

# Meitav Investment House Financial Statements as of June 30\*

# 2024



This document is a partial unofficial translation for convenience only of the Hebrew original of the financial report of Meitav Investment House Ltd. as of June 30, 2024, that was submitted to the Tel-Aviv Stock Exchange and the Israeli Securities Authority on August 19, 2024

The Hebrew version submitted to the TASE and the Israeli Securities Authority shall be the sole legally binding version. For the details of the policy, see the Company's immediate report dated August 19, 2024 (reference number: 2024-01-084447).

## **MEITAV INVESTMENT HOUSE LTD.**

### **CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**AS OF JUNE 30, 2024**

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**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	<b>June 30,</b>		<b>December 31,</b>
	<b>2024</b>	<b>2023</b>	<b>2023</b>
	<b>Unaudited</b>		<b>Audited</b>
	<b>NIS in millions</b>		
<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	281	358	319
Short-term investments	639	617	648
Customer credit	1,733	1,481	1,541
Trade receivables	78	68	60
Other accounts receivable	72	38	48
Current taxes receivable	16	3	9
	<u>2,819</u>	<u>2,565</u>	<u>2,625</u>
<b>NON-CURRENT ASSETS:</b>			
Investments of provident fund members	102	98	100
Investments, loans and receivables	934	716	650
Investments in associates	60	91	80
Fixed assets	168	45	169
Deferred taxes	61	28	46
Intangible assets	1,287	1,185	1,224
	<u>2,612</u>	<u>2,163</u>	<u>2,269</u>
	<u><u>5,431</u></u>	<u><u>4,728</u></u>	<u><u>4,894</u></u>

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	June 30,		December 31,
	2024	2023	2023
	Unaudited		Audited
	NIS in millions		
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Credit from banks and other credit providers	1,979	1,799	1,699
Liabilities for short sale of securities	45	78	50
Trade payables	114	84	124
Other accounts payable	236	181	193
Provisions for legal claims	658	623	637
Current taxes payable	36	37	66
	3,068	2,802	2,769
NON-CURRENT LIABILITIES:			
Debentures	609	735	606
Credit from banks and other credit providers	423	112	299
Liabilities to provident fund members	109	103	105
Lease liabilities	126	11	123
Other accounts payable	-	9	2
Employee benefit liabilities	6	7	6
Deferred taxes	34	41	33
	1,307	1,018	1,174
Total liabilities	4,375	3,820	3,943
EQUITY:			
Share capital	77	77	77
Share premium	635	635	635
Capital reserve for share-based payment transactions	46	38	42
Retained earnings	133	39	85
Other reserves	(103)	(119)	(117)
Equity attributable to equity holders of the Company	788	670	722
Non-controlling interests	268	238	229
Total equity	1,056	908	951
	5,431	4,728	4,894

August 18, 2024			
Date of approval of the financial statements	Eli Barkat Chairman of the Board	Ilan Raviv CEO	Einat Rom CFO

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Six months ended June 30,		Three months ended June 30,		Year ended December 31,
	2024	2023	2024	2023	2023
	Unaudited				Audited
	NIS in millions (except per share data)				
Revenue from management fees, commissions and other, net	613	518	316	260	1,068
Income from non-bank loans activity	152	123	89	62	245
Total revenues	765	641	405	322	1,313
Income refund in respect of legal claims against the Company	-	-	-	-	(3)
Total revenues	765	641	405	322	1,310
Marketing, operating, general and administrative expenses	484	447	243	225	908
Finance expenses on non-bank loans	60	43	32	21	92
Operating income	221	151	130	76	310
Gain (loss) from securities held for investment purposes in nostro portfolio, net	5	11	(1)	7	13
Finance income	12	13	6	6	27
Finance expenses	(46)	(52)	(28)	(30)	(96)
Other income, net	-	19	2	29	19
Company's share of losses of companies accounted for at equity, net	(25)	(11)	(19)	(5)	(22)
Income before taxes on income	167	131	90	83	251
Taxes on income	44	52	24	30	94
Net income for the period	123	79	66	53	157
Other comprehensive income (net of tax effect):					
Actuarial gain on defined benefit plans	-	-	-	-	1
Foreign currency translation adjustments of foreign operations	1	1	1	1	(2)
Total other comprehensive income	1	1	1	1	(1)
Total comprehensive income	124	80	67	54	156
Net income attributable to:					
Equity holders of the Company	108	64	58	46	130
Non-controlling interests	15	15	8	7	27
	123	79	66	53	157
Comprehensive income attributable to:					
Equity holders of the Company	109	65	59	47	129
Non-controlling interests	15	15	8	7	27
	124	80	67	54	156
Basic and diluted net earnings per share attributable to equity holders of the Company (in NIS):					
Basic net earnings	1.38	0.82	0.74	0.59	1.66
Diluted net earnings	1.38	0.82	0.74	0.59	1.66

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Attributable to equity holders of the Company							
	Share capital	Share premium	Capital reserve from share-based payment transactions	Retained earnings	Other reserves	Total	Non-controlling interests	Total equity
	Unaudited NIS in millions							
Balance at January 1, 2024 (audited)	77	635	42	85	(117)	722	229	951
Net income for the period	-	-	-	108	-	108	15	123
Other comprehensive income, net	-	-	-	-	1	1	-	1
Total comprehensive income	-	-	-	108	1	109	15	124
Dividend declared and paid	-	-	-	(60)	-	(60)	-	(60)
Dividend to non-controlling interests	-	-	-	-	-	-	(11)	(11)
Net purchases of non-controlling interests	-	-	-	-	(2)	(2)	-	(2)
Issue of capital and options to non-controlling interests (net of issuance expenses)	-	-	-	-	15	15	34	49
Derecognition of non-controlling interests due to sale of subsidiary	-	-	-	-	-	-	(1)	(1)
Share-based payment	-	-	4	-	-	4	2	6
Balance at June 30, 2024	77	635	46	133	(103)	788	268	1,056

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Attributable to equity holders of the Company							
	Share capital	Share premium	Capital reserve from share-based payment transactions	Retained earnings (accumulated deficit)	Other reserves	Total	Non-controlling interests	Total equity
	Unaudited NIS in millions							
Balance at January 1, 2023 (audited)	66	505	31	(25)	(82)	495	243	738
Net income for the period	-	-	-	64	-	64	15	79
Other comprehensive income, net	-	-	-	-	1	1	-	1
Total comprehensive income	-	-	-	64	1	65	15	80
Dividend to non-controlling interests	-	-	-	-	-	-	(12)	(12)
Issuance of capital	11	130	-	-	-	141	-	141
Share-based payment	-	-	7	-	-	7	1	8
Net purchases of non-controlling interests	-	-	-	-	(38)	(38)	(9)	(47)
Balance at June 30, 2023	77	635	38	39	(119)	670	238	908

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Attributable to equity holders of the Company							
	Share capital	Share premium	Capital reserve from share-based payment transactions	Retained earnings	Other reserves	Total	Non-controlling interests	Total equity
	Unaudited NIS in millions							
Balance at April 1, 2024	77	635	44	90	(104)	742	268	1,010
Net income for the period	-	-	-	58	-	58	8	66
Other comprehensive income, net	-	-	-	-	1	1	-	1
Total comprehensive income	-	-	-	58	1	59	8	67
Dividend declared and paid	-	-	-	(15)	-	(15)	-	(15)
Dividend to non-controlling interests	-	-	-	-	-	-	(7)	(7)
Share-based payment	-	-	2	-	-	2	-	2
Derecognition of non-controlling interests due to sale of subsidiary	-	-	-	-	-	-	(1)	(1)
Balance at June 30, 2024	77	635	46	133	(103)	788	268	1,056



**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Attributable to equity holders of the Company							
	Share capital	Share premium	Capital reserve from share-based payment transactions	Retained earnings (accumulated deficit)	Other reserves	Total	Non-controlling interests	Total equity
	Unaudited							
	NIS in millions							
Balance at April 1, 2023	66	505	34	(7)	(82)	516	235	751
Net income for the period	-	-	-	46	-	46	7	53
Other comprehensive income, net	-	-	-	-	1	1	-	1
Total comprehensive income	-	-	-	46	1	47	7	54
Dividend to non-controlling interests	-	-	-	-	-	-	(5)	(5)
Issuance of capital	11	130	-	-	-	141	-	141
Share-based payment	-	-	4	-	-	4	1	5
Net purchases of non-controlling interests	-	-	-	-	(38)	(38)	-	(38)
Balance at June 30, 2023	77	635	38	39	(119)	670	238	908

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Attributable to equity holders of the Company							
	Share capital	Share premium	Capital reserve from share-based payment transactions	Accumulated earnings (deficit)	Other reserves	Total	Non-controlling interests	Total equity
	Audited							
	NIS in millions							
Balance at January 1, 2023	66	505	31	(25)	(82)	495	243	738
Net income for the period	-	-	-	130	-	130	27	157
Other comprehensive income, net	-	-	-	-	(1)	(1)	-	(1)
Total comprehensive income	-	-	-	130	(1)	129	27	156
Dividend declared and paid	-	-	-	(20)	-	(20)	-	(20)
Dividend to non-controlling interests	-	-	-	-	-	-	(21)	(21)
Issue of capital	11	130	-	-	-	141	-	141
Share-based payment	-	-	11	-	-	11	2	13
Net purchases of non-controlling interests	-	-	-	-	(34)	(34)	(22)	(56)
Balance at December 31, 2023	77	635	42	85	(117)	722	229	951

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Six months ended June 30,		Three months ended June 30,		Year ended December 31,
	2024	2023	2024	2023	2023
	Unaudited				Audited
	NIS in millions				
<u>Cash flows from operating activities:</u>					
Net income for the period	123	79	66	53	157
Adjustments to reconcile net income to net cash provided by operating activities:					
Adjustments to the profit or loss items:					
Depreciation of fixed assets	15	16	6	8	33
Amortization of intangible assets	29	27	15	14	55
Impairment loss from investment in associate	-	7	-	7	7
Loss (gain) from sale of investment in consolidated subsidiary	(3)	5	(3)	-	5
Amortization of deferred acquisition costs	21	13	11	7	29
Revaluation of investments to provident fund members	(2)	(1)	(1)	1	(3)
Revaluation of liabilities to provident fund members	4	1	2	(1)	3
Company's share of losses of companies accounted for at equity, net	25	11	19	5	21
Deferred taxes, net	(14)	(4)	(12)	(1)	(30)
Revaluation of debentures	5	8	4	6	12
Change in employee benefit liabilities, net	-	(1)	-	-	(1)
Gains from securities measured at fair value through profit or loss, net	(20)	(12)	(6)	(8)	(14)
Change in short-term deposits	(5)	(2)	4	(1)	(3)
Share-based payment	6	8	2	5	14
Gain from decrease in interests in associate	-	(39)	-	(39)	(39)
	61	37	41	3	89
Changes in asset and liability items:					
Customer credit, trade receivables and other accounts receivable	(513)	68	(421)	69	53
Short-term credit from giving non-bank loans	358	97	357	92	161
Trade payables, provisions for legal claims and other accounts payable	(53)	(167)	(33)	(149)	(86)
	(208)	(2)	(97)	12	128
Net cash provided by (used in) operating activities	(24)	114	10	68	374

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Six months ended June 30,		Three months ended June 30,		Year ended December 31,
	2024	2023	2024	2023	2023
	Unaudited				Audited
	NIS in millions				
<u>Cash flows from investing activities:</u>					
Sale (purchase) of short-term investments measured at fair value through profit or loss	(4)	25	(35)	27	19
Purchase of fixed assets	(8)	(1)	(6)	-	(10)
Purchase of intangible assets	(29)	(25)	(15)	(14)	(46)
Change in restricted deposits, net	42	3	21	16	(8)
Grant of loans to companies accounted for at equity	(3)	(3)	(2)	-	(5)
Repayment of long-term loan	-	-	-	-	7
Grant of short-term loan	(1)	-	(1)	-	-
Sale of investments in subsidiaries (c)	1	(15)	1	-	(15)
Net cash provided by (used in) investing activities	(2)	(16)	(37)	29	(58)
<u>Cash flows from financing activities:</u>					
Issuance of capital	-	141	-	141	141
Repayment of debentures	-	-	-	-	(132)
Receipt of long-term loans from banks	125	-	69	-	151
Repayment of subsidiary's debentures	(148)	(148)	(74)	(74)	(294)
Issuance of capital and options to non- controlling interests	49	-	-	-	-
Dividend paid to the shareholders of the Company	(60)	-	(60)	-	(20)
Dividend paid to non-controlling interests	(11)	(12)	(7)	(5)	(21)
Repayment of long-term lease liabilities	(11)	(14)	(5)	(8)	(26)
Purchases of non-controlling interests	(7)	(19)	-	(13)	(73)
Repurchase of subsidiary's shares by the subsidiary	(1)	(3)	-	-	(12)
Proceeds from short purchase of securities, net	(16)	(1)	(15)	-	(40)
Short-term credit from banks, net	68	20	52	(11)	33
Net cash provided by (used in) financing activities	(12)	(36)	(40)	30	(293)
Increase (decrease) in cash and cash equivalents	(38)	62	(67)	127	23
Cash and cash equivalents at the beginning of the period	319	296	348	231	296
Cash and cash equivalents at the end of the period	281	358	281	358	319

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Six months ended June 30,		Three months ended June 30,		Year ended December 31,
	2023	2022	2023	2022	2022
	Unaudited				Audited
	NIS in millions				
(a) <u>Additional information on cash flows from operating activities:</u>					
Cash paid during the period for:					
Interest	29	70	14	44	110
Taxes on income	68	45	19	20	94
Cash received during the period for:					
Interest	94	156	47	90	291
Taxes on income	-	1	-	1	5
(b) <u>Significant non-cash operations:</u>					
Purchase of non-controlling interests for deferred consideration against loan repayment	-	24	-	24	17
(c) <u>Sale of investments in subsidiaries:</u>					
Working capital (excluding cash and cash equivalents)	(2)	(11)	(2)	-	(11)
Intangible assets	-	1	-	-	1
Total assets and liabilities of the subsidiary on date of sale	(2)	(10)	(2)	-	(10)
Capital gain (loss) from sale of subsidiaries	3	(5)	3	-	(5)
	1	(15)	1	-	(15)

A low-angle, upward-looking perspective of several modern skyscrapers with glass facades. The buildings are arranged in a way that creates a sense of height and scale. The sky is a pale blue, and the overall color palette is dominated by blues and greys, with some warmer tones from the building's interior lights and reflections.

# Meitav:

Investment House