



## **FY 2022 Financial Review**

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# SHVA serves as a critical infrastructure at the core of the Israeli payment ecosystem



**An advanced payments  
and aggregated data  
service provider**



**The national operator of  
both Payment Card Services  
and ATM systems in Israel**

SHVA operates and manages two controlled payment systems supervised by the Payment Systems Supervision Department at the Bank of Israel. These systems were declared as critical national infrastructure, according to the provisions of the Israel National Cyber Directorate

# 24/7 processing of every transaction, in every Point-of-Sale

**65  
Million**

Annual transactions,  
account information requests  
and ATM withdrawals

**440  
NIS Billion**

Annual payments  
processed

**2  
Billion**

Annual transactions

**10.5M**

Active payment cards

**187K**

Average active Pinpads

**256K**

Average connected  
Terminals



# Stability and Growth in All Aspects

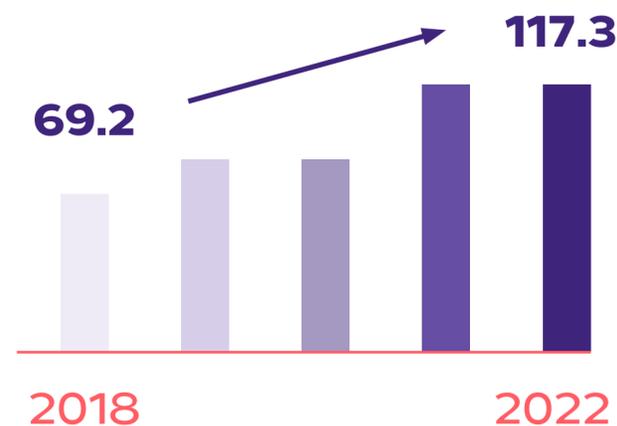
## Financial Stability

**212M NIS**  
in Equity

**39.1%**  
Operating Profit

**No Financial leverage**

**Steady revenue growth**  
NIS millions



## Resilient Technology

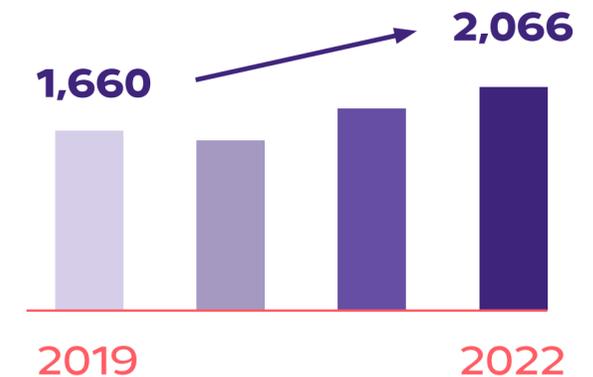
**100%**  
Availability of the card  
payment system

**99.999%**  
Availability of the  
ATM network system

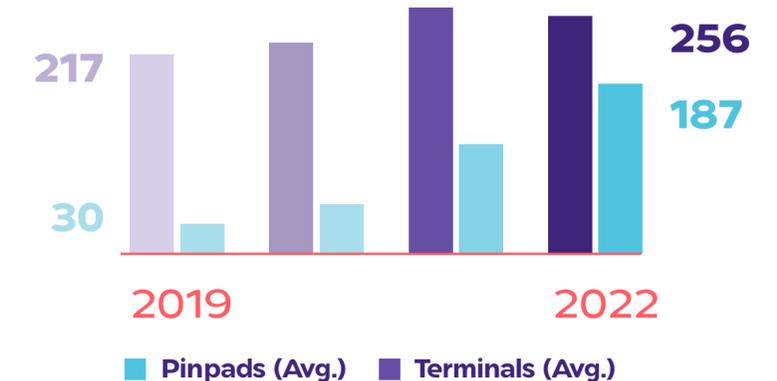
**2**  
Resilient and protected data  
centers with high-level security

## Strong Market

**Steady growth in payment  
transactions** (in millions)

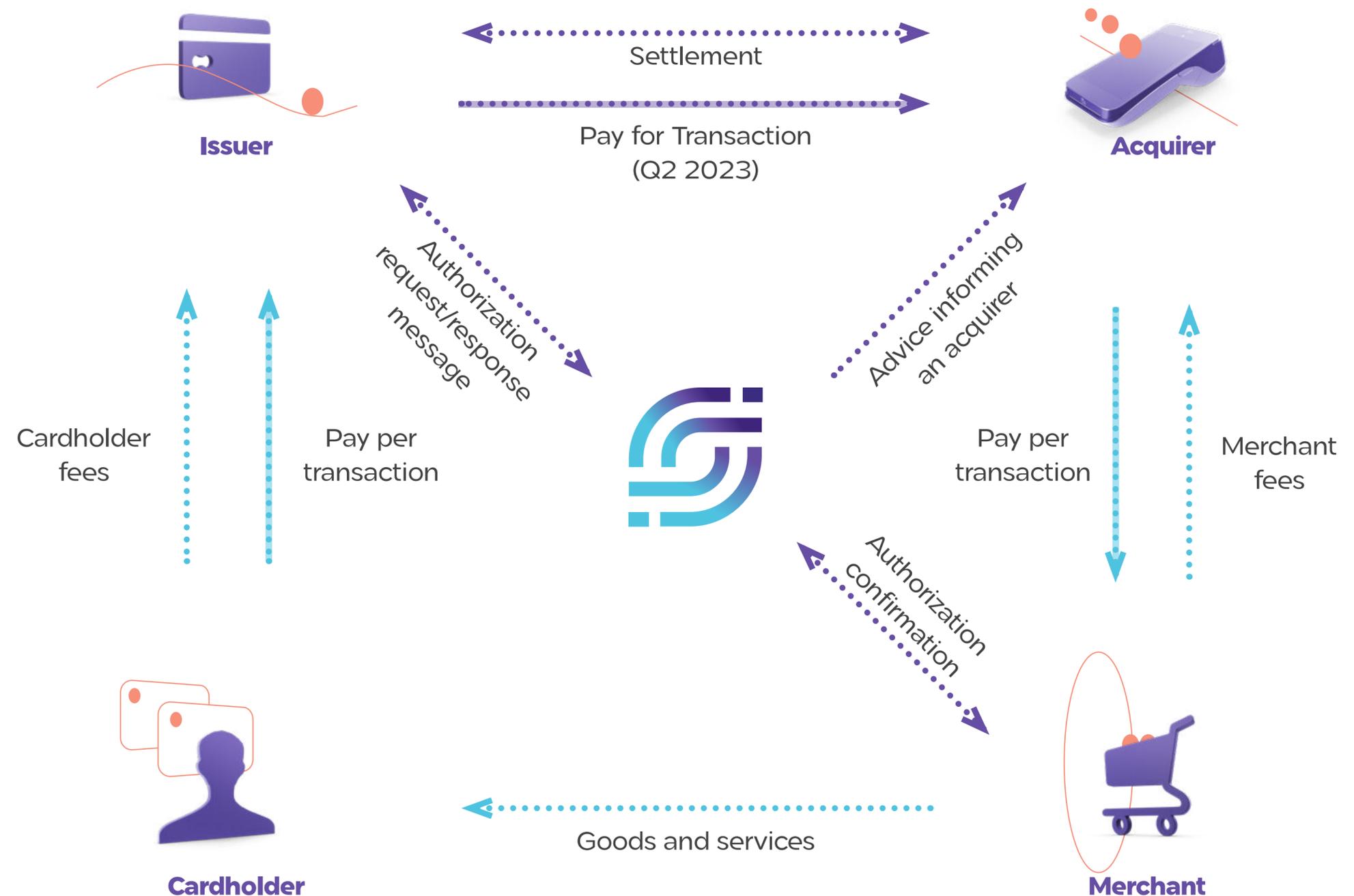


**Rise in average connected  
Pinpads and Terminals**  
(In thousands)



# The Israeli Payment Card Services system

Operation Model

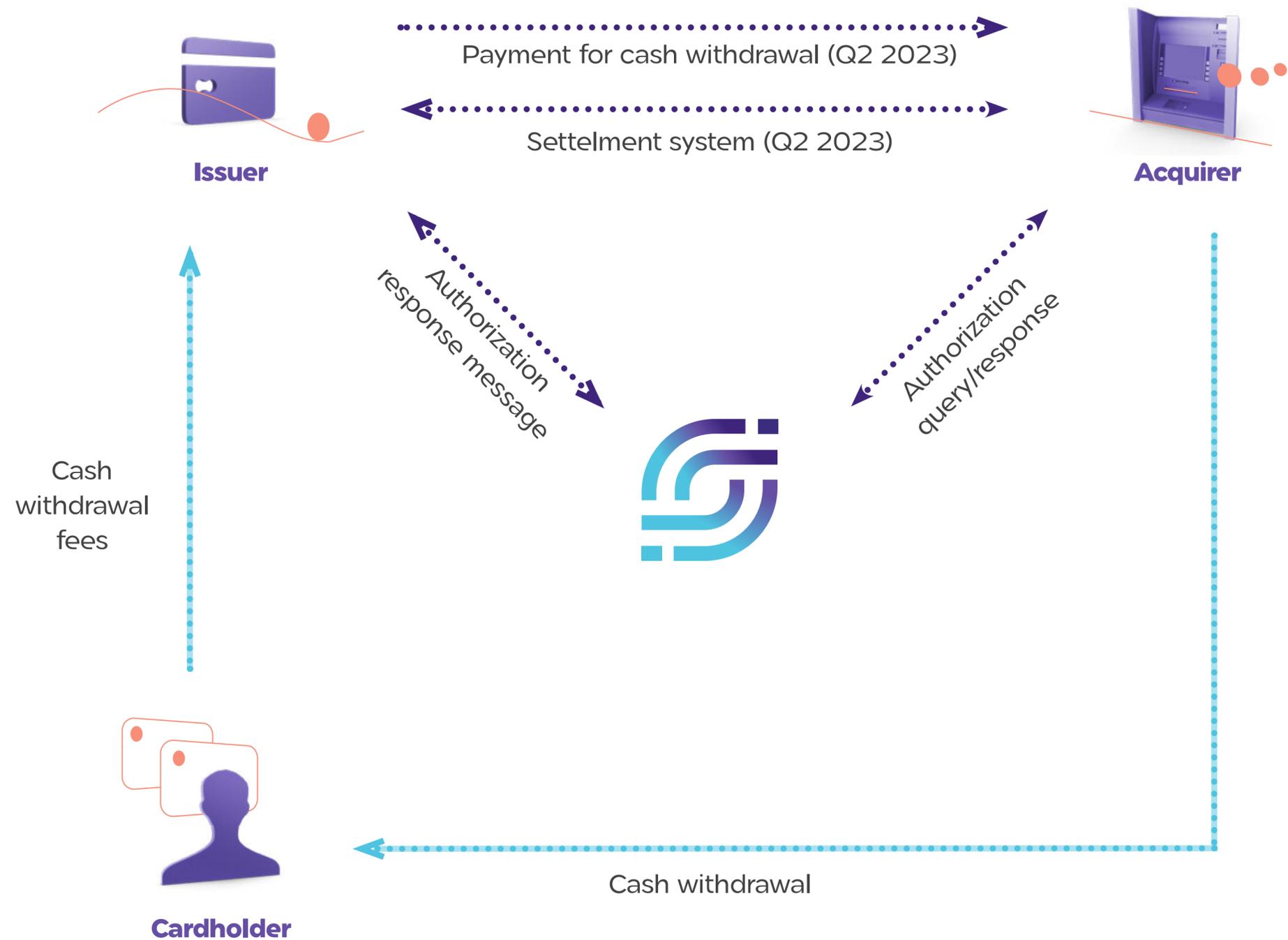


Authorization fees | Transaction fees | Interchange fees | Terminal subscription | Pin pad subscription

External operation      Operation within SHVA's system

# The Israeli ATM system

Operation Model



External operation

Operation within SHVA's system

# Experienced Leadership dedicated to Excellence and Growth

The strategic plan relies upon the development of current employees, the recruitment of new talent, and the strengthening of management with innovation-experienced leaders



**Eitan Lev-Tov**  
CEO



**CPA Ofer Eden**  
CFO



**Rin Krichel Metsuyanim**  
VP Legal Counsel & Regulation



**Guy Ram**  
VP Technologies & Innovation, CIO



**Ronit Tischler Pity**  
VP of Delivery & Customer



**Tali Hollenberg**  
VP Business Development,  
Marketing and Sales



**Maxim Naigovzin**  
VP of R&D Front End Systems



**Meir Elberg**  
VP Of Technology Development



**Eli Halel**  
Internal Auditor



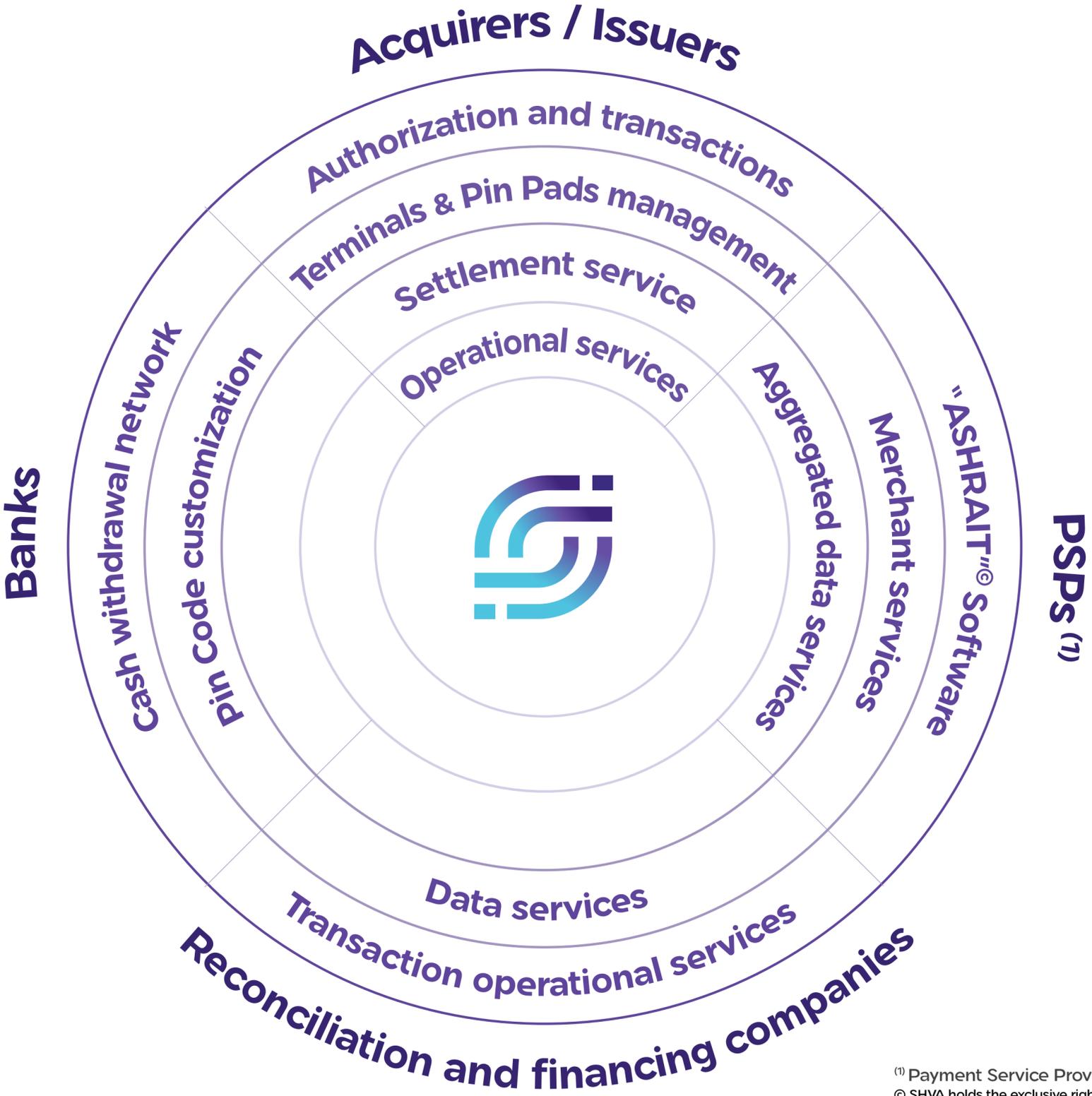
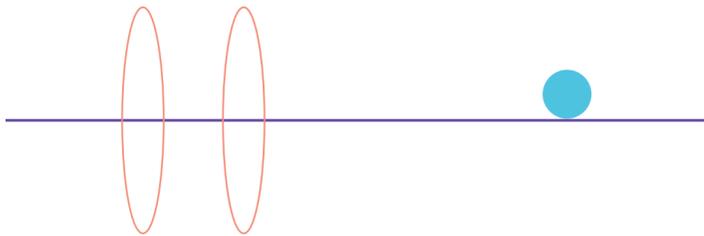
**Odelia Green Catz**  
HR Manager



**Michal Goldenberg**  
Chief Risk and Compliance Officer

# Solid business model allows SHVA to maintain stability and create diversified revenue sources

SHVA's main services



<sup>(1)</sup> Payment Service Providers  
 © SHVA holds the exclusive rights to "ASHRAIT" program

# A Key Player in a Fast-Growing Market

## Growth in Private Consumption

Increased consumption

Growth of e-commerce shopping with payment cards

Contactless payments and digital wallets based on payment cards are on the rise

## Active Regulator

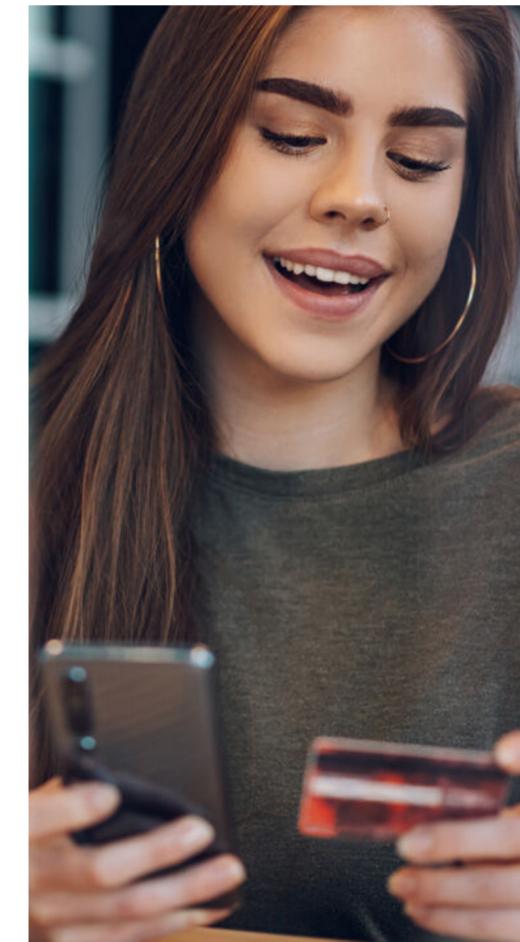
New regulation promotes diversity and competition in the payment industry

New regulation aiming to decrease cash usage

## Technological Development

High demand for new and advanced payment solutions

Rise of new PSPs and Fintechs, which develop new payment solutions based on SHVA's infrastructure





**SHVA provides solutions  
for the needs of the  
evolving market**

# SHVA vision and strategy



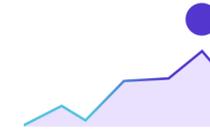
## From operational-oriented company

which operates technological payment infrastructures

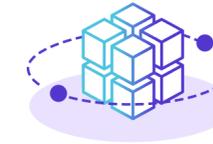


## To business-oriented company

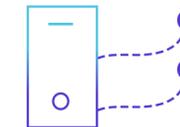
provides technological infrastructure, aggregated data, and advanced solutions based on the payment systems



Smart payments and aggregated data management



Infrastructure solutions based on advanced technologies



Diversified products and services portfolio



Implementation of new payment methods

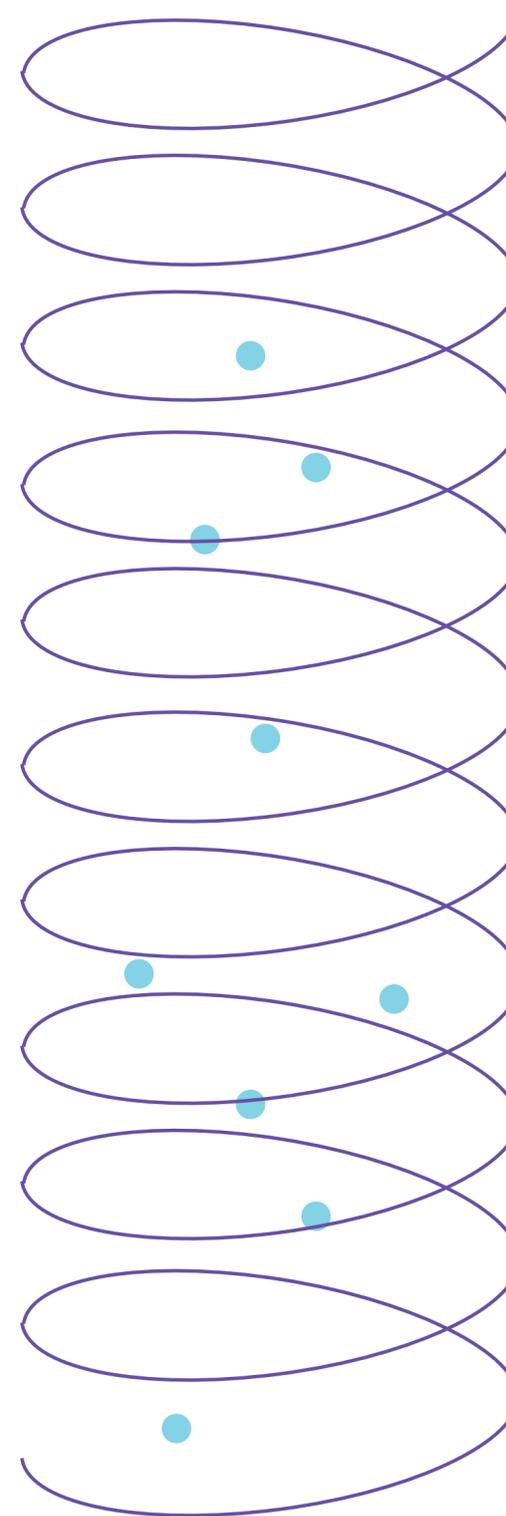


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# Investing in the future

Investment and development of core infrastructure to improve business results and develop new business

**A strategic approach promotes innovation while maintaining technological stability**



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## Cloud-based architecture

New payment solutions and advanced services

Aggregated data

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## Technological transformation

Upgrading systems

Modernization of core systems

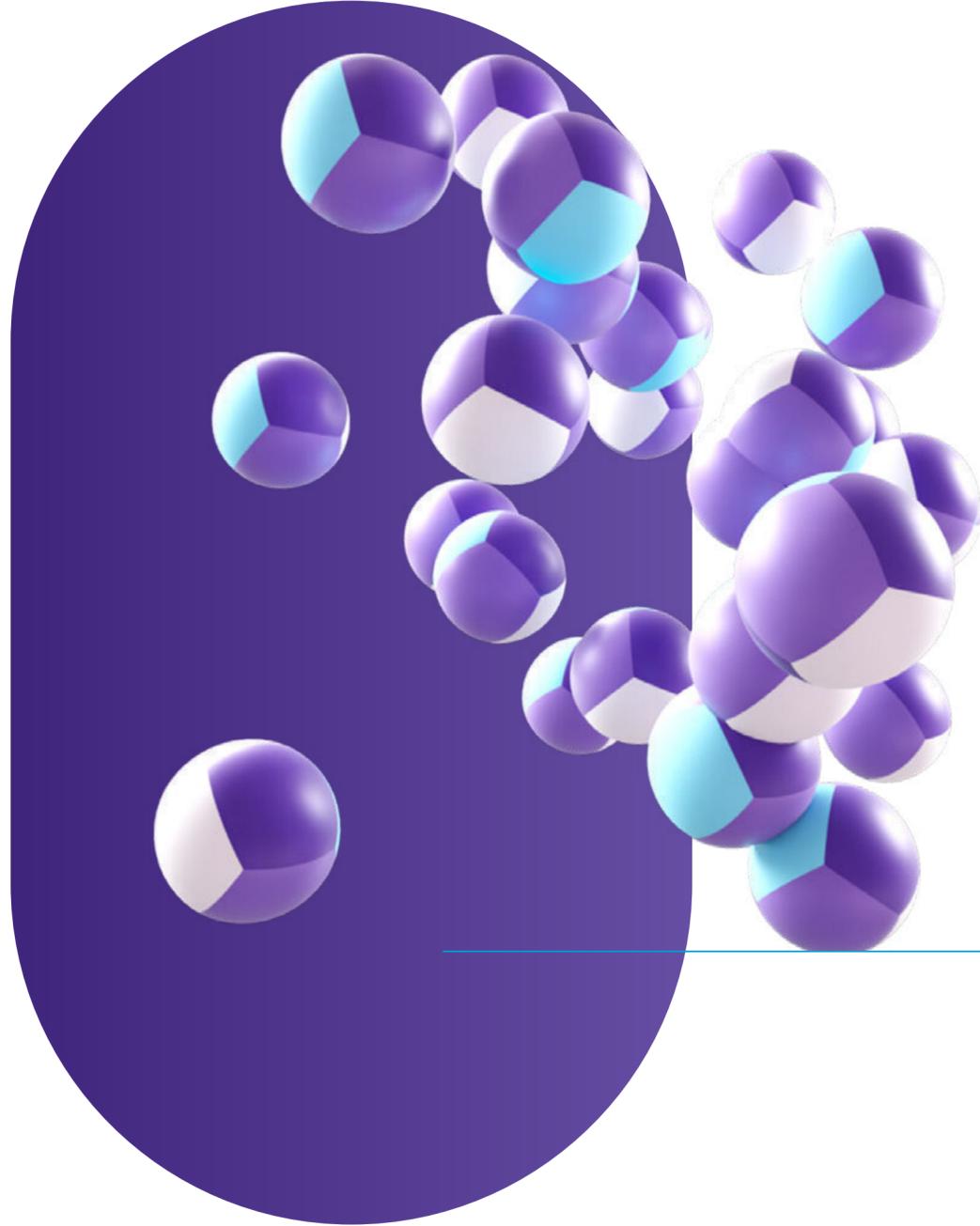
Separation from MASAV\* infrastructure

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## Reliability and resilience

Data security and cyber

Business continuity



# Driving Toward Future Growth

SHVA's growth engines



# One arena - multiple advanced solutions

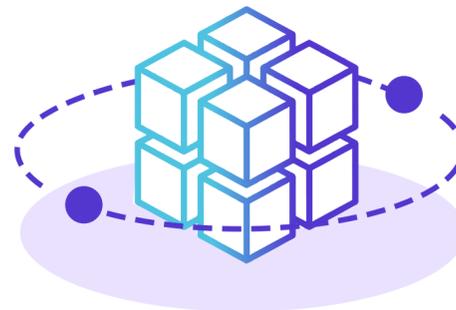
## The imperative

High demand for advanced and stable PayTech solutions for merchants

Existing need for a supervised player with high resilience

## SHVA Arena

SHVA is expanding its ASHRAIT\* services, aligned with the evolving demands of the market, which allows PSPs to provide merchants with a variety of new and advanced value propositions based on the existing payment system



## Target audience

PSPs

Fintechs

Acquirers

\*ASHRAIT (Ashrait PC and Ashrait PC EMV software) - The Company has developed a software program that serves as an infrastructure program for points of sale, which allows the execution of charge card transactions at businesses, including internet websites.

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# Broad and updated aggregated data on merchants' activity

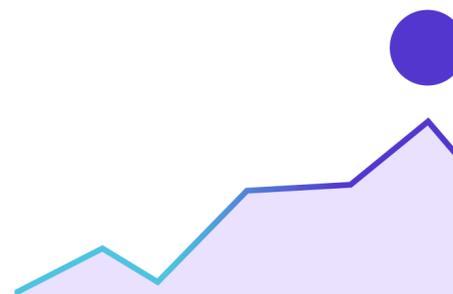
## The imperative

Lack of broad understanding of the business activity of merchants in Israel

Lack of impartial, updated and real-time data on merchants' activity

## SHVA Insights

Data-as-a-service - Aggregated, broad and rich data aligned with the needs of financial institutions, businesses and corporations, and government ministries and public agencies



## Target audience

Credit providers for merchants

Reconciliation and short-term financing companies

Institutions

Retailers and shopping centers

# The infrastructure for new payment solutions

## The imperative

Driving and promoting competitiveness in closed-loop payments\* (CLP)

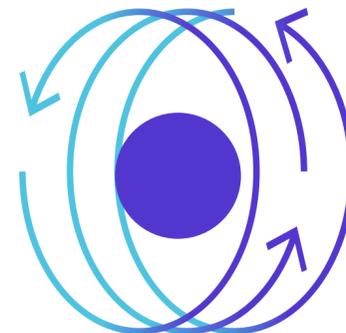
Expanding the reach of the CLP to the rest of the market

Breaking the integration barrier to allow a connection to ECRs

\*Alternative payment methods such as vouchers, meal cards or club member cards.

## CLP Powered by SHVA

Allowing all merchants which works through SHVA's payment system to accept Closed Loop Payments



## Target audience

Customer clubs management companies

BNPL(1)

Meal and gift cards operators

(1) BUY NOW PAY LATER

# הרחבת שירותים לשותפים במערכת התשלומים

## The imperative

Credit Card companies require additional services over the Payment System infrastructure, allowing them to offer customers safe and reliable use.

SHVA already provides several services on behalf of issuers and acquirers, such as Smart STIP and POS Certification

## Member's Extra Services

Extending the operational and technological services to the participants in the Payment System

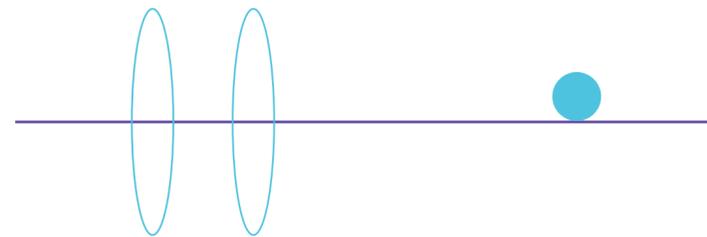


## Target audience

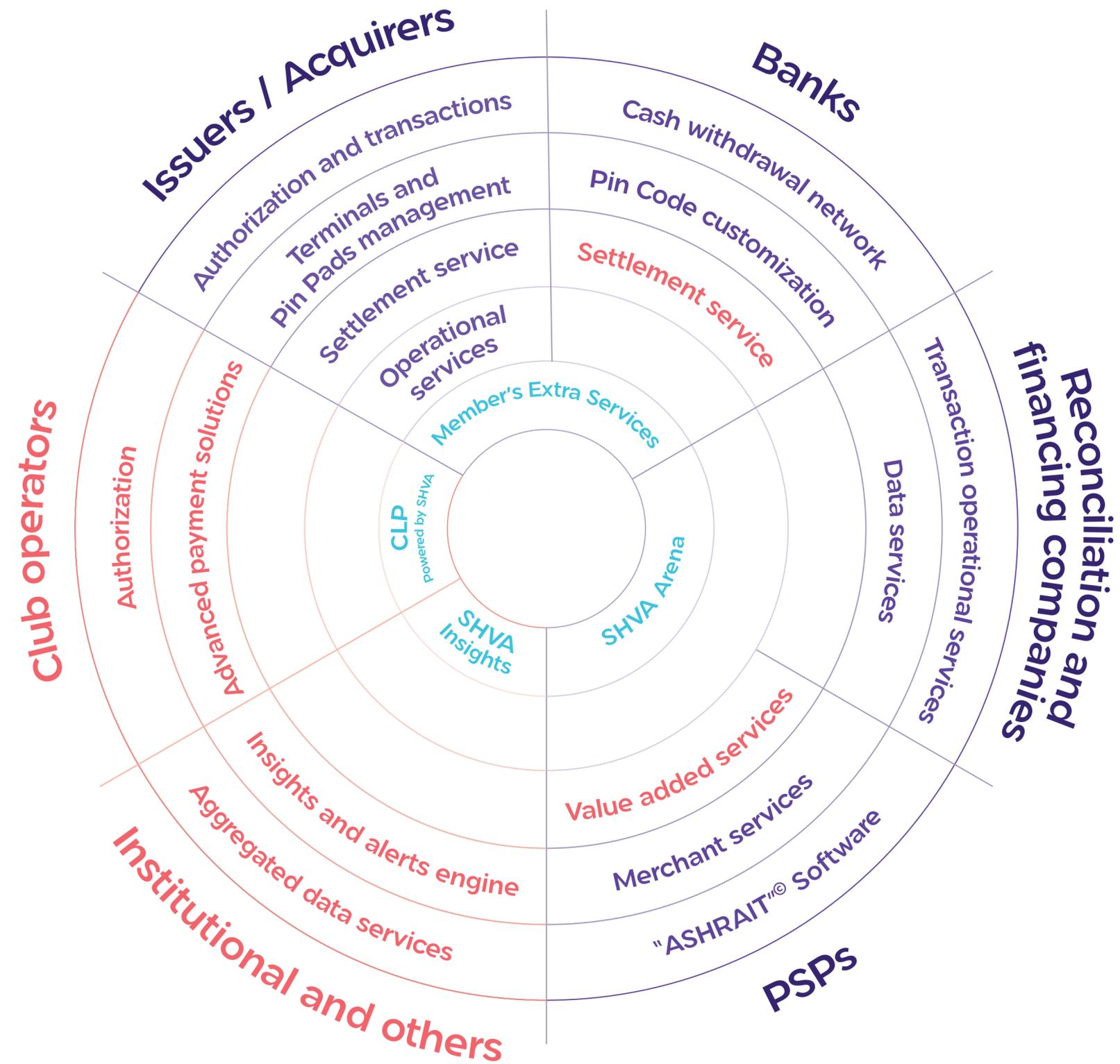
Acquirers  
Issuers

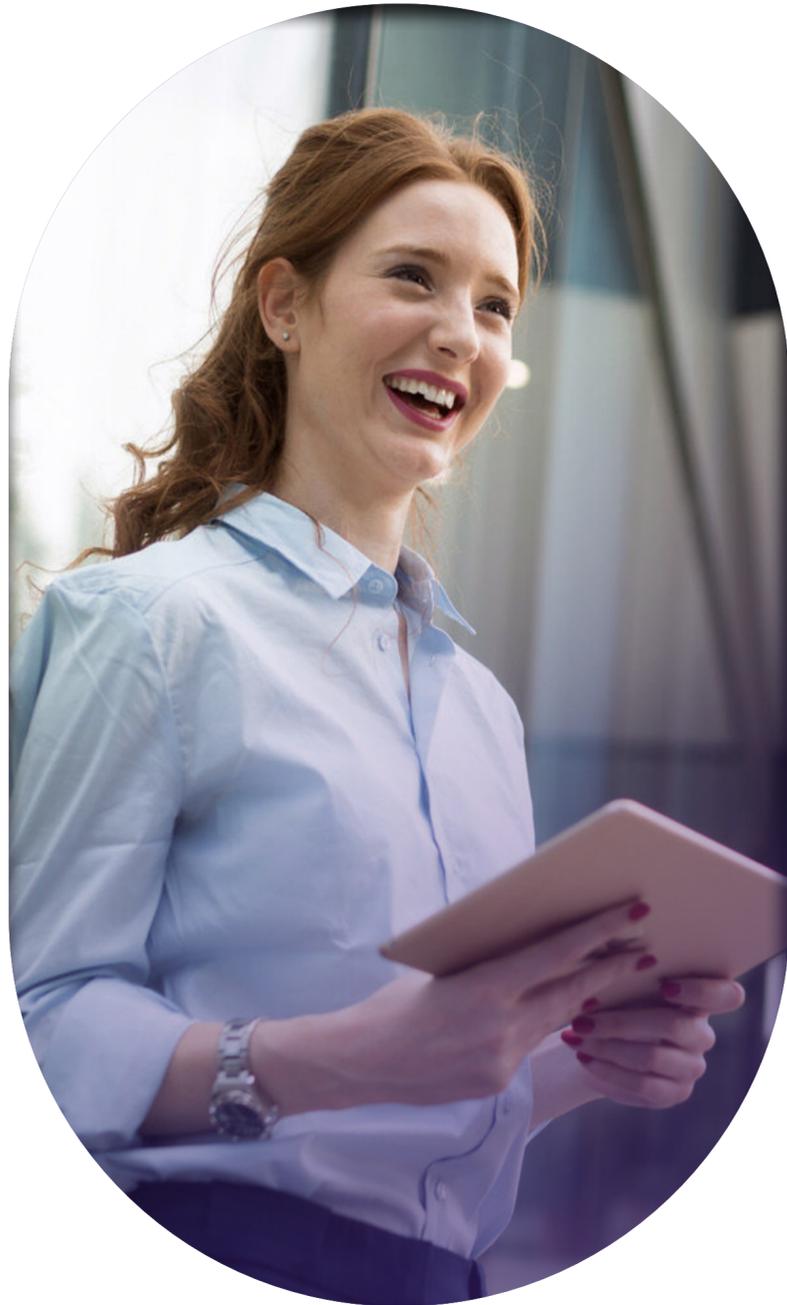
# Expanding the business model

based on current customers and services, adding new growth engines



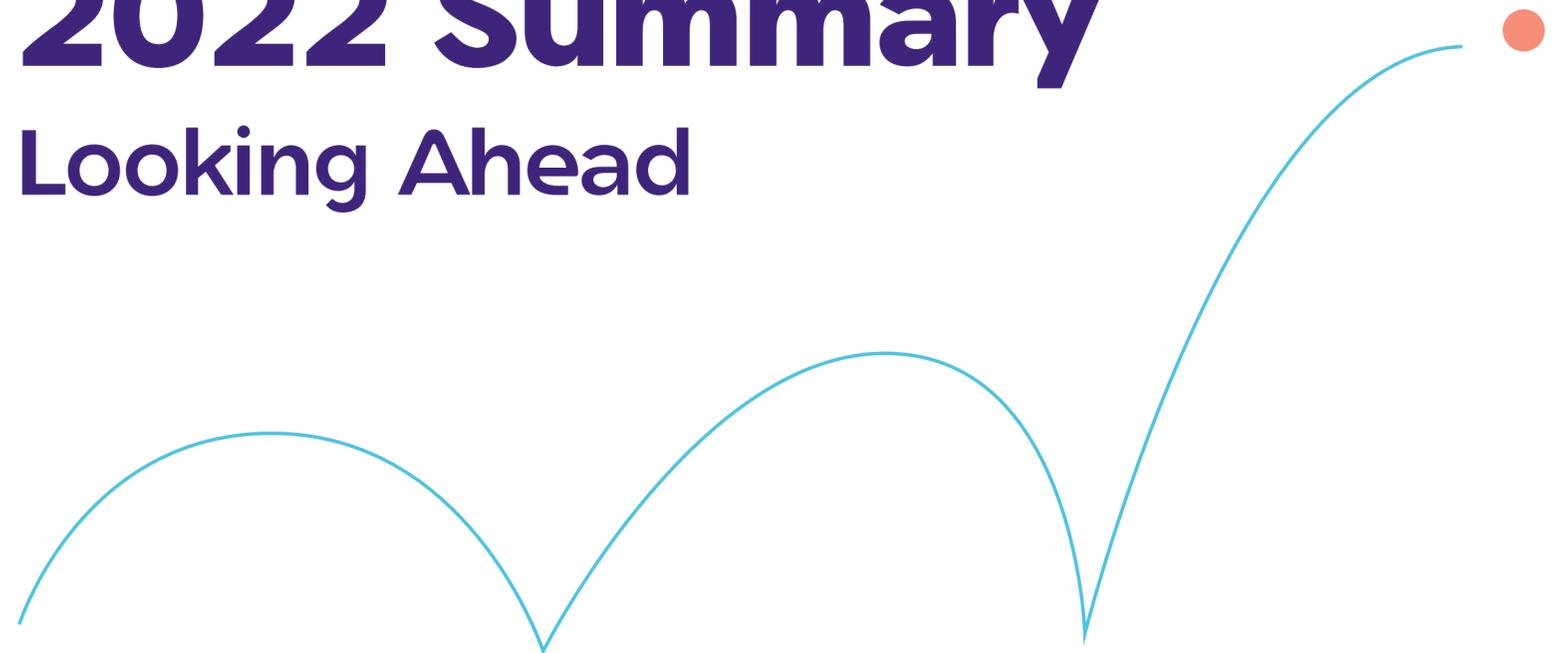
● Exist ● New





# 2022 Summary

## Looking Ahead



# Main Financial Results (2022)

**117.3M NIS**

Revenues

**45.8M NIS**

Operating Profit

**24.1M NIS**

Income Attributable to  
Shareholders

**254M NIS**

Assets

Of them

**175.6M NIS**

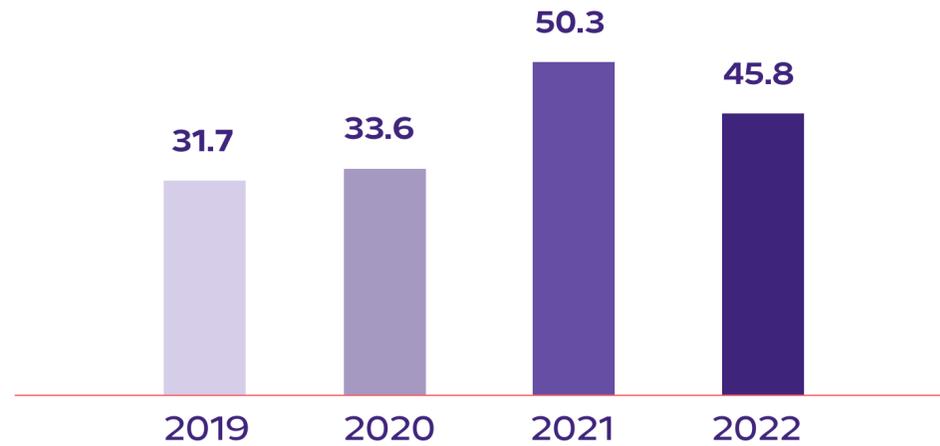
Cash, cash equivalents, Short term  
deposits, and Held-for-trading  
securities

**22M NIS**

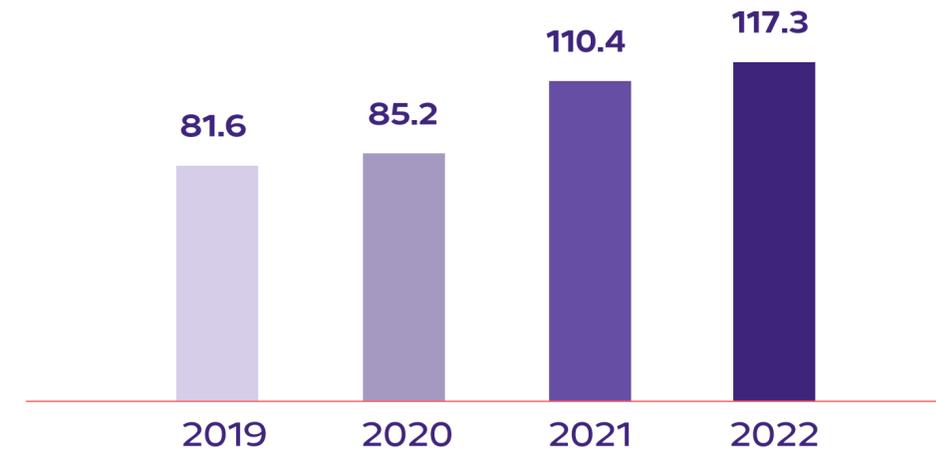
Dividends

# Financial Resilience and Steady Growth (in NIS Million)

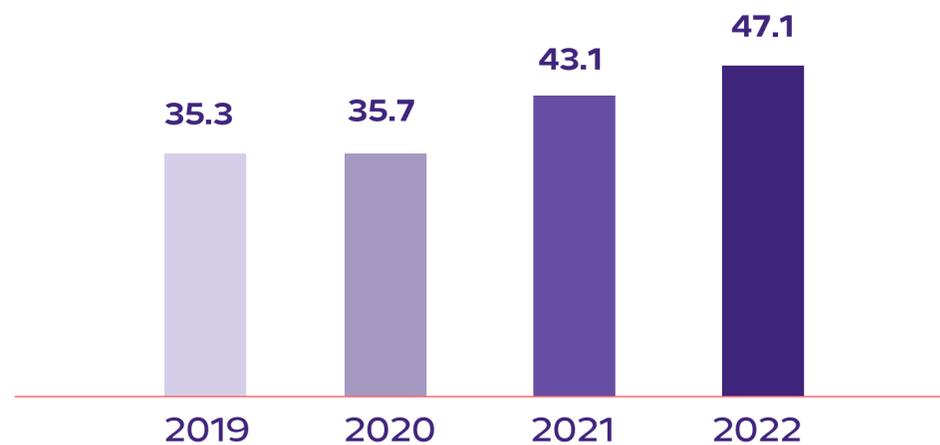
## Operating Profit



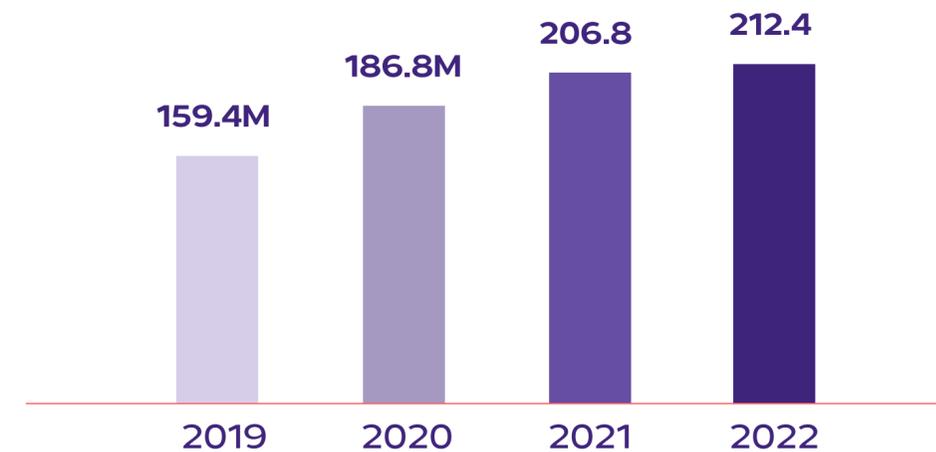
## Revenues



## Net Cash Provided by Operating Activities



## Equity

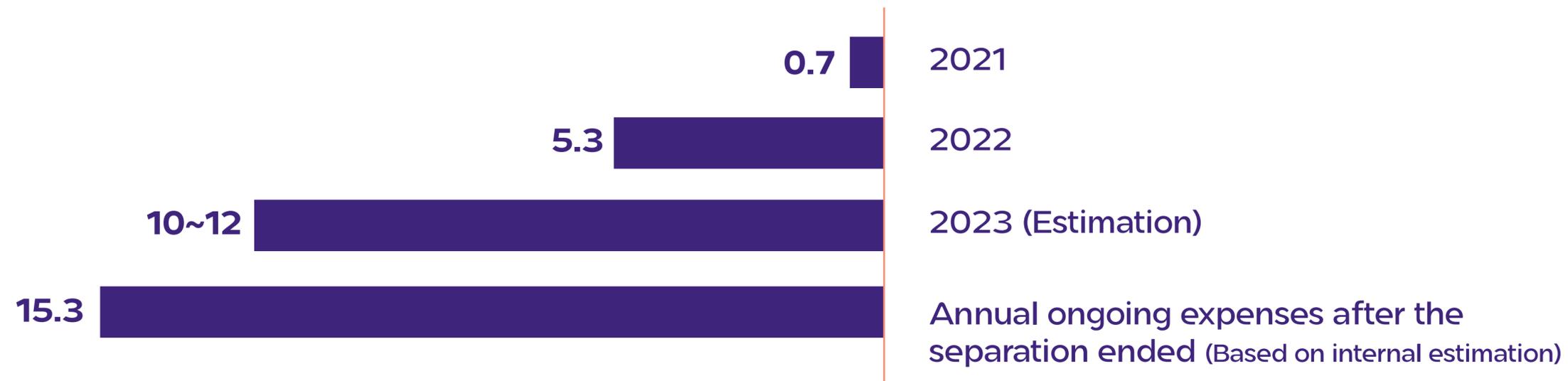


# Expenses for Separation from MASAV (in Million NIS)

In October 2019, the Competition Authority regulator requested to completely disconnect all joint affiliations between SHVA and MASAV - technology, business, and operational.

Severing the joint affiliations will be done gradually and in a controlled manner.

The separation from MASAV is set to be completed by December 31, 2027.



# SHVA Distributes Dividends for its Shareholders Every Year

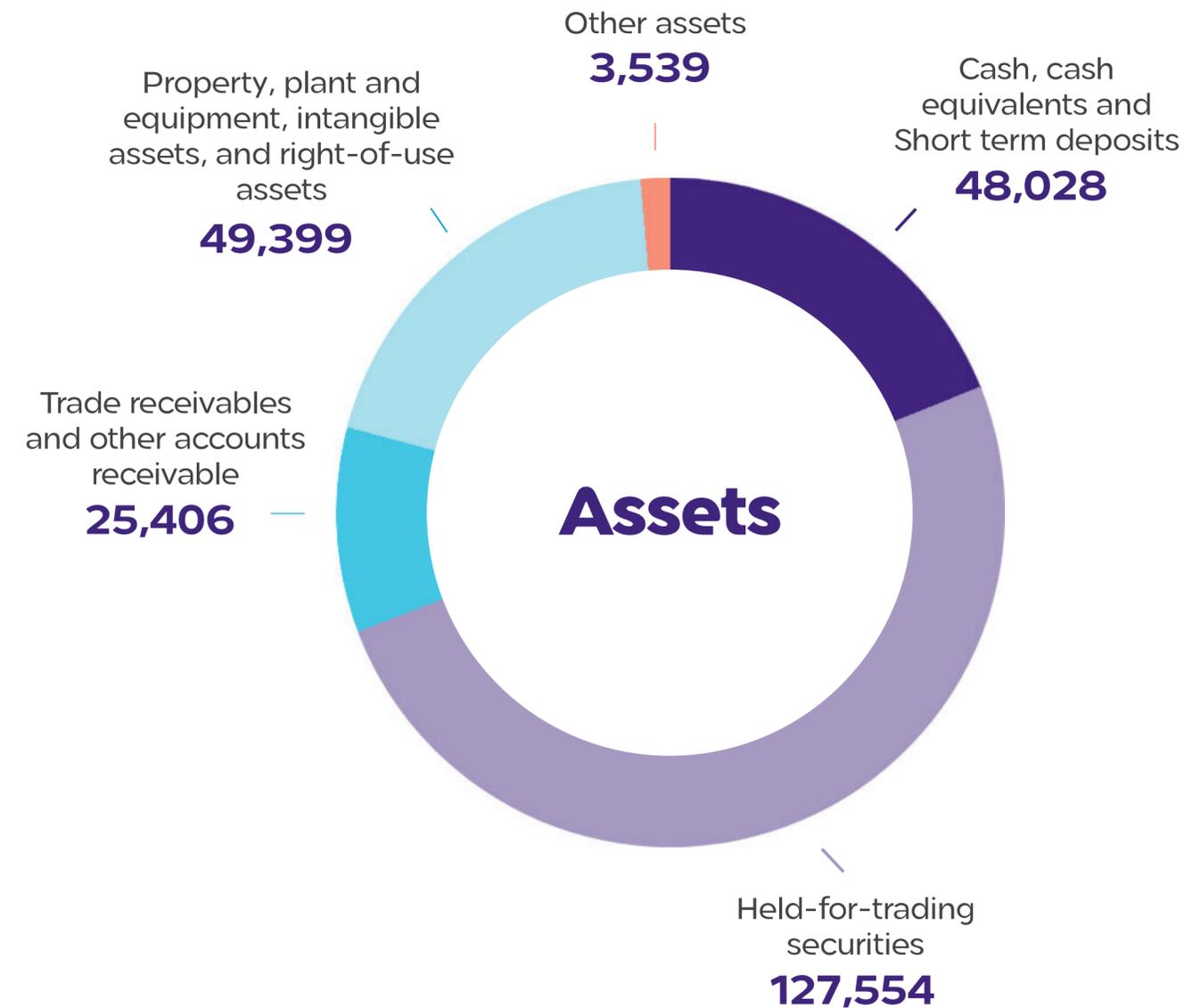
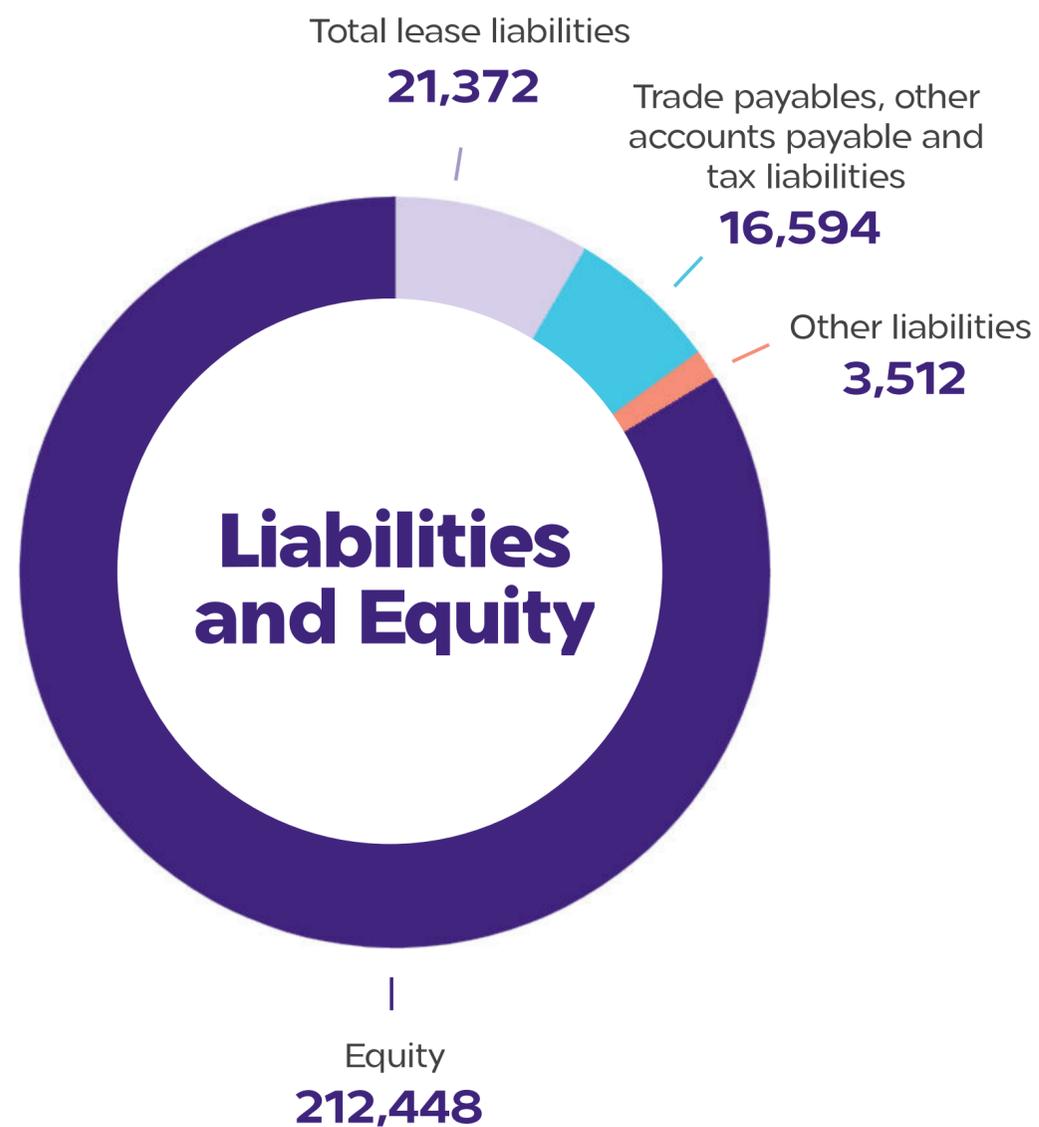
<b>Distributed in</b>	<b>For FY19</b> In thousands NIS	<b>For FY20</b> In thousands NIS	<b>For FY21</b> In thousands NIS	<b>For FY22</b> In thousands NIS
<b>2021</b>	<b>11,700</b>	<b>13,500</b>		
<b>2022</b>			<b>22,000</b>	
<b>2023</b>				<b>22,000</b>

# Accelerating the development of the Israeli payments market



# Appendix

# FY22 Balance Sheet (in thousands NIS)



# FY22 Annual Income Statement (in thousands NIS)

	2022	2021	2020
Revenues	117,283	110,408	85,203
Payroll and associated expenses	46,776	39,150	31,931
Operational general and administrative expenses	24,676	20,928	19,720
Total operating general and administrative expenses	71,452	60,078	51,651
Operating profit	45,831	50,330	33,552
Profits before taxes on income	34,440	57,732	35,282
<b>Income Attributable to Shareholders</b>	<b>24,085</b>	<b>44,557</b>	<b>27,120</b>