



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

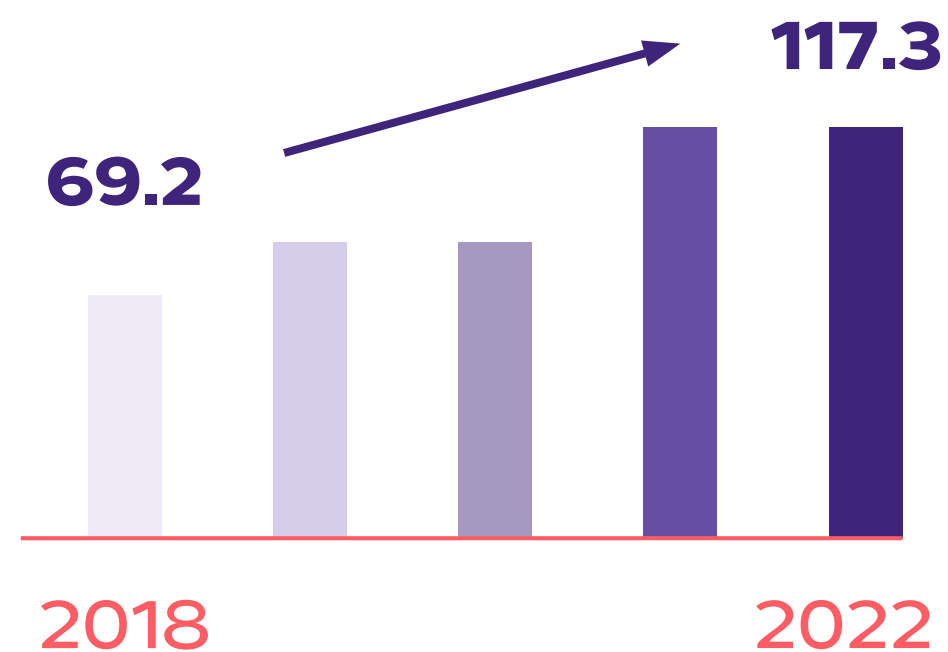
Financial Stability

212M NIS
in Equity

39.1%
Operating Profit

No Financial leverage

Steady revenue growth
NIS millions



Resilient Technology

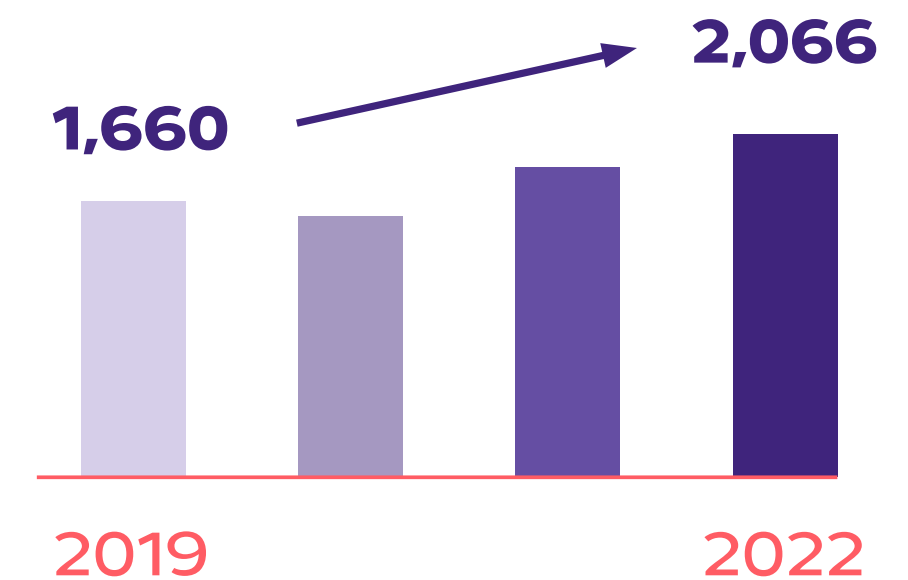
100%
Availability of the card
payment system

99.999%
Availability of the
ATM network system

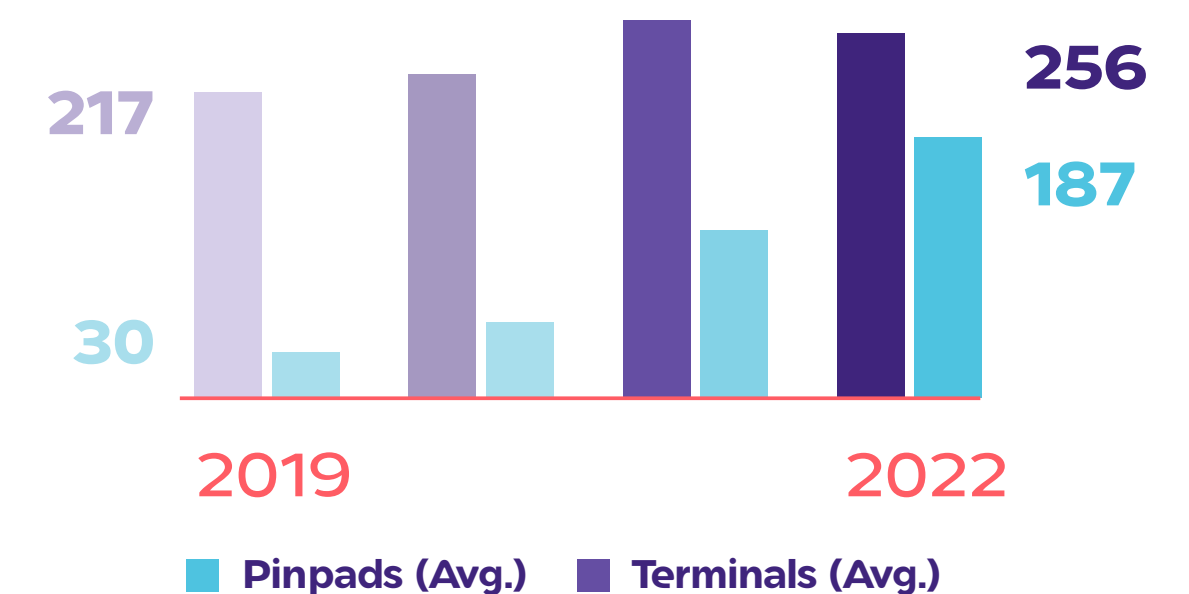
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Resilient and protected data
centers with high-level security

Strong Market

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

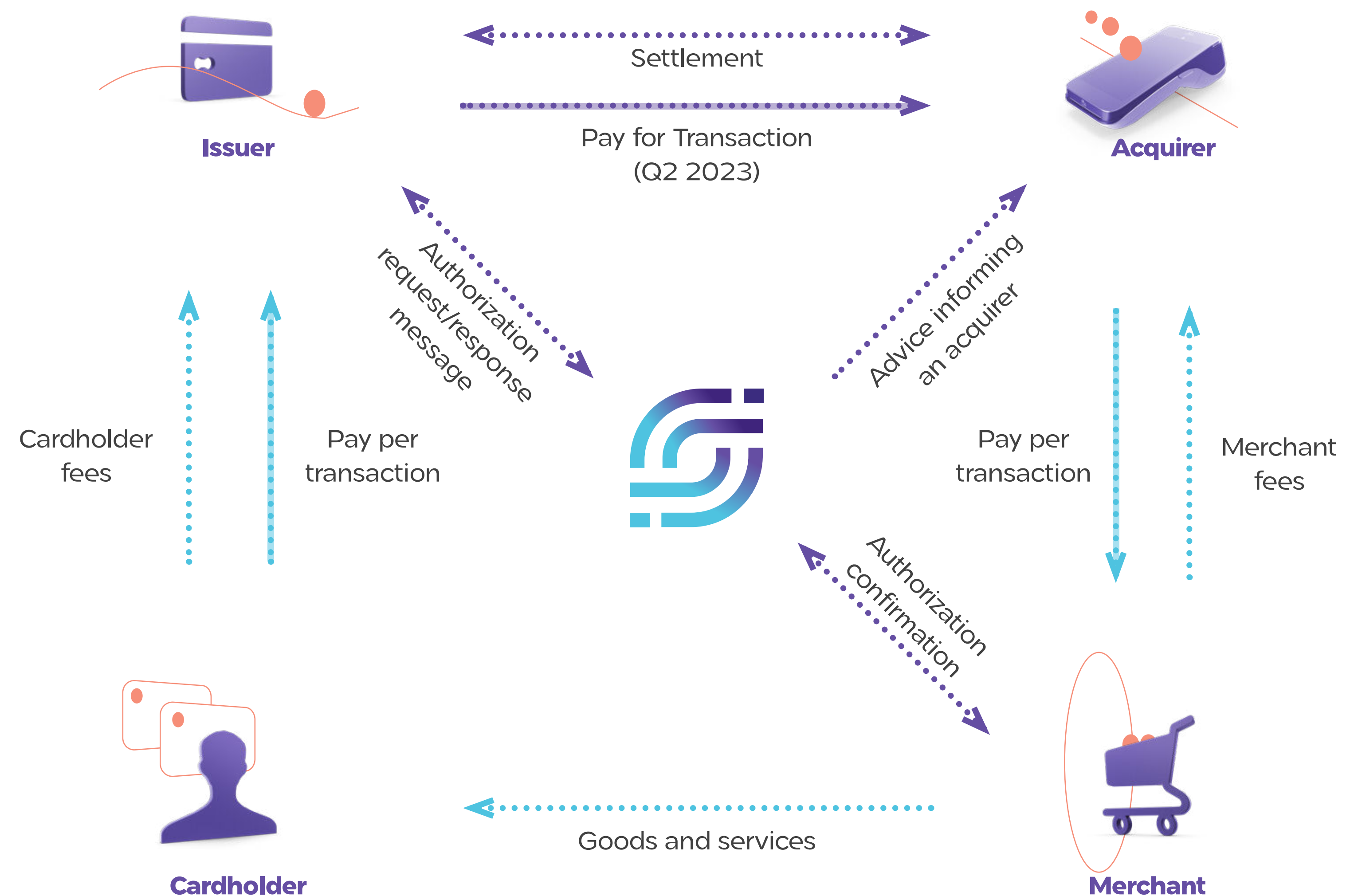


**Rise in average connected
Pinpads and Terminals**
(In thousands)



The Israeli Payment Card Services system

Operation Model

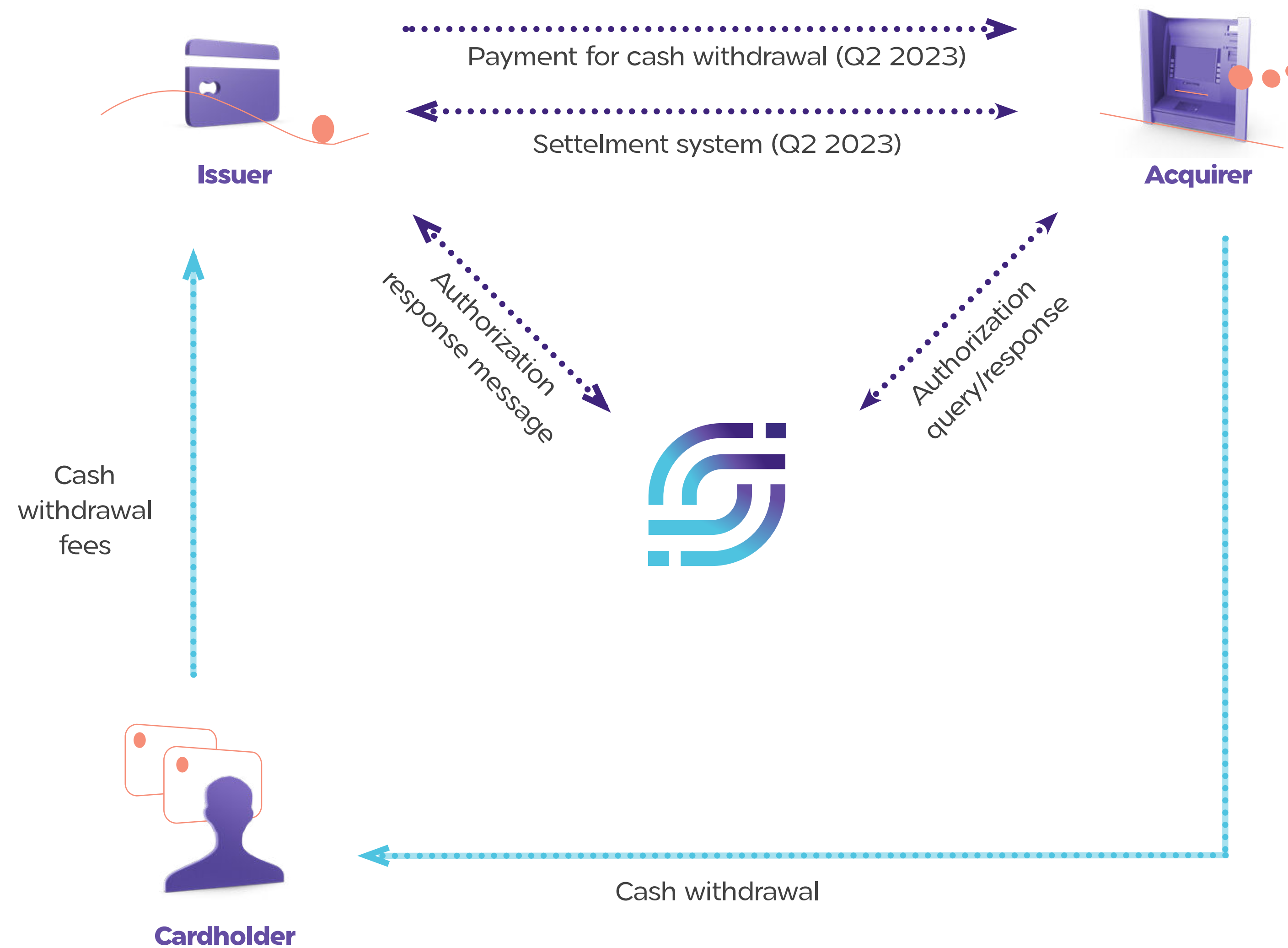


Authorization fees | Transaction fees | Interchange fees | Terminal subscription | Pin pad subscription

External operation Operation within SHVA's system

The Israeli ATM system

Operation Model



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



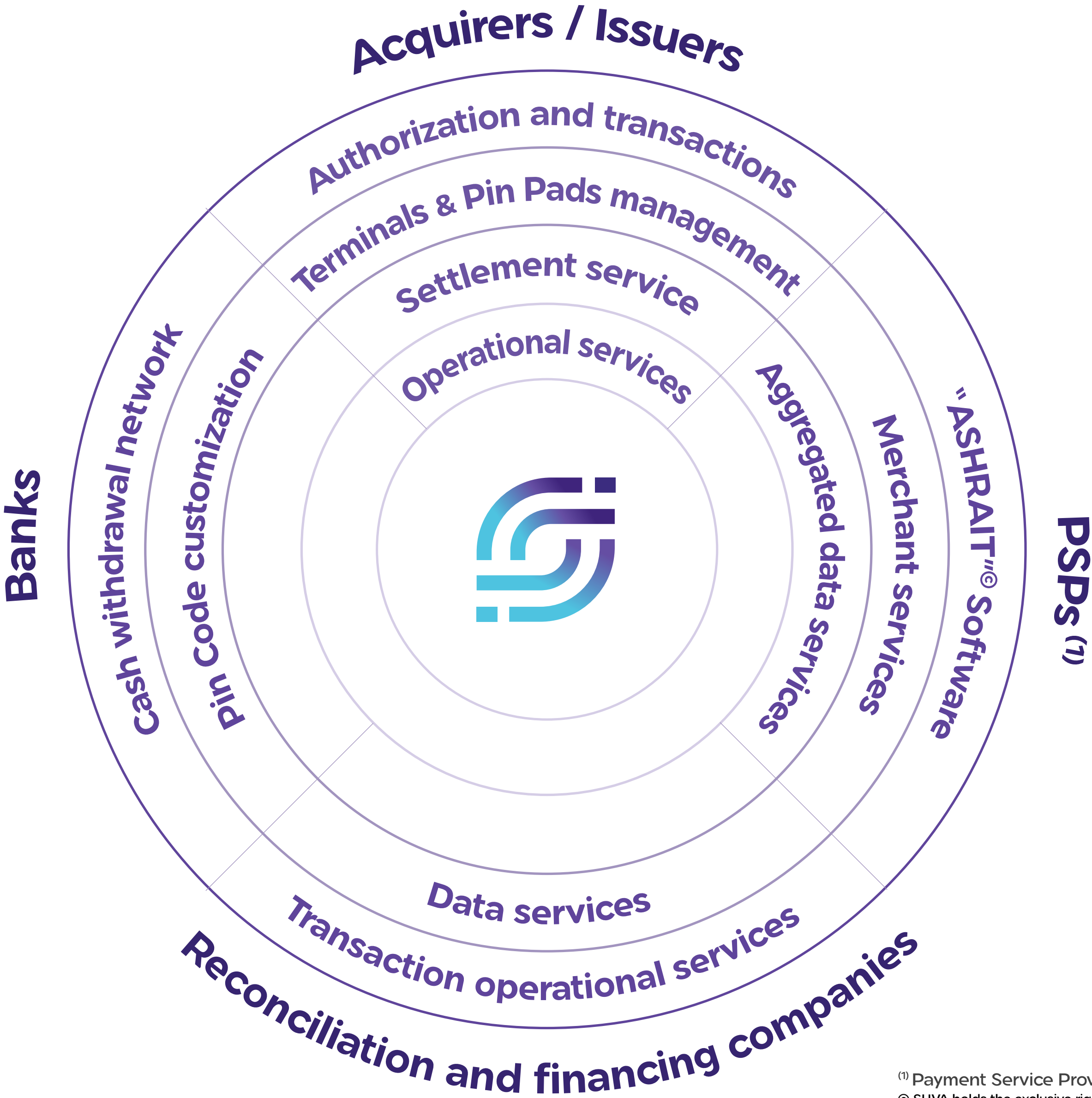
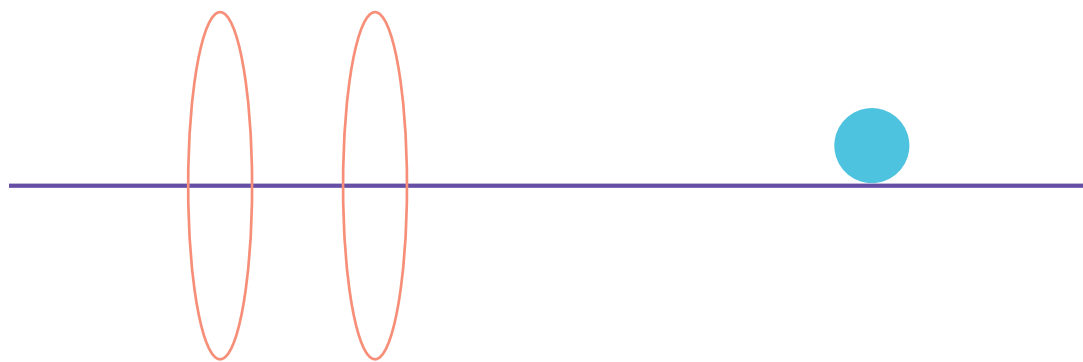
Odelia Green Catz
HR Manager



Michal Goldenberg
Chief Risk and Compliance Officer

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

SHVA's main services



⁽¹⁾ Payment Service Providers
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A Key Player in a Fast-Growing Market

Growth in Private Consumption

Increased consumption

Growth of e-commerce shopping with payment cards

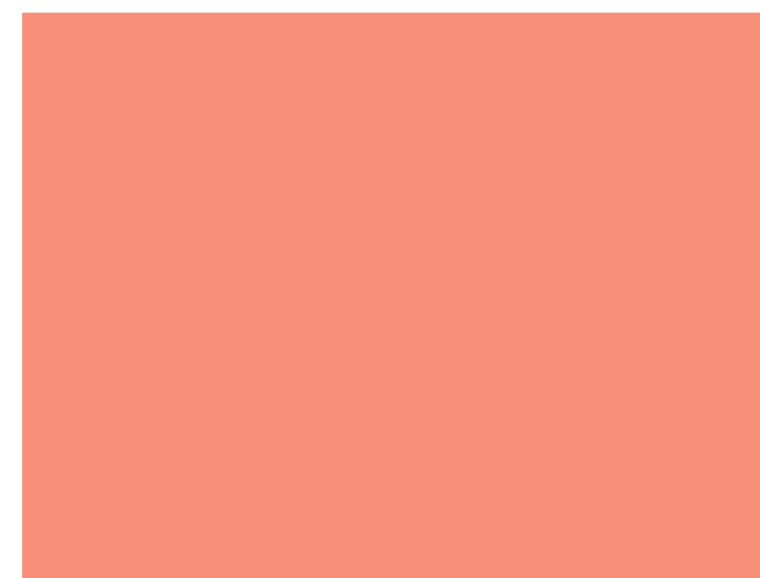
Contactless payments and digital wallets based on payment cards are on the rise



Active Regulator

New regulation promotes diversity and competition in the payment industry

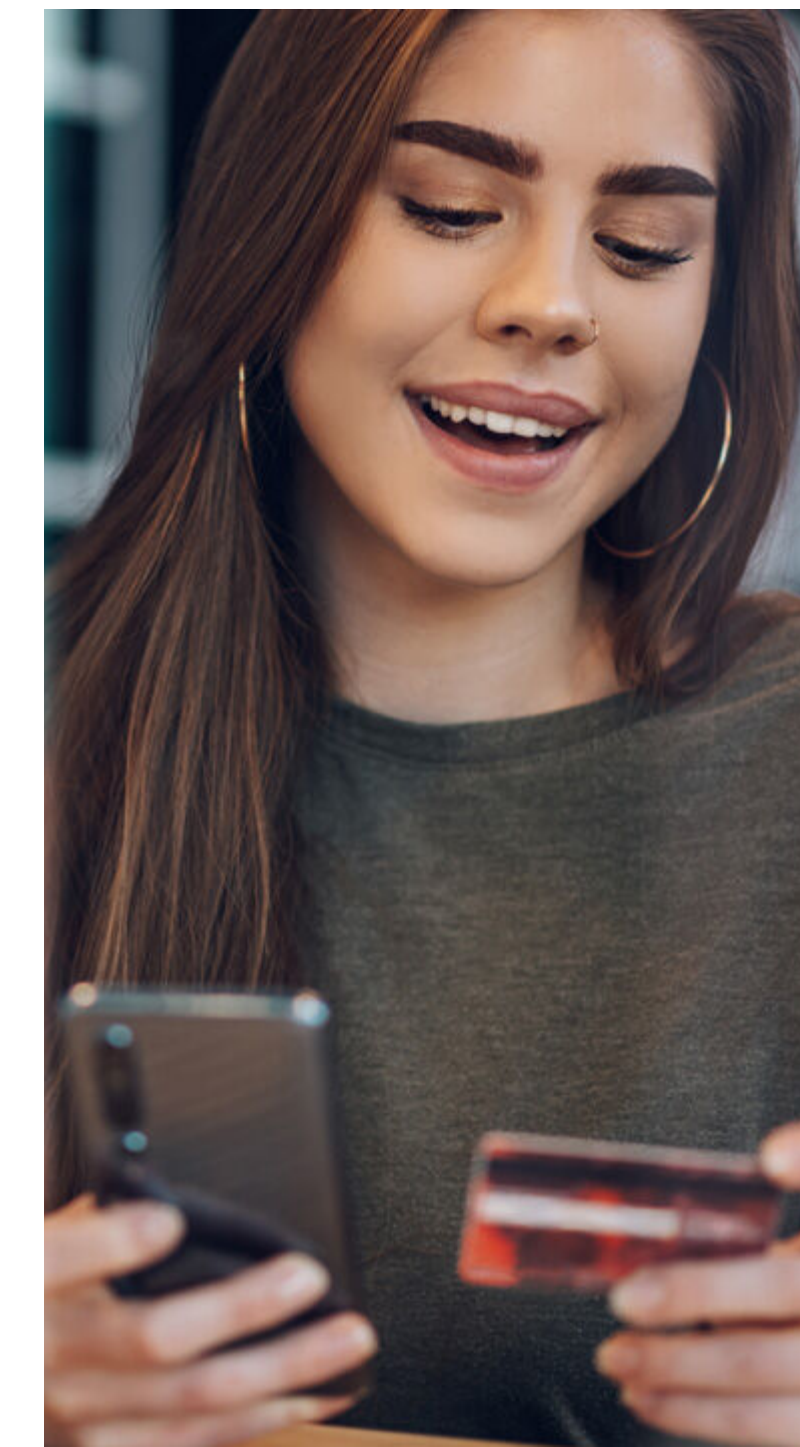
New regulation aiming to decrease cash usage



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



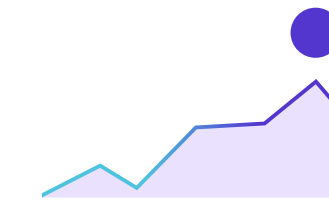
From operational- oriented company

which operates
technological
payment
infrastructures

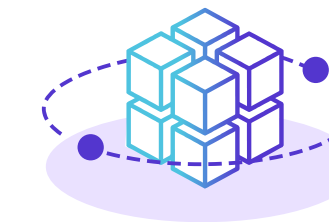


To business- oriented company

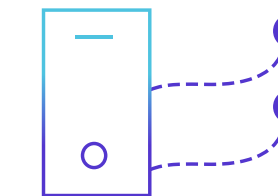
provides technological
infrastructure,
aggregated data, and
advanced solutions
based on the payment
systems



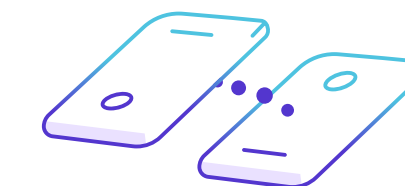
Smart payments
and aggregated
data management



Infrastructure
solutions based
on advanced
technologies



Diversified
products and
services portfolio



Implementation
of new payment
methods

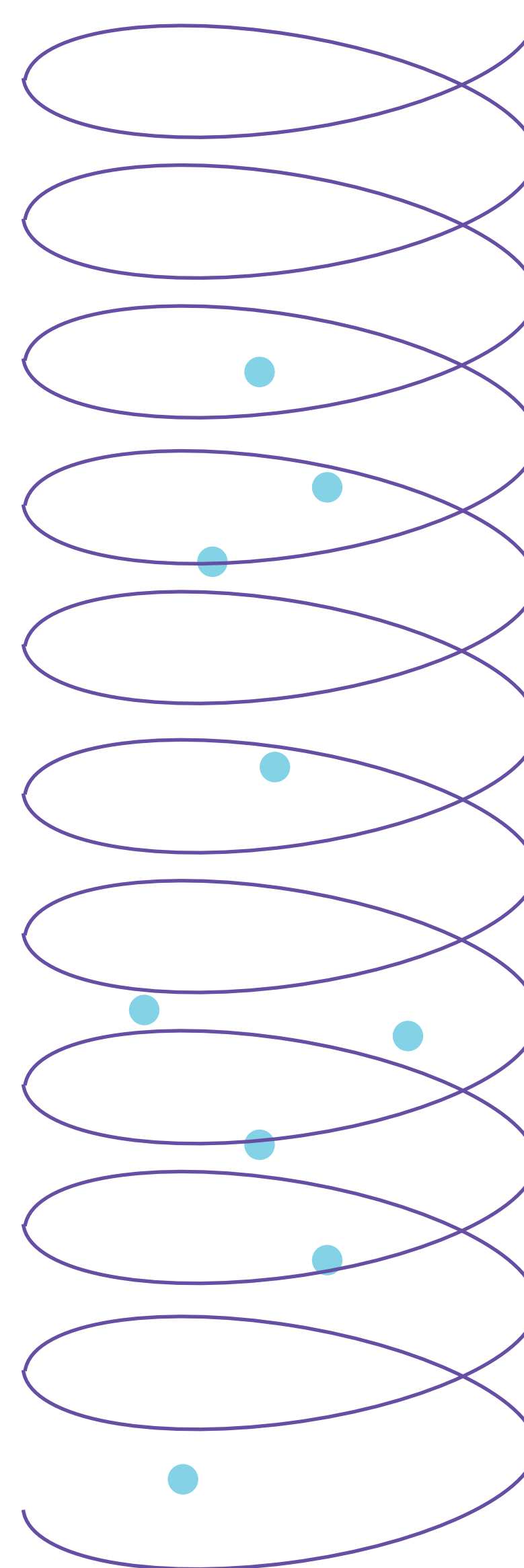


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Investing in the future

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

A strategic approach promotes innovation while maintaining technological stability



Cloud-based architecture

New payment solutions and advanced services

Aggregated data

Technological transformation

Upgrading systems

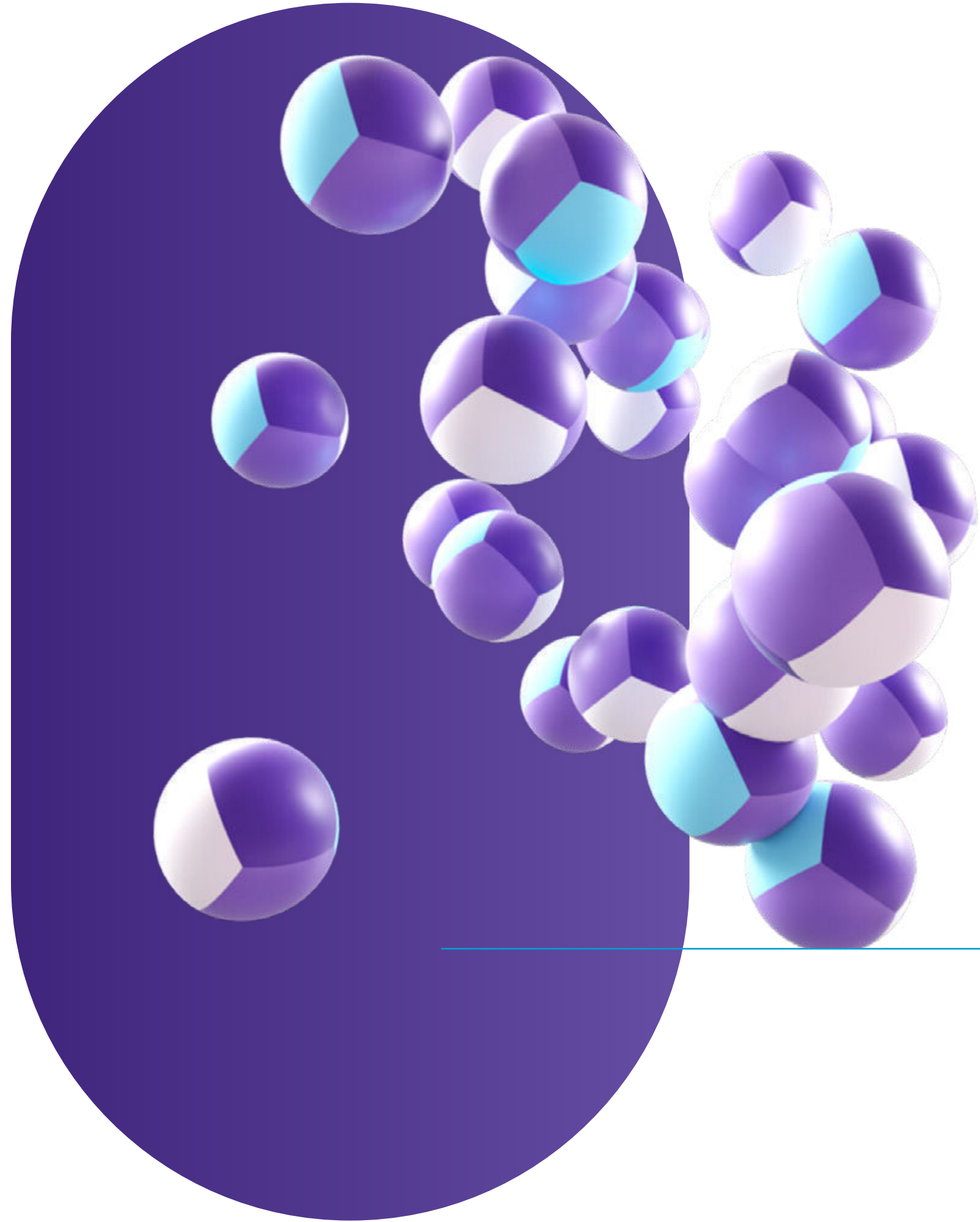
Modernization of core systems

Separation from MASAV* infrastructure

Reliability and resilience

Data security and cyber

Business continuity



Driving Toward Future Growth

SHVA's growth engines



One arena - multiple advanced solutions

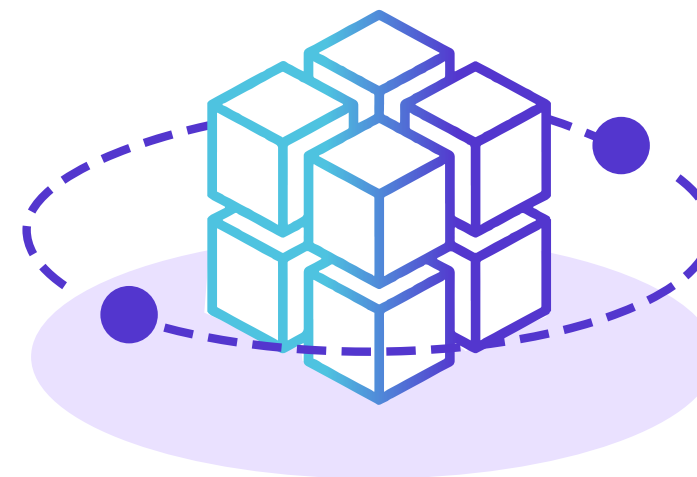
The imperative

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

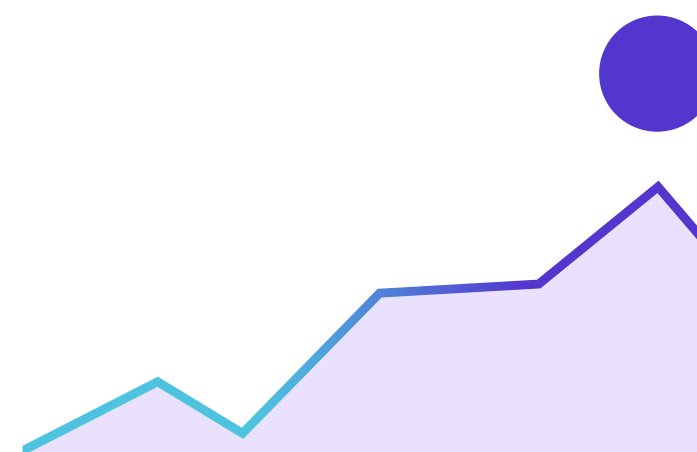
The imperative

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)

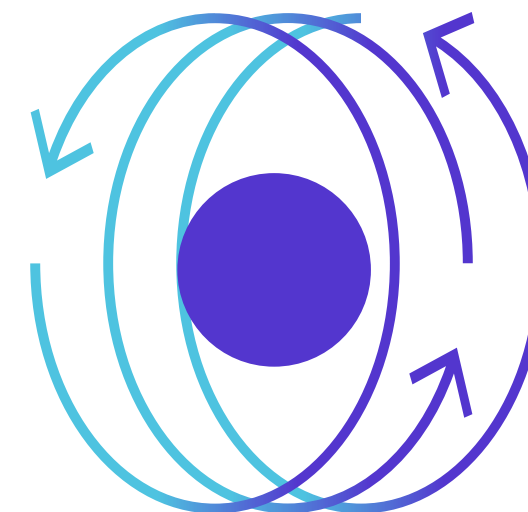
Expanding the reach of the CLP to the rest of the market

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

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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

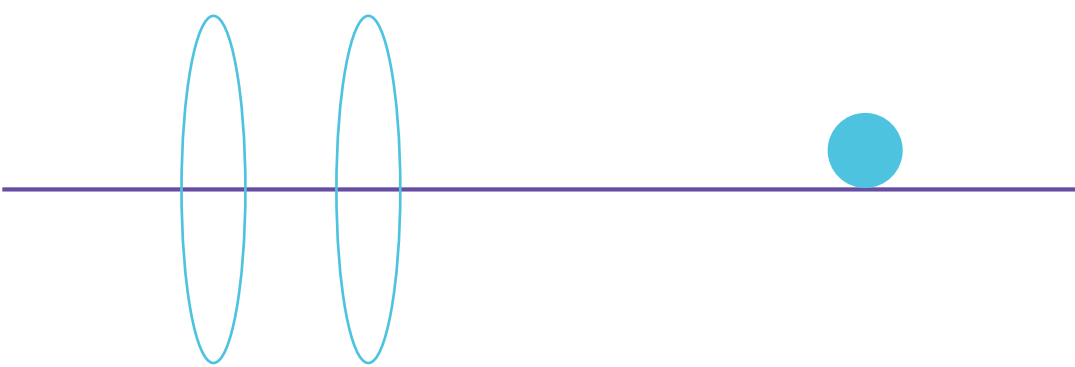


Target audience

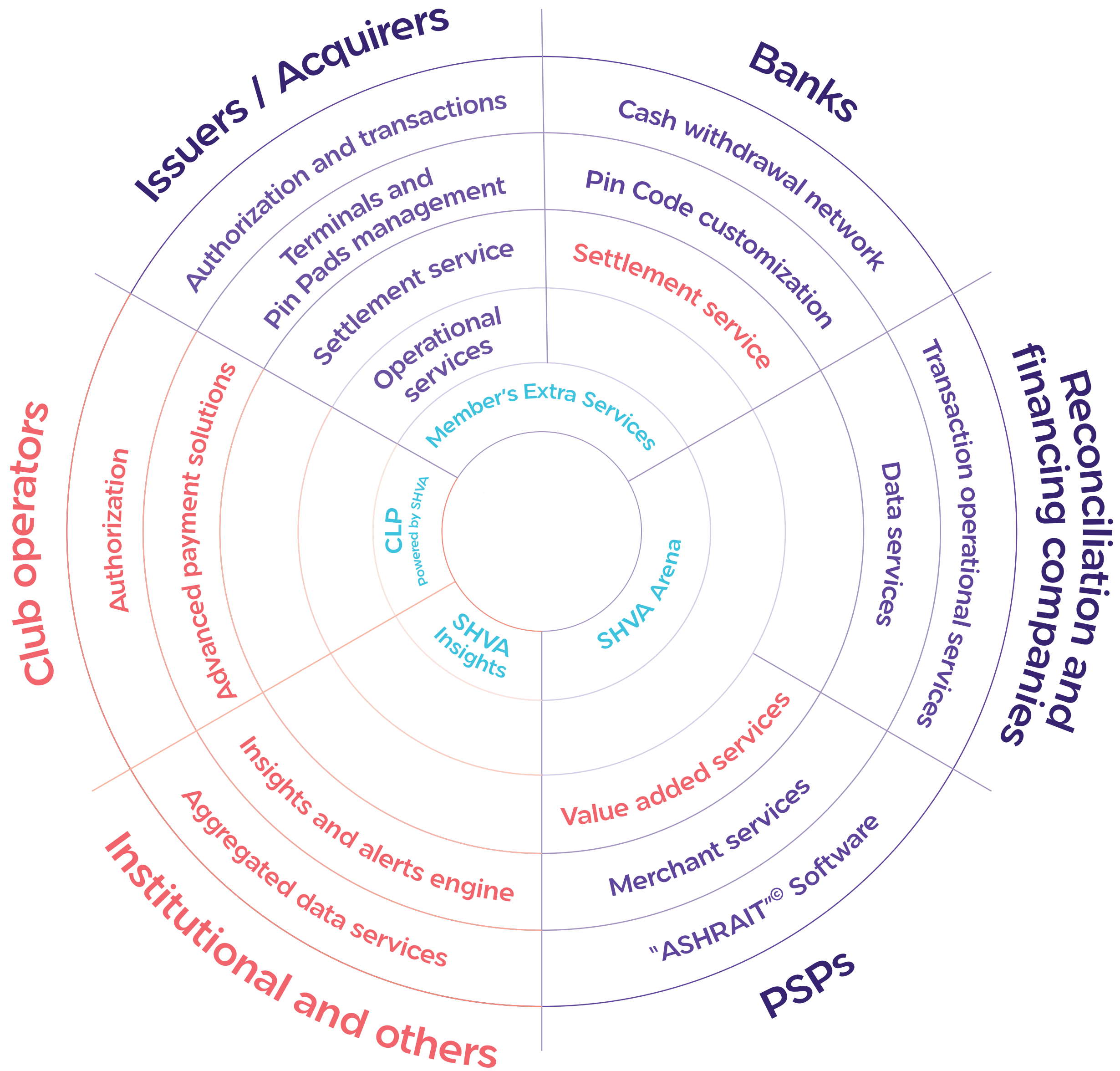
Acquirers
Issuers

Expanding the business model

based on current customers and services, adding new growth engines



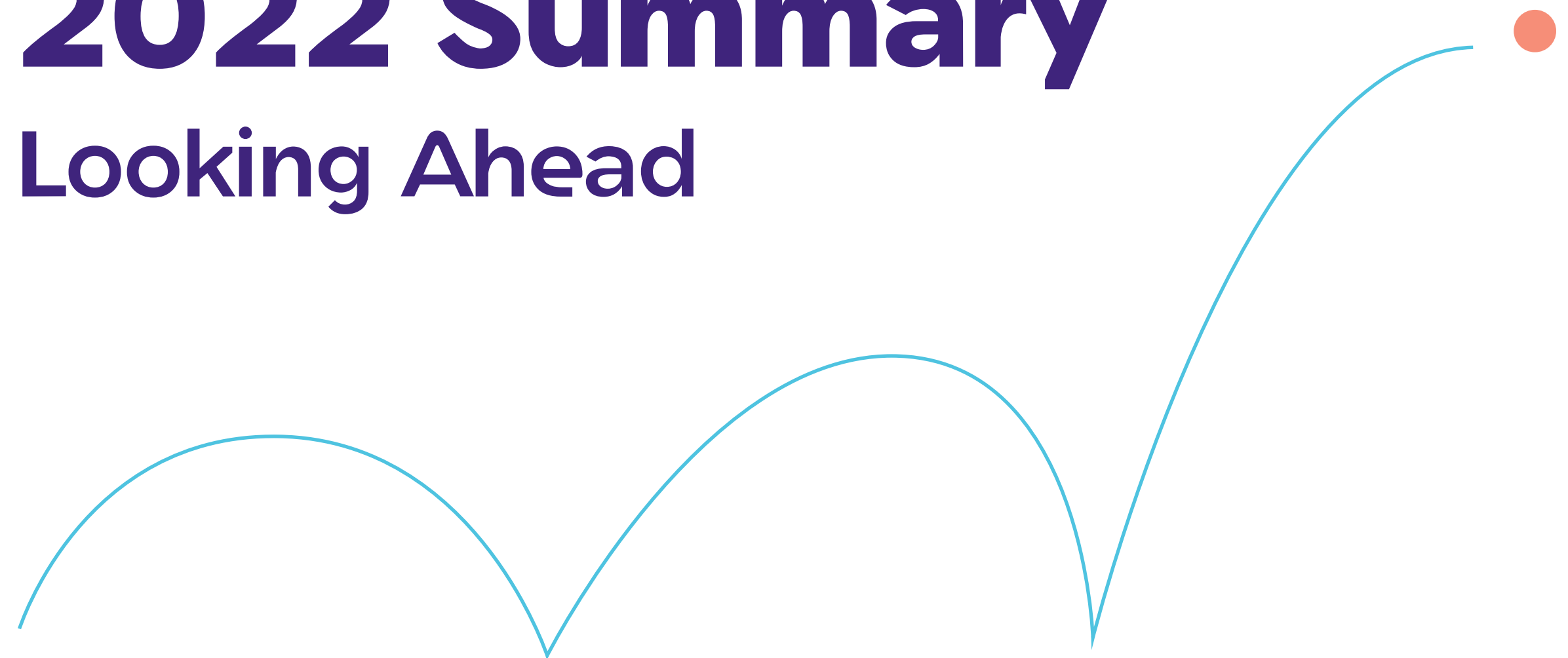
● Exist ● New





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

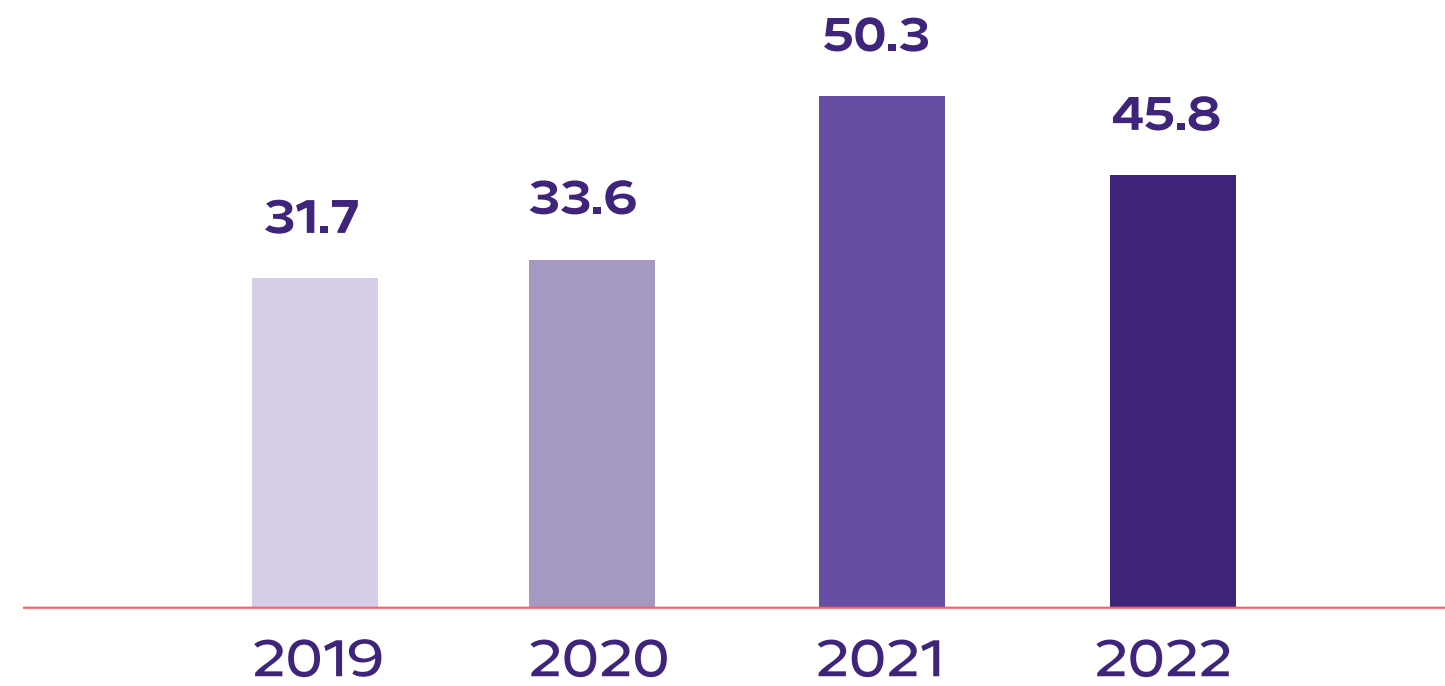
Cash, cash equivalents, Short term
deposits, and Held-for-trading
securities

22M NIS

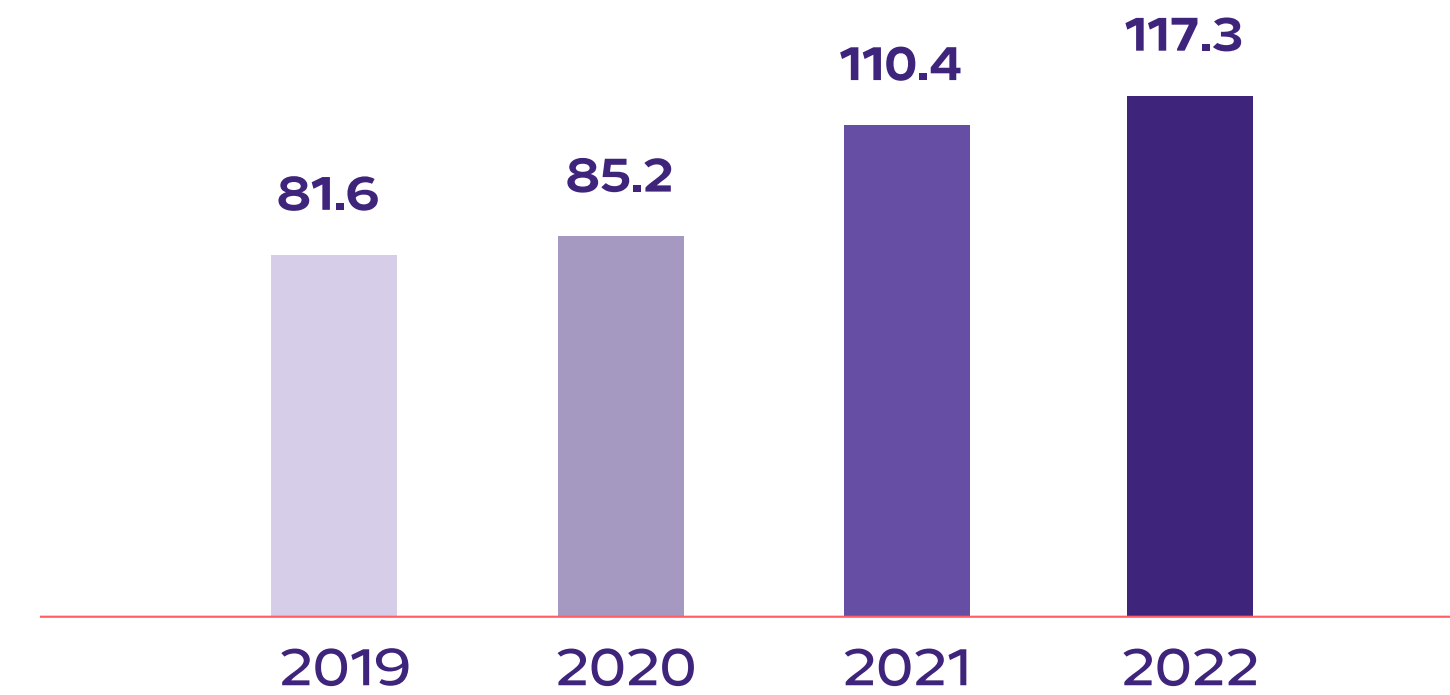
Dividends

Financial Resilience and Steady Growth (in NIS Million)

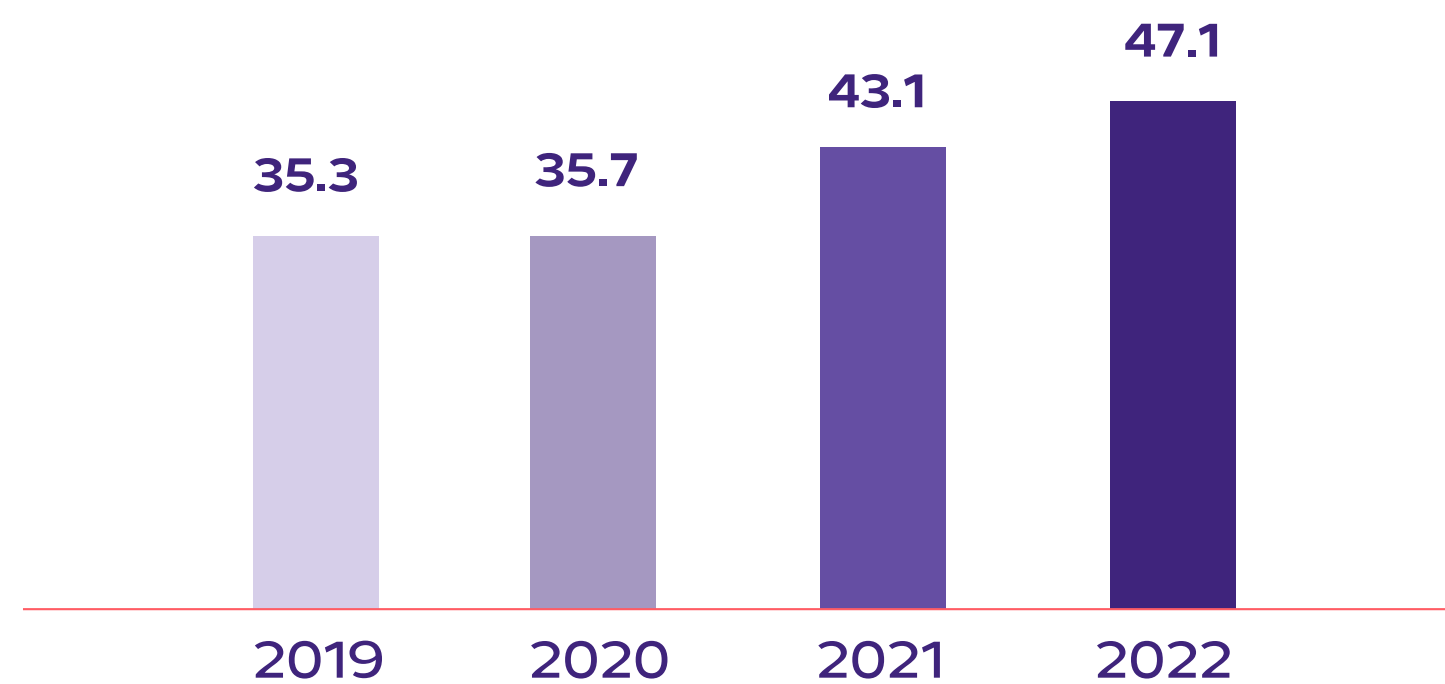
Operating Profit



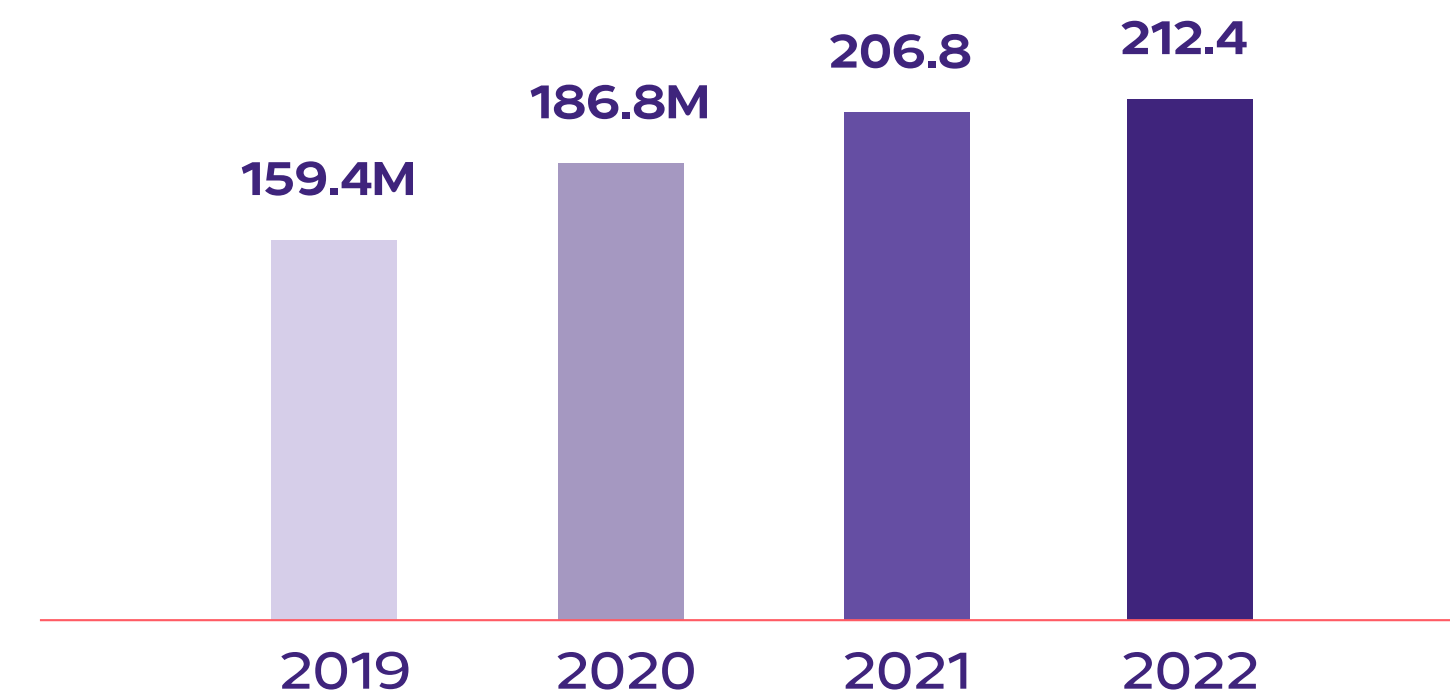
Revenues



Net Cash Provided by Operating Activities



Equity

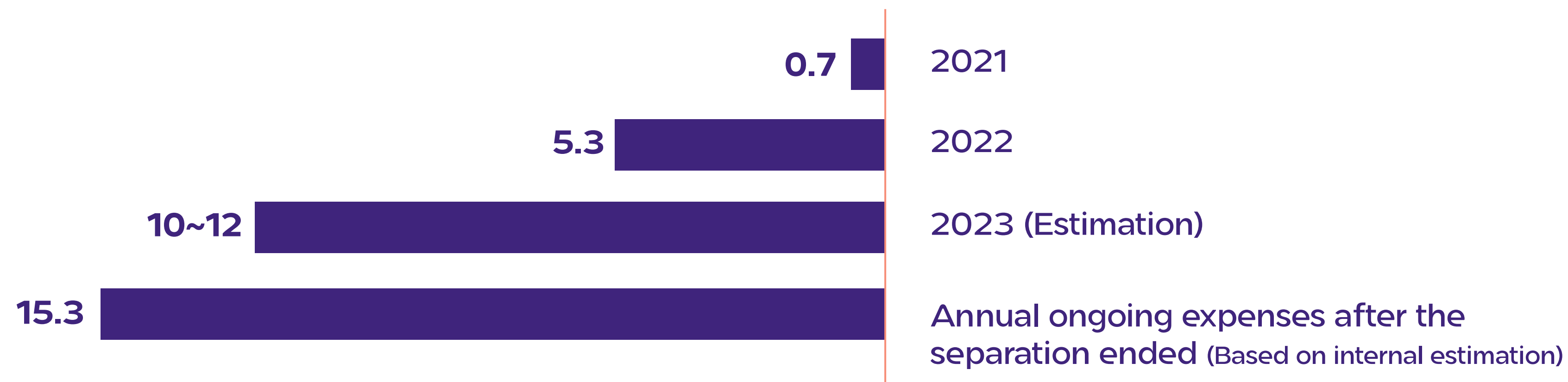


Expenses for Separation from MASAV (in Million NIS)

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.



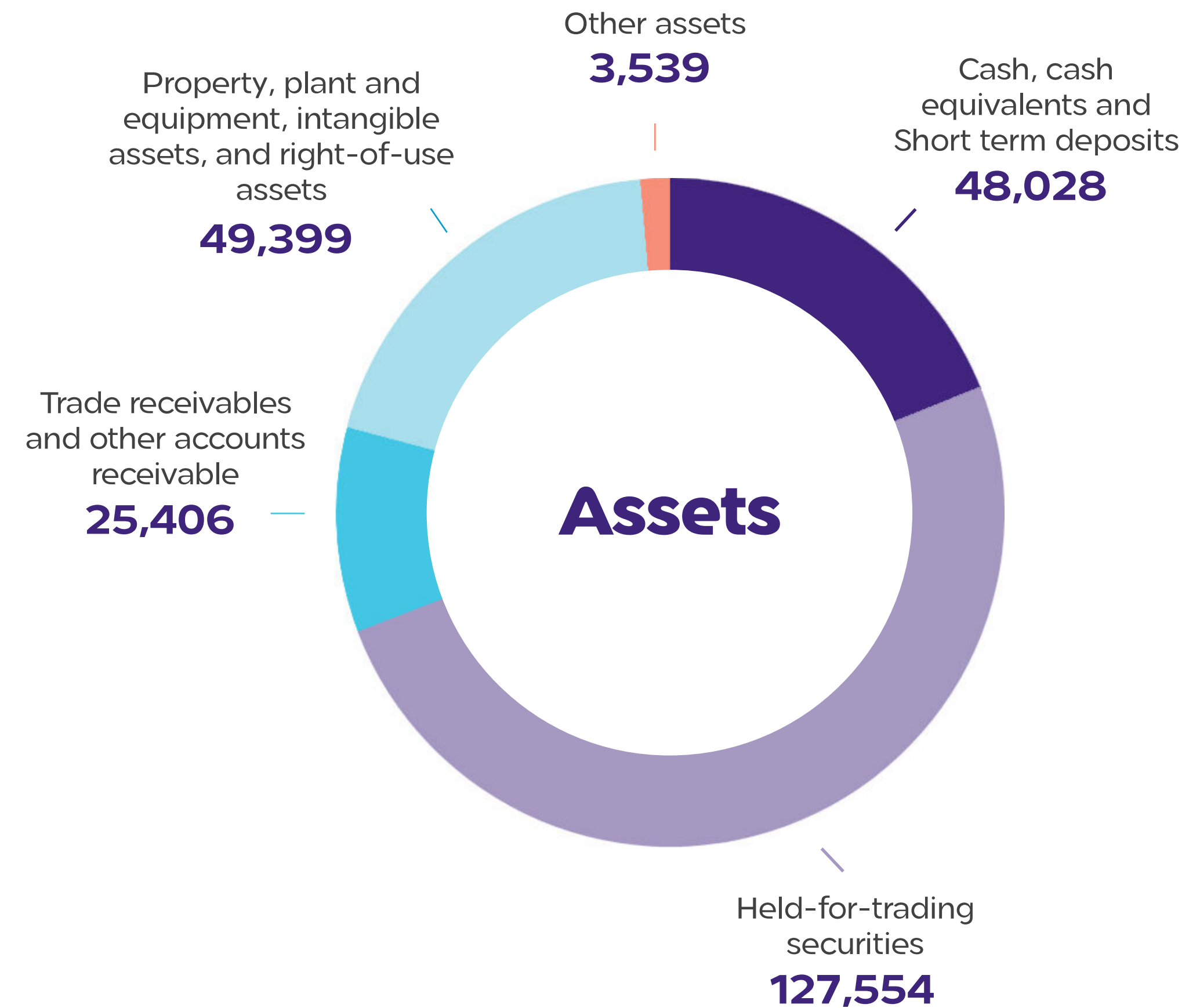
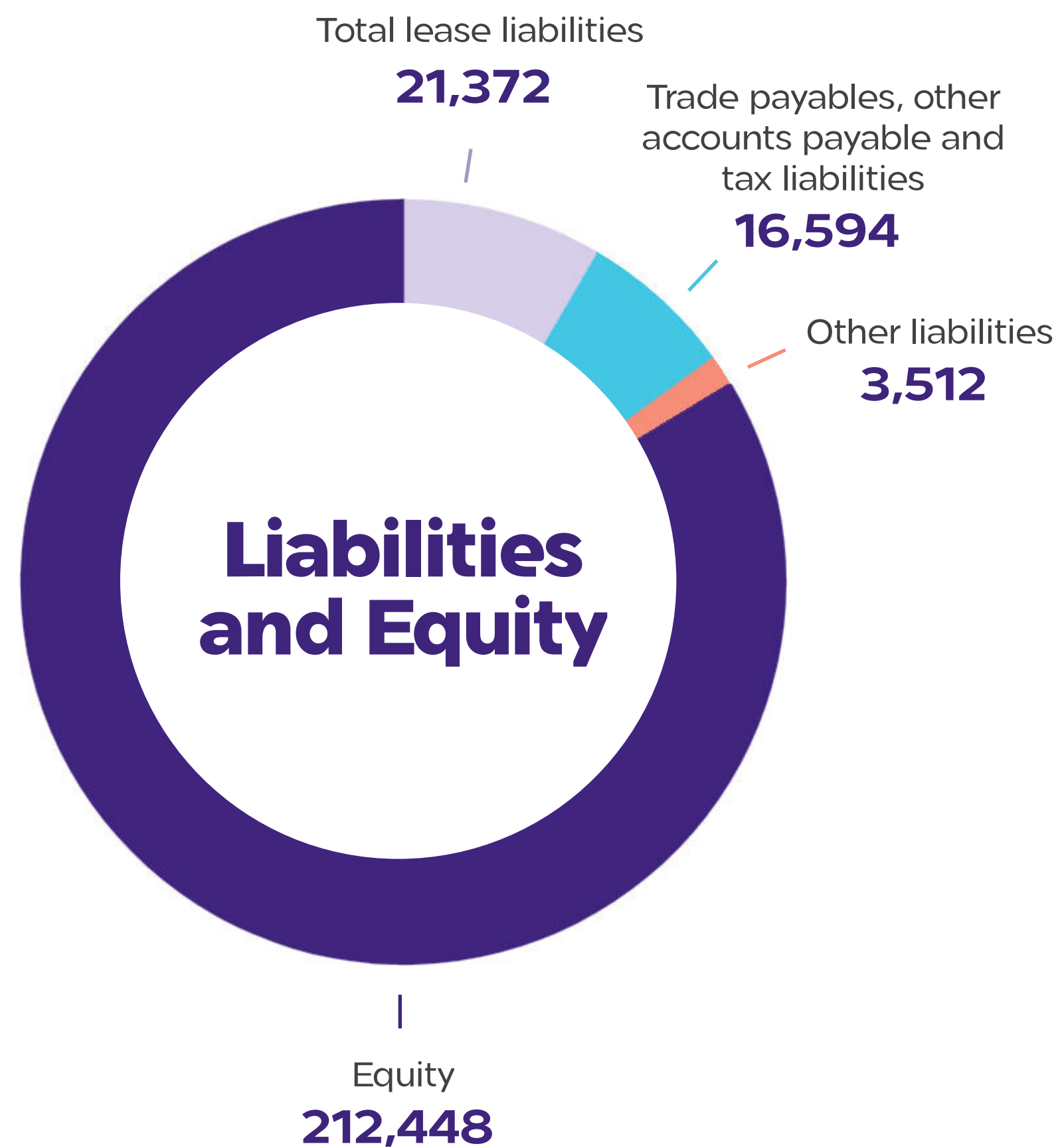
SHVA Distributes Dividends for its Shareholders Every Year

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

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
Income Attributable to Shareholders	24,085	44,557	27,120