

FY

2024

Financial Review

Looking Ahead

Legal Clarification.

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SHVA's Board of Directors, SHVA's management, and its employees extend their support to the security forces and stand in solidarity with the families of the hostages, wishing for the safety and return of all the hostages.

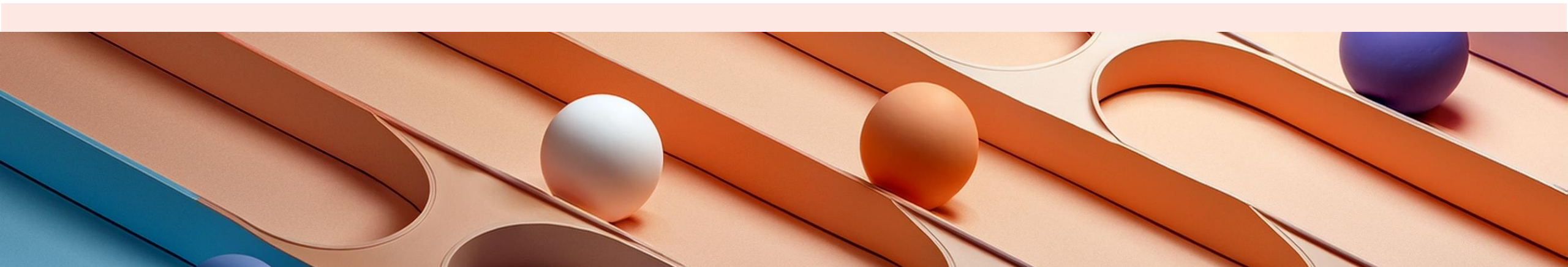
Our hearts are with the numerous families who have lost their loved ones, and we wish a speedy recovery for all injured individuals, both in body and spirit.

SHVA supports and embraces all Israeli citizens, disaster victims, evacuees, and regular and reserve soldiers. As a leading organization in the economy, we will continue to be a central partner in the renewal and renewed growth of the economy and society in Israel.

SHVA's Vision .

SHVA, as the leading payment infrastructure provider for transaction management and financial information in Israel, is committed to enabling **equal opportunity and access to progress, technology, and growth**

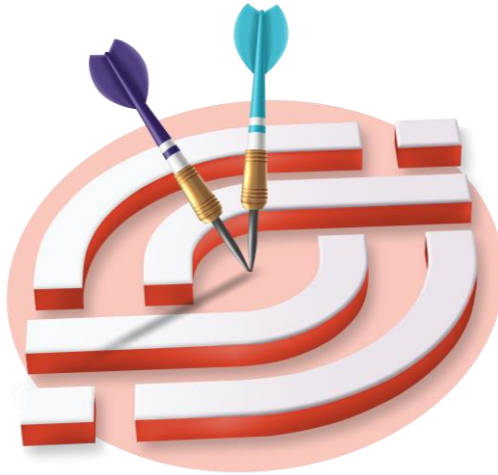
SHVA actively promotes cutting-edge, technology-driven infrastructure solutions designed to empower growth and enhance efficiency across all sectors of the Israeli economy, aligning with market demands **and adhering to the highest standards**



SHVA's Strategy.

Development and management of core services

Ensure the stability and efficiency of the national payment infrastructure



Business growth

Focusing on expanding and diversifying SHVA's sources of income based on advanced technologies

SHVA continues to implement its core strategy of transformation from an **operational entity to a product-oriented business that puts the customer at the center**

This strategy is instrumental in boosting **loyalty, satisfaction, and growth, strengthening and expanding the engagement** with both existing and new customers and partners and creating a significant competitive advantage in the market

Formulation and implementation of a three-year strategic plan



2022

Formulation of a three-year strategic plan 2023-2025

Positioning SHVA as a technology leader in the payments market

2023

Specification, planning, setting up of the infrastructure and cloud environment

Supporting the growth engines.
Initiating a Modernization of a significant part of the core systems

2024

Development of new products and services as growth engines for SHVA

Signing of strategic agreements with key customers, new collaborations and strengthening the relationships with credit card companies and banks

2025

Sales and collaborations alongside continuous development

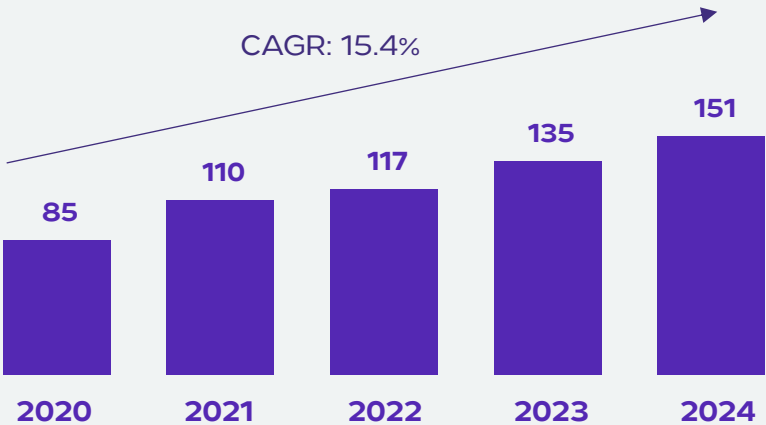
Focusing on the execution and rollout of the products services in the field, while deepening and expanding our deployment and completing the core systems modernization project

Financial resilience

Steady growth in
revenues and
profitability despite
the challenging times ●

Steady growth in revenues

NIS in millions



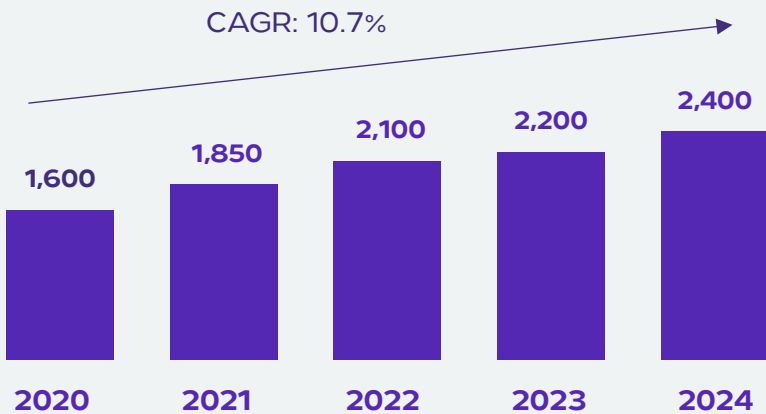
NIS 67 million

EBITDA less equity compensation

The Company is not leveraged

NIS 259 million

Equity



Steady increase in the
number of card
transactions, in millions
of transactions

Organizational resilience

Stability and extensive experience ensuring reliability, transparency and business security .



Proven quality services

47 years of excellence, quality service, high expertise and market leadership



Secured business continuity

A robust and organized operation model, structured processes, long-term relationships fostering continued growth

<Maximum uptime

<Robust stability

<Advanced resilience



Multi-channel distribution

Extensive experience working with distributors across various channels, dynamic adaptability to the market and rapport with the business customers



Critical payment systems

Operation and development of two supervised and monitored national payment systems. SHVA was declared a critical national infrastructure in accordance with the directives of the National Cyber Bureau

Technological strength

Innovation and a competitive advantage driven by the continuous development of infrastructure, information security, and technological tools ●

Information security

The continuous implementation of next-level information security solutions reinforces business continuity and ensures optimal stability and resilience

Modernized technology

The transition to advanced innovative systems incorporating AI and ML solutions facilitates improved and smooth business activity while ensuring optimal response times

Advanced architecture

The cloud-based infrastructure, APIs and innovative technological solutions provide a flexible and efficient framework for the seamless and secure connection of customers and partners to SHVA's products and services

Key external growth drivers of SHVA.

Technological development and consumer adoption

Increased adoption of digital wallets and growth in online and mobile purchases

Regulation

Promoting legislation to diversify payment solutions and increase competition in the payment market

Technological development and consumer adoption

The fast-changing payment sector features accelerated growth alongside constantly evolving related services and payment methods

- **Ongoing increase in user adoption of** advanced card-based **payment solutions**, such as mobile payment applications and digital wallets
- **The shift to cloud services and evolving data processing capabilities** created a new market for advanced data products' supply and demand
- **The growth in online commerce** created new opportunities for PSP players and set a foundation for a variety of cloud-based value propositions to businesses
- **Dual cards** – incorporating closed-loop payments as part of customer loyalty programs
- **Growth in embedded finance** – incorporating payments, loans or insurance into the infrastructure of non-financial businesses
- **Public transportation** – The Ministry of Transport, SHVA and other entities are promoting the adoption of card-based payment solutions in public transportation.

Competitive regulation

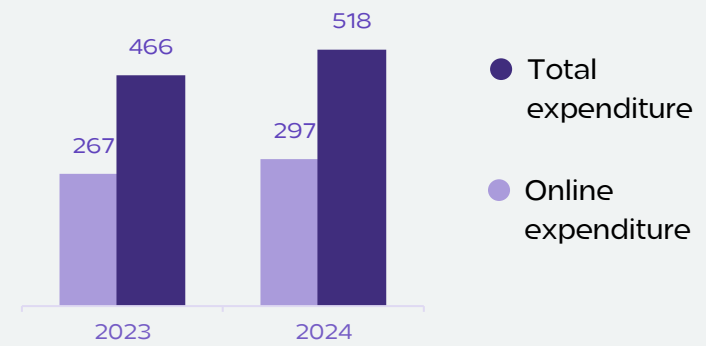
Promoting the connection of local and global players to the payment systems operated and developed by SHVA

- The allocation of identification codes ("bank code") by the Bank of Israel to local Fintech companies allows them to transact directly and independently with the national supervised payment systems.
- Promoting legislation to diversify payment solutions and increase competition in the payment market
- Legislation amendments aimed at reducing the use of cash
- The Bank of Israel's efforts to regulate the connection of local and global players to the payment systems, including new clearers and issuers
- Supervision orders regulating card-based payment in public transportation – buses, national rail and local trains
- Significant increase in new legislation, regulatory directives and reforms in the banking sector, most notably in relation to payment cards, payment services and financial services to individuals

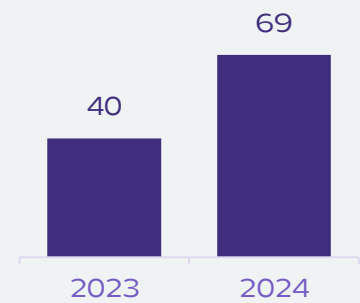
SHVA serves as a barometer of business activity in Israel, picking up on the market's business pulse, which is influenced by the interplay of economic, security, political, and social factors ●

Total credit card expenditure, NIS in billions

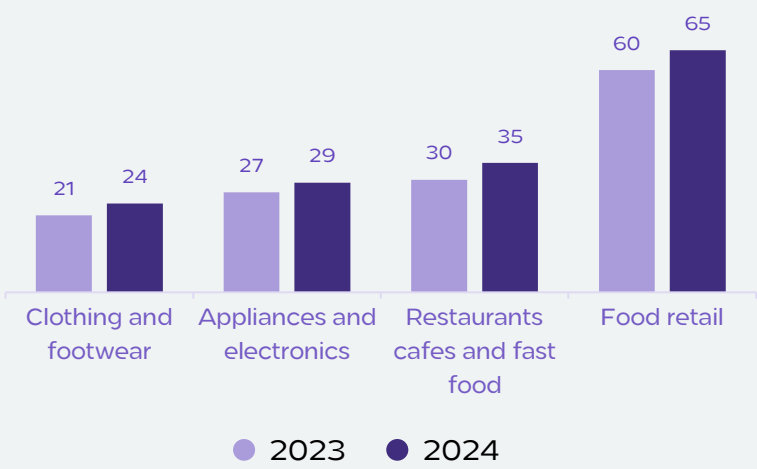
Total credit card expenditure



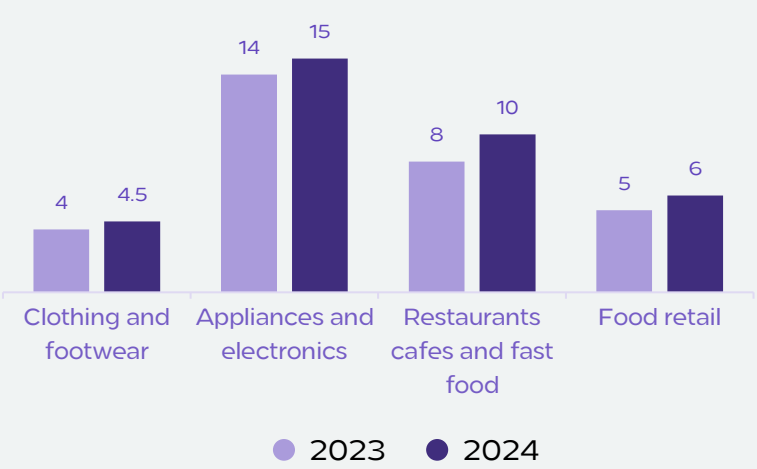
Total digital wallet expenditure



Total expenditure by select retail sectors



Total online expenditure by select retail sectors



The economic recovery is reflected in the credit card infrastructure and volume of activity

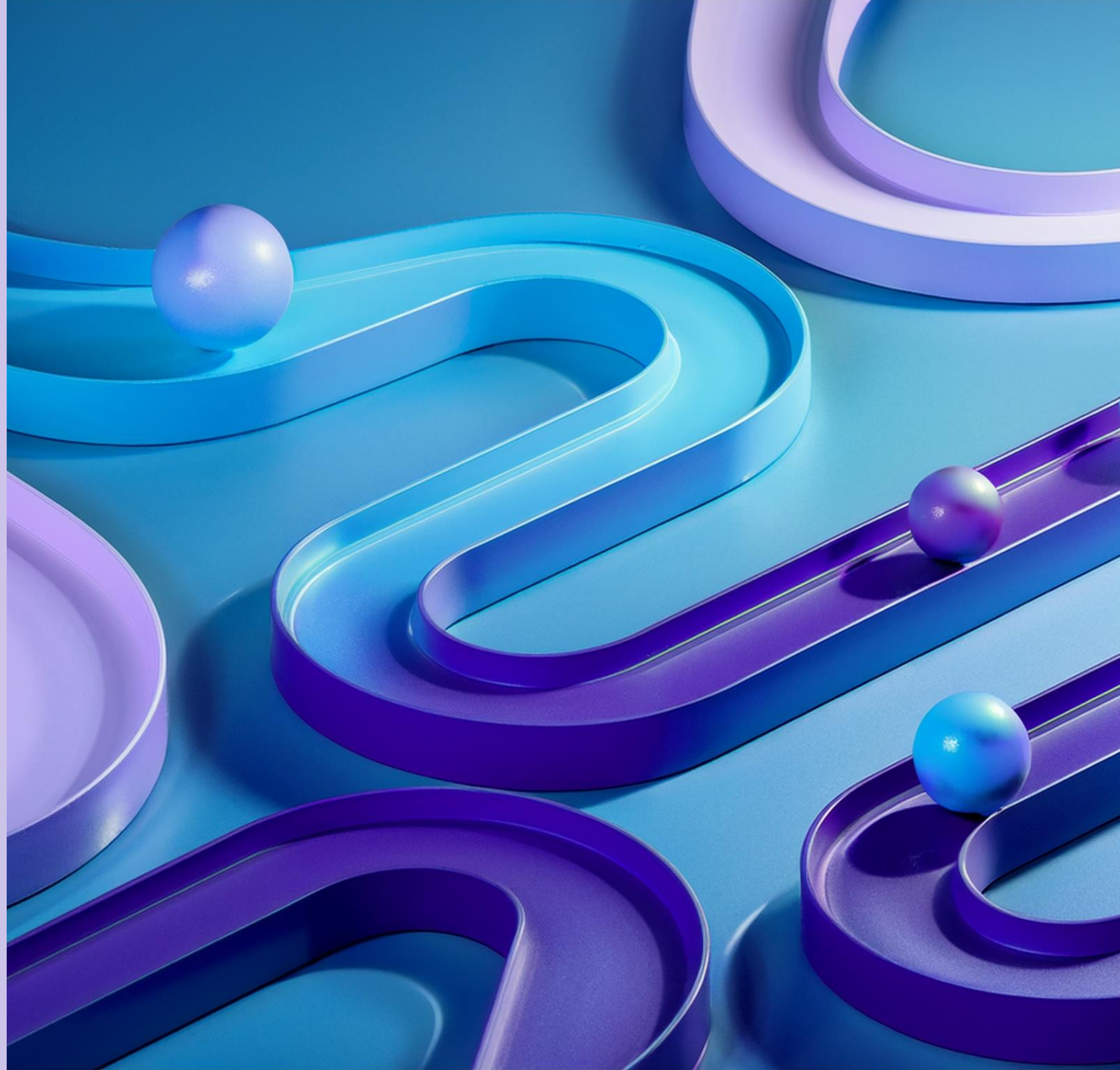


- Based on data from credit card companies for 2024
- Changes in precents compared to the previous year



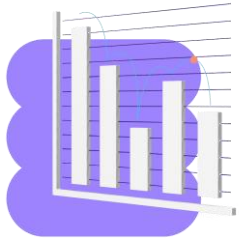
SHVA spearheads payments evolution

with innovative solutions
that empower businesses,
generate growth and
promote equal opportunity
in the Israeli economy



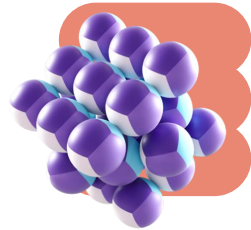
SHVA's strategy - implementation

Accelerated implementation, new collaborations and broader rollout of products and services



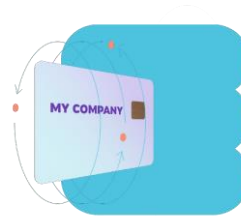
Shva Insights

Providing access to intelligent aggregate information on businesses using dashboards, reports and advanced technological tools that support informed business decision-making.



Shva Arena

A basket of innovative technological solutions that allow payment service providers to offer enhanced value propositions to businesses.



New payment solutions

Enabling the use of various payment methods, such as gift cards, vouchers, dining cards, loyalty cards, and public transportation cards on the existing payment infrastructure.



Shva Members

Supplementary value propositions and services for the payment system participants.

Business growth

**Enhancement and management
of the core services**

Shva Insights Commerce

Feeling the pulse of the
Israeli economy



- Aggregated data that are **regularly updated** to reflect the market activity and provide a complete picture of the credit card sales arena
- Comprehensive macroeconomic data **broken down into various categories that reveal trends and opportunities** and serve as an advanced management tool for informed business decision-making
- An innovative cloud-based data system accessible to customers via self-service smart dashboards
- The system was designed for various entities, including retail centers, retail chains, retailers and more
- The Company entered into several agreements with customers such as the Azrieli Group, some of which are already using the existing system

מכירות קניונים
4.9B
תקופה נוכחית

+330.00M
שינוי מתקופה קודמת

+16.5% ▲
שינוי באחוזים

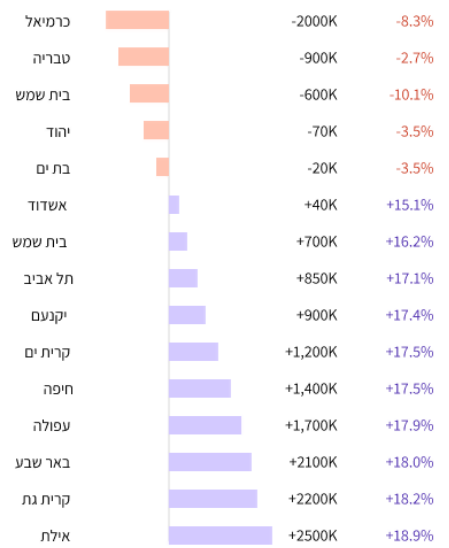
מכירות כלל השוק בערים נבחרות
102.34B
תקופה נוכחית

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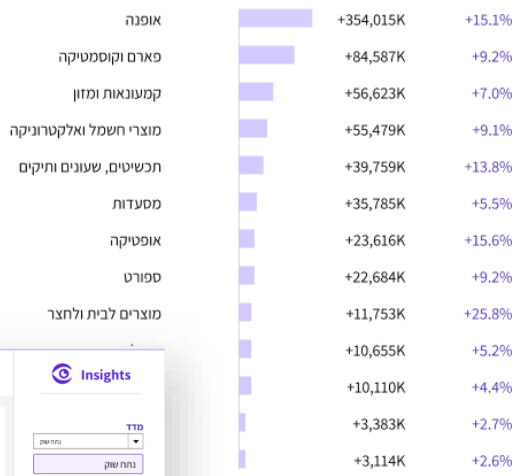
נתח שוק קניונים
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תקופה נוכחית

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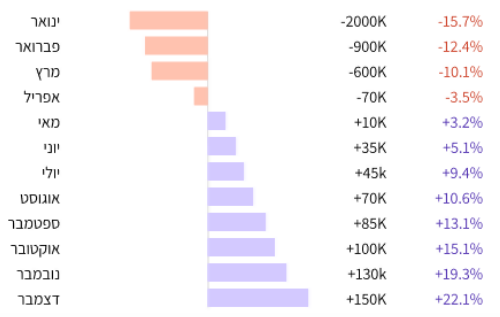
מרכז מסחרי
שינוי בסכום ובאחוז לעומת תקופה קודמת



ענף
שינוי בסכום ובאחוז לעומת תקופה קודמת



תקופה
שינוי בסכום ובאחוז לעומת תקופה קודמת



מדד
מכירות
מכירות

ענף
(All)
כל הענפים

מרכז מסחרי
(All)
כל מרכזי המסחר

תקופה
מצטבר
מצטבר

תקופה נוכחית
01.01.24 - 30.06.24
תקופה קודמת
01.01.24 - 30.06.23

נתונים מעודכנים ל: 01 בינואר 2025

מכירות קניונים
4.9B
תקופה נוכחית

+330.00M
שינוי מתקופה קודמת

+16.5% ▲
שינוי באחוזים

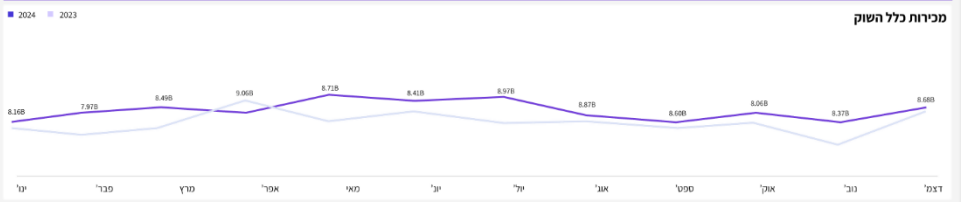
מכירות כלל השוק בערים נבחרות
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+6.7% ▲
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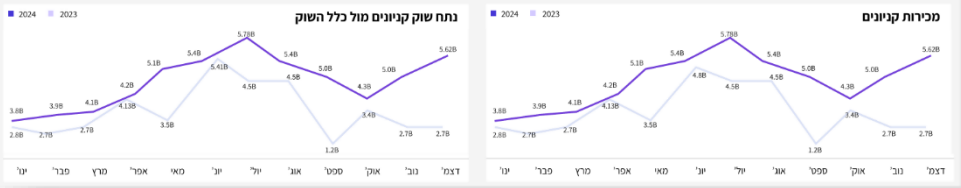
נתח שוק קניונים
5.8%
תקופה נוכחית

+0.2% ▲
שינוי בנקודות

מכירות כלל השוק



נתח שוק קניונים מול כלל השוק



מדד
מכירות
מכירות

ענף
(All)
כל הענפים

מרכז מסחרי
(multiple values)
בחירה סתומה

תקופה
מצטבר
מצטבר

תקופה נוכחית
01.01.24 - 30.06.24
תקופה קודמת
01.01.24 - 30.06.23

נתונים מעודכנים ל: 01 בינואר 2025

Shva Insights Finance

Risk management and support of financial decisions



- Aggregated information on payment card activity at the at the business, including an **insights engine and signals**, subject to the consent of the business
- Comprehensive macroeconomic data **by industry and geographic segments, tailored to the customer's needs**
- Cloud-based advanced technology system accessible via **simple and fast technological connections**
- Advanced tools for **obtaining consent for the transfer of the information**, and user-friendly screens for consent management and viewing of the aggregated data
- The value proposition is also adapted as an **embedded solution in the existing processes** at the customer's premises

The photograph and data are intended solely for illustration purposes

04

Shva Reviews

Tailored real-time mapping
of economic activity

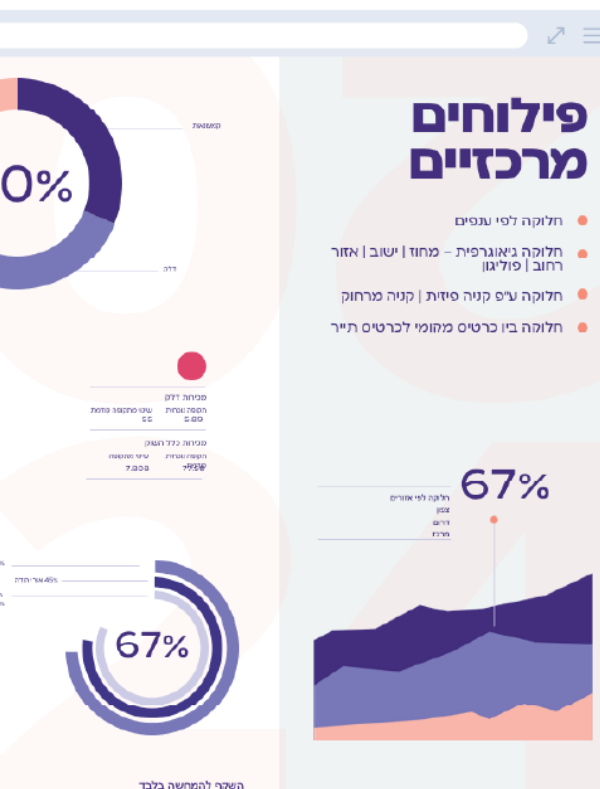
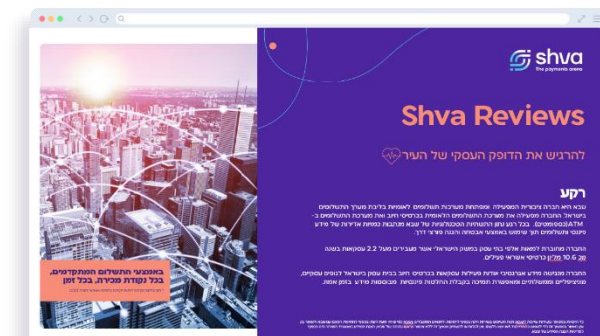


- The Company offers both ad-hoc and recurring reports delivered to customers on a regular basis, including monthly, weekly, quarterly, and semi-annually

- The reports are tailored to the **specific needs of each customer and are designed for a diverse customer base**, including authorities, research institutions, government ministries, retail entities, and more.

- These reports serve a variety of purposes, such as **leveraging data to support informed decision-making and advanced municipal management**, at the sole discretion of the Company's customers.

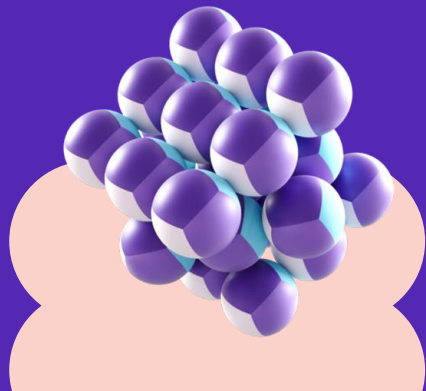
- The Company provides **ad-hoc reports with bespoke specifications** to select customers, including municipalities, government ministries, research institutions, retail entities, chains, and more.



The photograph and data are intended solely for illustration purposes

Shva Arena

One-stop-shop for
business products
and services



- The Company expands the services of its Ashrait software under the SHVA Arena growth engine

- Through a dedicated platform, the Company enables payment service providers to **provide businesses with various new advanced technology value propositions** on the existing payment infrastructure.

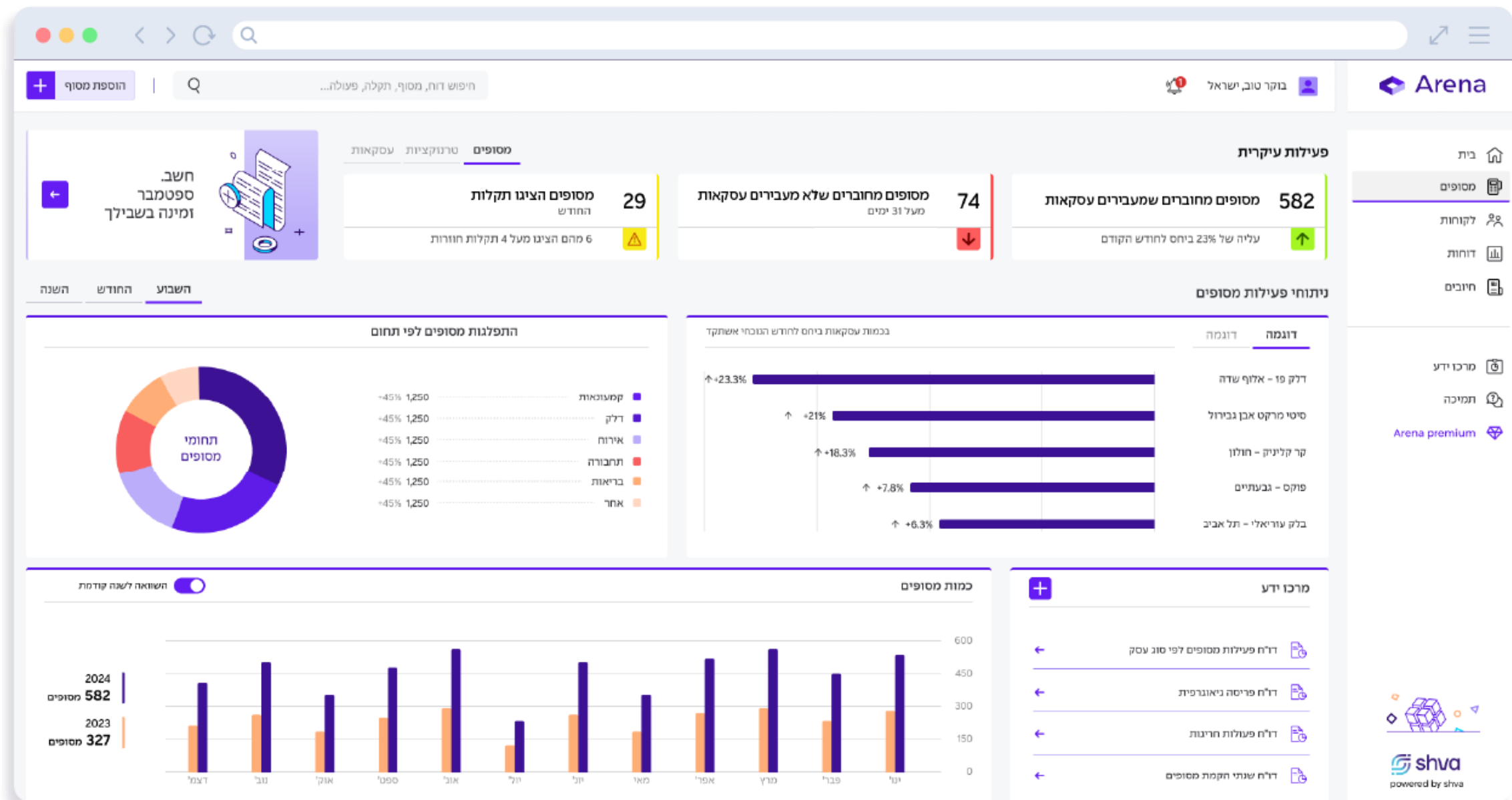
- 3DS service- Strong authentication of a cardholder in online transactions significantly reduces the ability to commit fraud and deny transactions.

- TOP – The Tap on Phone solution enables turning a smartphone into a payment terminal.

- **The platform enables pre-settlement transaction management, in-terminal card tokenization for recurring billing, comprehensive transaction reporting and query capabilities, automated and manual transaction submission for clearing, a customizable payment interface, support for various payment button integrations, and additional features.**

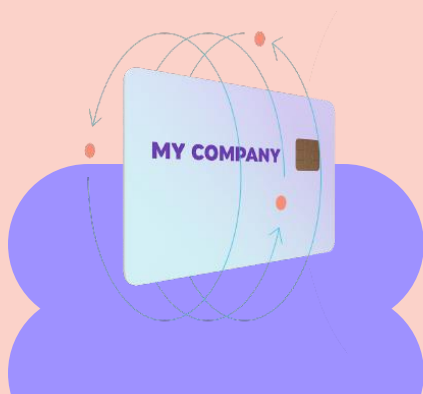
- The company created a **user-friendly and publicly accessible developer portal**, specifically catering to its customer base, that provides insights on the new products and services, simplifies the integration process and features comprehensive API documentation.

- The company partnered with several distributors in the Israeli market for the distribution of the SHVA Arena service.



New payment solutions

Smart infrastructure for alternative payment methods



- **The CLP (Closed-Loop Payment) solution enables customer loyalty programs to offer consumer benefit redemption at a wider range of businesses with greater accessibility, speed and efficiency.**
- The Company enables operators of customer loyalty programs and other entities to connect to the payment card system in accordance with the guidelines of the Bank of Israel.
- The connection to the payment card system allows loyalty programs to process their loyalty cards, gift vouchers, meal vouchers, and public transportation cards through existing point-of-sale terminals.
- FinitiOne connected to the system in 2023, and in 2024 another entity joined the service and is expected to activate it shortly.

finitiOne

Shva Members

Development and
expansion of core services
for system participants



- The Company develops solutions, services, and products for existing customers that incorporate advanced and innovative payment systems technology, enhancing secure and stable usage with the highest levels of resilience and stability.

- Through collaborations with the international schemes, the Company empowers its services and products for participating entities and its strategic customers.

- The Company is actively working to strengthen relationships and collaborations with banks, credit card companies, and all system participants.

- The Company is also expanding its processing services and automating workflows in terminal deployment and authorization management, while continuing to offer and develop its core payment system products and services: collection, transaction approval, and settlement.



FY 2025

Creating and expanding collaborations and continued development



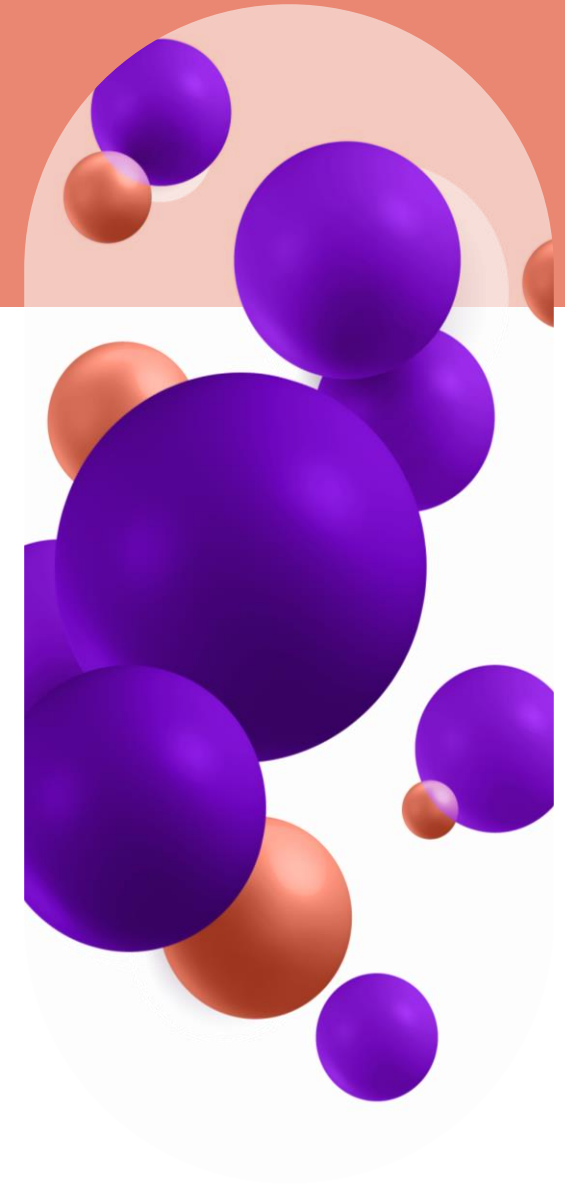
Advanced tools
and focus on
optimal customer
self-service



Sales incorporating direct
distribution alongside
enhancement of the existing
distribution channels



Targeting new and diverse
untapped customer bases



Unique value propositions to customers

Products and services of the growth engines

01

TOP

TAP ON PHONE



הסמארטפון שלך הופך להיות מכשיר הסליקה שלך פשוט וקל!

מומאם לקופה מחירים ממוזגים למערכת קופה ומערכת קיפוס מבוססת אנדרואיד	גמישות בשימוש שימוש במכשיר עם QR, קופונים, עמלות, ועוד	חסכון בעלויות אין צורך ברכישת מכשירי POS ייעודיים
נוחות מקסימלית שיווק ממוזג ומערכת	עצמאות ללא תלות במערכת או חקיקה חיצונית	ניידות מכשיר קטן כד חוץ NFC

SHVA
עמודת דרישה בכל חוקים בעל חזק
000 - 000000 info@shva.org.il

02

3D Secure

פתרון האבטחה לעסקאות ברשת



אבטחה שכב ממוזג ומערכת ממוזגת	ערך כלכלי מפחית סיכונים ומוזגת עסק	מבוסס ענן שירות ממוזג ומערכת ממוזגת
מנגנון AI למערכת האבטחה בעת	איכות למערכת האבטחה בעת	חווית משתמש למערכת האבטחה בעת

SHVA
עמודת דרישה בכל חוקים בעל חזק

03

Shva Arena

כל פתרונות התשלום בזירה אחת



פלטפורמה המאפשרת גיוול מערכת הסליקה במקום מרכזי אחיד: גיוול עסקאות, גיוול ערצרים, גיוול שווא, מערכת דוחות מרכזית, התחשבות היררכית

אמינות בית איד לל שירותי	ביצועים יציבות ומערכת בסטנדרט הבטוח כפיס כחן PCI DSS Level 1	מעקב שוטף שירות לשיקוף דוחות הפקדת סליקה
PaaS - ערכים מספיק • שירות הוראות על פעולה במסוף • חשבוט בנקאי ללא צורך בפעולה • סקריפט לביטוי גמיש לביטוי חושים • כפתורי Web Checkout • כפתורי GooglePay / ApplePay • כפתורי 3DS		

SHVA
עמודת דרישה בכל חוקים בעל חזק

04

Shva Insights

Data as a Service

מחירים ניתן לעקוב אחר גודל ומגמות השוק במגוון ערוצי הפעילות



שירות ממוזג ומערכת ממוזגת

שירות ממוזג ומערכת ממוזגת שירות ממוזג ומערכת ממוזגת	שירות ממוזג ומערכת ממוזגת שירות ממוזג ומערכת ממוזגת
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SHVA
עמודת דרישה בכל חוקים בעל חזק

Innovative value propositions to existing customers and to new untapped customer bases

Technology innovation and optimization of information security and business continuity

Developing sophisticated dynamic systems that respond directly to the evolving needs and requirements of the market



Applying cutting-edge methodologies to accelerate the development of the growth engines



Streamlining of processes through automation, RPA and advanced technological solutions



SHVA was awarded the Innovation Badge for its contribution to innovation in the sector



The secure advanced cloud infrastructure ensures maximum resilience, low response times, full business and technical monitoring, and automatic rollout of new versions



Incorporation of AI and ML solutions to enhance the infrastructure and support advanced business solutions



FY 2024 Summary.



Key Financial Data •



151 
+12%

Million NIS

Annual revenues

56 
+32%

Million NIS

Operating profit

67 
+26%

Million NIS

EBITDA less equity
compensation

259 
+12%

Million NIS

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

30 
+20%

Million NIS

Dividend (distributed in April
2025)

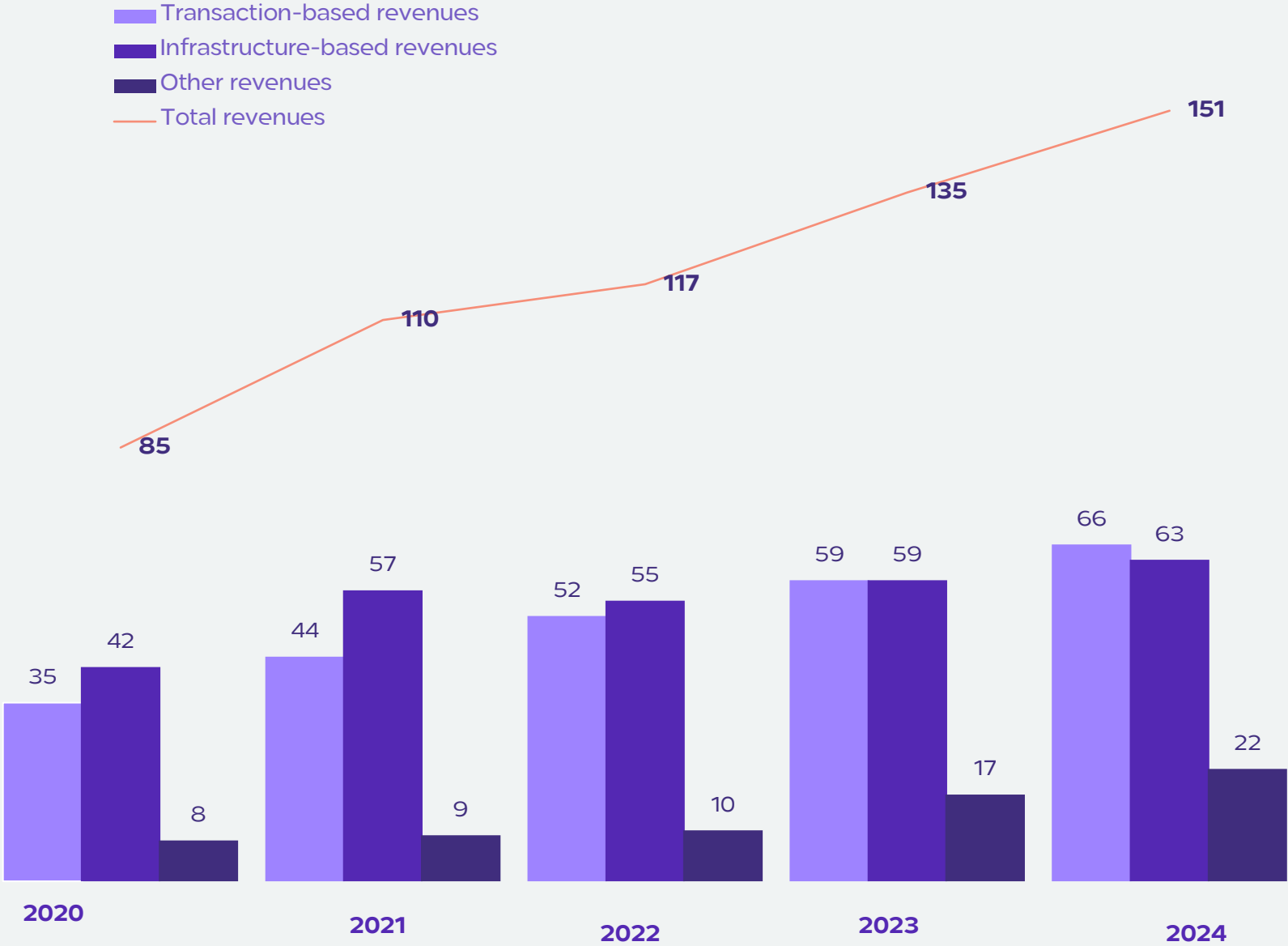
- Changes in precents compared to the previous year

Breakdown of the Company's revenues

NIS in millions

78%

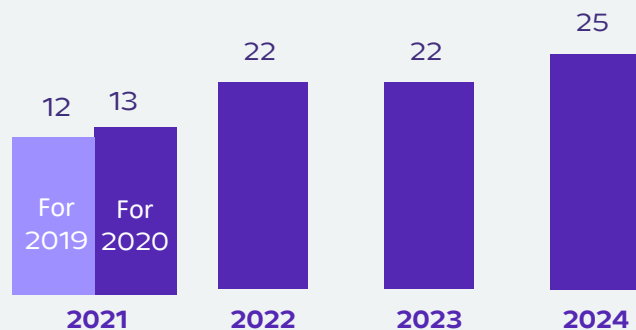
Increase in total revenues 2020-2024



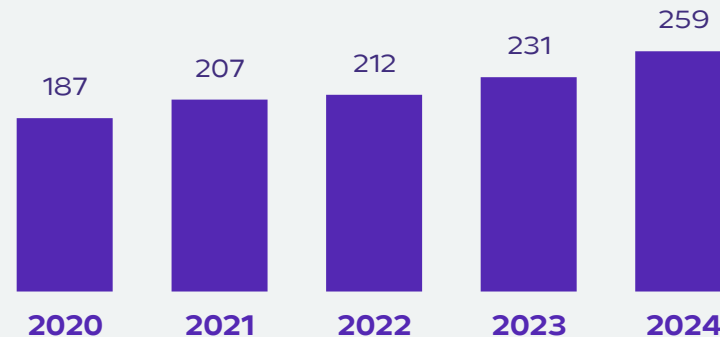
Financial Resilience and Steady Growth

NIS in millions

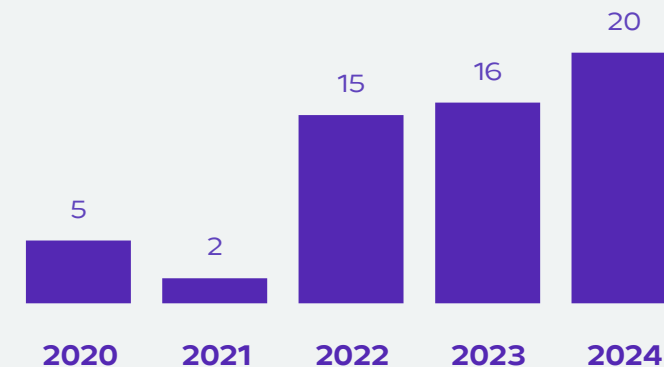
Dividends paid out of
previous years' profits



Equity *



Purchases and investments in
property, plant and equipment,
and intangible assets



*Relates to the final day of the respective year

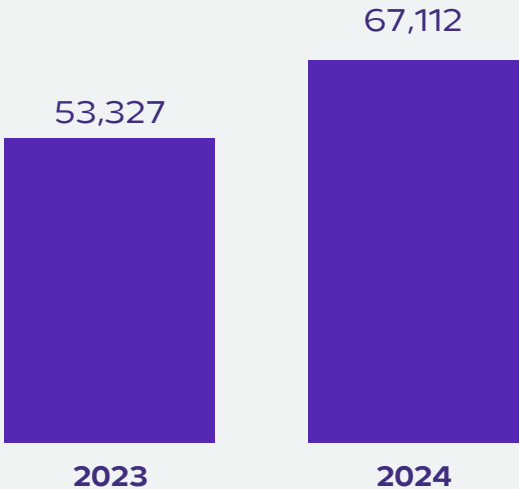
FY24 Annual Income Statement

NIS in thousands

	2024	2023
Total revenues from operations	151,458	134,919
Total payroll and associated expenses, net	(57,523)	(57,040)
Total operating, general and administrative, and marketing expenses	(38,334)	(35,911)
Total expenses	(95,857)	(92,951)
Operating profit	55,601	41,968
Profits before taxes on income	64,959	48,664
Income attributable to shareholders	50,905	38,216

EBITDA less equity compensation

26%

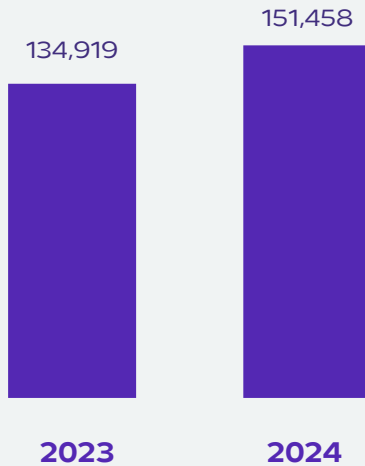


Financially sustainable development

NIS in thousands

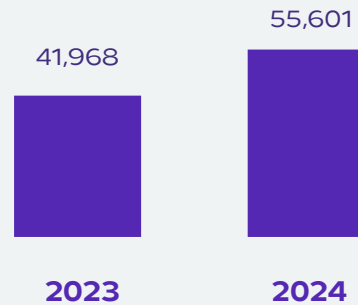
Revenues from operations

▲
12%



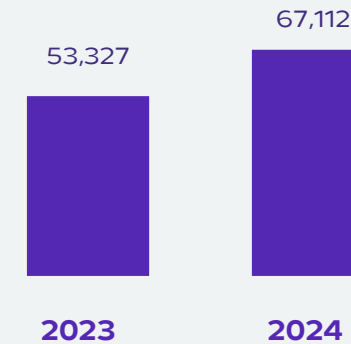
Operating profit

▲
32%



EBITDA less equity compensation

▲
26%



Expenses for separation from MASAV

NIS in millions

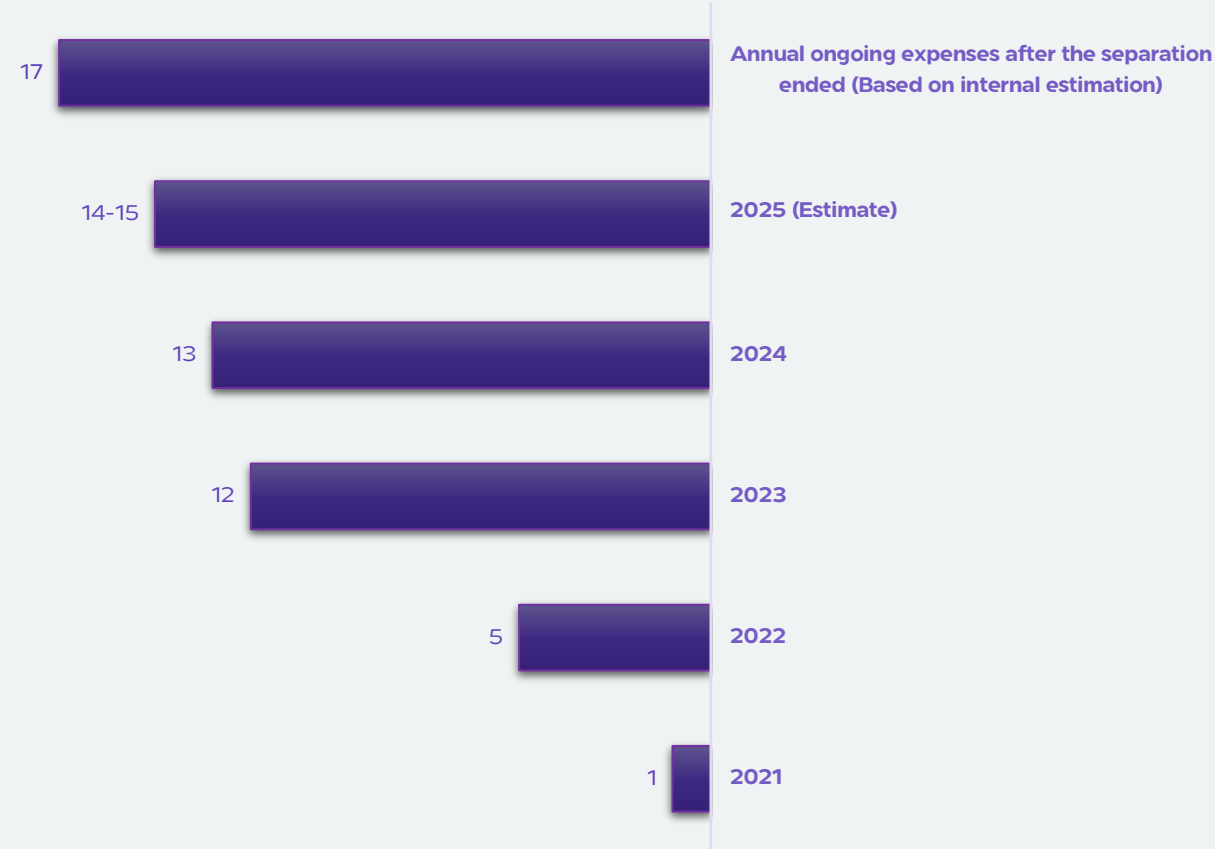
In 2024, the separation expenses incurred by the Company are

More than 75%

of the estimated post-separation ongoing expenses

Following the Competition Authority's requirement and the court's decision, SHVA and the Banking Clearing Center Ltd. are working to implement a separation outline that is expected to be completed at the end of June 2029

The assessment presented in this section above constitutes forward-looking information, as defined in the Securities Law, which is based on the assessments and understanding of the Company's management. The assessments of the Company may not be realized, fully or partially, or may be realized in a manner that differs from the expectations, including materially, this as a result of inaccurate assessments, changes in the Company's work plan, unexpected changes in the payments market, changes in the conduct of external parties and regulatory changes that are not under the control of SHVA.

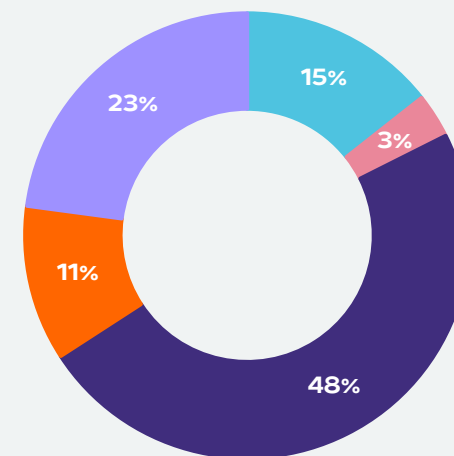


Statement of financial position for 2024

NIS in thousands ●

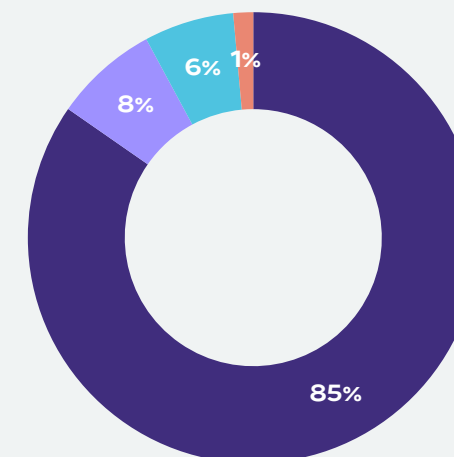
Assets

- Securities – **147,860**
- Property, plant and equipment, intangible assets and right-of-use assets – **70,084**
- Cash, cash equivalents and short-term deposits – **44,050**
- Trade receivables and other accounts receivable – **34,523**
- Other assets – **9,667**



Liabilities and equity

- Equity – **259,179**
- Trade payables, other accounts payable and tax liabilities – **22,895**
- Total lease liabilities – **19,750**
- Other liabilities – **4,360**





**Accelerating the development
of the payment market**



Thank you .