Quarterly report for the period ended June 30, 2026

The accompanying financial statements are a non-binding translation into English of the original financial statements published in Hebrew. The version in Hebrew is the approved text.

Board of Directors' Report on the state of the company's affairs

We are pleased to present to shareholders the report of the Board of Directors of Automated Banking Services Ltd. (hereinafter: "the **Company**" or "**Shva**") as of June 30, 2026 for the three months and six months then ended (hereinafter: "**Reported Period**") in compliance with the provisions of Regulation 48 of the Israel Securities Regulations (Periodic and Immediate Reports), 1970. This directors' report presents events and changes that occurred in the Company's position during the reported period and which had material impact on the interim financial statements and the corporation's business report. This report is limited in scope and therefore should be read in conjunction with periodic report for the year ended December 31, 2025, which was published on March 26, 2026 (reference number 2026-01-027511) "**the Company's 2025 Periodic Report**"), which is presented in this report by way of reference.

1. Key data from the description of the corporation's business and the explanations of the board of directors for the state of the corporation's business

1.1 General review

The Company was incorporated in Israel in 1978 as a private company under the Companies Law. In early June 2019, after completing a public offering of its shares, the Company became listed and a 'reporting corporation', as this term is defined by the Securities Law. Accordingly, as of this date, the Company reports under International Financial Reporting Standards (IFRS) and Israel Security Regulations (Annual Financial Statements), 2010.

The Company is managing and operating controlled payment systems constituting critical national infrastructures in charge cards and ATM. These systems allow, inter alia, transferring approvals for charge card transactions, collection of charge card transactions from terminals at businesses, and management of accounting interface and transferring clearing instructions between acquirers and issuers. As part of its operations, the Company operates a two-way communication system between acquirers and issuers and businesses and calculates net activity for charge card activity and also provides services to entities that operate consumer clubs using the Closed Loop Payments model, using the Company's charge card payment system. The Company also manages and operates a switching system that connects ATM networks, enabling the transfer of transaction approvals for cash withdrawals and receipt of information at the various ATMs, regardless of the bank where the customer's account is held.

In the field pf technological solutions, the Company has developed "Ashrait software (Web, PC and Android) for executing charge card transactions and has expanded its services with Shva Arena, which offers advanced payment solutions and Shva Insights, which provides access to aggregate and anonymous information. In addition to those, the Company also provides testing and certification services for payment terminals and designated services for discounting and adjustment companies.

The payment market in which the Company operates is highly dynamic and growing at an accelerated pace which are reflected in frequent changes in the competitive and business environment.

These changes stem, among other things, from the entry of international players, the proliferation and growth of local players along the transaction value chain, as well as regulatory reforms and accelerated technological developments. To the best of the Company's knowledge, it is not currently exposed to significant competition in its central business sector and is a major provider of core services, but it is aware that advanced technological solutions may change the face of the industry and increase competition in the world of payments.

In response to that, the Company is operating on several levels: investment and continuous improvement in technological infrastructure, with special emphasis on information and cyber security aspects; expanding and deepening the range of services and products offered to existing customers; developing advanced cloud-based infrastructures alongside creating new growth engines and diverse value propositions for new customer audiences; and constantly adapting to the changing business environment through systematic and active examination of the business strategy.

The Company is continuously examining the effects of the security and geopolitical environment on its operations. In light of the increasing threats and the required level of alertness, the Company invests significant resources to strengthen its information and cyber security systems. These investments which are needed even more at the present time, are intended to strengthen the strict standards already implemented, and to ensure the high level of survivability required of it as a central and critical junction in the Israeli economy that operates critical national infrastructure. The scope and nature of these investments, including the ongoing need to update and upgrade defense systems in accordance with evolving threats, require long-term financial preparedness beyond the Company's current spending framework. The Company's tariff update in July 2026 is intended to enable the financing of the expanded investments required as aforesaid and reflect the actual cost of the adjustments required to maintain the level of security required of a critical national infrastructure operator. At the same time, despite the complex situation, the Company is examining opportunities to integrate complementary activities that constitute a natural development for its operations, with the aim of expanding its value proposition to the market.

For further details regarding the services provided by the Company and its area of activity see Chapter A – Description of the Corporation's Business in the Periodic Report for 2025.

1.2 Economic developments in Israel

In the first half of 2026, the CPI increased by approximately 1.2%.

The inflation rate in the next four quarters (ending in the second quarter of 2027) is expected to be approximately 1.8%.

During the second quarter of 2026, the Bank of Israel interest rate was reduced by 0.25% to 3.75%. In July 2026, the Bank of Israel interest rate was reduced by an additional 0.25% to 3.5%. According to the Bank of Israel forecast from July 2026, the average interest rate in the second quarter of 2027 is expected to be approximately 3%.

The main effect of the changes in the inflation and interest rates is on the value of the Company's trading securities portfolio, which is reflected in finance income.

During the first half of 2026, the NIS strengthened against the Dollar by about 6.6% and against the Euro by about 9.4%.

1.3 Consequences of Operation "Lion's Roar"

After that 2025 ended with a positive growth trend, on February 28, 2026, Operation Lion's Roar struck Israel. The campaign was conducted on two parallel fronts: intense fighting against Iran, which ended in April 2026 and a campaign against Lebanon that remains active and is currently being conducted under a fragile ceasefire that is intermittently violated. In the background of these matters, political uncertainty continues with Iran and there is concern that in the absence of stable understandings or a settlement mechanism, direct fighting against Iran may resume.

The period of intense fighting temporarily damaged private consumption. In the first days of the fighting, there was a drop in the volume of use in the leisure and retail sectors, while on the other hand, there was a jump in purchases in food chains and in emergency supplies. With the end of the operation in April 2026, there was a rapid recovery and the public returned to regular purchases while adapting to the complex security reality.

During the second quarter of the year, the security situation remained volatile. In early June 2026, there was another escalation, which included combined launches from Lebanon and Iran, following which a framework for a ceasefire was formulated between Israel, Lebanon and the United States.

Throughout the entire period of fighting and the transition to the ceasefire, the national payment systems managed by Shva provided a continuous and complete response, a fact that was critical to the economy's ability to function and return to regular activity quickly.

As of the preparation date of this report, the full scope and consequences of Operation "Lion's Roar" had not yet been clarified. The possibilities for further security developments in the various fronts could lead to wide ranging effects on sectors of activity in the economy, on different geographical regions and on the Israeli economy as a whole, including fluctuations in exchange rates, effects on the capital market and workforce challenges.

However, in the Company's assessment, it maintains high financial strength and proven operational resilience which are tangibly reflected in significant cash balances, bank deposits and a portfolio of trading securities. The Company's customer base consists of stable entities characterized by long-term engagements, which constitute an anchor of stability even in times of emergency. The Company's operations continue uninterrupted and services are provided regularly to its customers.

In view of the foregoing, the Company does not currently or in the near term anticipate an impact on its financial strength. The Company continues to finance its entire activity from its own sources only and does not anticipate the need to raise external credit or rely on foreign financing sources at this stage. This stability allows the Company to maintain full business continuity and provide a response to its customers even under conditions of extreme uncertainty.

The Company's estimate of the consequences of the security situation on its activities is based on public information where such estimate is forward-looking information, as this term is defined by the Israel Securities Law, and is an assessment that relies on the information available to the Company as of the date of publishing the financial statements. This information includes forecasts, assessments, estimates and other information that relate to future events and matters the realization of which is uncertain and not exclusively controlled by the Company ("Forward-Looking Information").

Key facts and data underlying this information concerning the current position of the Company and its business, are facts and data concerning the war and the current situation in Israel that affects the activity of the Company, various regulatory guidance that apply to the Company and macroeconomic data, all as known to the Company on the date of this report. It is uncertain whether the expectations and assessments of the Company will eventually materialize, and its results of operations may be significantly different than the results that are estimated or implied above, among other factors, due to change in each of the above factors, the intensity, scope, duration of such circumstances, and the ability of the Company to manage them.

1.4 Activity of the Company in the Reported Period

Transactions with charge cards

Debiting transactions – The number of debiting transactions executed with all credit card companies.
Crediting transactions – The number of crediting transactions executed with all credit card companies.

Below are the total numbers of debiting and crediting transactions completed using the Ashrait system (in millions of transactions):

	For the six-month period ended June 30		For the year ended December 31,
	2026	**2025**	**2025**
Debiting transactions	**1,332**	1,238	2,583
Crediting transactions	**13**	12	26

ATM switching services

Number of balance checks and withdrawals – The number of times that holders of bank-issued charge cards or non-bank issuer request to check their account balance or makes cash withdrawals on ATM's of the bank that operate it (hereinafter: the "**Clearing Bank**").
Amount – The cumulative total amount of withdrawal requests that Clearing Bank or non-bank operator submitted through the Company to the issuing bank and when relevant to the non-bank issuer.

Below are total numbers of account balance checks and withdrawals (in thousands of transactions) and total amounts of withdrawal requests (in millions of NIS):

	For the six-month period ended June 30		For the year ended December 31,
	2026	**2025**	**2025**
Total numbers of account balance checks and withdrawals (in thousands of transactions)	**28,221**	29,461	60,053
Total amounts of withdrawal requests (in millions of NIS)	**26,073**	25,711	53,090

Material events during the Reported Period

- On May 7, 2026 and June 23, 2026 (Reference (Supplementary Report) 2026-01-059140), the Company reported an outline for equity compensation plan for the Chairman of the Board of Directors, the CEO, officers and other employees. On June 30, 2026, the general meeting of the Company's shareholders approved, among other things, the equity compensation plan for the Chairman of the Board of Directors, the CEO and officers, as well as the update of the Company's compensation policy. After the reporting period, the restricted shares and options were issued to the offerees in accordance with the aforementioned equity compensation plan.
- On June 30, 2026, the Company reported (Reference No. 2026-01-061794) that the Company's general meeting of shareholders approved the reappointments of the Company's auditors.
- On June 30, 2026, the Company reported (Reference No. 2026-01-061758) regarding the date of full implementation of the Company's tariff, as well as the gradual implementation of the updated tariff.
- The information contained in the aforementioned reports is included herein by way of reference.

Updates in the Description of the Corporation's Business in the Company's Periodic Report for 2025:

Update to Section 3.1.1 in the chapter of description of the Corporation's Business

RAPYD has completed its connection to the payment system and commenced operations as the first global acquirer.

In the first quarter of 2026, approval was received from the Bank of Israel's Payment Systems Supervision Department to begin the entry of Grow Payments Ltd. into the system.

The Company continues to add new participants in a gradual and controlled manner, while ensuring a high level of service, promoting rapid and tailored growth in the field of information security and full compliance with all regulatory requirements.

Update to sections 8.2 and 8.3 in the chapter of description of the Corporation's Business

The Company has developed support for transactions aimed at transferring funds - AFT (Account Funding Transaction). The service is used for various solutions such as transferring funds to prepaid cards or digital wallets.

In the second quarter, the Company completed the development of a cash withdrawal capability using TAP ATMs that enables de-tokenization when attaching a credit card or digital wallet to a designated component for the purpose of making the withdrawal. This is an innovative solution that, for the first time in Israel, allows cash withdrawals without the need to insert the physical card into the device. The development joins a broad trend of payment solutions and is part of the Company's continued positioning as a leading and innovative player in the field of infrastructure and technology in Israel.

In addition, the Company worked to significantly shorten the opening times of terminals with the acquirers, a move that allows new businesses to begin credit card clearing activities within one business day. The improvement is a direct response to the market's need to shorten the times for joining clearing activities and contributes to driving the economic activity of new businesses and reducing the friction involved in the establishment processes. The move was carried out in close cooperation with the acquirers and reflects the Company's ongoing commitment to streamlining work processes with the various players in the clearing market, while fully maintaining the required level of control and security.

Update to sections 8.23 in the chapter of description of the Corporation's Business

The Company's board of directors approved the update of the Company's pricing policy and price list, in light of the large-scale investments required in the worlds of technology, information security and cyber, infrastructures that constitute the backbone of the Company's activities. In an era of geopolitical volatility and given the complex security situation in the country, the Company sees utmost importance in investing in advanced protection solutions to ensure the business continuity of services and the resilience of systems. The Company's goal is to enable all of its customers to continue their development at the forefront of technology in the world of payments, knowing that they are relying on a secure, reliable and advanced system adapted to the challenges of the hour. The Company has worked to update the Bank of Israel with details of the update of the Company's pricing policy and price list.

In May 2026, the Company published the latest price list, which entered into force and effect in July 2026, after the report period.

In accordance with a further decision of the Board of Directors, the price list entered into force gradually, so that discounts will apply to the additional price list until January 1, 2027, when the price list is expected to enter into force at the full rate. For details, see immediate report dated June 30, 2026 (reference: 2026-01-061758).

The foregoing regarding the expected date for the publication and entry into force of an updated price list is forward-looking information within the meaning of this term in the Securities Law, 1968 and is an estimate based on the information available to the Company at the time of publication of the financial statements and which also includes forecasts, assessments, estimates relating to future events and matters, the realization of which is not certain and is not under the control of the Company ("forward-looking information"). The key facts and data used as a basis for this information are the existing contracts of the Company and the price list that was approved by the Company's board of directors. The Company is uncertain whether its expectations and estimates will be realized, and the results of the Company's activity may differ substantially from the results estimated or implied from the above, among other things, due to a change in regulation, the security situation or actions taken by the other party to the contract.

1.5 Financial position and results of activity

The following presents key information from the financial statements of the Company and explanations of main changes in statement of financial position items as of June 30, 2026 compared to December 31, 2025 (NIS in thousands):

	As of June 30, 2026 (Unaudited)	As of December 31 2025 (Audited)	Change	Comments and explanations
Assets				
Cash and cash equivalents	**13,825**	15,537	(1,712)	Current flow less dividend distributed
Marketable securities	**110,920**	135,330	(24,410)	
Trade receivables	**31,902**	27,922	3,980	The timing of receiving funds from customers
Other accounts receivable	**10,381**	10,268	113	
Current tax assets	**3,776**	1,271	2,505	Increase in view of paying current tax advances
Excess plan assets for post-retirement employee benefits	**2,706**	2,689	17	
Property, plant and equipment, net	**29,848**	31,063	(1,215)	
Self-developed software, software and licenses, net	**50,702**	49,794	908	
Right-of-use assets	**17,281**	17,995	(714)	
Prepaid expenses	**8,575**	9,145	(570)	
Liabilities and equity				
Current maturities of lease liabilities	**2,766**	2,519	247	
Trade payables	**4,311**	6,462	(2,151)	Timing of payments to suppliers
Other accounts payable	**20,492**	24,027	(3,535)	
Long term deferred income	**1,702**	2,675	(973)	
Lease liabilities	**16,023**	16,890	(867)	
Liabilities for deferred taxes	**730**	1,386	(656)	
Employee benefits liabilities	**1,347**	1,309	38	
Equity attributed to the Company's' shareholders	**232,545**	245,746	(13,201)	The change is due to a special dividend that was paid in the reported period less profits for the period.

1.6 Results of operations

The following are the key changes in profit and loss items as of June 30, 2026 compared to June 30, 2025 (NIS in thousands):

	For the six-month period ended June 30,		For the year ended December 31	Change compared to June 30	Comments and explanations compared to corresponding period last year
	2026	2025	2025	2025	
	(Unaudited)		(Audited)		
Revenue from services provided to acquirers and issuers	**67,479**	65,485	134,335	1,994	Increase mainly from transaction-based revenues alongside the end of multi-brand card service in light of the completion of full transition to EMV.
Revenue from services provided to others	**11,440**	11,047	22,642	393	Increase in new revenues for existing products and growth engines alongside a decrease in ATM switch revenues in light of the impact of the "Lion's Roar" campaign.
Total revenues	**78,919**	76,532	156,977	2,387	
Operational, general and administrative expenses	**61,895**	52,010	110,195	9,885	Increase mainly from the continued strengthening of the technological system, information security, depreciation and ongoing maintenance expenses
Operating income	**17,024**	24,522	46,782	(7,498)	
Finance income, net	**4,361**	6,103	11,732	(1,742)	The change is due to market volatility
Income before income tax	**21,385**	30,625	58,514	(9,240)	
Provision for income tax	**4,844**	6,906	13,256	(2,062)	
Net income attributed to shareholders	**16,541**	23,719	45,258	(7,178)	
Net basic and diluted earnings per share	**0.41**	0.59	1.13		

EBITDA less equity compensation for the six months ended June 30, 2026 amounted to NIS 25.7 million compared to NIS 32.2 million in the corresponding period last year and NIS 62.7 million in 2025.

1.7 Liquidity and sources of financing

The following are the key changes in cash flow items as of June 30, 2026 compared to June 30, 2025 (NIS in thousands):

	For the six-month period ended June 30		For the year ended December 31	Comments and explanations compared to corresponding period last year
	2026	**2025**	**2025**	
	(Unaudited)		(Audited)	
Net income for the period	**16,541**	23,719	45,258	
Adjustments to income	**9,153**	8,377	17,252	
Cash flows before changes in asset and liability items and before finance and taxes	**25,694**	32,096	62,510	
Changes in asset and liability items, net	**(10,212)**	(2,620)	(774)	The difference between the periods results from an increase in trade receivables and a decrease in trade payables
Cash flow from taxes and finance, net	**(6,766)**	(1,752)	(7,911)	In the corresponding period last year, a tax refund was received
Net cash provided by operating activity	**8,716**	27,724	53,825	The difference between the periods results from the above
Net cash provided by (used in) investing activity	**20,857**	(8,056)	(18,643)	Net proceeds from the sale of securities, less acquisitions and investments in growth engines
Net cash used in financing activity	**(31,285)**	(31,108)	(62,348)	The negative cash flow stems from dividend distribution and repayment of a lease liability

1.8 Financing sources

The Company finances all activity from using its own resources.

2. Exposure to and management of market risks

Market risk exposure of the Company

In the first half of 2026, there were no material changes in the Company's risk assessment and risk profile. For more details regarding the description of the market risks to which the Company is exposed, see section 2 of the Company's board of directors and management report attached to the Company's periodic report for 2025. The marketable securities portfolio as of June 30, 2026 amounted to NIS 110,920 thousand, compared to NIS 135,330 thousand as of December 31, 2025. Cash and bank deposits as of June 30, 2026 amounted to NIS 13,825 thousand, compared to NIS 15,537 thousand as of December 31, 2025. The value of the marketable securities portfolio, cash and bank deposits as of June 30, 2026 amounted to NIS 124,745 thousand compared to NIS 150,867 thousand as of December 31, 2025.

Officer responsible for market risk of the Company

The officer responsible for market risk of the Company is Mr. Eitan Lev Tov, CEO of the Company.

Market risk management policy of the Company

The overall responsibility for market risk management and oversight is of the Company's board of directors. For information about risk management policy, investment policy and oversight of market risk, see the Company's board of directors and management report in the Company's 2025 periodic report.

2.1 Fair value of financial instruments and sensitivity tests

2.1.1 Fair value of financial instruments

	As of June 30, 2026				
	NIS in thousands				
	Israeli currency		Foreign currency		
	Unlinked	Linked	US dollar	Other	Total
Assets					
Cash and cash equivalents	11,668	-	1,955	162	13,825
Marketable securities	68,012	40,745	2,163	-	110,920
Trade receivables	31,902	-	-	-	31,902
Other accounts receivable	228	-	-	-	228
Total financial assets	111,810	44,521	4,158	162	160,651
Current maturities of lease liabilities	-	2,766	-	-	2,766
Trade payables	4,254	-	52	5	4,311
Other accounts payable	12,760	-	-	-	12,760
Liabilities for current taxes	-	-	-	-	-
Lease liabilities	-	16,023	-	-	16,023
Total financial liabilities	17,014	18,789	52	5	35,860
Net fair value of financial instruments	94,796	25,732	4,106	157	124,791

	As of June 30, 2025				
	NIS in thousands				
	Israeli currency		Foreign currency		
	Unlinked	Linked	US dollar	Other	Total
Assets					
Cash and cash equivalents	16,829	-	14,642	345	31,816
Marketable securities	84,213	57,606	4,772	-	146,591
Trade receivables	28,298	-	-	-	28,298
Other accounts receivable	396	-	-	-	396
Total financial assets	129,736	57,606	19,414	345	207,101
Current maturities of lease liabilities	-	2,208	-	-	2,208
Trade payables	5,836	-	42	4	5,882
Other accounts payable	16,434	-	-	-	16,434
Income tax payable	-	242	-	-	242
Lease liabilities	-	17,429	-	-	17,429
Total financial liabilities	22,270	19,879	42	4	42,195
Net fair value of financial instruments	107,466	37,727	19,372	341	164,906

2.1.1 Fair value of financial instruments (Cont.)

	As of December 31, 2025				
	NIS in thousands				
	Israeli currency		Foreign currency		
	Unlinked	Linked	US dollar	Other	Total
Assets					
Cash and cash equivalents	12,680	-	2,615	242	15,537
Marketable securities	80,640	51,714	2,976	-	135,330
Trade receivables	27,922	-	-	-	27,922
Other accounts receivable	1,777	-	-	-	1,777
Current tax assets	-	1,271	-	-	1,271
Total financial assets	123,018	52,985	5,592	242	181,836
Current maturities of lease liabilities	-	2,519	-	-	2,519
Trade payables	5,037	-	1,176	249	6,462
Other accounts payable	15,858	-	-	-	15,858
Lease liabilities	-	16,890	-	-	16,890
Total financial liabilities	20,895	19,409	1,176	249	41,729
Net fair value of financial instruments	102,123	33,576	4,416	(7)	140,108

2.1.2 Impact of hypothetical changes in interest rate on net fair value of financial instruments:

	As of June 30, 2026						
	NIS in thousands						
	Net fair value of financial instruments considering change in interest rate						
	Israeli currency		Foreign currency			Change in fair value	
	Unlinked	Linked	US dollar	Other	Total	NIS in thousands	%
Immediate increase of 1%	92,410	24,391	4,077	157	121,035	(3,756)	(3.01)
Immediate increase of 0.1%	94,559	25,597	4,103	157	124,416	(375)	(0.30)
Immediate decrease of 1%	97,184	27,070	4,135	157	128,546	3,756	3.01
Immediate decrease of 0.1%	95,034	25,866	4,108	157	125,165	375	0.30

	As of June 30, 2025						
	NIS in thousands						
	Net fair value of financial instruments considering change in interest rate						
	Israeli currency		Foreign currency			Change in fair value	
	Unlinked	Linked	US dollar	Other	Total	NIS in thousands	%
Immediate increase of 1%	104,352	35,887	19,324	341	159,904	(5,002)	(3.03)
Immediate increase of 0.1%	107,154	37,543	19,368	341	164,406	(500)	(0.30)
Immediate decrease of 1%	110,581	39,566	19,420	341	169,908	5,002	3.03
Immediate decrease of 0.1%	107,777	37,911	19,377	341	165,406	500	0.30

2.1.2 Impact of hypothetical changes in interest rate on net fair value of financial instruments (Cont.):

	As of December 31, 2025						
	NIS in thousands						
	Net fair value of financial instruments considering change in interest rate						
	Israeli currency		Foreign currency			Change in fair value	
	Unlinked	Linked	US dollar	Other	Total	NIS in thousands	%
Immediate increase of 1%	98,883	31,939	4,379	(7)	135,194	(4,914)	(3.51)
Immediate increase of 0.1%	101,800	33,412	4,412	(7)	139,617	(491)	(0.35)
Immediate decrease of 1%	105,363	35,213	4,453	(7)	145,022	4,914	3.51
Immediate decrease of 0.1%	102,446	33,740	4,420	(7)	140,599	491	0.35

2.1.3 <u>Impact of hypothetical changes in prices of marketable shares on net fair value of financial instruments:</u>

	As of June 30, 2026						
	NIS in thousands						
	Net fair value of financial instruments considering change in prices of marketable shares						
	Israeli currency		Foreign currency			Change in fair value	
	Unlinked	Linked	US dollar	Other	Total	NIS in thousands	%
Immediate increase of 10%	96,085	25,732	4,252	157	126,226	1,436	1.15
Immediate increase of 5%	95,442	25,732	4,179	157	125,510	719	0.58
Immediate decrease of 10%	93,506	25,732	3,960	157	123,355	(1,436)	(1.15)
Immediate decrease of 5%	94,149	25,732	4,033	157	124,071	(719)	(0.58)

	As of June 30, 2025						
	NIS in thousands						
	Net fair value of financial instruments considering change in prices of marketable shares						
	Israeli currency		Foreign currency			Change in fair value	
	Unlinked	Linked	US dollar	Other	Total	NIS in thousands	%
Immediate increase of 10%	109,315	37,727	19,728	341	167,111	2,205	1.34
Immediate increase of 5%	108,391	37,727	19,550	341	166,009	1,103	0.67
Immediate decrease of 10%	105,616	37,727	19,017	341	162,701	(2,205)	(1.34)
Immediate decrease of 5%	106,540	37,727	19,195	341	163,803	(1,103)	(0.67)

2.1.3 Impact of hypothetical changes in prices of marketable shares on net fair value of financial instruments (Cont.):

	As of December 31, 2025						
	NIS in thousands						
	Net fair value of financial instruments considering change in prices of marketable shares						
	Israeli currency		Foreign currency			Change in fair value	
	Unlinked	Linked	US dollar	Other	Total	NIS in thousands	%
Immediate increase of 10%	103,882	33,576	4,599	(7)	142,050	1,942	1.39
Immediate increase of 5%	103,003	33,576	4,507	(7)	141,079	971	0.69
Immediate decrease of 10%	100,364	33,576	4,233	(7)	138,166	(1,942)	(1.39)
Immediate decrease of 5%	101,244	33,576	4,324	(7)	139,137	(971)	(0.69)

2.1.4 Impact of changes in the Israel Consumer Price Index on net fair value of financial instruments:

	As of June 30, 2026						
	NIS in thousands						
	Net fair value of financial instruments considering change in the Israel Consumer Price Index						
	Israeli currency		Foreign currency			Change in fair value	
	Unlinked	Linked	US dollar	Other	Total	NIS in thousands	%
Immediate increase of 2%	94,796	26,247	4,106	157	125,306	515	0.41
Immediate increase of 1%	94,796	25,989	4,106	157	125,048	257	0.21
Immediate decrease of 2%	94,796	25,217	4,106	157	124,276	(515)	(0.41)
Immediate decrease of 1%	94,796	25,474	4,106	157	124,533	(257)	(0.21)

	As of June 30, 2025						
	NIS in thousands						
	Net fair value of financial instruments considering change in the Israel Consumer Price Index						
	Israeli currency		Foreign currency			Change in fair value	
	Unlinked	Linked	US dollar	Other	Total	NIS in thousands	%
Immediate increase of 2%	107,466	38,482	19,372	341	165,661	755	0.46
Immediate increase of 1%	107,466	38,104	19,372	341	165,283	377	0.23
Immediate decrease of 2%	107,466	36,972	19,372	341	164,151	(755)	(0.46)
Immediate decrease of 1%	107,466	37,350	19,372	341	164,529	(377)	(0.23)

2.1.4 Impact of changes in the Israel Consumer Price Index on net fair value of financial instruments (Cont.):

	As of December 31, 2025						
	NIS in thousands						
	Net fair value of financial instruments considering change in the Israel Consumer Price Index						
	Israeli currency		Foreign currency			Change in fair value	
	Unlinked	Linked	US dollar	Other	Total	NIS in thousands	%
Immediate increase of 2%	102,123	34,248	4,416	(7)	140,780	672	0.48
Immediate increase of 1%	102,123	33,912	4,416	(7)	140,444	336	0.24
Immediate decrease of 2%	102,123	32,904	4,416	(7)	139,436	(672)	(0.48)
Immediate decrease of 1%	102,123	33,240	4,416	(7)	139,772	(336)	(0.24)

3. Disclosure regarding financial reporting of the Company

3.1 Dividend distributions

Distribution of dividend to shareholders of the Company is subject to the provisions of the statute and the Company's articles, as well as the rules and conditions for dividend distribution in the Companies Law.

On March 27, 2025, the Company's Board of Directors updated the earnings distribution policy, according to which the Company will distribute to its shareholders an annual dividend at a rate of at least 50% and no more than 70% of the net annual income in the previous year as reflected in the Company's annual audited financial statements, excluding one-time profits that are not from operating activities, subject to the existence of earnings that are eligible for distribution in accordance with the provisions of the Companies Law and subject to the provisions of any law, including the provisions of the Competition Commissioner and the provisions of the Company's Articles of Association.

Dividend distribution subject to the above restrictions will be made provided that there is no significant harm to (a) the Company's cash flow and/or (b) the Company's business plans and investment plans, as approved and defined by its Board of Directors from time to time.

It is clarified that this policy should not be considered an obligation of the Company to distribute a dividend or regarding the rate of the dividend to be distributed, and that any actual distribution will be subject to the approvals required under any law, including individual approval by the Board of Directors to carry out the distribution at its discretion, and subject to compliance with the provisions of the law applicable to dividend distribution, inter alia, under the Companies Law. The Board of Directors will be entitled to review the dividend distribution policy from time to time and to decide at any time, taking into account business considerations and the provisions of the law, on changes to the dividend policy, including the rate of the dividend to be distributed and may also decide not to distribute a dividend at all.

On March 24, 2026, the Company's Board of Directors decided to distribute a dividend in the amount of NIS 30,000 thousand (approximately NIS 0.75 per share), which constitutes approximately 66% of the income for 2025 in accordance with the updated distribution policy approved by the Company's Board of Directors. The dividend was distributed on April 27, 2026. For additional details, see immediate report published by the Company on March 26, 2026 (reference number: 2026-01-027648).

3.2 Liabilities by maturity

For information about liabilities of the Company, please refer to an immediate report regarding the liabilities as published in the distribution website of the Israel Securities Authority at http:// www.magna.isa.gov.il.

4. Corporate governance

On June 30, 2026, the Company's general meeting of shareholders approved the reappointments of the Company's auditors, until the next annual meeting.

Senior officers:

On April 30, 2026, the Company published a preliminary notice regarding an annual general meeting and announced that shareholders who meet the conditions set forth in the Company's Articles of Association may propose candidates for office as directors of the Company until May 21, 2026 (Reference No. 2026-01-040128).

On May 31, 2026, Mr. Ofer Eden, the Company's Chief Financial Officer, retired. For details, see immediate report dated February 19, 2026 (Reference No. 2026-01-016274).

On June 1, 2026, Mr. Asael Ben Yaakov began serving as the Company's CFO, after the Payment Systems Supervision at the Bank of Israel did not express its objection to the appointment. For details, see immediate report dated May 1, 2026 (Reference No. 2026-01-040389).

On June 29, 2026, Ms. Shani Federman Terem ceased to serve as a director of the Company. For details, see immediate report dated April 30, 2026 (Reference No. 2026-01-039714).

On June 30, 2026, the Company's general meeting of Shareholders approved the tenure of Mr. Yitzhak (Tsachi) Lotti as a director for a period of three years (Reference No. 2026-01-061794). His tenure will commence upon receipt of the approval of the Payment Systems Supervision at the Bank of Israel or after his non-objection within 60 days from the date of filing the request for approval to Supervision. For details, see report dated June 30, 2026 (reference no. 2026-01-061794).

5. Legal proceedings

See note 3b to the financial statements.

6. Internal auditor

For details regarding the internal auditor, including the manner of his appointment, the work plan and the scope of the internal audit, see section 5 of the Company's Board of Directors' Report for 2025, which is attached to the Company's Periodic Report for 2025 the information contained therein is by reference.

7. Critical accounting estimates

In the reported period, no changes have taken place in critical accounting estimates as discussed in note 2 to the financial statements of the Company as of December 31, 2025.

8. Events after the reported period:

For additional details, see Note 5 to the financial statements.

Sharon Haran **Chairman of the Board of Directors**	**Eitan Lev Tov** **Chief Executive Officer**

Date of approving the financial statements: August 13, 2026.

AUTOMATED BANKING SERVICES LTD.

INTERIM FINANCIAL INFORMATION

(UNAUDITED)

AS OF JUNE 30, 2026

AUTOMATED BANKING SERVICES LTD.

CONDENSED INTERIM FINANCIAL INFORMATION

(UNAUDITED)

AS OF JUNE 30, 2026

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Auditors' review report to the shareholders of Automated Banking Services Ltd.

Introduction

We have reviewed the attached financial information of Automated Banking Services Ltd. (hereinafter - "the Company"), which is comprised of the condensed consolidated statement of financial position as of June 30, 2026 and the condensed consolidated statements of profit or loss, comprehensive income, changes in shareholder's equity and cash flows for the six-month and three-months periods ended on that date. The Board of Directors and management are responsible for the preparation and presentation of the financial information for these interim periods in accordance with the provisions of IAS 34 "Interim Financial Reporting" and are also responsible for preparing financial information for these interim periods in accordance with Chapter D of the Securities Regulations (Periodic and Immediate Reports), -1970. Our responsibility is to express a conclusion with respect to the financial information for these interim periods, based on our review.

Scope of review

Our review was conducted in accordance with the provisions of Review Standard (Israel) 2410 of the Institute of Certified Public Accountants in Israel concerning "Review of financial information for interim periods undertaken by the entity's auditor". A review of financial information for interim periods consists of making enquiries, in particular, of those officials responsible for financial and accounting matters, and of the application of analytical and other review procedures. A review is substantially lesser in scope than an audit conducted in accordance with auditing standards generally accepted in Israel and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the above financial information is not prepared, in all material respects, in accordance with IAS 34.

Further to the preceding paragraph, based on our review, nothing has come to our attention that causes us to believe that the above financial information is not in compliance, in all material respects, with the disclosure provisions in Chapter D of Israel Security Regulations (Periodic and Immediate Reports), 1970.

Emphasis of matter paragraph

Without qualifying our opinion, we draw attention to note 3 to the financial statements which describes a decision by the Commissioner of Competition to grant a conditioned exemption from recognition as a restrictive arrangement.

Tel Aviv
August 13, 2026

Kesselman & Kesselman
Certified Public Accountants
Member firm of PricewaterhouseCoopers International Limited

AUTOMATED BANKING SERVICES LTD.
CONDENSED STATEMENTS OF FINANCIAL POSITION
Amounts in thousand NIS

	As of June 30		As of December 31,
	2026	**2025**	**2025**
	(Unaudited)		(Audited)
A s s e t s			
CURRENT ASSETS:			
Cash and cash equivalents	**13,825**	31,816	15,537
Marketable securities	**110,920**	146,591	135,330
Trade receivables	**31,902**	28,298	27,922
Other accounts receivable	**10,381**	9,236	10,268
Current tax assets	**3,776**	-	1,271
Total current assets	**170,804**	215,941	190,328
NON-CURRENT ASSETS:			
Excess plan assets for post-retirement employee benefits, net	**2,706**	2,093	2,689
Property, plant and equipment, net	**29,848**	21,425	31,063
Self-developed software, software and licenses, net	**50,702**	39,602	49,794
Right-of-use assets	**17,281**	18,326	17,995
Prepaid expenses	**8,575**	3,884	9,145
Total non-current assets	**109,112**	85,330	110,686
Total assets	**279,916**	301,271	301,014

AUTOMATED BANKING SERVICES LTD.
CONDENSED STATEMENT OF FINANCIAL POSITION
Amounts in thousand NIS

	As of June 30		As of December 31,
	2026	2025	2025
	(Unaudited)		(Audited)
Liabilities and equity			
CURRENT LIABILITIES:			
Current maturities of lease liabilities	**2,766**	2,208	2,519
Trade payables	**4,311**	5,882	6,462
Other accounts payable	**20,492**	17,880	24,027
Liabilities for current taxes	**-**	242	-
Total current liabilities	**27,569**	26,212	33,008
NON-CURRENT LIABILITIES:			
Long term deferred income	**1,702**	2,511	2,675
Lease liabilities	**16,023**	17,429	16,890
Liabilities for deferred taxes	**730**	512	1,386
Employee benefits liabilities	**1,347**	1,060	1,309
Total non-current liabilities	**19,802**	21,512	22,260
Total liabilities	**47,371**	47,724	55,268
EQUITY			
Share capital	**4,587**	4,587	4,587
Share premium	**3,412**	150	150
Capital reserve for share-based payment	**4,686**	7,203	7,690
Other comprehensive loss	**(1,502)**	(1,675)	(1,502)
Retained earnings	**221,362**	243,282	234,821
Total equity attributed to shareholders of the Company	**232,545**	253,547	245,746
Total liabilities and equity	**279,916**	301,271	301,014

Sharon Haran **Chairman of the Board**	**Eitan lev Tov** **Chief Executive Officer**	**Asael Ben Yaakov** **VP of Finance and CFO**

Date of approving the financial information: August 13, 2026

The notes to the condensed financial information are an integral part thereof.

AUTOMATED BANKING SERVICES LTD.
CONDENSED STATEMENT OF PROFIT OR LOSS
Amounts in thousand NIS

	For the six-month period ended June 30		For the three-month period ended June 30		For the year ended December 31
	2026	**2025**	**2026**	**2025**	**2025**
	(Unaudited)		**(Unaudited)**		**(Audited)**
Revenues					
From the provision of services to acquirers and issuers	**67,479**	65,485	**34,643**	32,678	134,335
From the provision of services to others	**11,440**	11,047	**5,832**	5,667	22,642
Total Revenues	**78,919**	76,532	**40,475**	38,345	156,977
Operating, general and administrative expenses	**61,895**	52,010	**31,900**	26,023	110,195
Operating income	**17,024**	24,522	**8,575**	12,322	46,782
Finance Income (expenses) from marketable securities, net	**4,498**	6,545	**3,972**	6,052	12,607
Finance income	**349**	705	**245**	(42)	1,220
Finance expenses	**(486)**	(1,147)	**(356)**	(985)	(2,095)
Finance income, net	**4,361**	6,103	**3,861**	5,025	11,732
Income before taxes on income	**21,385**	30,625	**12,436**	17,347	58,514
Taxes on income	**4,844**	6,906	**2,775**	3,909	13,256
Net income attributable to Company shareholders	**16,541**	23,719	**9,661**	13,438	45,258
Net basic and diluted earnings per share attributable to shareholders (in NIS)	**0.41**	0.59	**0.24**	0.34	1.13

The notes to the condensed financial information are an integral part thereof.

AUTOMATED BANKING SERVICES LTD.
CONDENSED STATEMENT OF COMPREHENSIVE INCOME
Amounts in thousand NIS

	For the six-month period ended June 30		For the three-month period ended June 30		For the year ended December 31
	2026	**2025**	**2026**	**2025**	**2025**
	(Unaudited)		**(Unaudited)**		**(Audited)**
Net income attributed to the Company's shareholders	**16,541**	23,719	**9,661**	13,438	45,258
Other comprehensive income before taxes:					
Amounts not to be reclassified to profit or loss:					
Adjustments required for employee benefits					225
Other comprehensive income before taxes	**-**	-	**-**	-	225
Relevant tax impact	**-**	-	**-**	-	(52)
Other comprehensive income attributed to shareholders, after tax	**-**	-	**-**	-	173
	-	-	**-**	-	
Total comprehensive income attributed to shareholders	**16,541**	23,719	**9,661**	13,438	45,431

The notes to the condensed financial information are an integral part thereof.

AUTOMATED BANKING SERVICES LTD.
CONDENSED STATEMENT OF CHANGES IN EQUITY
Amounts in thousand NIS

For the six-month period ended June 30, 2026 (unaudited)

	Share capital	Share premium	Capital reserve for share-based payment	Accumulated other comprehensive loss	Retained earnings	Total equity
Balance at January 1, 2026	**4,587**	**150**	**7,690**	**(1,502)**	**234,821**	**245,746**
Changes during period:						
Net income for the period	-	-	-	-	16,541	16,541
Total comprehensive income	-	-	-	-	16,541	16,541
Exercise of warrants	-	3,262	(3,262)	-	-	-
Cost of share-based payment	-	-	258	-	-	258
Dividend paid	-	-	-	-	(30,000)	(30,000)
Balance at June 30, 2026	**4,587**	**3,412**	**4,686**	**(1,502)**	**221,362**	**232,545**

For the six-month period ended June 30, 2025 (unaudited)

	Share capital	Share premium	Capital reserve for share-based payment	Accumulated other comprehensive loss	Retained earnings	Total equity
Balance at January 1, 2025	4,587	150	6,554	(1,675)	249,563	259,179
Changes during period:						
Net income for the period	-	-	-	-	23,719	23,719
Total comprehensive income	-	-	-	-	23,719	23,719
Cost of share-based payment	-	-	649	-	-	649
Dividend paid	-	-	-	-	(30,000)	(30,000)
Balance at June 30, 2025	4,587	150	7,203	(1,675)	243,282	253,547

The notes to the condensed financial information are an integral part thereof.

AUTOMATED BANKING SERVICES LTD.
CONDENSED STATEMENT OF CHANGES IN EQUITY
Amounts in thousand NIS

For the three-month period ended June 30, 2026 (unaudited)

	Share capital	Share premium	Capital reserve for share-based payment	Accumulated other comprehensive loss	Retained earnings	Total equity
Balance at April 1, 2026	4,587	3,408	4,595	(1,502)	211,701	222,789
Changes during period:						
Net income for the period	-	-	-	-	9,661	9,661
Total comprehensive income	-	-	-	-	9,661	9,661
Exercise of warrants	-	4	(4)	-	-	-
Cost of share-based payment	-	-	95	-	-	95
Balance at June 30, 2026	4,587	3,412	4,686	(1,502)	221,362	232,545

For the three-month period ended June 30, 2025 (unaudited)

	Share capital	Share premium	Capital reserve for share-based payment	Accumulated other comprehensive loss	Retained earnings	Total equity
Balance at April 1, 2025	4,587	150	6,911	(1,675)	229,844	239,817
Changes during period:						
Net income for the period	-	-		-	13,438	13,438
Total comprehensive income	-	-		-	13,438	13,438
Cost of share-based payment	-	-	292	-	-	292
Balance at June 30, 2025	4,587	150	7,203	(1,675)	243,282	253,547

The notes to the condensed financial information are an integral part thereof.

For the year ended December 31, 2025 (audited)

	Share capital	Share premium	Capital reserve for share-based payment	Accumulated other comprehensive loss	Retained earnings	Total equity
Balance at January 1, 2025	4,587	150	6,554	(1,675)	249,563	259,179
Changes during the year:						
Net income	-	-	-	-	45,258	45,258
Other comprehensive income	-	-	-	173	-	173
Total comprehensive income	-	-	-	173	45,258	45,431
Cost of share-based payment	-	-	1,136	-	-	1,136
Dividend paid	-	-	-	-	(60,000)	(60,000)
Balance at December 31, 2025	4,587	150	7,690	(1,502)	234,821	245,746

The notes to the condensed financial information are an integral part thereof.

AUTOMATED BANKING SERVICES LTD.
CONDENSED STATEMENT OF CASH FLOWS
Amounts in thousand NIS

	For the six-month period ended June 30		For the three-month period ended June 30		For the year ended December 31
	2026	**2025**	**2026**	**2025**	**2025**
	(Unaudited)		**(Unaudited)**		**(Audited)**
Cash flows from operating activity:					
Net income for the period	**16,451**	23,719	**9,661**	13,438	45,258
Adjustments required to present cash flows from operating activity					
Adjustments to profit and loss items:					
Depreciation and amortizations	**8,391**	6,989	**4,268**	3,647	14,778
Expenses in respect of share-based payment transactions	**258**	649	**95**	292	1,136
Liability for post-retirement employee benefits, net	**(17)**	(44)	**(3)**	(18)	(418)
Changes in liabilities for employee benefits, net	**38**	(20)	**43**	(19)	232
Taxes on income	**4,844**	6,906	**2,775**	3,909	13,256
Finance income, net	**(4,361)**	(6,103)	**(3,861)**	(5,025)	(11,732)
Change in asset and liability items:					
Decrease (increase) in trade receivables	**(3,980)**	(2,297)	**(11,743)**	(392)	(1,921)
Decrease (increase) in other accounts receivable	**457**	173	**2,108**	1,820	(6,148)
Increase (decrease) in trade payables	**(2,181)**	2,483	**(1,235)**	2,335	3,963
Increase (decrease) in other accounts payable	**(4,508)**	(2,979)	**(4,908)**	(5,144)	3,332
Cash flows from operating activity before finance and taxes	**15,482**	29,476	**(2,800)**	14,843	61,736
Interest received	**1,547**	2,134	**428**	782	3,476
Interest and fees paid	**(308)**	(450)	**(152)**	(235)	(899)
Taxes paid, net	**(8,005)**	(3,436)	**(4,512)**	(3,996)	(10,488)
Net cash provided by (used in) operating activity	**8,716**	27,724	**(7,036)**	11,394	53,825

The notes to the condensed financial information are an integral part thereof.

AUTOMATED BANKING SERVICES LTD.
CONDENSED STATEMENT OF CASH FLOWS
Amounts in thousand NIS

	For the six-month period ended June 30		For the three-month period ended June 30		For the year ended December 31
	2026	2025	2026	2025	2025
	(Unaudited)		(Unaudited)		(Audited)
Cash flows from investing activity:					
Purchase of marketable securities	**(16,804)**	(32,125)	**(11,919)**	(17,375)	(52,217)
Proceeds from sale of marketable securities	**44,336**	38,590	**39,514**	24,193	75,243
Acquisitions and investments in property, plant and equipment and intangible assets	**(6,675)**	(14,521)	**(3,201)**	(8,292)	(41,669)
Net cash provided by (used in) investing activity	**20,857**	(8,056)	**24,394**	(1,474)	(18,643)
Cash flows from financing activity:					
Maturity of lease liabilities	**(1,285)**	(1,108)	**(659)**	(564)	(2,348)
Dividend paid	**(30,000)**	(30,000)	**(30,000)**	(30,000)	(60,000)
Net cash used in financing activity	**(31,285)**	(31,108)	**(30,659)**	(30,564)	(62,348)
Decrease in cash and cash equivalents	**(1,712)**	(11,440)	**(13,301)**	(20,644)	(27,166)
Balance of cash and cash equivalents at the beginning of the period	**15,537**	44,050	**27,126**	53,572	44,050
Profits (losses) from exchange rate differences for cash and cash equivalents	**-**	(794)	**-**	(1,112)	(1,347)
Balance of cash and cash equivalents at end of the period	**13,825**	31,816	**13,825**	31,816	15,537

The notes to the condensed financial information are an integral part thereof.

AUTOMATED BANKING SERVICES LTD.
CONDENSED STATEMENT OF CASH FLOWS
Amounts in thousand NIS

	For the six-month period ended June 30		For the three-month period ended June 30		For the year ended December 31
	2026	2025	2026	2025	2025
	(Unaudited)		(Unaudited)		(Audited)
Appendix A – material non-cash transactions					
Recognition of right-of-use assets against lease liability	**665**	995	**558**	801	2,007
Purchase of property, plant and equipment against trade payables	**30**	700	**(183)**	(593)	(200)

The notes to the condensed financial information are an integral part thereof.

AUTOMATED BANKING SERVICES LTD.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - GENERAL

a. The reporting entity

1. Automated Banking Services Ltd. (hereinafter: the "**Company** and/or Shva") was incorporated in Israel on September 13, 1978, and its official corporate address is 26 HaRokmim St., Holon.

2. On May 27, 2019, the Company published a supplementary prospectus and a shelf prospectus dated May 28, 2019 (hereinafter: the "**Prospectus**"), in which Company's shares were sold to the public by Company's shareholders. The Company's shares were also listed on the Tel Aviv Stock Exchange and trading of the shares began on June 12, 2019, and the Company became a public company (reporting corporation).

3. On June 20, 2022, a notification was received on behalf of the supervisor of banks about the end of the period of application of proper banking management directives to the Company.

4. The Company currently operates in single operating segment, the clearing segment, which includes several activities, as follows: (1) connecting terminals to the charge card switch; (2) confirmation, transaction collection, accounting and settlement interface services; (3) ATM switch services including authorization, accounting and settlement; (4) development and distribution of "Ashrait" software; (5) tests to certify POS devices or Pin Pad devices for the EMV system; (6) certification of EMV terminals; (7) services for discount companies; (8) service to adjustment companies; (9) Shva Insights Services; (10) Shva Arena - aggregate information access services; (11) Information access service for the purpose of providing services by MasterCard; (12) CLP. Most of the Company's revenues derive from providing services to the credit card companies. Regarding the decision of the Commissioner of Competition regarding the cancellation of clauses in the conditions of the exemption from approval of a restrictive arrangement, which define the areas of activity in which Shva is allowed to engage and the condition of Shva's entry into any other field of activity with the prior approval of the Commissioner of Competition as detailed in Note 17 in Part C (financial statements) in the Company's periodic report for 2024 see note 3 below.

b. The interim financial information is reviewed and not audited.

c. Financial strength and business resilience against the backdrop of the security situation

After that 2025 ended with a positive growth trend, on February 28, 2026 Operation Lion's Roar struck Israel. The campaign was conducted on two parallel fronts: intense fighting against Iran that ended in April 2026, and a campaign against Lebanon that remains active and is currently being conducted under a fragile ceasefire that is intermittently violated. In the background of these matters, political uncertainty with Iran continues and there is concern that in the absence of stable understandings or a settlement mechanism, direct fighting with Iran may resume.

The period of intense fighting temporarily affected private consumption. In the first days of the fighting, there was a drop in the volume of use in the leisure and retail sectors, while on the other hand, there was a jump in purchases in food chains and emergency supplies. With the end of the operation in April 2026, there was a rapid recovery and the public returned to regular purchases while adapting to the complex security reality.

AUTOMATED BANKING SERVICES LTD.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – GENERAL (CONT.)

During the second quarter of the year, the security situation remained volatile. In early June 2026, there was another escalation, which included combined launches from Lebanon and Iran, following which a framework for a ceasefire was formulated between Israel, Lebanon and the United States.

Work in the Company is taking place regularly, the Company's activities goes on continuously, there is no material impact on the Company's workforce and services are provided regularly to its customers.

d. The condensed interim financial statements were approved for publication by the Company's Board of Directors on August 13, 2026.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

a. Basis of presentation of the present financial information

The interim condensed consolidated financial information of the Company as of June 30, 2026 (hereinafter – the "Interim Financial Information") was prepared in accordance with IAS 34 "Interim Financial Reporting", including the additional disclosure required by Chapter D of Securities Regulation (Periodic and Immediate Reports), 1970.

The interim financial information does not include all the information and disclosures required in the annual financial statements. The interim financial information should be read in conjunction with the annual financial statements for 2025 and the accompanying notes, which comply with the International Financial Reporting Standards, which are standards published by the International Accounting Standards Board (hereinafter - IFRS) and include the additional disclosure required in accordance with the Securities Regulations (Annual Financial Statements), 2010.

The Company's revenues and results of operations for the six-month period ended June 30, 2026 are not necessarily indicative of the revenues and results that can be expected in the year ending December 31, 2026.

Use of estimates and judgment

In the preparation of the financial statements in accordance with IFRS, the Company's management is required to use judgment, estimates and assumptions, which affect the implementation of the policy, and the amounts of assets and liabilities, income and expenses. It is hereby clarified that actual results may differ from these estimates. When formulating the accounting estimates used in the preparation of the Company’s financial statements, management is required to make assumptions regarding circumstances and events which involve significant uncertainty. When using its discretion in determining these estimates, the Company’s management relies on past experience, various facts, external factors, and reasonable assumptions according to the relevant circumstances for every estimate.

The estimates and assumptions underlying these estimates, including those arising from the Company’s economic operating environment, are reviewed on an ongoing basis. Changes in accounting estimates are recognized in the period in which the estimates were amended and in all affected periods in the future.

AUTOMATED BANKING SERVICES LTD.

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Critical estimates

The Company does not have critical estimates.

b. Significant accounting policies and calculation methods applied in preparing the interim financial information are consistent with those used in preparing the 2025 annual financial statements of the Company.

NOTE 3 – CONTINGENT LIABILITIES AND COMMITMENTS

a. Separation of the Company and Masav - Separation Outline

Following the Competition Authority's request in October 2019 regarding the joint affiliations between the Company and Masav, it was alleged that despite the change in the ownership structure (in accordance with the Law to Increase Competition and Reduce Concentration), the companies continue to have significant affiliations between them that raise competition concerns. In view of the above, the Company and Masav submitted an application in May 2020 for approval of a restrictive arrangement to the Competition Court, and subsequently, in April 2021, a temporary permit for the arrangement was approved subject to conditions agreed upon with the Competition Commissioner and the Bank of Israel.

As part of this outline, the companies were required to separate all administrative and application-related affiliations, as well as to regulate infrastructure affiliations such as computer systems and shared offices.

The following are the principles of the separation outline agreed upon between the parties:

1. By December 31, 2027, all existing joint affiliaties between the applicants will be completely severed, so that at the end of the approval date of the restrictive arrangement, no joint affiliations will remain between them and no services will be provided by one of the companies to the other that are not part of the services they sell to the general public.

NOTE 3 – CONTINGENT LIABILITIES AND COMMITMENTS (CONT.)

2. Severing of the joint affiliations will be done in a gradual and controlled manner. As a general rule, affiliations that have a greater impact on competition and that are likely to raise more significant competition concerns will be separated earlier. Affiliations that have a lesser impact on competition and whose separation involves greater technical complexity will be separated later.

3. During the interim period until the full separation of all affiliations, the applicants will cooperate in a manner that minimizes the concern of reducing competition between them, and only between the office holders required for a particular matter, in accordance with the conditions.

4. The conditions require documentation of the joint meetings and discussions of the companies' managements, in a manner that will allow the Commissioner, if necessary, to supervise the implementation of the conditions and the affiliations between the applicants.

On March 27, 2022, approval was given under conditions to the restrictive arrangement by the Competition Court, in light of the reasons for the request and the consent of the parties. The approval of the restrictive arrangement is valid until December 31, 2029.

Exemption from the Competion Commisioner dated december 28, 2022

From 2002, the Company operates in compliance with decisions of the Competition Authority regarding an exemption from a restrictive arrangement between Bank Hapoalim Ltd, Bank Leumi Ltd, Discount Bank, First International Bank of Israel Ltd, and the Company. The latest decision regarding the exemption from approval of a restrictive arrangement was issued on December 28, 2022 for a period of five years until December 28, 2026 under the conditions stipulated in such decision.

b. Claims and class actions

- **<u>Motion to approve class action 12789-01-25 Niles T.L.V. (E.L.) Ltd. et al. v. Automated Banking Services Ltd.</u>**

On January 5, 2025, application to approve a class action (hereinafter, respectively, the "Application for Approval" or the "Application" and the "Claim") was filed with the Central District Court in Lod.

According to the applicants, the Company launched a service called Shva Insights, in which it sells information to third parties. In doing so, according to the applicants, the Company allegedly violates the provisions of the law, including the provisions of the Privacy Protection Law, -1981. As per the Company's position, the allegations in the application are baseless and the Company is acting in accordance with the provisions of the law. A pre-trial hearing in the lawsuit was held on February 15, 2026 and June 24, 2026. Due to the preliminary stage of the proceeding, it is not yet possible to assess the prospects of the lawsuit.

AUTOMATED BANKING SERVICES LTD.

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a. Financial instruments

The Company's financial instruments include the following assets and liabilities: cash and cash equivalents, bank deposits, marketable securities, other accounts receivable trade payables, and other accounts payable. Due to their nature, the fair value of the Company's financial instruments is identical to, or approximates their carrying amounts in the financial statements.

b. Financial risk management

The activity of the Company exposes it to a range of financial risks: market risk (including CPI risk, exchange rate risk, price risk and interest rate risk), credit risk and liquidity risk.

As discussed above, the interim financial information does not include all information and disclosures required in annual financial statements, including regarding financial risk management of the Company, and therefore, the interim financial information should be read together with the 2025 annual financial statements and accompanying notes

No material changes in the financial risk management policy of the Company took place relative to that reported in the 2025 annual financial statements.

NOTE 5 – EVENTS AFTER THE REPORTED PERIOD

In July 2026, restricted shares and options were allocated to the Company's CEO, officers and employees, and restricted shares were also issued to the chairman of the board of directors.

On July 26, 2026, the Company's board of directors approved the allocation of 4,218 restricted shares to the chairman of the board of directors.

<u>Quarterly Report on Effectiveness of Internal Control over Financial Reporting and Disclosure according to Regulation 38C(a)</u>

Management, supervised by the Board of Directors of Automated Banking Services Ltd. (the "**Company**"), is responsible to set and maintaining proper internal control over financial reporting and disclosure by the corporation.

For this matter, management consists of:

1. Eitan Lev Tov, General Manager (CEO);
2. Asael Ben Yaakov, VP Finance (CFO);

Internal control over financial reporting and disclosure consists of controls and procedures in place at the Company, which have been designed by the General Manager and the most senior financial officer, or under their supervision, or by those performing in practice said capacities, under oversight of the Company's Board of Directors, and which are intended to provide reasonable assurance regarding the reliability of financial reporting and preparation of reports pursuant to statutory provisions, and to ensure that information the Company is required to disclose in reports it issues pursuant to statutory provisions is collected, processed, summarized and reported duly and in the format prescribed by law.

Internal control includes, inter alia, controls and procedures designed to ensure that information that the Company is required to disclose, as above, is collected and submitted to corporate management, including to the General Manager and to the most senior financial officer, or to those performing in practice said capacities, so as to enable decisions to be duly made with regards to the required disclosure.

Due to its inherent limitations, internal control over financial reporting and disclosure is not designed to provide absolute assurance that misrepresentation or omission of information on the reports is prevented or detected.

In the quarterly report on the effectiveness of internal control over financial reporting and disclosure, which was attached to the Company's periodic report for the period ended March 31, 2026 (hereinafter - "the latest quarterly report on internal control"), internal control was found to be effective.

As of the date of the report, no event or matter has been brought to the attention of the Board of Directors and Management that could change the assessment of the effectiveness of internal control, as presented in the most recent annual report on internal control.

As of the date of the report, based on the assessment of the effectiveness of internal control in the most recent annual report on internal control, and based on information brought to the attention of the Board of Directors and Management as stated above, internal control is effective.

As of the date of the report, based on what is stated in the latest quarterly report regarding internal control and based on information brought to the attention of management and the Board of Directors as stated above, internal control is effective.

CEO declaration pursuant to Regulation 38C(d)(1)

I, Eitan Lev Tov, declare that:

(1) I have reviewed the interim report of Automated Banking Services Ltd. (hereinafter: "the Company") for the second quarter of 2026 (hereinafter "**the Reports**" or "**the Interim Reports**");

(2) To my knowledge, the interim reports are free of any misrepresentation of any material fact and no representation of any material fact required for making the representations therein, under the circumstances in which they were made, not misleading in reference to the period covered by the report is missing.

(3) To my knowledge, the interim reports and the other financial information included in the interim reports present fairly, in all material respects, the financial position, results of operations and cash flows of the Company as of the dates and for the periods presented in the Reports.

(4) I have disclosed to the Company's independent auditor, Board of Directors and the Board's Audit Committee, based on my most up-to-date assessment of the internal control over financial reporting and disclosure:

(a) All significant deficiencies and material weaknesses in the design or implementation of internal control over financial reporting and disclosure which may reasonably and adversely impact the Company's ability to collect, analyze, summarize or report financial information in a manner that may cast doubt over the reliability of financial reporting and preparation of financial statements pursuant to statutory provisions; and

(b) Any fraud, whether or not material, involving the General Manager or any of the direct reports thereof, or involving any other employees with significant capacity in internal control over financial reporting and disclosure.

(5) I, alone or together with others in the Company:

(a) have established controls and procedures, or have verified their determination and existence under my supervision of controls and procedures, designed to ensure that material information relating to the Company is brought to my attention by others in the Company, in particular during the preparation period of the reports; and-

(b) have established controls and procedures, or have verified their establishment and existence under my supervision of controls and procedures, designed to reasonably ensure the reliability of the financial reporting and the preparation of the financial statements in accordance with the provisions of the law, including in accordance with generally accepted accounting principles;

(c) I have not been informed of any event or matter that occurred during the period between the date of the last periodic report and the date of this report, which may change the conclusions of the board of directors and management regarding the effectiveness of internal control over financial reporting and disclosure of the corporation.

The foregoing shall not derogate from my statutory responsibility, or that of any other person, under any law.

August 13, 2026

Eitan Lev Tov
CEO

Declaration of the most senior financial officer pursuant to Regulation 38C(d)(2)

I, Asael Ben Yaakov, declare that:

(1) I have reviewed the interim financial statements and other financial information included in the interim reports of Automated Banking Services Ltd. (hereinafter: "**the Company**") for the second quarter of 2026 (hereinafter "**the Reports**" or the "**Interim Reports**");

(2) To my knowledge, the Interim Reports and the other information included in the Interim Reports is free of any misrepresentation of any material fact and no representation of any material fact required for making the representations therein, under the circumstances in which they were made, not misleading in reference to the period covered by the report is missing.

(3) To my knowledge, the Interim Reports and the other information included in the Interim Reports present fairly, in all material respects, the financial position, results of operations and cash flows of the Company as of the dates and for the periods presented in the Reports.

(4) I have disclosed to the Company's independent auditor, Board of Directors and the Board's Audit Committee, based on my most up-to-date assessment of the internal control over financial reporting and disclosure:

(a) All significant deficiencies and material weaknesses in the design or implementation of internal control over financial reporting and disclosure, to the extent is refers to the Interim Reports and the other information included in the Interim Reports, which may reasonably and adversely impact the Company's ability to collect, analyze, summarize or report financial information in a manner that may cast doubt over the reliability of financial reporting and preparation of financial statements pursuant to statutory provisions; and

(b) Any fraud, whether or not material, involving the General Manager or any of the direct reports thereof, or involving any other employees with significant capacity in internal control over financial reporting and disclosure.

(5) I, alone or together with others in the Company:

(a) have established controls and procedures, or have verified their determination and existence under my supervision of controls and procedures, designed to ensure that material information relating to the Company is brought to my attention by others in the Company, in particular during the preparation period of the reports; and-

(b) have established controls and procedures, or have verified their establishment and existence under my supervision of controls and procedures, designed to reasonably ensure the reliability of the financial reporting and the preparation of the financial statements in accordance with the provisions of the law, including in accordance with generally accepted accounting principles;

(c) I have not been informed of any event or matter that occurred during the period between the date of the last periodic report and the date of this report, which may change the conclusions of the board of directors and management regarding the effectiveness of internal control over financial reporting and disclosure of the corporation.

The foregoing shall not derogate from my statutory responsibility, or that of any other person, under any law.

August 13, 2026

Asael Ben Yaakov - VP Finance (CFO)