

SHVA reports its results for the fourth quarter and the entire year of 2023

In 2023, Shva's revenues grew by 15% to NIS 135 million; revenues in the fourth quarter amounted to NIS 34.5 million;

From the beginning of the year, the net income attributable to Shva's shareholders amounted to NIS 38.2 million

Shva's board of directors resolved to distribute dividends of NIS 25 million to shareholders

Shva's CEO Eitan Lev Tov: "Although 2023 was challenging and was characterized by business instability, we can see a recovery of the economy and an increase in payment card activity"

Shva, which provides technological infrastructure and advanced solutions over the payment systems it manages and operates, published today the financial results for the fourth quarter and the entire year of 2023.

Shva's revenues in 2023 increased by 15% compared to 2022 and amounted to approximately NIS 135 million. In the fourth quarter of 2023, revenues amounted to NIS 34.5 million, a growth of approximately 15% compared to revenues of NIS 30 million in the corresponding quarter last year. The increase in revenues in 2023 derives from an increase in the scale of the economy's activity, increase in the number of pinpads connected to terminals, increase in revenues from new activities and from prices' updating in the second quarter of this year.

From the data published in Shva's annual financial report, it appears that during 2023, during which the "Iron Swords" war began on October 7, and this after the uncertainty created in the economy as a result of the planned legal reform, an increase of 6.3% was recorded in the amount of transactions made by the Israeli public with credit cards reaching an amount of about 2.2 billion transactions. A 4.9% decrease was recorded in the number of balance checks and withdrawals made by the Israeli public, through Shva's systems, at ATMs, and they reached an annual amount of approximately 61.8 million.

Shva maintained high operating profit alongside the effect of the separation from Masav, which in 2023 amounted to approximately NIS 11.8 million. As per Shva's estimate, the current expenses for the separation in 2024 will increase to a total of approximately NIS 13-15 million and at end of the separation, which is planned to be completed in 2027, are expected to amount to approximately NIS 16.6 million annually.

Net finance income in 2023 amounted to approximately NIS 6.7 million, compared to finance expenses of approximately NIS 11.4 million in 2022. In the fourth quarter of 2023, Shva's finance income amounted to

approximately NIS 3.4 million, compared to net finance expenses of NIS 0.9 million in the fourth quarter of 2022. The increase in finance income is due to an increase in the value of Shva's securities portfolio, compared to its decrease in 2022.

The net income attributable to shareholders in 2023 increased by 59% and amounted to approximately NIS 38.2 million, compared to net income of NIS 24.1 million in 2022. In the fourth quarter of 2023, Shva's net income amounted to approximately NIS 9.3 million, compared to a net income of NIS 7.9 million in the corresponding quarter last year. The net income in the fourth quarter and the entire year of 2023 was affected, among other things, by a donation of approximately NIS 2 million (before tax) to establish a philanthropic project *"Support Business IL"* - (Otef Laesek), with the Jewish Agency, IVN - *Israel Venture Network* - association and Klirmark Capital for grants immediate assistance to small businesses which were harmed from the Iron Swords War, by expenses related to strengthening cyber defense and the technological systems and addition of manpower as part of implementing the strategic plan.

The equity attributable to the Company's shareholders, as of December 31, 2023 amounted to approximately NIS 231 million compared to equity of NIS 212 million at the end of 2022. The increase in equity derives from accumulated income in the period net of dividend distribution to shareholders in the second quarter.

Dividend: Shva's board of directors resolved to distribute a dividend of NIS 25 million to the shareholders to be paid during April 2024.

Shva's CEO, Eitan Lev-Tov, referred to the annual report and the business activity in the economy and noted that "although 2023 was challenging and was characterized by business instability, among other things due to the impact of the "Iron Swords" war, as of the report date and as of December 2023, a recovery of the economy and increase in payment card activity can be seen in most operating sectors.

"We at Shva conclude 2023 as a year of extensive activity during which we promoted the Company's new growth engines alongside maintaining stability and efficiency of the payment systems managed and operated by us."