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THE TEL-AVIV STOCK EXCHANGE LTD REPORTED FOURTH QUARTER AND YEAR 2021 RESULTS

March 21, 2022 (Tel Aviv) -Tel Aviv Stock Exchange Ltd (**TASE:TASE**) today announced its financial results for the year ended December 31, 2021.[1]

TASE Announces a Dividend Distribution of NIS 22.74 Million (NIS 0.2229 per share) to Its Shareholders.

1. General

1.1 Highlights of TASE's Results for 2021 and Fourth Quarter of 2021

Fourth Quarter Results

- TASE revenues amounted to NIS 85.7 million in the fourth quarter of 2021, an increase of 11% compared to the corresponding quarter last year, due mainly to a rise in revenue from trading and clearing services, a rise in revenue from listing fees and levies and from Clearing House services.
- Adjusted EBITDA increase in the fourth quarter of 2021 to NIS 29.5 million compared to NIS 25.9 million in the corresponding quarter last year, an inter-quarter increase of 14%. The increase is due to an increase in most revenue from services, which was partly offset by an increase in expenses, primarily employee benefit expenses.
- Adjusted net profit amounted to NIS 14.2 million in the fourth quarter of 2021, compared to NIS 11.5 million in the corresponding quarter last year, a 24% increase. The increase in profit is due to an increase in most revenue from services, which was partly offset by an increase in expenses, primarily employee benefit expenses.

2021 Results:

- TASE revenues amounted to NIS 323.7 million in the year 2021, an increase of 6% compared to the previous year.
- Adjusted EBITDA increased in 2021 to NIS 103.0 million compared to NIS 95.1 million in the previous year, an increase of 8%.
- Adjusted net profit amounted to NIS 46.2 million in 2021, compared to NIS 38.2 million adjusted net profit in the previous year, an increase of 21%.
- As of December 31, 2021, TASE Group has cash balances of NIS 179.8 million and Israeli government bonds of NIS 210.3 million. The TASE Group surplus liquidity amounts to NIS 165.4 million over regulatory liquidity requirements.
- On March 21, 2022, the Board of Directors of the Company decided on a dividend distribution in an amount of NIS 22. 74 Million, an increase of 23% compared to dividend paid in previous year.
- Free cash flow increased in 2021 to NIS 61.6 million compared to NIS 47.6 million in the previous year, an increase of 29%.

[1] The Board of Directors of TASE today approved the Consolidated Financial Statement as of December 31, 2021.
The consolidated financial statements of TASE were prepared in accordance with IFRS GAAP.
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 April 2022.

1.2 Business and Corporate Highlights for the Year 2021

BUSINESS HIGHLIGHTS

- In the year 2021, NIS 26.4 billion was raised on TASE in shares, an increase of 57% over the previous year, of which a total of NIS 10.5 billion was raised in 94 IPOs (compared to NIS 4.6 billion was raised in 27 IPOs during the year of 2020), mostly in the technology sector.

  In the year 2021, NIS 95.1 billion was raised on TASE in corporate bonds, an increase of 41% over the previous year and NIS 158.0 billion was raised on TASE in government bonds, a decrease of 4% over the previous year.

  For information regarding deferred income from listing fees as of December 31,2021 and the forecast for recognition of income, see Appendix hereto– Deferred income from listing fees.

- Pursuant to the agreement that TASE and TASE-CH have signed with the Government of Israel regarding the listing fees of government bonds in May 2021 (see details in section 4.2 below), in the years 2021 to 2025 (inclusive) TASE will recognize income of 3.2 million a year and, in the years 2026 to 2031 (inclusive) income of NIS 2.1 million will be recognized each year.
- The leading indices TA-35, TA-90, TA-125 and TA-SME60 have risen by 32.0%, 33.1%, 31.1% and 29.7% respectively, in the year 2021 and by 9.8%, 13.3% ,10.6% and 9.7% respectively, in the fourth quarter of 2021.
- The average daily trading volume of shares in the year 2021 amounted to approximately NIS 1.9 billion, an increase of 1% compared to the volumes in the previous year. In the fourth quarter of 2021 the average daily trading volume of shares amounted to approximately NIS 2.0 billion, an increase of 18% over the corresponding quarter of the previous year.
- The average daily trading volume of corporate bonds in the year 2021 amounted to approximately NIS 0.9 billion, a 16% decrease compared to the volumes in the previous year. The average daily trading volume of government bonds in the year 2021 amounted to approximately NIS 3.0 billion, a 1% decrease compared to the volumes in the previous year . In the fourth quarter of 2021 the average daily trading volume of corporate bonds amounted to approximately NIS 1.0 billion, an increase of 5% over the corresponding quarter of the previous year and the average daily trading volume of government bonds amounted to approximately NIS 3.0 billion, an increase of 15% over the corresponding quarter of the previous year
- The daily average trading volume of derivatives in 2021 amounted to 159 thousand units a day, compared with 170 thousand units in the year of 2020, a decrease of 6%.
- The daily average trading volume of mutual funds in 2021 amounted to NIS 890 million compared with NIS 1,055 million in the year of 2020, a decrease of 16%.
- An 18% increase in the balance of assets in custodianship at TASE-CH in 2021 to an amount of NIS 3.2 trillion.
- The marketing and distribution expenses of the Company totaled NIS 11,203 thousand in 2021, an increase of 1% over the previous year. In the first quarter of 2022, the Company launched two new advertising campaigns on digital media and/or traditional media, at a total cost of NIS 3,700 thousand.

CORPORATE HIGHLIGHTS FOR THE YEAR 2021

- **Formulation of a new strategic plan**

As five years have elapsed since the approval of TASE's 5 year strategic plan and on the backdrop of the advancement in the implementation of the key goals included therein, and in view of the business challenges and opportunities faced by TASE, in February 2022 the Board of Directors was presented with the principals of the strategic brainstorming initiated by management of the Company, which is expected to be presented to the Board of Directors for discussion and full reapproval in the second quarter of 2022.

In preparation for the formulation of an updated strategic plan and taking into consideration the main trends and developments in the financial markets and in the business environment of TASE, four primary courses of action have been defined for the strategic review.

Enhancing the value offered by the core activity of TASE - The Company attributes significant strategic value to further enhancement and upgrading of its core activities (these include trading and clearing, listing services and annual fees, Clearing House services, data distribution and connectivity) and to increasing the value that it offers in the various segments.

Strengthening the ties between TASE and the end customers - The Company maintains current work interfaces with a broad range of customers. Some of those interfaces are direct, while others are maintained in cooperation with the TASE members or other third parties. The global technological and regulatory developments challenge the current work processes and could also affect the relationship between the Company and the end users, particularly those that invest in securities and financial instruments as part of the trading on TASE, through the TASE members.

Diversification of the underlying assets that are traded and cleared on TASE - Over recent years, various regulatory regimes, technological improvements and investors' preferences have resulted in the development and growth of other financial assets for which TASE does not currently provide services, or has provided services sporadically. The Company intends to consider the feasibility and upgrade the quality of the services and the scope of activity in order to allow local investors better access (direct or indirect) to innovative and specialized products, including various alternative assets and/or digital assets. The Company will continue to pursue the creation of easy access to and direct offer of a broader range of international investment channels to the local investor. In addition, the Company will examine the need to upgrade the local Derivatives Market, including expansion of the range of products that is available to the various investors.

Provision of services and technological solutions - The Company develops proprietary trading technologies and infrastructure. In view of the specialized technological capabilities of the Company, the related experience accumulated in the Company and its interest to develop additional products for its customers, the Company is considering various alternatives for providing technological services and solutions to third parties, such as international exchanges and clearing houses.

All of the courses of action described above, including the strategic plans that may be derived from the four principal courses of action will require a corresponding adjustment of internal processes in the Company and the improvement of existing work methodologies and mechanisms. Additionally, a successful implementation of the strategic plans may require significant structural and fundamental moves, subject to the regulatory restrictions that apply to the activity of the Company and depending on the ability of the Company to make sufficient dedicated resources available for this purpose. Furthermore, it should be noted that, 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.

It should be noted that, within the framework of the process of formulation of the new plan, and since the plan is for a period of five years, the Company is planning to consider various alternatives for optimal use of its cash balances, including adjustment of the Company's dividend policy, distribution of dividends and/or adoption of a buyback plan or the performance of strategic acquisitions and/or investments in its fields of activity and/or in areas that offer added value to its activities.

It is hereby emphasized that all of the courses of action described above are currently in the stage of consideration and serve only as a preliminary basis for the formulation of a new detailed strategic plan and are subject to approval by the Board of Directors of the Company, as described above. To the extent that the new strategic plan is approved, it may include, inter alia, various moves and actions that are necessary for the realization of the aforementioned goals.

- **TASE and Clearing House members**

As of December 31, 2021, three TASE members are in the joining process, one is an NBM that operates for nostro only, the other is a banking corporation, and the third is an NBM. On November 22, 2021, the Board of Directors of TASE-CH approved the joining of two new Clearing House members (one of which as a “custodian member").

The members are expected to start operating in 2022, upon completion of their operational, technological and corporate governance preparations.

- **Dual-listing of foreign ETFs**

As of December 31, 2021, 23 foreign ETFs managed by "Blackrock" and 3 foreign ETFs managed by "Lyxor" were listed on TASE. After the reporting period, 6 foreign ETFs of the international management investment firm, "Invesco", listed for the first time on TASE.

- **Dual Listing of Foreign Currency Government Bonds**

On October 27, 2021, the Accountant General in the Ministry of Finance and TASE issued a joint announcement that, pursuant to the parties’ initiative, government bonds issued overseas in foreign currency that are held by the DTCC or Euroclear clearing houses can now dual list on TASE. These bonds will be traded in shekels, while the payments to the holders of the bonds (principal and interest) will be made in the currency in which the bond is denominated. Accordingly, on October 31, 2021, 3 series of government bonds denominated in U.S. dollars and 3 series of government bonds denominated in Euros, aggregating NIS 40 billion, were listed on TASE.

- **The Amendment to the Provident Funds Law**

The Arrangements Law recently approved by the Knesset (together with the approval of the State Budget for the years 2021 and 2022) contains, inter alia, an amendment to the Financial Services Law (Provident Funds), 2005 (hereafter: “the Amendment to the Provident Funds Law”). The Amendment determines that, commencing in the second half, the State will discontinue the issue of earmarked bonds to the Israeli pension funds as a means to ensure the funds’ achievement of a specific target yield. Instead, the State will provide the pension funds with a “safety net” in the form of a current financial subsidy mechanism that will be paid out by the State to ensure the achievement of the target yield that has been defined, to the extent that the pension fund’s investment portfolio is unable to achieve such target yield. Consequently, the pension funds are expected to channel funds that had previously been dedicated to the purchase of the earmarked bonds towards various other permitted investments. The Company believes that a part of these funds is likely to be used to invest in securities that are listed on TASE, thereby increasing the investment amounts and the trading volumes in such securities. It is also reasonable to assume that the State would require financing sources in lieu of the earmarked bonds. Therefore, the Amendment to the Provident Funds Law could also increase the volumes of debt raising through the listing of government bonds on TASE.

It should be noted that the Company’s assessment with regard to the channeling of the funds by the pension funds to securities that are listed on TASE and their effect on the investment amounts and the trading volumes therein and with regard to the expansion of debt raising by way of listing of government bonds constitutes forward-looking information that is not in the control of the Company and therefore may not necessarily be realized or may be realized in a manner and to an extent different than that described above. This could come to pass, inter alia, in the event of the cancellation or deferral of the implementation of the Amendment to the Provident Funds Law, or in case that the bodies that manage the investments of the pension funds choose to focus on investment instruments and/or securities that are not listed on TASE, or in the event that the State chooses to raise debt through instruments that would not be listed on TASE.

- **Central Lending**

The lending of securities is concentrated in the hands of a relatively small number of bodies that provide custodianship services, resulting in low competition in this field. Additionally, bodies that carry out securities lending generally operate through a limited number of brokers, with the actual lending being executed via telephone calls, rather than on a central automated platform. Accordingly, the Company worked to develop and launch a product that will enable members of TASE-CH to execute securities lending among themselves, on behalf of their clients, using an automated, transparent and efficient Blockchain process. To this date, the cost of development totals NIS 16.3 million. On November 2, 2020, the Company launched the product. In 2021, no revenue was recognized in respect of the use of the Central Lending Platform. Nevertheless, the Company believes that as more “custodian members” join the Clearing Houses and connect directly to the clearing systems for non-banking Clearing House members, the demand for this product will grow.

- **“Smart Personal Portfolio”**

In November 2021, the Company entered into an agreement with third party (hereafter: “the Vendor”) that provides algorithm analysis products and AI services for the analysis of public information on securities (including trading data, investment houses’ buy/sell recommendations, analyses and more). The agreement entitles the Company to incorporate the results of the analyses performed by the Vendor on the Company’s website (after certain adjustments for the identification and processing of information relating to securities that are traded on TASE), for the benefit of the users of the TASE’s website. Similar products are available to investors in international exchanges, mainly retail investors, and as such the product is intended to encourage the volumes of activities of those investors in securities (including mutual fund units) that are listed on TASE. The development and integration period of the product is estimated at 9 months. The initial period of the agreement will be three years from the date of integration of the product, during the first two of which the right of use of the Vendor’s product will be exclusive. It should be noted that the Company is not expected to capitalize the development and integration costs, but rather will expense them on a current basis over said period.

The information presented above, insofar as it related to the development and integration period of the product and to the scope of the investment therein constitutes forward-looking information that is not in the control of the Company and that could, therefore, realize other than as described above, inter alia, due to delays in the product’s development and integration and/or due to the actual investment required for the development, integration and marketing of the product exceeding the planned costs.

- **Bill for the Establishment of a Dedicated Stock Exchange**

In 2020, a new memorandum of law (hereafter: “the Memorandum”) was published, which discusses amendments to the Securities Law and the Companies Law for the purpose of laying the foundations for the establishment of a dedicated stock exchange, the distinguishing factors of which may be the limitation of the trading therein to accredited investors only (similarly to the Company’s TACT-Institutional system, including the TASE UP brand), innovative and advanced operating features, or the restriction of its trading volumes, the number or value of its listed entities or the types of securities that may be listed therein (hereafter: “**Dedicated Stock Exchange**”). According to the Memorandum, the arrangement primarily concerns the exemption of a company that seeks to operate a Dedicated Stock Exchange from all or part of the regulation directives that apply to a stock exchange under the Securities Law, and the exemption of entities that are listed for trade on a Dedicated Stock Exchange from the provisions of the Securities Law and the Companies Law that apply to public companies and bond companies. The Memorandum states that its provisions shall also apply to a Dedicated Stock Exchange that would be operated by a stock exchange (such as the Company).

On August 2, 2021, the related bill was published in the Official Gazette, consisting primarily of the aforesaid arrangements, as described above, as well as an expansion of the supervisory powers of the Authority over underwriters and distributors and the authorization of the Authority to establish arrangements for the issuance of companies without operations (SPACs).

On February 16, 2021, the Securities Authority issued a partial "no-action" letter (hereafter: "**the Letter**") to a private company registered in Israel that is looking to offer a technological solution for capital raising by small and medium businesses, including the creation of a primary and a secondary market, which consists of two principal components: a system maintaining a digital register of shareholders of companies registered in the system, which also supports the transfer of securities between the system participants and a passive bulletin board that presents information on the purchase and sale of digital securities registered in the system (hereafter collectively: "**the System**"). In the Letter, the Authority confirms that, without consenting to the entirety of the reasoning presented by the applicant company, the Authority will not intervene the position of the company that the activity of the System, as described in the application, does not require a stock exchange license, a permit for the provision of security trading services or an investing consulting or marketing license, and will also not intervene in the company's position that the activity of offering the securities through the System does not amount to a public offering that requires the publication of a prospectus. Nevertheless, the Letter states that it remains to be determined whether a clearing house license is required for the activity of the applicant company, pending which decision the operation of the System may not commence.

- **<u>Trading platforms for cryptographic currency and use of Distributed Ledger Technology (DLT)</u>**

  In March 2019, the Israel Securities Authority published the final report of the Committee for Reviewing the Regularization of the Listing of Cryptographic Currency. In addition, in January 2020, the Israel Securities Authority published the final report of the Committee for the Advancement and Establishment of Digital Markets in Israel. In 2021, following the completion of the Committees' work, the Israel Securities Authority established dedicated teams within the Authority to discuss those matters. To the best of the Company's knowledge, to the publication date of the report, the matter is being discussed by a dedicated team in the Ministry of Finance. It should be noted that, to the date of the report, the Company is studying the implications of the aforesaid Committees' recommendations on its activity and keeps abreast of the technological development in Blockchain and cryptographic securities as well as in DLT, including consideration of the possibility and need to adopt this technology as part of its current activities. In this regard it should be noted that the Central Lending Platform was developed, inter alia, on the basis of Blockchain technology.

2. Presented below is information relating to the results for the fourth quarter of 2021 and for the year ended December 31, 2021 NIS, in thousands)

Three Months Ended December 31, 2021 Compared with Three Months Ended December 31, 2020

Statement of Profit or Loss

	Quarter ended		Difference	
	31.12.2021	**31.12.2020**	**Amount**	**%**
Revenue from services	85,727	77,482	8,245	11%
Expenses	68,707	63,897	4,810	8%
Profit before financing income, net	**17,020**	**13,585**	**3,435**	**25%**
Financing income (expenses)	1,270	1,229	41	3%
Taxes on income	4,189	3,539	650	18%
Net profit	**14,101**	**11,275**	**2,826**	**25%**
% of total revenue from services for the quarter	**16.4%**	**14.6%**		

- **Revenue in the fourth quarter of 2021** amounted to NIS 85.7 million, compared to revenue of NIS 77.5 million in the corresponding quarter of the previous year, an 11% increase. The increase is due to a rise in revenue from trading and clearing services (approx. 4% of the increase), a rise in revenue from listing fees and levies and from Clearing House services (approx. 3% of the increase, each) (see details below).

- **The costs in the fourth quarter of 2021** after excluding the effect of share-based payment expenses totaled NIS 68.6 million, compared to the expenses in the corresponding quarter of the previous year that totaled NIS 63.7 million, an increase of approx. 8%. The increase in the costs is due mainly to growth in employee benefit expenses (approx. 7% of the increase in the total costs).

- **Net financing income in the fourth quarter of 2021** amounted to approximately NIS 1.3 million, compared to financing income of approximately NIS 1.2 million in the corresponding quarter last year. The financing income results from a positive return on the company's investments in Israeli government bonds managed in marketable securities' portfolios of 0.7% this quarter, similar to the return in the corresponding quarter of the previous year.

- **The net profit in the fourth quarter of 2021** totaled NIS 14.1 million, compared to NIS 11.3 million in the corresponding quarter of the previous year, an increase of 25%. The increase in the profit is due to the higher revenue from services, which was partly offset by an increase in expenses, primarily employee benefit expenses.

	Quarter ended			Year ended		
	31.12.2021	**31.12.2020**	**Difference**	**31.12.2021**	**31.12.2020**	**Difference**
Weighted average shares used to compute						
Basic earnings per share	101,399,817	100,002,346	1.4%	101,284,754	100,414,891	0.9%
Diluted earnings per share	104,005,335	102,592,560	1.4%	104,261,967	103,133,206	1.1%
Basic earnings per share in NIS	0.139	0.113	23%	0.449	0.368	22%
Diluted earnings per share in NIS	0.136	0.110	24%	0.436	0.358	22%

- **<u>The revenue in the fourth quarter of 2021</u>** – below is the composition of the quarter's revenue, compared to the corresponding quarter of the previous year:

Revenue from services	**Quarter ended**				
	31.12.2021	**% of the Company's total revenues**	**31.12.2020**	**% of the Company's total revenues**	**% change**
Trading and clearing commissions	36,625	43%	33,487	43%	9%
	The increase in revenue from trading and clearing is due mainly to the increase in trading volumes between the quarters, which contributed 12% to the increase in revenue, of which half is attributed to the higher trading volumes in shares. In opposition, a reduction in the number of trading days this quarter compared to the corresponding quarter last year deducted 2% from the increase in revenue.				
Listing fees and levies	17,440	20%	15,289	20%	14%
	The increase is due mainly to the rise in revenue from listing fees, which contributed 7% to the increase in revenue, and to the 4% increase in revenue as a result of the higher number of companies and funds that pay an annual fee and the charging of new annual fees.				
Clearing House services	17,578	20%	15,006	19%	17%
	The increase in revenue is due mainly to the rise in revenue from custodian fees, which contributed 10% to the increase in revenue, this as a result of the increase in the value of assets that are held at TASE-CH compared to the corresponding quarter of the previous year, and to the higher revenue from Clearing House services to members, which contributed 6% to the increase in revenue.				
Data distribution and connectivity services	13,516	16%	12,872	17%	5%
	The increase in revenue is due mainly to the rise in revenue from data distribution to customers outside Israel, which contributed 5% to the increase in revenue, and to a 2% rise in revenue from connectivity services, which stemmed mainly from the higher number of Colocation and BSO customers and from new connectivity services.				
Other revenue	568	1%	828	1%	(31%)
	The decrease in revenue is due mainly to revenue from technological consulting services provided in the corresponding quarter of the previous year.				
Total revenue from services	**85,727**	**100%**	**77,482**	**100%**	

Adjusted net profit and adjusted EBITDA data[2]

	Quarter ended		Difference	
	31.12.2021	31.12.2020	Amount	%
Adjusted EBITDA for the quarter:				
Profit before financing income, net	17,020	13,585	3,435	
Adjustments:				
Share-based payment expenses	134	246	(112)	
Depreciation and capital losses	12,348	12,113	235	
Adjusted EBITDA for the quarter:	**29,502**	**25,944**	**3,558**	**14%**
% of total revenue from services for the quarter	**34.4%**	**33.5%**		
Adjusted profit for the quarter:				
Profit for the quarter	14,101	11,275	2,826	
Adjustments:				
Share-based payment expenses	134	246	(112)	
Adjusted profit for the quarter:	**14,235**	**11,521**	**2,714**	**24%**
% of total revenue from services for the quarter	**16.6%**	**14.9%**		

- **The adjusted EBITDA in the fourth quarter of 2021** totaled NIS 29.5 million, compared to NIS 25.9 million in the corresponding quarter of the previous year, an inter-quarter increase of 14%. The increase is due to an increase in most revenue from services, which was partly offset by an increase in expenses, primarily employee benefit expenses

- **The adjusted profit in the fourth quarter of 2021** totaled NIS 14.2 million, compared to an amount of NIS 11.5 million in the corresponding quarter of the previous year, a 24% increase. The increase in profit is due to an increase in most revenue from services, which was partly offset by an increase in expenses, primarily employee benefit expenses.

[2] 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 constitutes a substitute to 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.

Year ended December 31, 2021 Compared with Year ended December 31, 2020

Statement of Profit or Loss

	Year ended			
	31.12.2021	31.12.2020	Difference	% Change
Revenue from services	323,657	304,266	19,391	6%
Costs	269,236	255,494	13,742	5%
Profit before financing income, net	**54,421**	**48,772**	**5,649**	**12%**
Financing income (expenses), net	4,540	(573)	5,113	
Taxes on income	13,491	11,295	2,196	19%
Profit for the year	**45,470**	**36,904**	**8,566**	**23%**
% of total revenue from services for the year	**14.0%**	**12.1%**		

- **The revenue in 2021** amounted to NIS 323.7 million, compared to NIS 304.3 million in 2020, an increase of 6%. The increase is due mainly to the rise in revenue other than revenue from trading and clearing (approx. 8% of the increase in total revenue), partly offset by a reduction in revenue from trading and clearing (approx. 2% of the increase in total revenue) (see details below).
- **The costs in 2021** after excluding the effect of share-based payment expenses totaled NIS 268.5 million, compared to NIS 254.2 million in 2020, an increase of 6%. The increase in the costs was due mainly to growth in employee benefit expenses (approx. 5% of the increase in total costs) as a result of salary updates, an increase in overtime and the increase in manpower, partly as a result of the growth in activity.
- **Net financing income (expenses) -** The net financing income in 2021 amounted to NIS 4.5 million, compared to net financing expenses of NIS 0.6 million in 2020. The increase in financing income is due to a positive yield of 2.48% on the Company's investments in Israeli Government bonds managed in marketable securities' portfolios, compared to a positive yield of 0.15% in 2020.
- **The profit in 2021** totaled NIS 45.5 million, compared to NIS 36.9 million in 2020, an increase of 23%. The increase in the profit is mainly due to the higher revenue from services other than revenue from trading and clearing, and the transition to net financing income this year, partly offset by an increase in costs, primarily employee benefit expenses and tax expenses.

The revenue in Year ended December 31, 2021 below is the composition of the period's revenue, compared to last year:

Revenue from services	Year ended 31.12.2021	% of the Company's total revenues	31.12.2020	% of the Company's total revenues	% change
Trading and clearing commissions	131,116	41%	136,451	45%	(4%)
	The decrease in revenue from trading and clearing commissions is due mainly to the reduction in the trading volumes of corporate bonds, compared to the higher trading volumes in 2020 that resulted from the uncertainty surrounding the coronavirus outbreak and its implications, and reduced revenue by 2%. Additionally, a reduction in the number of trading days this year compared to 2020 (4 trading days less this year) reduced revenue by 2%.				
Listing fees and levies	69,056	21%	59,887	19%	15%
	Most of the increase stems from a rise in revenue from listing fees, which contributed 7% to the increase in revenue, of which 4% resulted from an agreement signed between TASE and TASE-CH and the Ministry of Finance in May 2021. Additionally, the greater number of prospectuses submitted for examination in 2021 contributed a 4% increase, while the higher number of companies and funds that pay an annual fee and the charging of new annual fees increased revenue by 3%.				
Clearing House services	65,505	20%	57,453	19%	14%
	The increase in revenue is due mainly to the rise in revenue from custodian fees, which contributed 10% to the increase in revenue, this as a result of the increase in the value of assets that are held in custodianship at TASE-CH compared to the value of the assets in 2020. Additionally, a rise in revenue from Clearing House services to members increased revenue by 3% between the years.				
Data distribution and connectivity services	52,268	16%	48,408	16%	8%
	Most of the increase is due to a rise in revenue from data distribution to customers outside Israel, which contributed 3% to the increase in revenue, primarily in view of a modification to the pricelist that came into effect at the beginning of the second quarter of 2021. In addition, an increase in revenue from the distribution of derivative data and in revenue from connectivity services contributed another 2%, each, to the increase in revenue.				
Other revenue	5,712	2%	2,067	1%	176%
	The increase in other revenue is due mainly to the effect of an agreement signed between TASE and TASE-CH and the Ministry of Finance in May 2021, which provides for the payment to the Company of a settlement amount of NIS 3.8 million in respect the listing of Government bonds, in the period up to December 31, 2020, in the Ministry of Finance's lending pool.				
Total revenue from services	**323,657**	**100%**	**304,266**	**100%**	

Adjusted net profit and adjusted EBITDA data[3]

	Year ended			
	31.12.2021	31.12.2020	Difference	% Change
Adjusted EBITDA for the year:				
Profit before financing income, net	54,421	48,772	5,649	
Adjustments:				
Share-based payment expenses	739	1,280	(541)	
Depreciation and capital losses	47,880	45,097	2,783	
Adjusted EBITDA for the year:	**103,040**	**95,149**	**7,891**	**8%**
% of total revenue from services for the year	**31.8%**	**31.3%**		
Adjusted profit for the year:				
Profit for the year	45,470	36,904	8,566	
Adjustments:				
Share-based payment expenses	739	1,280	(541)	
Adjusted profit for the year:	**46,209**	**38,184**	**8,025**	**21%**
% of total revenue from services for the year	**14.3%**	**12.5%**		

- **The adjusted EBITDA in 2021** totaled NIS 103.0 million, compared to NIS 95.1 million in 2020, an increase of 8% between the years. The increase in profit was due mainly to an increase in revenue other than revenue from trading and clearing, partly offset by an increase in costs, primarily employee benefit expenses.

- **The adjusted net profit in 2021** totaled NIS 46.2 million, compared to NIS 38.2 million in 2020, an increase of 21%. The increase in the profit is mainly due to the higher revenue from services other than revenue from trading and clearing, and the transition to net financing income this year, partly offset by an increase in costs, primarily employee benefit expenses and tax expenses.

[3] 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 constitutes a substitute to 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.

<u>Presented below is information relating to the financial position as of December 31, 2021 (NIS, in thousands):</u>

	As of 31.12.2021	As of 31.12.2020		
	NIS, in thousands		Difference	% Change
Cash and cash equivalents and short-term financial assets	390,057	346,712	43,345	13%
Other current assets	24,745	19,303	5,442	28%
Property and equipment and intangible assets	461,789	451,196	10,593	2%
Other non-current assets	17,566	17,460	106	1%
Total assets (*)	**894,157**	**834,671**	**59,486**	**7%**
Current liabilities	91,230	75,141	16,089	21%
Non-current liabilities	141,059	128,690	12,369	10%
Total liabilities (*)	**232,289**	**203,831**	**28,458**	**14%**
Total equity	**661,868**	**630,840**	**31,028**	**5%**
Ratio of equity to total assets	**74%**	**76%**		
Surplus equity over regulatory requirements (in NIS millions)	**310**	**298**	**13**	**4%**
Surplus liquidity over regulatory requirements (in NIS millions) (**)	**165**	**142**	**24**	**17%**

(*)The total assets and liabilities as of December 31, 2021 and December 31, 2020, include a balance of assets/liabilities in respect of open derivative positions amounting to NIS 665.3 million and NIS 353.2 million, respectively, which for reasons of convenience in analyzing the financial position has been offset against each other.

- The total assets as of December 31, 2021 amounted to NIS 894.2 million, an increase of 7% compared to December 31, 2020. Most of the increase is due to an increase in cash from operating activities, less cash used in investing and financing activities, and to the higher investment in property and equipment.
- The total liabilities as of December 31, 2021 amounted to NIS 232.3 million, an increase of 14% compared to December 31, 2020. The increase is due mainly to an increase in lease liabilities as a result of the signing of new leases and the higher deferred income from listing fees and levies in view of the large number of IPOs carried out in 2021.
- The equity as of December 31, 2021 amounted to NIS 661.9 million, an increase of 5%compared to December 31, 2020. The increase in equity is due mainly to the profit for the year of NIS 45.5 million, less a dividend paid in an amount of NIS 18.5 million.

(**) The Company has liquid balances of NIS 390.1 million, of which, as of December 31, 2021, an amount of NIS 210.3 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 (until the first half of March 2022), the value of the portfolios decreased by an aggregate NIS 4.1 million. It should be noted that, barring the occurrence of another change by March 31, 2022, this amount will be included as a financing expense in the quarterly financial statements of the Company as of March 31, 2022.

<u>Presented below is Cash flows for the three months ended December 31, 2021 (NIS, in millions):</u>

	Item	Data for the three months ended December 31 2021	2020	Explanations of the Company
Net cash from operating activities	Adjusted EBITDA	29.5	25.9	The increase in adjusted EBITDA is due mainly to the higher profit.
	Changes in working capital	11.1	(1.9)	The change in the working capital is due mainly to the timing of bonus payments to employees in 2020 and the timing of payments to suppliers.
	Financing and tax	(4.0)	(3.7)	
	Total	**36.6**	**20.3**	
Net cash from (for) investing activities	Investments in property and equipment and in intangible assets and capitalized payroll costs	(6.2)	(14.5)	
	Acquisition (disposal) of financial assets, net	(1.5)	(1.4)	Reflects the realization of securities in accordance with the policy for the investment of the Company's monetary reserves.
	Total	**(7.7)**	**(15.9)**	
Net cash (for) from financing activities	Proceeds from shareholders within the framework of listing the Company's shares and the Ownership Restructuring	(0.8)	-	VAT paid on inputs carried to equity, pursuant to an assessments agreement.
	Lease payments	(2.3)	(2.4)	
	Total	**(3.1)**	**(2.4)**	
Total increase in cash and cash equivalents		**25.8**	**2.0**	

<u>Presented below is Cash flows for the year ended December 31, 2021 (NIS, in millions):</u>

	Item	Data for the year ended 31.12.2021	31.12.2020	31.12.2019	Explanations of the Company
Net cash from operating activities	Adjusted EBITDA	103.0	95.1	62.9	The increase in adjusted EBITDA in 2021, compared to 2020 and 2019, is due mainly to the higher profit.
	Changes in working capital	13.8	6.7	12.4	The change in working capital is due to the timing of payments and receipts between the years, primarily in respect of employee benefits, deferred income from listing fees and levies, trade payables and trade receivables.
	Financing and tax	(10.4)	(6.4)	5.8	The change is due mainly to tax payments, net in 2021 compared to 2020 and 2019, as a result of the growth in activity. In 2019, taxes in respect of previous years were received.
	Total	**106.4**	**95.4**	**81.1**	
Net cash for investing activities	Investments in property and equipment and in intangible assets and capitalized payroll costs	(35.6)	(37.9)	(33.9)	The volume of investments stems from the Company's work plan.
	Acquisition of financial assets, net	(4.6)	(4.2)	(17.0)	Reflects the realization of securities in accordance with the Company's policy for the investment of monetary reserves.
	Total	**(40.2)**	**(42.1)**	**(50.9)**	
Net Cash (for) from financing activities	Proceeds from shareholders within the framework of listing the Company's shares and the Ownership Restructuring	(0.8)	3.7	29.4	Receipts from the sale of shares within the framework of implementing the ownership restructuring. In 2021, VAT paid on inputs carried to equity pursuant to an assessments agreement. As to non-cash activities, see the consolidated statements of profit or loss in the Company's consolidated financial statements as of December 31, 2021.
	Dividend paid	(18.5)	(8.8)	-	Commencing in 2019, the Company adopted a policy pursuant to which a dividend is paid in the subsequent year.
	Lease payments	(9.1)	(9.9)	(9.7)	
	Total	**(28.4)**	**(15.0)**	**19.7**	
Total increase in cash and cash equivalents		**37.8**	**38.3**	**49.9**	

3. Presentation and Reclassification of Financial Statements

Seasonality

The Company's revenues from trading and clearing are affected, among other things, by the number of trading and clearing days. The number of trading days in 2020, 2021 and 2022 totaled 248, 244 and 244, respectively. Presented below is information on the quarterly breakdown of trading days:

Year	Q1	Q2	Q3	Q4
2020	63	57	62	66
2021	62	61	56	65
2022	63	61	61	59

4. Events at the reporting date and thereafter

4.1 On April 5, 2021, a dividend of NIS 18,450 thousand (representing NIS 0.1823 per ordinary share) was paid to the Company's shareholders of record as of March 23, 2021.

On March 21, 2022, the Board of Directors of the Company decided on the distribution of a dividend to the shareholders in an amount of NIS 22,735 thousand (representing NIS 0.2229 per share).

The record date was set as March 30, 2022 and payment has been scheduled for April 7, 2022.

The exercise price of the warrants granted to officers who report to the CEO will be adjusted from NIS 5.48 to NIS 5.26 per share. Additionally, the exercise price of the warrants granted to the CEO will be adjusted from NIS 11.73 to NIS 11.51 per share. (subject to the adjustment of the dividend per share amount in the event that convertible securities are converted into additional shares by the record date).

4.2 **Claim Against the Ministry of Finance Concerning Listing Fees**

On May 5, 2020, the Company filed a monetary claim by summary procedure with the Tel Aviv District Court against the State of Israel, the Ministry of Finance - Accountant General, in an amount of approximately NIS 20.13 million (including VAT). The cause of the claim is default in payment of the listing fees payable by virtue of the TASE Rules in respect of Government bonds that had been issued in the period from May 2013 to March 2020 (inclusive), within the framework of the Ministry of Finance's lending pool.

Shortly before the end of May 2021, within the framework of discussions for a compromise in the Company's claim, the Company and TASE-CH entered into a series of agreements with the Ministry of Finance pursuant to which, inter alia, the term of the agreement for the management of the lending pool will be extended until December 31, 2025 (this despite TASE-CH's notification from July 2020 that is does not wish to extend the aforesaid agreement beyond September 2021, its end-date at the time of the notification), and, in settlement of all the Company's claims against the Ministry of Finance in said claim with respect to the period ending on December 31, 2020, the Company will be paid a settlement amount of NIS 3,846 thousand (plus VAT). As the Company has so far not recognized in its financial statements revenue from the listing fees that are covered in this claim, the settlement amount (before tax) was fully recognized as other income in the second quarter of 2021.

In addition to the aforesaid, the agreement provides for the payments by the Ministry of Finance for the listing of securities that are issued by the State, in an amount of NIS 0.3 million per calendar quarter under the lending pool and NIS 1.2 million per calendar quarter outside the lending pool. In June 2021, an amendment to the TASE Rules concerning the listing fees for the aforesaid securities was approved within the framework of and in accordance with the compromise scheme.

It should be noted that, upon the termination of the agreement (at the end of 5 years), unless otherwise agreed between the parties, the Ministry of Finance will pay for the listing of government bonds in the lending pool a fixed quarterly amount of NIS 150 thousand and for bonds that are listed outside the lending pool, the Ministry of Finance will pay listing fees to TASE in accordance with the TASE Rules and the related Regulations, as set out in Section 6.C. in Chapter Thirteen of the Regulations pursuant to Part Two of the TASE Rules, which determines that the listing fees of debt certificates that are issued by the State, other than short-term government bonds, will be an amount equal to 0.004% of their value. Notwithstanding the foresaid, no listing fees will be payable on debt certificates issued by the State overseas, which on the date of their listing on TASE are also listed overseas.

The listing fees on debt certificates issued by the State that are short-term government bonds will be an amount equal to 0.0007% of their value.

4.3 **Investment in the capital of the Company and transactions in its shares – transfer of surplus consideration from the sale of Company shares by other shareholders**

In 2021, the shareholders realized 255,781 shares held by them prior to the date of approval of the restructuring arrangement in TASE, in consideration of NIS 4 million. In accordance with the TASE Restructuring Law, consideration in excess of NIS 5.08 per share will be transferred to TASE ("the excess consideration"). Accordingly, an amount of NIS 2.7 million was carried to equity. The consideration from the exercise of the shares was received after the balance sheet date.

Additionally, after the balance sheet date, shareholders exercised 179,885 shares in consideration of NIS 3.5 million, of which an excess consideration of NIS 2.6 million will be transferred to TASE.

Shortly before the date of approval of the financial statements, to the best of the Company's knowledge, shareholders hold 18,712,443 Company shares are held by shareholders that had held them prior to the date of approval of the restructuring arrangement in TASE. The price of the share as of March 16, 2022 (shortly before the financial statements' approval date) was NIS 14.68 In accordance with the TASE Restructuring Law, if the shareholders should realize the shares that are held by them, the consideration in excess of NIS 5.08 per share will be transferred to TASE to be used for the purposes stipulated in the Law. Such excess consideration will be carried directly to the equity of the Company.

4.4 In April 2021, the Company entered into an agreement with a foreign state for the rent of one floor at the TASE building, to serve as the offices of the foreign state's embassy. The first rent period was set at two years commencing on April 19, 2021 (with an option to extend the period for an additional three years, but subject to a right of exit with an advance notice of at least 6 months). The option to rent another floor has expired.

4.5 On March 21, 2022, the Board of Directors of the Company decided, at the end of 3 years from the adoption of the dividend distribution policy, that, in view of the recent price levels of the Company's share and the volume of the Company's liquid balances, a dividend distribution policy no longer optimally coincides with the Company's current business profile. Accordingly, it has resolved to discontinue the dividend distribution policy with regard to the profits for 2022 and thereafter. Additionally, the Board of Directors of the Company has 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. It is hereby clarified that, to the date of the report, the terms of the buyback plan have not yet been approved, and will be approved by the Board of Directors of the Company in the coming weeks, and that the adoption of the buyback plan, as above, will be subject to compliance with the distribution criteria, as required by the Companies Law and the liquidity directives that apply to the Company. Upon the approval of a plan, as aforesaid, the Company will immediately publish an immediate report, as required by law. It is hereby clarified that the above information concerning the approval of the buyback plan constitutes forward-looking information that may be realized other than as described above or may not be realized at all, among others, as a result of a change in the market conditions and/or in the plans of the Company.

5. Information relating to the results for the fourth quarter of 2021 and for the year ended December 31, 2021 NIS, in thousands)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (NIS, in thousands)

	December 31,	
	2021	**2020**
Assets		
Current assets		
Cash and cash equivalents	179,768	142,154
Financial assets at fair value through profit or loss	210,289	204,558
Trade receivables	15,438	12,854
Other receivables	9,307	6,449
	414,802	**366,015**
Assets derived from clearing operations in respect to open derivative positions	665,271	353,193
Total current assets	**1,080,073**	**719,208**
Non-current assets		
Cash restricted as to use	720	542
Other long-term receivables	1,689	2,110
Property and equipment, net	333,109	330,075
Intangible assets, net	128,680	121,121
Deferred tax assets	15,157	14,808
Total non-current assets	479,355	468,656
Total assets	**1,559,428**	**1,187,864**

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

	December 31, 2021	December 31, 2020
Liabilities and Equity		
Current liabilities		
Trade payables	18,985	12,159
Short-term liabilities for employee benefits	32,878	32,013
Other payables	3,872	3,684
Current maturities of lease liabilities	8,726	4,302
Current tax liabilities	2,181	1,919
Deferred income from listing fees and levies	24,588	21,064
	91,230	**75,141**
Liabilities derived from clearing operations in respect to open derivative positions	665,271	353,193
Total current liabilities	**756,501**	**428,334**
Non-current liabilities		
Non-current liabilities for employee benefits	39,490	40,413
Lease liabilities	14,410	9,089
Deferred income from listing fees and levies	86,439	78,646
Other liabilities	720	542
Total non-current liabilities	**141,059**	**128,690**
Equity		
Remeasurement reserve of net liabilities in respect to defined benefit	(16,536)	(17,909)
Capital reserve in respect to share-based payment transactions	33,257	32,518
Other capital reserves	48,698	46,802
Retained earnings	596,449	569,429
Total equity	**661,868**	**630,840**
Total liabilities and equity	**1,559,428**	**1,187,864**

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

	Year ended December 31,		
	2021	**2020**	**2019**
Revenue from services:			
Trading and clearing commissions	131,116	136,451	107,000
Listing fees and levies	69,056	59,887	54,678
Clearing House services	65,505	57,453	52,331
Distribution of data and connectivity services	52,268	48,408	42,419
Other revenue	5,712	2,067	3,573
Total revenue from services	**323,657**	**304,266**	**260,001**
Cost of revenue:			
Employee benefits expenses	148,395	139,355	132,973
Expenses in respect to share-based payments	739	1,280	3,858
Computer and communications expenses	27,823	26,753	23,819
Property taxes and building maintenance expenses	13,190	11,762	12,602
General and administrative expenses	10,883	9,373	9,122
Marketing expenses	11,203	11,098	7,858
Fee to the Israel Securities Authority	9,123	10,776	10,680
Depreciation and amortization	47,618	44,510	43,571
Other expenses	262	587	1,358
Total costs	**269,236**	**255,494**	**245,841**
Profit before financing income (expenses), net	54,421	48,772	14,160
Financing income	5,488	410	9,975
Financing expenses	948	983	1,006
Total financing income (expenses), net	4,540	(573)	8,969
Profit before taxes on income	58,961	48,199	23,129
Taxes on income	13,491	11,295	5,571
Profit for the year	**45,470**	**36,904**	**17,558**
Basic earnings per share (NIS)	**0.449**	**0.368**	**0.176**
Diluted earnings per share (NIS)	**0.436**	**0.358**	**0.174**

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (NIS in thousands)

	Capital reserve in respect to share-based payment transactions	Remeasurement reserve of net liability in respect to defined benefit	Other capital reserves	Retained earnings	Total
Balance as of January 1, 2021	32,518	(17,909)	46,802	569,429	630,840
Profit for the year	-	-	-	45,470	45,470
Other comprehensive loss for the year	-	1,373	-	-	1,373
Total comprehensive income (loss) for the year	-	1,373	-	45,470	46,843
Dividend paid	-	-	-	(18,450)	(18,450)
Share-based payment	739	-	-	-	739
Receipts from shareholders within the framework of implementing the ownership restructuring, net	-	-	1,896	-	1,896
Balance as of December 31,2021	**33,257**	**(16,536)**	**48,698**	**596,449**	**661,868**

CONSOLIDATED STATEMENTS OF CASH FLOWS (NIS, in thousands)

	Year ended December 31,		
	2021	**2020**	**2019**
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year	45,470	36,904	17,558
Expenses in respect of share-based payments	739	1,280	3,858
Tax expenses recognized in profit or loss	13,491	11,295	5,571
Net financing expenses (income) recognized in profit or loss	(4,540)	573	(8,969)
Depreciation and amortization	47,618	44,510	43,571
Loss (gain) from disposal of property and equipment and intangible assets	262	587	1,358
	103,040	95,149	62,947
Changes in asset and liability items:			
Decrease (increase) in trade receivables and other receivables	(5,000)	2,514	(607)
Decrease (increase) in receivables in respect to open derivative positions	(312,078)	(1,451)	543,659
Decrease (increase) in trade payables and other payables	5,719	(2,673)	1,176
Increase in deferred income from listing fees and levies	11,317	6,412	5,726
Increase (decrease) in payables in respect to open derivative positions	312,078	1,451	(543,659)
Increase in liabilities for employee benefits	1,725	436	6,083
	116,801	101,838	75,325
Interest received	4,300	5,008	6,110
Interest paid	(726)	(723)	(637)
Tax receipts (payments) - operating activities	(13,993)	(10,694)	332
	(10,419)	(6,409)	5,805
Net cash provided by operating activities	**106,382**	**95,429**	**81,130**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property and equipment	(6,239)	(11,145)	(6,416)
Proceeds from the disposal of property and equipment	16	-	192
Acquisitions of intangible assets	(11,883)	(11,161)	(11,850)
Payments in respect to costs capitalized to property and equipment and to intangible assets	(17,527)	(15,583)	(15,838)
Acquisition of financial assets at fair value through profit or loss, net	(4,591)	(4,206)	(17,032)
Net cash used in investing activities	**(40,224)**	**(42,095)**	**(50,944)**
CASH FLOW FROM FINANCING ACTIVITIES:			
Lease payments	(9,125)	(9,929)	(9,739)
Dividend paid	(18,450)	(8,770)	-
Company's share in the first-time listing of the shares	-	-	15,600
Receipts from shareholders within the framework of implementing the ownership restructuring, net	(800)	3,723	13,782
Net cash provided by (used in) financing activities	**(28,375)**	**(14,976)**	**19,643**
Net increase in cash and cash equivalents	37,783	38,358	49,829
Cash and cash equivalents, beginning of the year	142,154	103,928	54,363
Effect of changes in exchange rates on cash balances held in foreign currency	(169)	(132)	(264)
Cash and cash equivalents, end of the year	**179,768**	**142,154**	**103,928**

<u>Quarterly statements of profit or loss for 2021 and for the fourth quarter of 2020</u> <u>(NIS, in thousands)</u>

Item	Jan-Mar 2021	Apr-Jun 2021	Jul-Sep 2021	Oct-Dec 2021	2021	Oct-Dec 2020
	(Unaudited)				(Audited)	(Unaudited)
Revenue from services:						
Trading and clearing commissions	34,115	31,649	28,727	36,625	131,116	33,487
Listing fees and levies	16,402	18,347	16,867	17,440	69,056	15,289
Clearing House services	15,051	16,945	15,931	17,578	65,505	15,006
Distribution of data and connectivity services	12,630	13,195	12,927	13,516	52,268	12,872
Other revenue	172	4,456	516	568	5,712	828
Total revenue from services	**78,370**	**84,592**	**74,968**	**85,727**	**323,657**	**77,482**
Cost of revenue						
Expenses in respect of employee benefits, net	37,396	37,910	35,423	37,666	148,395	33,407
Share-based payment expenses	233	236	136	134	739	246
Computer and communication expenses	6,709	7,325	6,389	7,400	27,823	6,879
Property taxes and building maintenance expenses	3,048	3,202	3,482	3,458	13,190	3,275
General and administrative expenses	2,681	2,034	2,924	3,244	10,883	2,289
Marketing expenses	1,727	5,585	1,715	2,176	11,203	2,994
Fee to the Israel Securities Authority	2,253	2,309	2,280	2,281	9,123	2,694
Depreciation and amortization expenses	11,572	11,777	12,076	12,193	47,618	11,545
Other expenses	55	44	8	155	262	568
Total cost of revenue	**65,674**	**70,422**	**64,433**	**68,707**	**269,236**	**63,897**
Profit before financing income (expenses), net	**12,696**	**14,170**	**10,535**	**17,020**	**54,421**	**13,585**
Financing income	315	1,513	2,105	1,555	5,488	1,603
Financing expenses	181	175	307	285	948	374
Total financing income (expenses), net	**134**	**1,338**	**1,798**	**1,270**	**4,540**	**1,229**
Profit before taxes on income	**12,830**	**15,508**	**12,333**	**18,290**	**58,961**	**14,814**
Taxes on income	3,169	3,435	2,698	4,189	13,491	3,539
Net profit	**9,661**	**12,073**	**9,635**	**14,101**	**45,470**	**11,275**

ABOUT TASE

The Company, including by means of the companies 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 derivatives 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

CONTACTS

Yehuda van der Walde		Orna Goren	
EVP, CFO		**Head of Communication and Public Relations Unit**	
Email:	cfo@tase.co.il	Email:	ir.tase@tase.co.il
Tel:	+972-76-8160442	Tel:	+972-76-8160405

Appendix-transactional Metrics

	Year Ended December 31,		Quarter Ended December 31,	
	2021	**2020**	**2021**	**2020**
Number of trading days	244	248	65	66
SHARES				
Shares (ex. ETN / ETFs)	1,125	842	1,125	842
ETN / ETFs on share indices	75	61	75	61
Market value (in NIS billions)	1,200	903	1,200	903
Shares (ex. ETN / ETFs)	1,543	1,465	1,596	1,363
ETN / ETFs on share indices	335	393	373	307
Average daily turnover (in NIS millions)	1,878	1,858	1,969	1,670
Average commissions	0.01081%	0.01067%	0.01090%	0.01123%
Revenue (in NIS thousands)	49,538	49,150	13,956	12,373
BONDS				
Government bonds -Unlinked	364	351	364	351
Government bonds -Linked	341	280	341	280
Corporate bonds	426	388	426	388
Bonds (ex. ETN / ETFs)	1,131	1,019	1,131	1,019
ETN / ETFs on bond indices	32	31	32	31
Market value (in NIS billions)	1,163	1,050	1,163	1,050
Government bonds - Unlinked ADV (in NIS millions)	1,868	1,959	1,962	1,682
Government bonds - Linked ADV (in NIS millions)	1,155	1,100	1,011	914
Corporate bonds ADV excluding ETNs (in NIS millions)	781	928	855	822
ETN / ETFs on bond indices	125	148	132	120
Average daily turnover (in NIS millions)	3,929	4,135	3,960	3,538
Government bonds Unlinked - Average commissions	0.00193%	0.00188%	0.00194%	0.00190%
Government bonds Linked - Average commissions	0.00285%	0.00294%	0.00297%	0.00294%
Corporate bonds - Average commissions	0.00709%	0.00696%	0.00726%	0.00718%
Government bonds (in NIS thousands)	8,817	9,116	2,478	2,108
Government bonds (in NIS thousands)	8,022	8,022	1,950	1,776
Corporate bonds (in NIS thousands)	15,674	18,573	4,657	4,462
Other (MTS) (in NIS thousands)	299	135	95	31
Revenue (in NIS thousands)	32,812	35,846	9,180	8,377

Appendix -Transactional Metrics (Cont'd)

	Year Ended December 31,		Quarter Ended December 31,	
	2021	**2020**	**2021**	**2020**
TREASURY BILLS				
Market value (in NIS billions)	115	87	115	87
Treasury bills ADV (in NIS millions)	320	579	367	278
Average commissions	0.00269%	0.00203%	0.00273%	0.00262%
Revenue (in NIS thousands)	2,104	2,920	652	481
MUTUAL FUNDS				
Market value (in NIS billions)	292	239	292	239
Average daily value of creation/redemptions (in NIS millions)	890	1,055	952	882
Average commissions	0.01200%	0.01016%	0.01134%	0.01163%
Revenue (in NIS thousands)	26,054	26,594	7,015	6,768
DERIVATIVES				
Options on indices	106.4	112.1	120.8	106.6
Derivatives on FX	47.9	55.0	43.8	50.5
Derivatives on single shares	5.0	3.0	3.4	2.8
Total derivative contracts (in '000 units)	159.3	170.1	168.0	159.9
Options on indices - Average commissions	0.580	0.580	0.580	0.580
Derivatives on FX -Average commissions	0.360	0.360	0.360	0.360
Derivatives on single shares- Average commissions	1.000	1.000	1.000	1.000
Revenue (in NIS thousands)	20,608	21,941	5,822	5,488
Total revenue from Trading and clearing commissions	131,116	136,451	36,625	33,487

Appendix – Non-Transactional Metrics (Cont'd)

	Year Ended December 31,		Quarter Ended December 31,	
	2021	**2020**	**2021**	**2020**
LISTING FEES AND LEVIES				
Weighted avg. number of companies / funds				
Companies	535	527	530	524
Mutual funds and ETNs / ETFs	2,210	2,142	2,208	2,135
Avg. revenue from levies (in NIS thousands)				
Companies	21.6	20.9	5.4	5.2
Mutual funds and ETNs / ETFs	7.4	7.6	1.8	1.8
Revenue from annual levies from: (in NIS thousands)				
Companies	11,547	11,039	2,859	2,740
Mutual funds and ETNs / ETFs	16,335	16,225	4,067	3,923
Nominee Company and others	5,178	3,067	1,339	794
Issuance volume and swap transactions (in NIS millions)				
Companies – shares and bonds	182,966	118,413	50,434	34,905
Government bonds	157,956	164,779	55,418	45,026
Treasury-bills	130,926	100,924	36,992	28,990
Number of issuances				
Number of public offerings of shares on TASE	170	115	31	42
Number of new issuers of shares	94	27	10	15
Number of new (dual-listed) companies	2	3	-	1
Number of Offerings and Volumes Raised				
Amount raised in share IPOs of new issuers (in NIS millions)	10,490	4,616	656	2,480
Amount raised in bond offerings by new issuers (in NIS millions)	364	100	105	100
Number of corporate bond offerings to the public	177	145	57	37
Number of corporate bond offerings to the public by new companies	5	1	1	1
Average revenue from Examination and Listing Fees				
Companies – shares, bonds and ETFs	0.0172%	0.0182%	0.0184%	0.0185%
Revenue from Examination and Listing Fees (in NIS thousands)				
Examination fees	8,986	6,843	2,223	1,992
Listing fees - shares & bonds	31,388	21,570	9,295	6,443
Listing fees - government bonds	5,812	5,881	1,453	1,578
Listing of T-bills	916	707	259	203
Levies and examination fees from members	290	133	131	80
Other	162	218	18	94
Effect of IFRS on Listing Fees	(11,558)	(5,796)	(4,204)	(2,558)
Total revenue from Listing Fees and Levies	**69,056**	**59,887**	**17,440**	**15,289**

	Year Ended December 31,		Quarter Ended December 31,	
	2021	2020	2021	2020
CLEARING HOUSE SERVICES				
Market value of assets (in NIS billions)	2,975	2,491	3,131	2,602
Avg. commissions from Custodian Fees	0.00108%	0.00107%	0.00109%	0.00107%
Revenue from: (in NIS thousands)				
Custodian Fees	32,221	26,676	8,500	6,983
Clearing House services for members / company events	28,163	25,805	7,803	6,733
Other	5,121	4,972	1,275	1,290
Total revenue from Clearing House services	65,505	57,453	17,578	15,006

	Year Ended December 31,		Quarter Ended December 31,	
	2021	2020	2021	2020
DISTRIBUTION OF DATA AND CONNECTIVITY SERVICES:				
Average number of data terminals				
In Israel – for business customers	7,551	7,559	7,658	7,471
In Israel – for private customers	7,698	8,816	6,015	9,106
Overseas	5,017	4,560	5,141	4,843
Quote generator	286	285	267	329
Revenue from data terminals and data (in NIS thousands)				
Data terminals in Israel charged monthly – business customers	16,221	16,416	4,114	4,056
Data terminals in Israel charged monthly – private customers	3,233	3,703	632	956
Data terminals overseas charged monthly	7,165	5,559	1,911	1,409
Quote generator	1,998	1,697	486	483
Data terminals according to extent of use and information files	10,971	9,066	3,110	2,814
Indices and data	3,093	3,189	742	927
Connectivity services	9,587	8,778	2,521	2,227
Total revenue from Data distribution and Connectivity services	**52,268**	**48,408**	**13,516**	**12,872**

Presented below are details regarding the velocity of trading[5] in Israel in the reported period:

	Year Ended December 31,		% change	Quarter Ended December 31,		% change
	2021	2020		2021	2020	
Velocity of trading						
Shares[2]	39.8%	52.9%	(25%)	37.5%	46.6%	(20%)
Corporate bonds[2] [3]	54.8%	66.5%	(18%)	58.1%	59.4%	(22%)
Government bonds – shekel 4)	100.3%	124.1%	(19%)	107%	94.9%	13%
Government bonds – other[5]	78.3%	89.9%	(13%)	67.5%	69.9%	(3%)
Treasury bills	62.4%	98.4%	(37%)	67.7%	53.6%	26%

(1) The velocity of trading does not include off-exchange transactions.
(2) The velocity of trading includes the ETFs / ETFs traded.
(3) The velocity of trading does not include data of TACT institutional-traded corporate bonds.
(4) Including “Shahar” fixed-interest shekel bonds and short-term government bonds.
(5) Includes CPI-linked bonds and “Gilon” variable-interest shekel bonds.

Appendix – Deferred income from listing fees

Forecast for recognition of income

	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
	31.12.2021	31.03.2022	30.06.2022	30.09.2022	31.12.2022	31.12.2023	31.12.2024	31.12.2024
Listing of								
Shares	**33.8**	1.0	1.0	1.0	1.0	3.8	3.5	22.5
Corporate bonds	**36.6**	2.9	2.7	2.6	2.4	8.1	6.0	11.9
ETF	**28.5**	1.2	1.2	1.1	1.1	4.2	3.9	15.8
Government bonds	**11.3**	1.2	1.2	1.1	1.1	2.1	1.3	3.3
T-bills	**0.4**	0.2	0.1	0.1	0.0	0.0	0.0	0.0
Total	**110.6**	**6.5**	**6.2**	**5.9**	**5.6**	**18.2**	**14.7**	**53.5**