 30 | 33 | 45 | 45 | 48 | 25 |
| Adjusted operating profit* | 22 | 29 | 18 | 50 | 55 | 47 |
| % of revenue | 9.0% | 11.3% | 6.9% | 16.5% | 17% | 24.9% |

(*) The results of the adjusted EBITDA and the adjusted operating profit exclude share-based payments expenses, reversal of the building's impairment and expenses with respect to transfers to nominee companies.

TASE's Journey | TASE's Financial Performance (NIS, in millions)



(*) The results of the adjusted EBITDA and the adjusted operating profit exclude share-based payments expenses, reversal of the building's impairment and expenses with respect to transfers to nominee companies.

(**) Excluding the effect of the increase in marketing expenses and the decrease in the Authority's fee following the grant of a discount, the CAGR of expenses is 3.5%.

Principal Trends and Developments in the Business Environment



**Retail
Engagement**



**Money
Supply**



Globalization



**Macro
Environment**



Regulation



**Technological
Innovation**



Money Supply

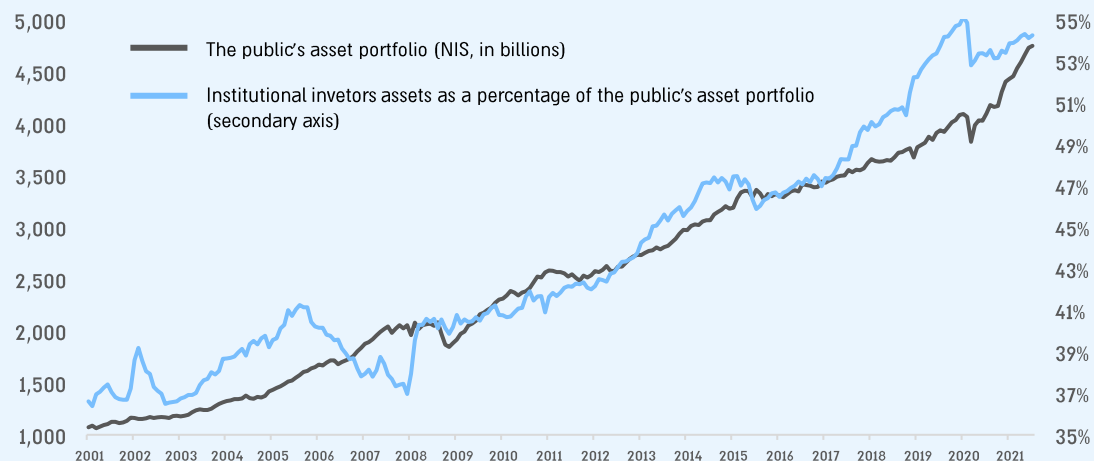
Why?

Increase in the institutional money supply, growth in the total bank deposits of retail customers, greater activity of foreign investors in Israel

Impact

Drives growth in the retail activity in the capital markets, increase in the foreign component of investments, investment in alternative assets and the entry of new players into the field.

The public's financial assets' portfolio approximates NIS 5 trillion (55% of the portfolio is managed by the local institutional investors)¹



(1) Source: Bank of Israel

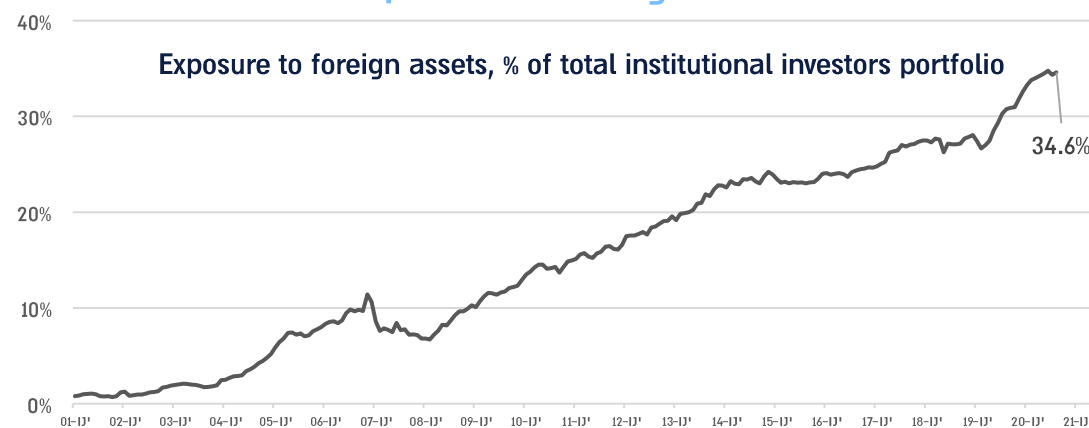


Globalization in the Financial Markets

Implications

- Strengthening of global financial centers and the competition among them.
- Challenging the position of local financial markets.
- Regulation that advances the removal of barriers, global standardization and the entry of international institutions, including Big Tech.
- Continued weakening of the home bias of local markets.

35% of the institutional investors portfolio is exposed to foreign assets



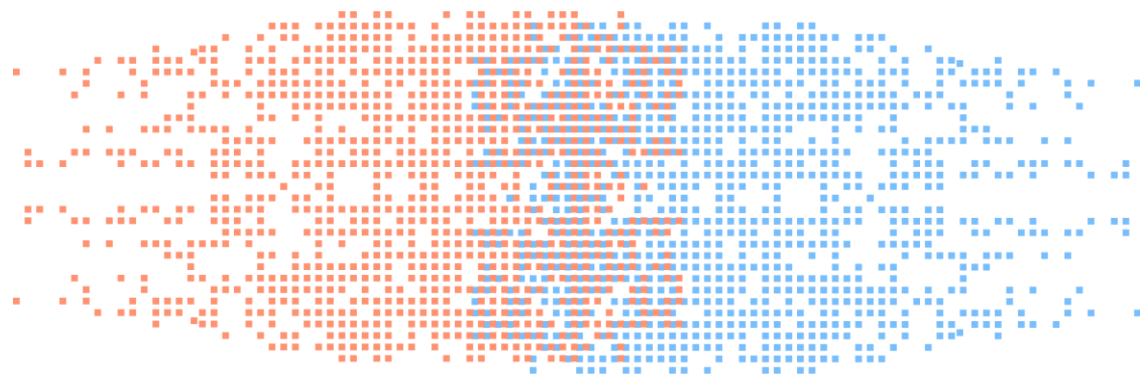
(1) Source: Bank of Israel



Technological Innovation

Alternative Markets
(Crypto)

Regulated
Markets



Substantial dependence on regulatory adjustments
and on the regulators' position



Increase in Retail Participation in the Capital Market

Trend, digitalization and upgrading
of end-customers' tools, removal of
entry barriers, effect of COVID-19.





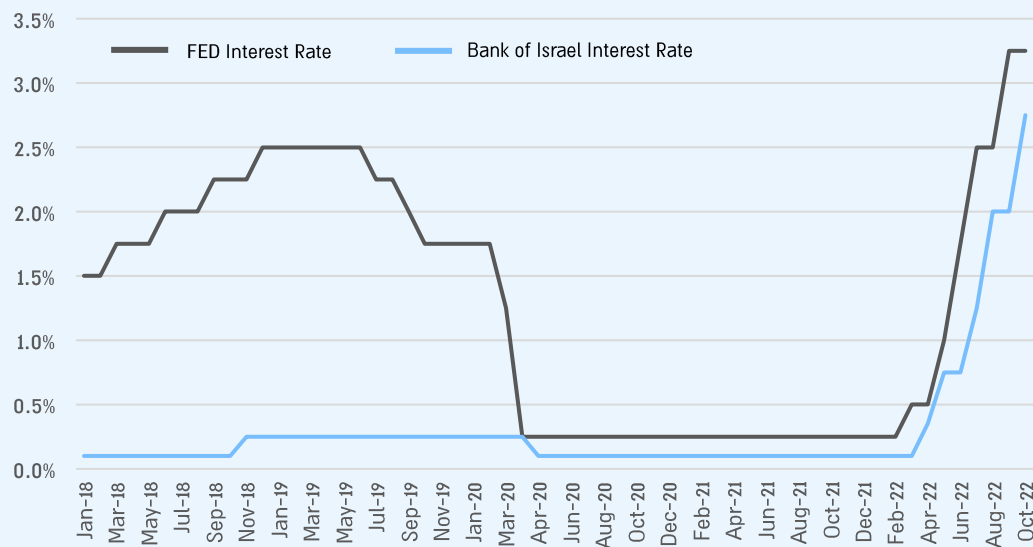
Macroeconomic Environment

The interest rate started climbing after several years of a zero-interest environment, as a result of the rising inflation. Concurrently, the markets started to "correct" with increased volatility.

This may potentially directly impact the liquidity of the markets, the value of the assets traded on TASE, investors' preferences etc.

Rising of the interest rate since the beginning of 2022 ¹

Federal Reserve (FED) Interest Rate, % (2018–Today)



(1) Source: Bank of Israel, Federal Reserve/ Processing by TASE.



Regulation

The Future of the Financial Supervision Structure in Israel

[New Areas of Supervision, New Regulation]



משרד האוצר
Ministry of Finance



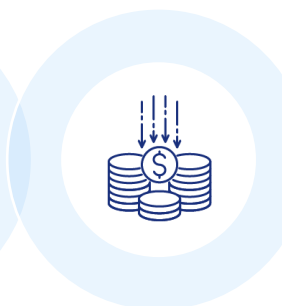
רשות שוק ההון,
ביטוח וחיסכון



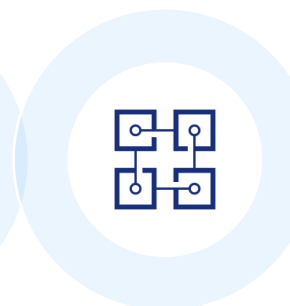
Principal Regulatory Developments:



Financial
intermediaries
(information,
payments)



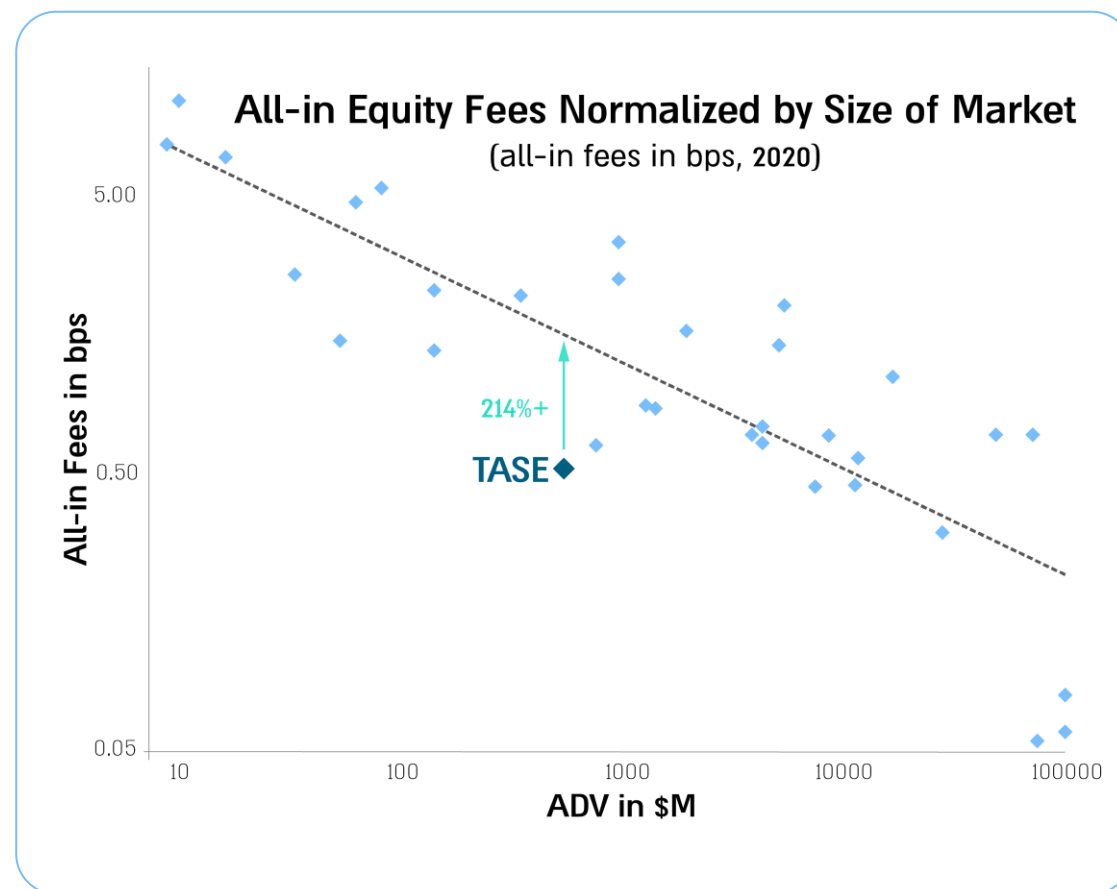
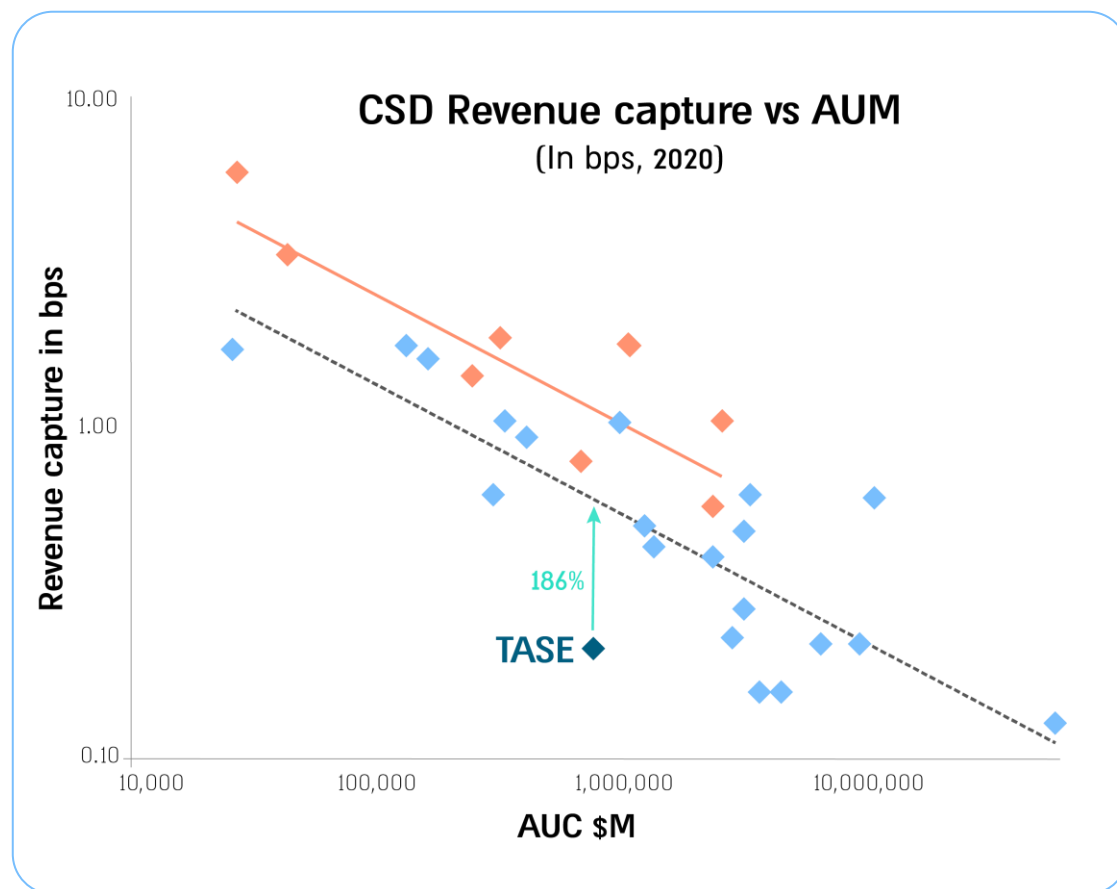
Incentives in
institutional
asset
management



Digital assets,
Crypto and
innovative
technologies

Comparative Review

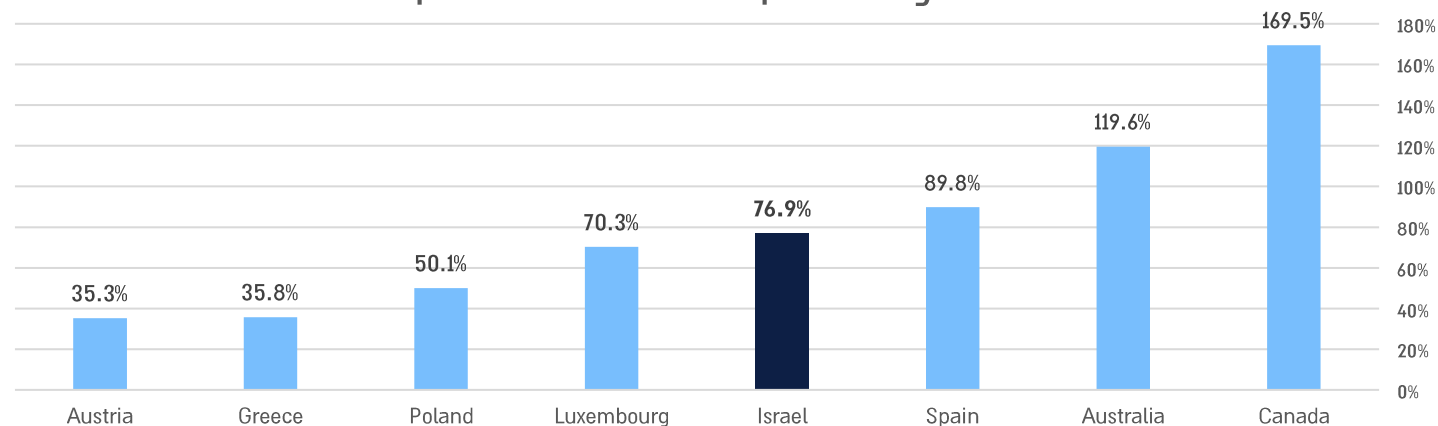
TASE fees are significantly lower than those charged by the benchmark exchanges



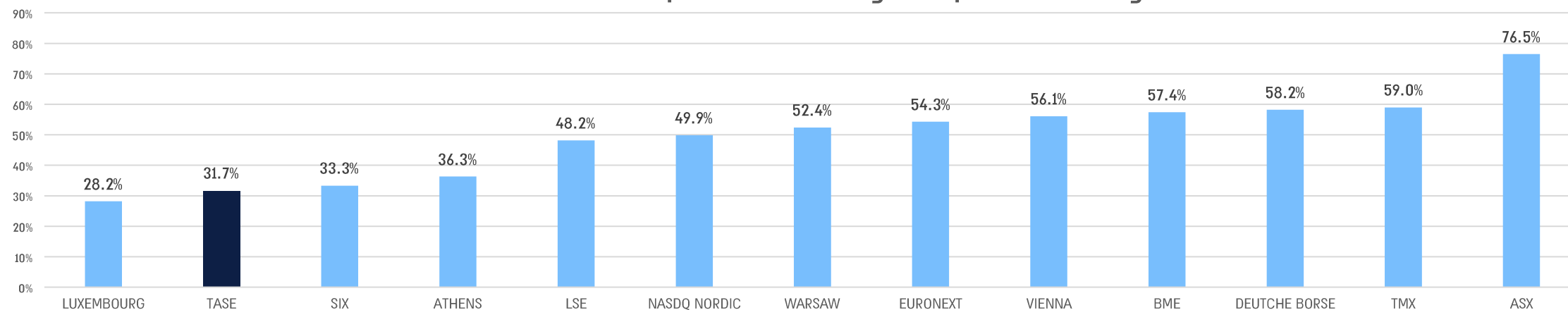
(1) Source: ERDesk calculations

Comparative Review - There is Room for Growth

Market cap of the shares as a percentage of the GDP



% EBITDA - compared to leading European exchanges

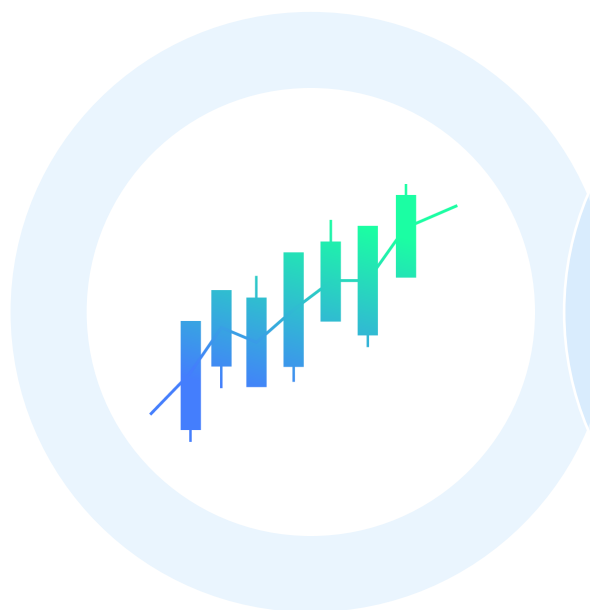


Source: exchanges, Bloomberg, ERDesk calculations, TASE Calculations

Goals of the New Strategic Plan

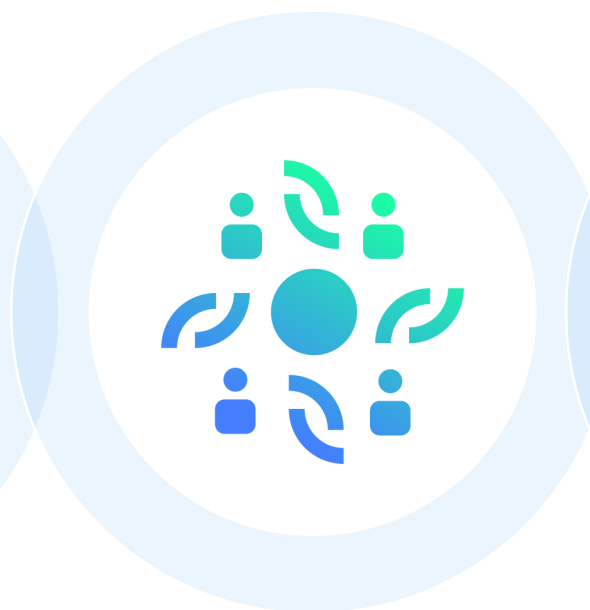
Strategic Plan for 2023–2027*

4 strategic goals:



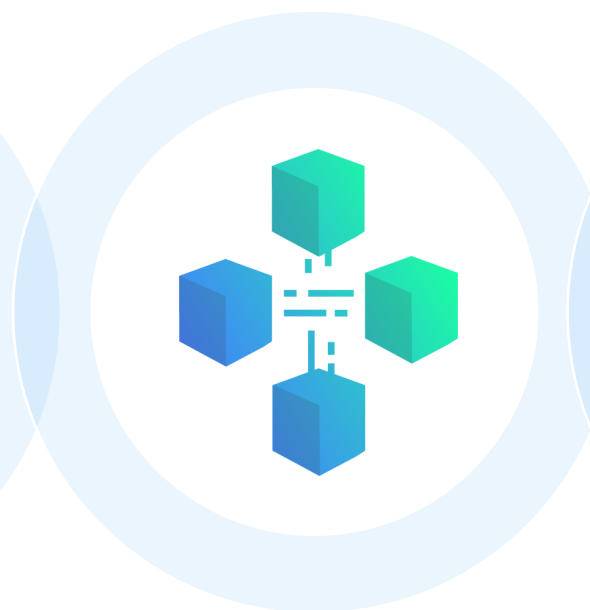
Enhancement of TASE value proposition

- "The bread & butter"
- Organic growth
- Foundation for the provision of additional services



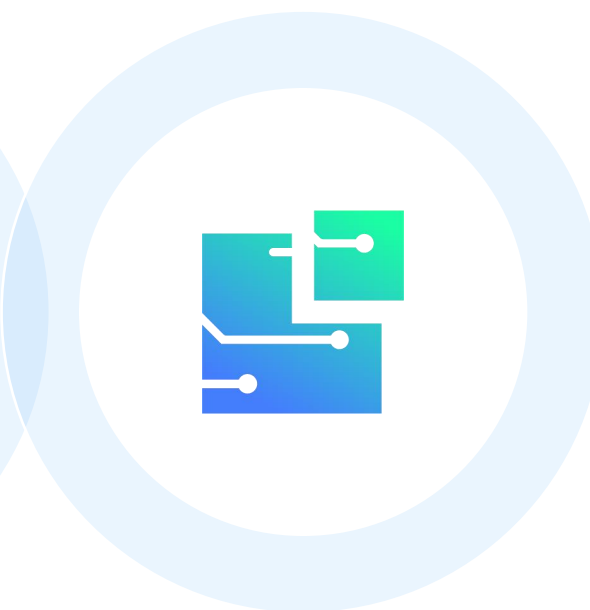
Direct customer engagement

- Dealing with the dependence on the distribution network



Blockchain, Crypto and digital assets strategy

- Adjusting to investors' preferences
- Leveraging Israel's comparative advantages
- Leveraging TASE's comparative advantages

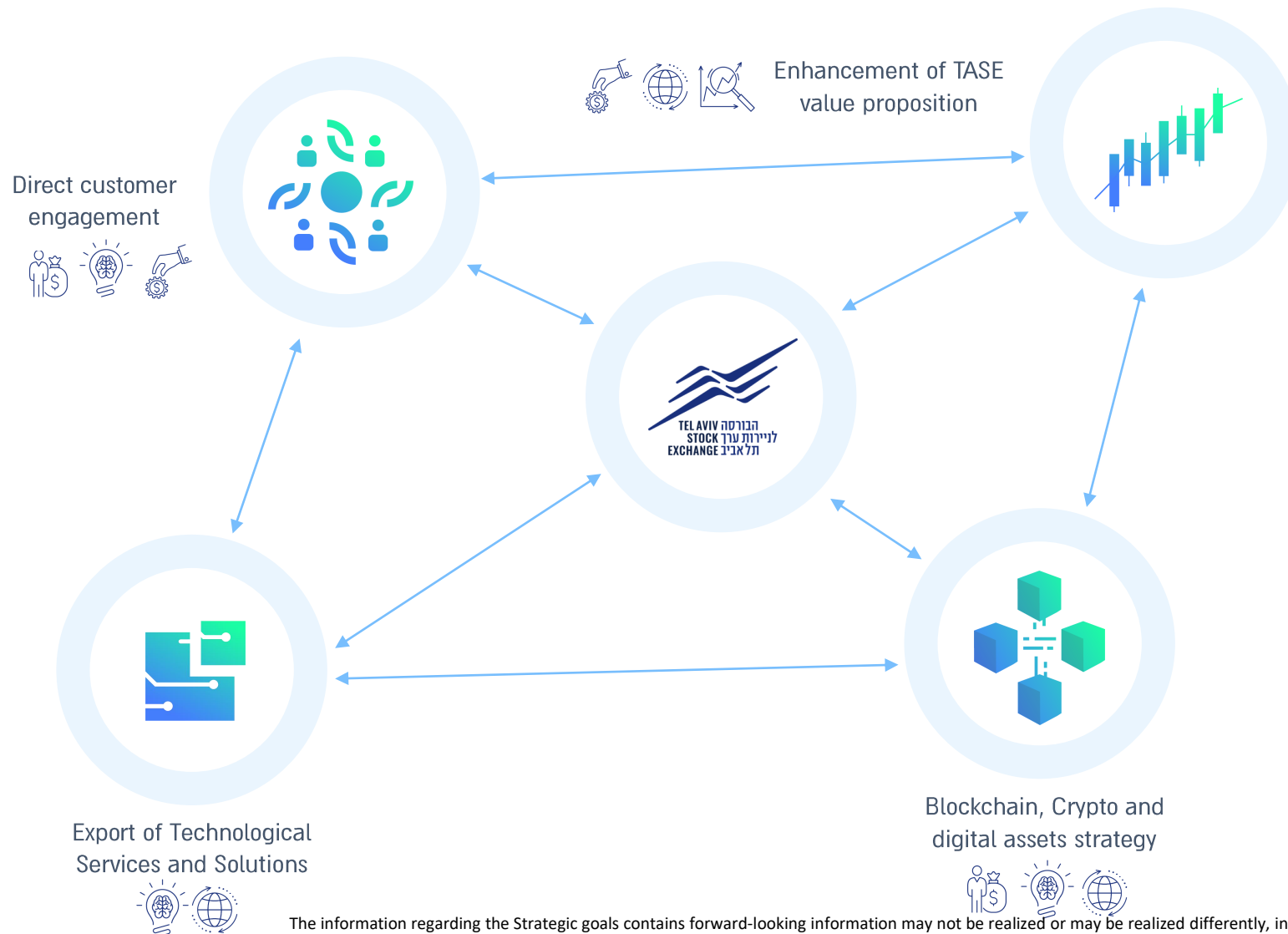


Export of Technological Services and Solutions

- Commercialization of technology, organizational knowhow, cross-selling
- potential cooperations
- Strengthening TASE international profile

The information regarding the Strategic goals contains forward-looking information may not be realized or may be realized differently, inter alia as a result of inability to obtain the requisite approvals, and as a result of changes in the volumes of activity of the Company and in the relevant market conditions or the realization of the risk factors that apply to the TASE.

Strategic Plan for 2023–2027*



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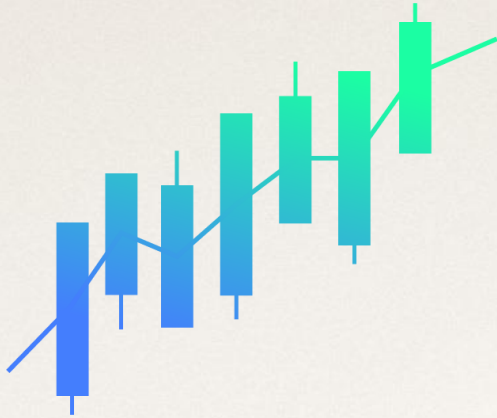
Connecting with Key Trends



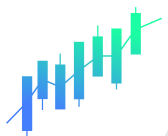
Handling Competition



Synergetic Strategic Goals



Enhancement of TASE value proposition



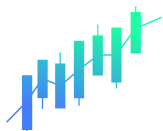
The Strategic Rationale - Continued Organic Growth



Reinforcing TASE international profile

Liquidity and derivatives strategy

Development of OTC Market



Further Reinforcement of TASE's International Profile and Attraction of Foreign Investors

The Force Multiplier of Bringing Foreign Investors into the Local Market

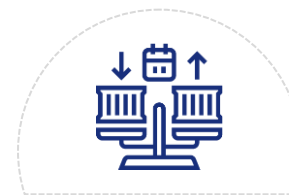
- Enhancing the Attractivity of TASE
- TASE's Value Proposition



Visibility



Reach



Valuation

8%

of the daily trading volume is attributed to foreign investors (in shares)

63%

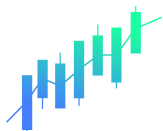
of the foreign investors transacting in non-dual shares hold up to 5 shares in TA-35

289 vs 1050

Most of the foreign investors transacting in TA-125 shares transact primarily in the index's dual shares

Proposed courses of action

- Active marketing
- Improving connectivity (institutionals, nostro, liquidity providers, retail)
- Incorporation of foreign issuers and intermediaries
- Expansion of geographic influence (Europe, Asia, Emirates)
- Bringing in foreign assets



Liquidity and Derivatives Strategy

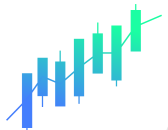
**Enhancing
liquidity
in TASE's
Markets**

Challenges

Low retail participation rate, large (and/or blocked) institutional investors holding, dependence on the banks as the local distribution system, regulatory restrictions (price, product flexibility), limited liquidity in new issuances, insufficient depth for international players, liquidity not a priority for the issuing companies.

Proposed courses of action

- Adjustments on the trading methodology
- Retail engagement
- Incentives for liquidity providers
- Upgrading of analytical tools



Liquidity and Derivatives Strategy / Relaunch of the Derivatives Market

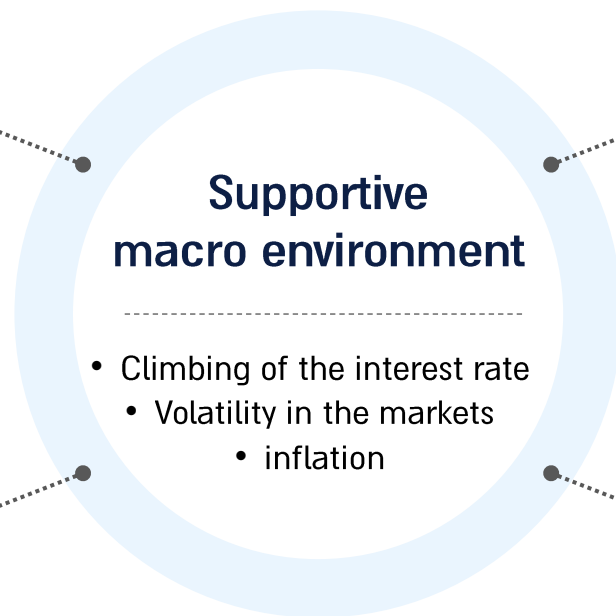
TASE will launch a reform to strengthen the derivatives market

Circumstances

- ▶ The number of active accounts has been decreasing during the last years
- ▶ Increased institutional investors activity overseas
- ▶ Lack of coordination / intermediaries/ distribution mechanism
(no retail marketing, technically complicated, expensive)
- ▶ The market is not aligned with international standards
- ▶ Competition

Retail-accessible product aligned with international standards [futures]

Diversified underlying assets



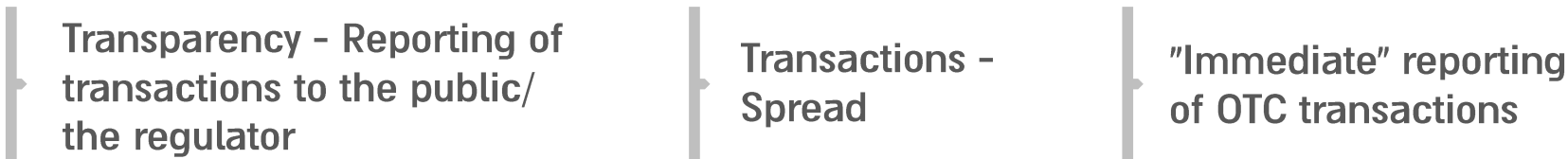
Incentives for liquidity providers

Marketing



Development of Off-Exchange Trading (OTC)

Alignment with international standards



Proposed courses of action

- Changes in clearing transactions (custodians and transfers)
- New system for the reporting of OTC transactions
- Real-time distribution of information on OTC transactions
- (Trade Repository)
- Reporting of OTC transactions

OTC Trading in Israel



Reporting and execution not aligned with international standards

275

Total value of transactions

*Including the estimate of OTC transactions without monetary consideration

180K

Number of Annual OTC transactions

+50%

The number of "internal transactions" within a TASE member is more than 50% of total OTC transactions

Efficiency

Integrity

International Standard

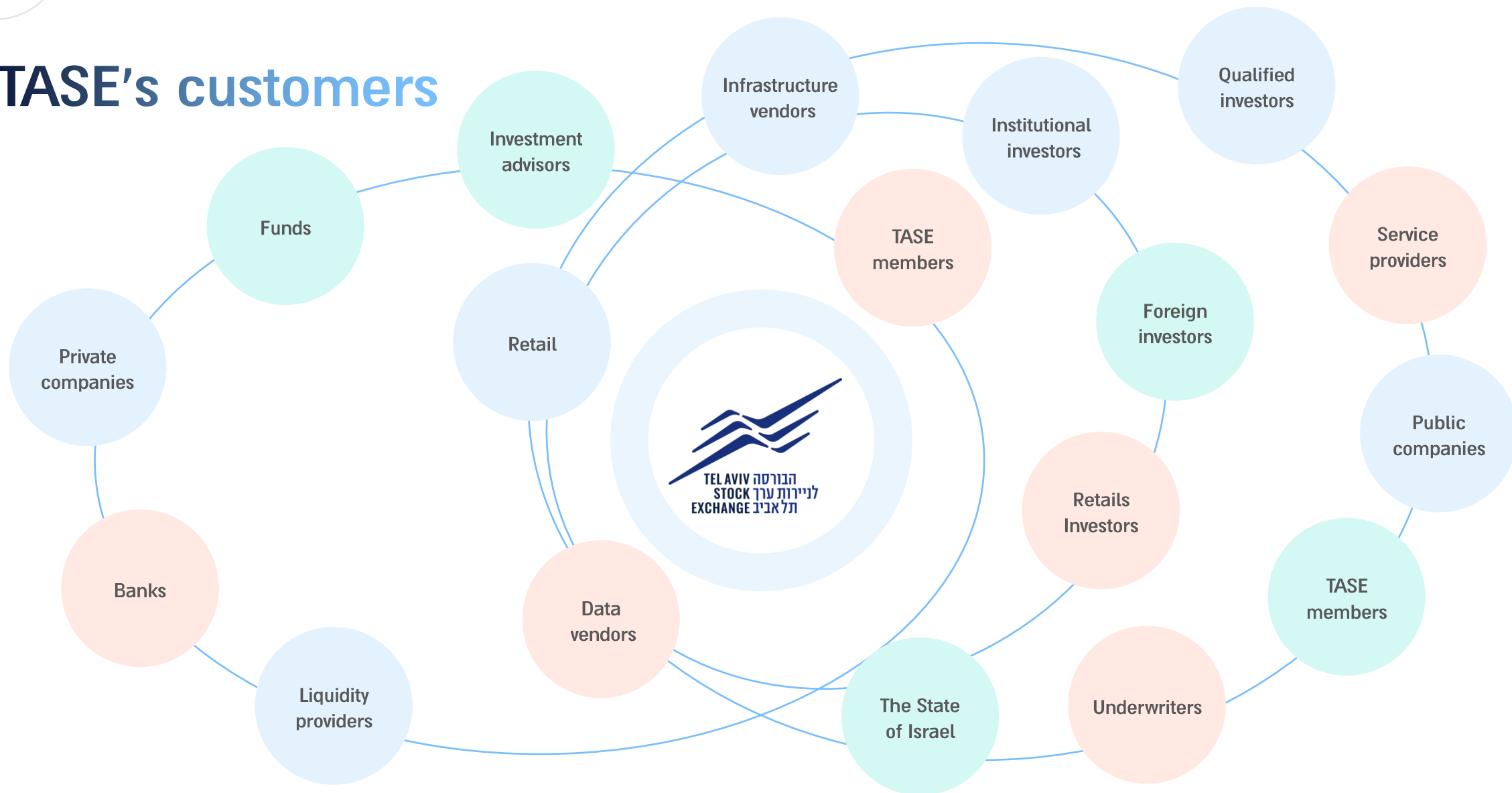
The data is updated for the end of 2021. Source: TASE Clearing Department.



Direct customer engagement



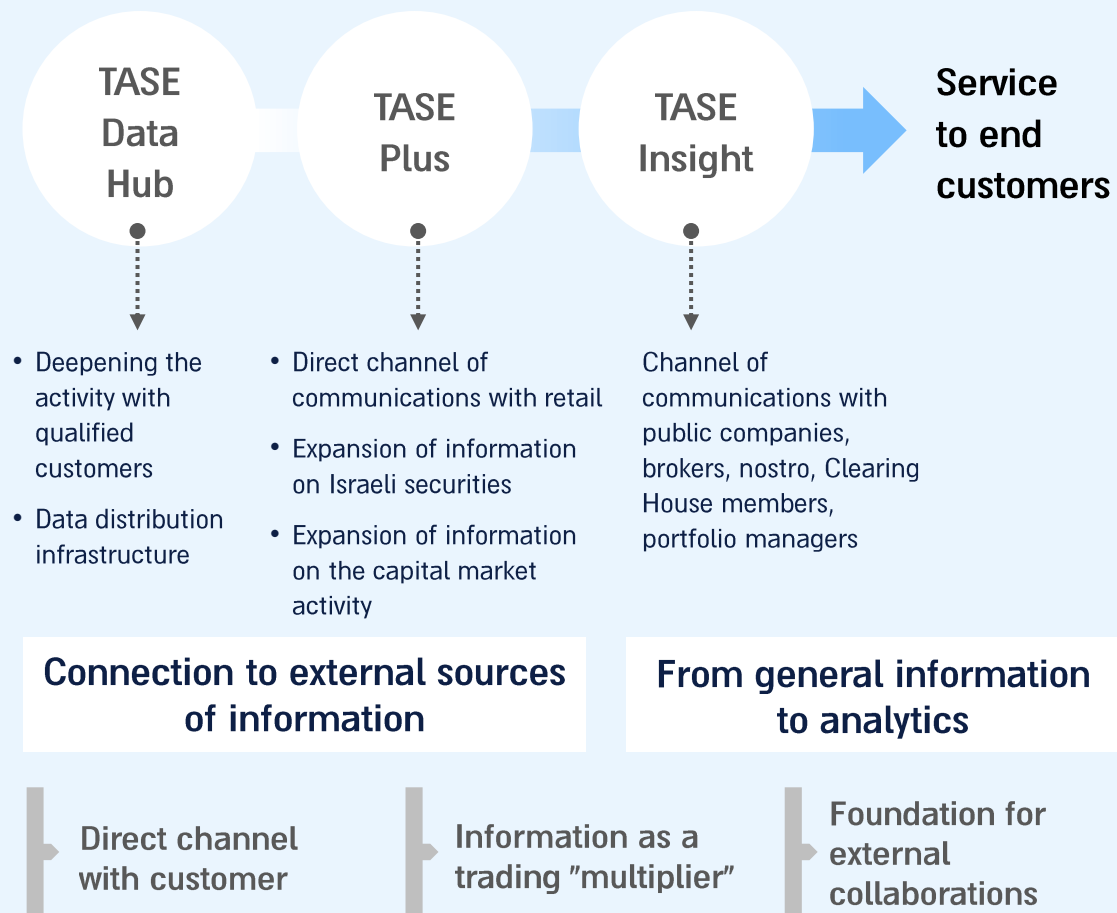
TASE's customers



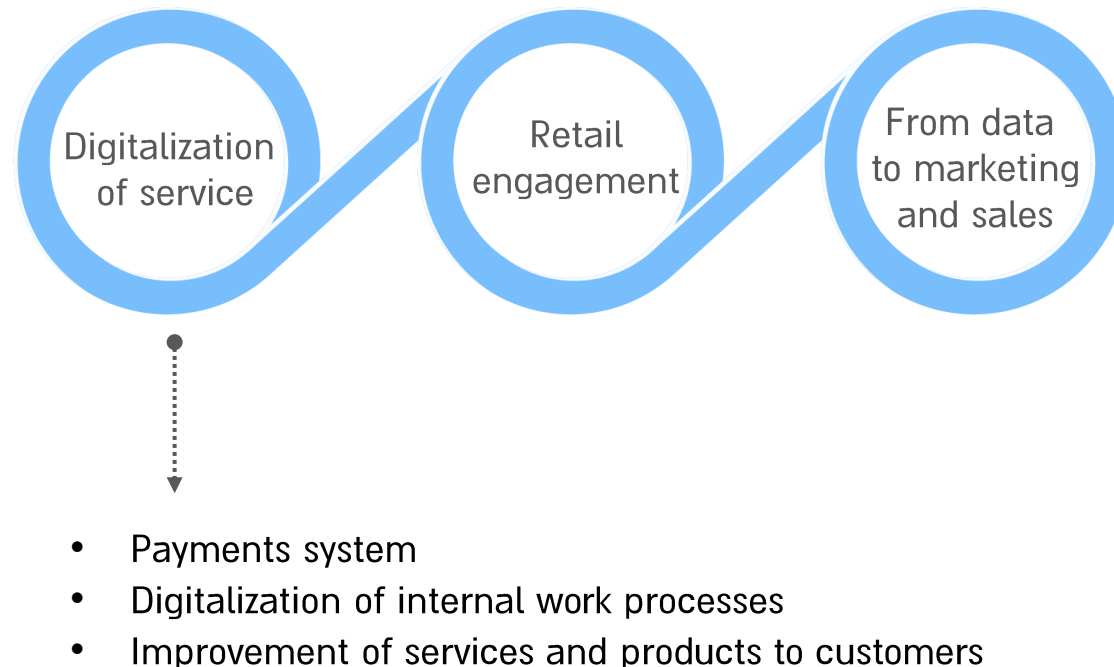


Digital, Data Distribution and Analytics

Data Distribution and Analytics

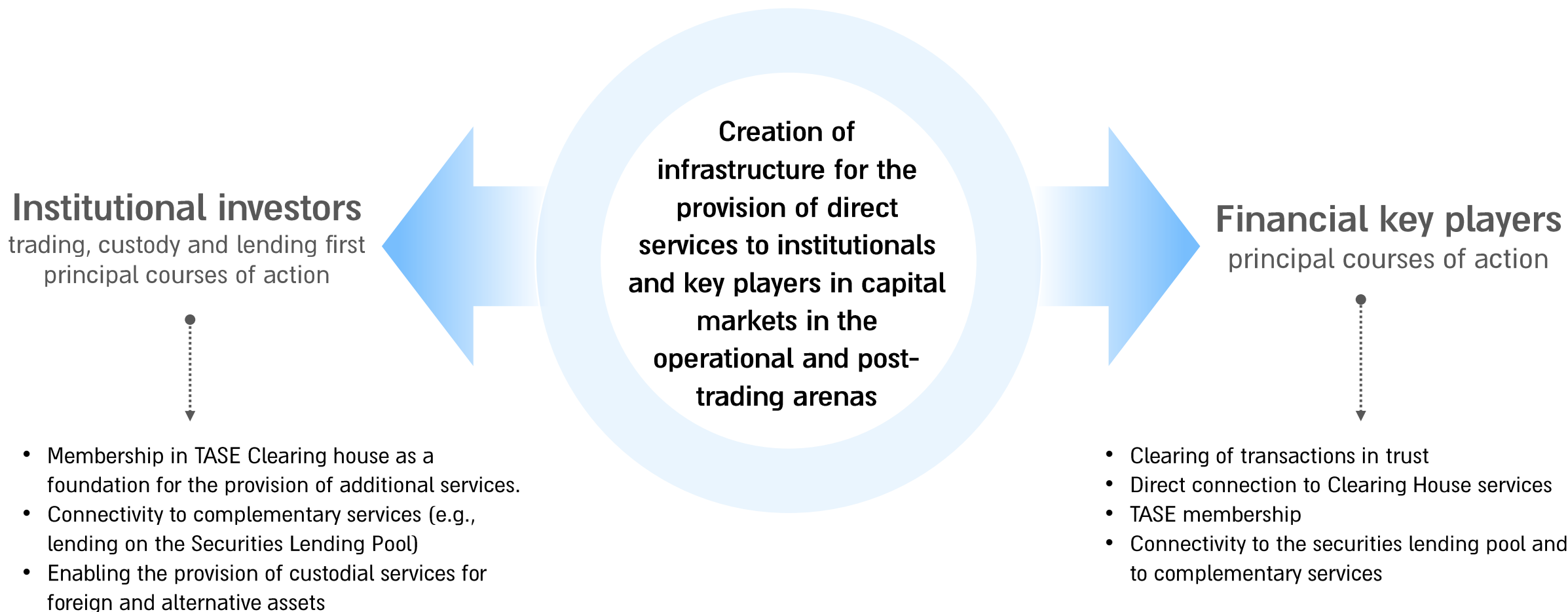


Leveraging the Digital Value proposition





Considering the provision of direct services to institutional investors and key players in capital markets





Transforming TASE into a Significant Private Market Player

The current
value
proposition

Investment funds + TASE UP

The
challenge

The lack of an efficient distribution
system for qualified investors

(+ insufficient motivation of the distributors)

The
solution

Establishing a qualified investors
"loyalty program"

[alternative distribution mechanism + innovative membership models]

- Supermarket of alternative products
- Opportunity to leverage innovative technologies
- Direct marketing to the customers
- All investor holdings (public and private) in one place
- Foundation for collaborations with third parties

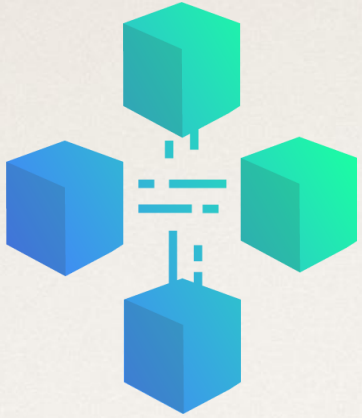
Global private equity NAV and public equities

market capitalization, 2002-17

(indexed to 2002)



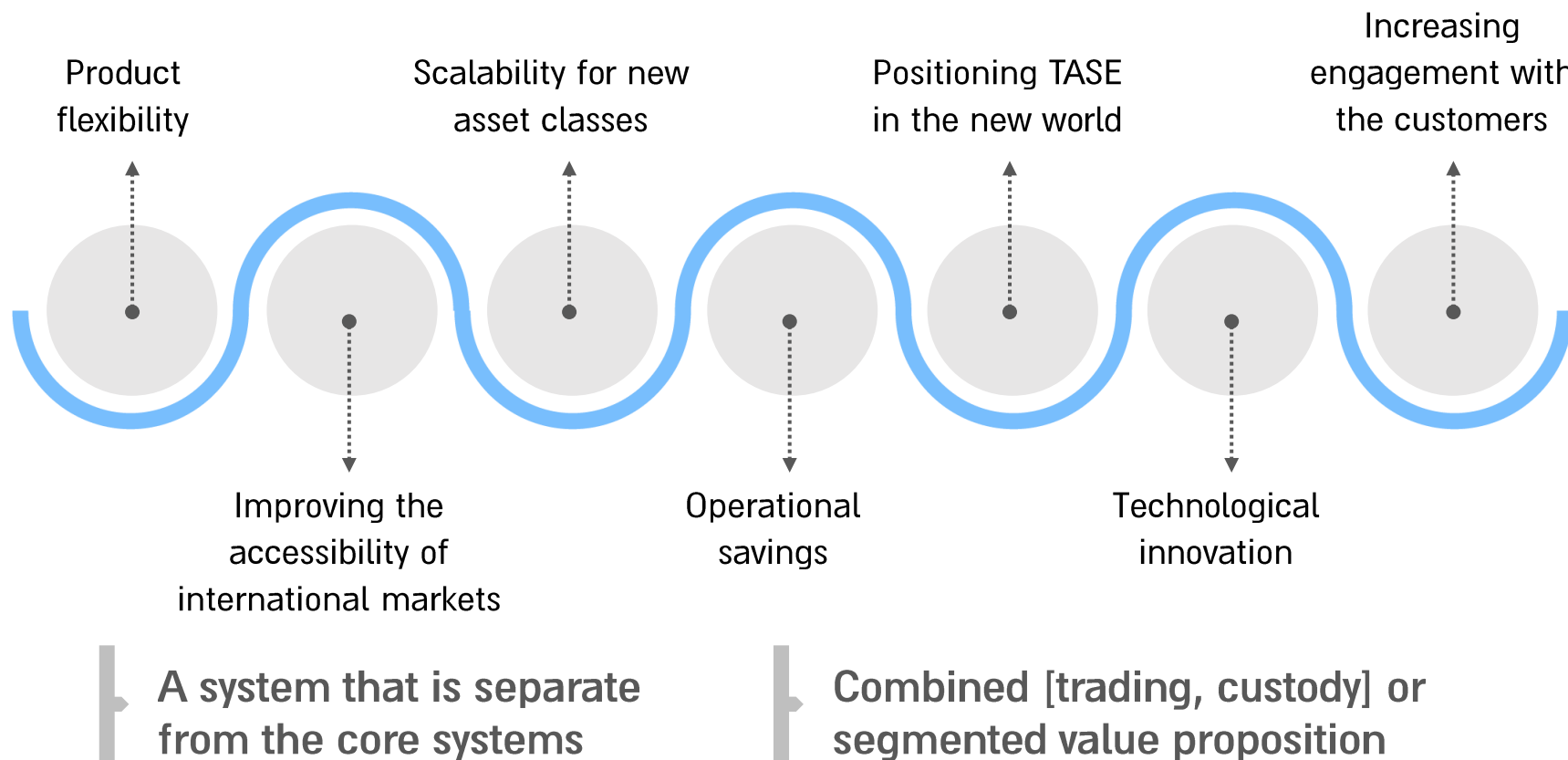
Source: McKinsey's Private Markets Annual Review, 2021



Blockchain, Crypto and digital assets strategy



Creating a platform for digital assets Implementing Blockchain technology (DLT)



Possible courses of action

The platform will be suited for various asset classes that may gradually be introduced into it, depending on the developments in the market conditions and the regulatory environment:

1. Private Market
2. Digital Bonds*
3. Digital Assets (Crypto, Utility Tokens, NFT's)

The challenges

Regulatory unclarity, steep setting up and adjustment costs and local and international competition

(*) TASE is promoting a dedicated POC for the issuance, trading and clearing of digital state bonds on a digital assets platform.



Venturing into the Crypto Markets

TASE Crypto Services

trading/clearing/custody Value proposition



Reputation
/ Brand/ Trust



Regulatory
Framework



Security
Infrastructure



Local Reach
[Hebrew, ILS,
Connectivity]

Crypto is Already Here
- The Opportunity for
the Local Market

***30%**

of investors that hold a
digital asset trade in it
on local platforms

***52%**

of the new investors
allocate up to 10% to
digital assets

Aprx. 10**
billion shekels

Israeli's holdings of
Crypto (changing and
growing, as of 12/2021)

Crypto "exchanges" are looking to obtain regulatory legitimacy

Alternative Markets
(Crypto)

Regulated
Capital Markets

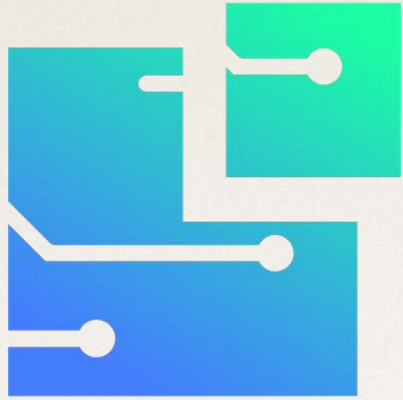


Regulatory uncertainty

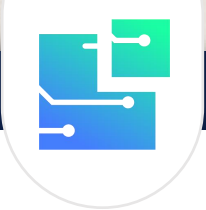
Substantial costs

Local and international competition

(*) Source: Publication of the Israel Securities Authority. (**) Source: Product of background talks with local capital market players.



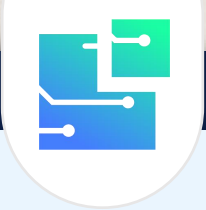
Export of Technological Services and Solutions to other exchanges



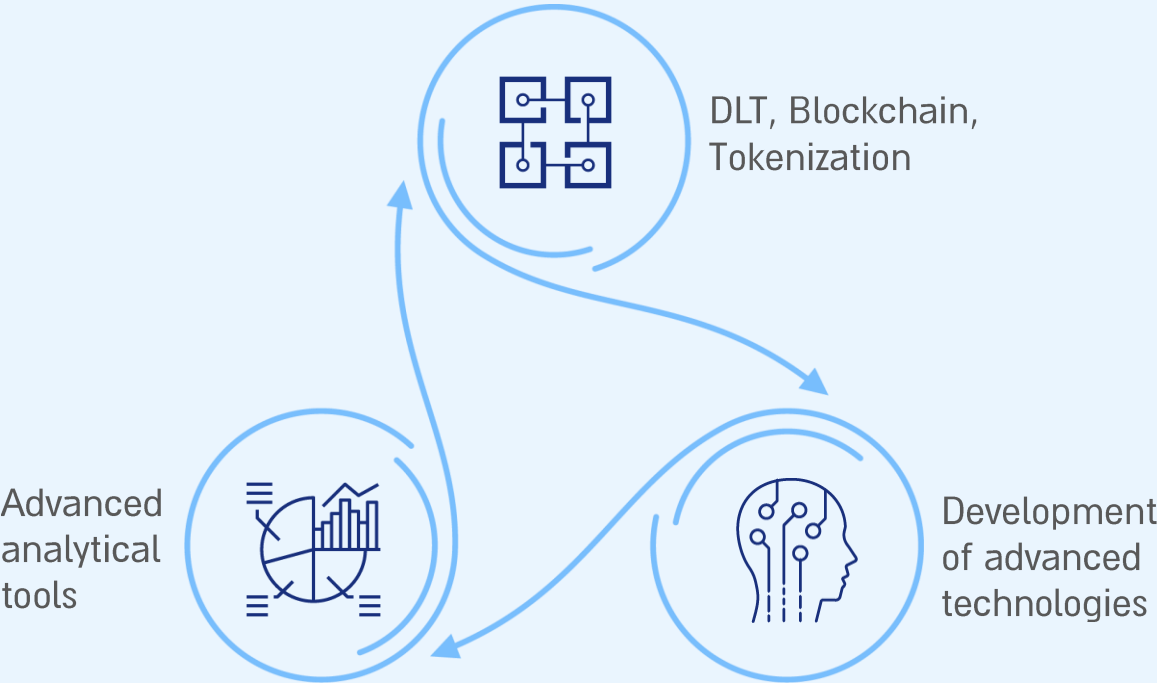
TASE IT Services & Solutions Value Proposition



May include the purchase of holdings in other exchanges (subject to applicable approvals)

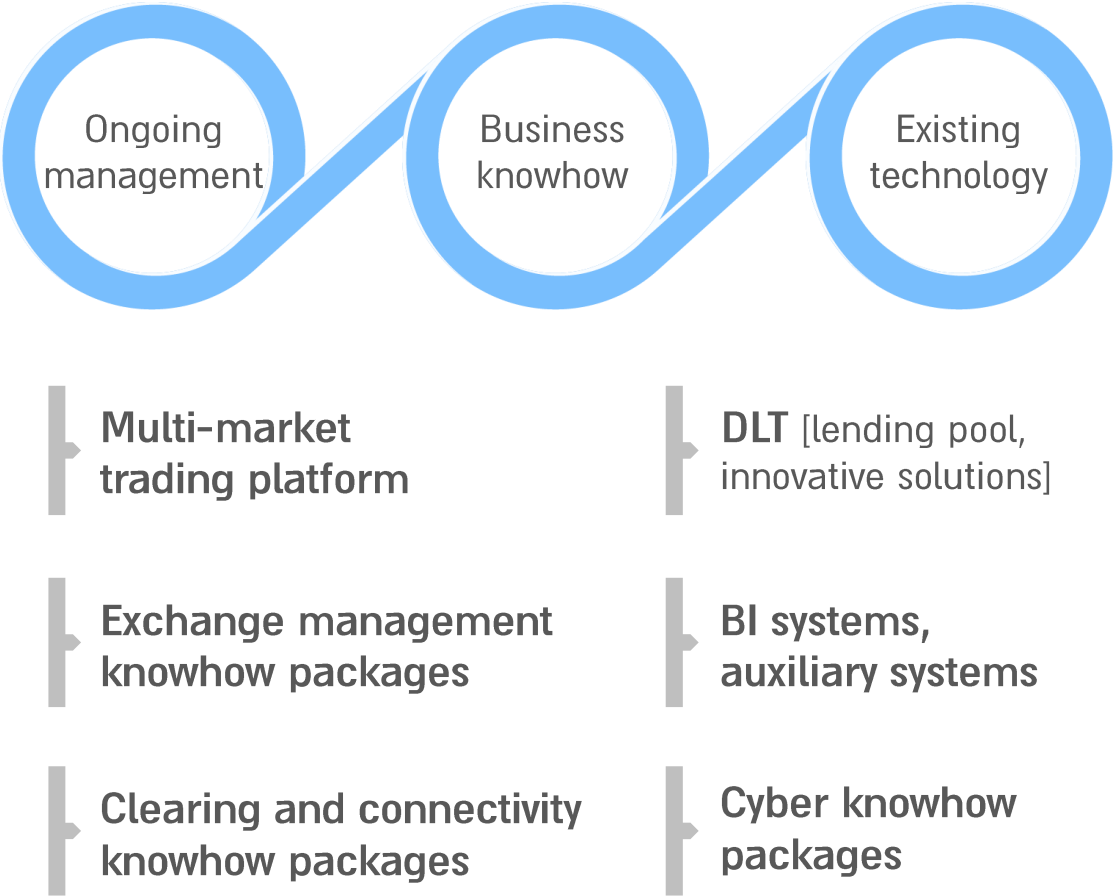


TASE's strategic plan includes investments in innovative technology



TASE intends to sell its proprietary technologies to small and medium exchanges

TASE develops proprietary trading technologies and infrastructure



Strategic Plan for 2023–2027 | TASE Restructuring*

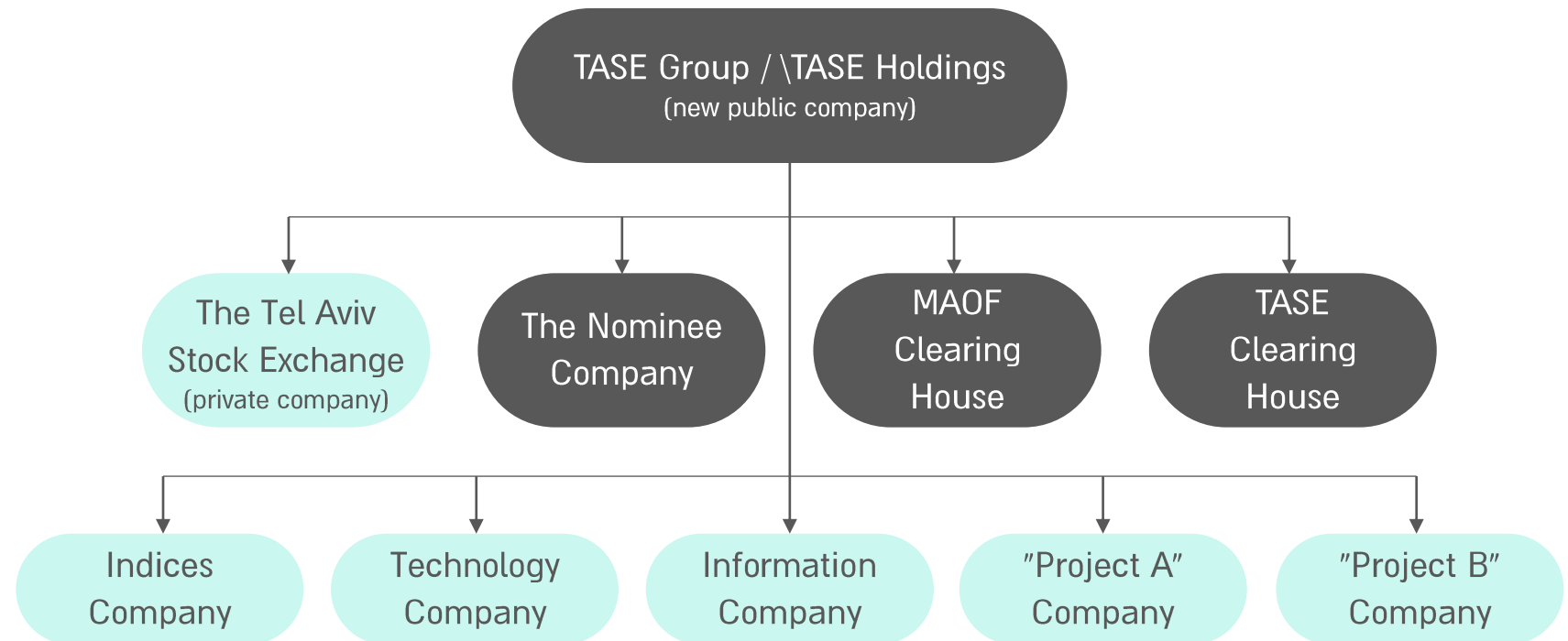
A restructuring is required for the effective implementation of the strategic plan

The proposed model is similar to the corporate structure of the leading global exchanges

Existing structure

- A public company that includes operating activities.
- Inability to isolate risks inherent in new operations.
- Lack of flexibility in bringing in operations and partners.
- TASE as the holding company limits the fields of engagement of subsidiaries.
- A single collective agreement.
- Regulatory uniformity.
- Uniform capital model.
- Restrictions on the group's nostro investments

Proposed structure of the group



The information regarding the TASE Restructuring contains forward-looking information may not be realized or may be realized differently, inter alia as a result of inability to obtain the requisite approvals, and as a result of changes in the volumes of activity of the Company and in the relevant market conditions or the realization of the risk factors that apply to the TASE.

TASE Revenue Growth Target



TASE Revenue Growth Target*

10-12%

CAGR 2023-2027

The information regarding the Revenue Growth Target contains forward-looking information may not be realized or may be realized differently, inter alia as a result of inability to obtain the requisite approvals, and as a result of changes in the volumes of activity of the Company and in the relevant market conditions or the realization of the risk factors that apply to the TASE.

How are we going to do it?



Organic growth



Updating of tariffs



Strategic projects

Additional measures



M&A



Efficiency

Israel is one of the world's strongest and fastest growing economies, however the local capital market taps only into a small portion of its inherent potential and the strength of the Israeli economy.

Realizing the unique potential of the local capital market as a foundation for the further growth of TASE.

