



THE TEL-AVIV
STOCK EXCHANGE LTD

FIRST QUARTER 2024 RESULTS



THE TEL-AVIV STOCK EXCHANGE LTD REPORTED FIRST QUARTER 2024 RESULTS

May 22, 2024 (Tel Aviv) -Tel Aviv Stock Exchange Ltd (**TASE:TASE**) today announced its financial results for the first quarter ended March 31, 2024.¹

1. General

TASE crosses the NIS 108.3 million revenue, with a 2% increase in net profit in the first quarter of 2024 to NIS 25.7 million, compared to NIS 25.5 million net profit in the corresponding quarter last year.

1.1 Highlights of TASE's Results for the First Quarter of 2024**First Quarter Results**

- TASE revenues amounted to NIS 108.3 million in the first quarter of 2024, an increase of 8.3% compared to the corresponding quarter last year. most of the increase in revenue is due to an increase of 5.5% in revenue from data distribution and connectivity services, while 2.8% of the increase in revenue is due to higher volumes of activity in the Group, as described below.
- The adjusted EBITDA in the first quarter of 2024 totaled NIS 48.6 million, compared to NIS 43.5 million in the corresponding quarter last year, an increase of 12%. The increase is due to an increase in profit before financing, eliminating share-based payment expenses and depreciation expenses in an amount of NIS 2.1 million
- The adjusted profit in the first quarter of 2024 totaled NIS 27.8 million, compared to NIS 26.1 million in the corresponding quarter last year, an increase of 7%. The increase is due to the adjustment of the increase in share-based payment costs.

1.2 Business and Corporate Highlights for the First Quarter of 2024**BUSINESS HIGHLIGHTS**

- The average daily trading volume of shares in the first quarter of 2024 amounted to approximately NIS 2.1 billion, similar to the volumes in the corresponding quarter in the previous year.
- The average daily trading volume of corporate bonds in the first quarter of 2024 amounted to approximately NIS 1.2 billion, a 6% increase compared to the volumes in the corresponding quarter in the previous year. The average daily trading volume of government bonds in the first quarter of 2024 amounted to approximately NIS 3.4 billion, a 15% increase compared to the volumes in the corresponding quarter in the previous year.

¹ The Board of Directors of TASE today approved the Consolidated Financial Statement as of March 31, 2024. The consolidated financial statements of the Company were prepared in accordance with IFRS. This is an English translation of parts of the information included in the approved financial statements. In the event of any discrepancy between the original Hebrew and the translation to English, the Hebrew version alone will prevail. The consolidated financial statements in the English Version will be published on the website by the end of June 2024.

- The average daily trading volume of T-bills in the first quarter of 2024 amounted to NIS 1.9 billion compared with NIS 1.4 billion in the corresponding quarter in the previous year, an increase of 40%.
- The average daily redemptions or creations volume of mutual funds in the first quarter of 2024 amounted to NIS 1.8 billion compared with NIS 1.5 billion in the corresponding quarter in the previous year, an increase of 22%.
- The daily average trading volume of derivatives in the first quarter of 2024 amounted to 150.5 thousand units a day, compared with 164.4 thousand units in the corresponding quarter in the previous year, a decrease of 8%.
- In the first quarter of 2024, NIS 2.5 billion was raised on TASE in shares, a decrease of 1% over the corresponding quarter in the previous year, of which NIS 0.1 billion was raised in a single IPO (similar to the first quarter of 2023).
- In the first quarter of 2024, NIS 21.8 billion was raised on TASE in corporate bonds, a decrease of 1% over the corresponding quarter in the previous year and NIS 67.3 billion was raised on TASE in government bonds, an increase of 309% over the corresponding quarter in the previous year.
- In the first quarter of 2024, NIS 101.9 billion was raised on TASE in T-bills, a decrease of 21% over the corresponding quarter in the previous year.
- The leading indices TA-35, TA-90, TA-125 and TA-SME60 increase by 7.8%, 10.9%, 8.3% and decreased by 9.1% respectively, in the first quarter of 2024.
- The balance of monthly average market cap of the assets in custodianship at TASE-CH as of March 31, 2024 was NIS 3.1 trillion, an increase of 8% compared to the balance as of December 31, 2023.
- Net financing in the first quarter of 2024 totaled NIS 1.4 million, as compared to net financing incomes of NIS 2.5 million in the corresponding quarter last year, a 43.1% decrease. Financing income in the quarter increased due to interest income on the deposits. At the same time, financing expenses increased as a result of the loan obtained at the end of 2023, resulting in reduced net financing income

2. Summary of Information Relating to the Results for the First Quarter of 2024 (NIS, in thousands)

Three Months Ended March 31, 2024 Compared to the Three Months Ended March 31, 2023

Statement of Profit or Loss

	Quarter ended		Difference	
	31.3.2024	31.3.2023	Amount	%
Revenue from services	108,293	100,016	8,277	8%
Expenses	75,367	69,976	5,391	8%
Profit before financing income, net	32,926	30,040	2,886	10%
Financing income (expenses)	1,437	2,528	(1,091)	(43%)
Profit before Taxes on income	34,363	32,568	1,795	6%
Taxes on income	8,653	7,087	1,566	22%
Net profit	25,710	25,481	229	1%
% of total revenue from services for the quarter	23.7%	25.5%		

- **Revenue in the first quarter of 2024** totaled NIS 108.3 million, compared to revenue of NIS 100.0 million in the corresponding quarter last year, an increase of 8.3%. Most of the increase in revenue is due to an increase of 5.5% in revenue from data distribution and connectivity services, while 2.8% of the increase in revenue is due to higher volumes of activity in the Group, as described below.
- **Costs in the first quarter of 2024** totaled NIS 75.4 million, compared to costs of NIS 70.0 million in the corresponding quarter last year, an 8% increase. The increase in costs is due mainly to an increase of 1.2% in employee benefits expenses, 2.6% in computer expenses, and 2.2% in share-based payments expenses.
- **Net financing in the first quarter of 2024** totaled NIS 1.4 million, as compared to net financing incomes of NIS 2.5 million in the corresponding quarter last year, a 43.1% decrease. Financing income in the quarter increased due to interest income on the deposits. At the same time, financing expenses increased as a result of the loan obtained at the end of 2023, resulting in reduced net financing income.
- **The profit in the first quarter of 2024** totaled NIS 25.7 million, compared to NIS 25.5 million in the corresponding quarter last year, an increase of 1%. The increase in profit is due mainly to the increase in the tax expense as a result of the higher pre-tax profit, net of financing income, as explained above.

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	Quarter ended		
	31.3.2024	31.3.2023	Difference %
Weighted average number of ordinary shares used to compute			
Basic earnings per share	92,444,048	100,359,684	(8%)
Diluted earnings per share	95,107,023	102,067,851	(7%)
Basic earnings per share in NIS	0.278	0.254	9%
Diluted earnings per share in NIS	0.270	0.250	8%

The revenue in the first quarter of 2024 – below is the composition of the first quarter's revenue, compared to the corresponding quarter last year:

Revenue from services	Quarter ended				
	31.3.2024	% of the Company's total revenues	31.3.2023	% of the Company's total revenues	% change
	42,954	40%	41,923	42%	2%
Trading and clearing commissions	6% of the increase in revenue from trading and clearing commissions is due to an increase in the volume of creations/redemptions of mutual fund units and an increase in the trading volumes of T-bills. In opposition, a reduction in the number of trading days this quarter compared to the corresponding quarter last year, and a reduction in revenue as a result of changes of the effective commission rate, mainly in relation to T-bills, contributed 2% to the decrease in revenue, each.				
	21,603	20%	20,302	20%	6%
Listing fees and levies	4% of the increase in revenue from listing fees and levies stems from an increase in revenue from annual levies, both as a result of the increase in the number of companies and funds that pay an annual levy, and due to the linkage of the levy rates to the CPI. In addition, 2% of the increase is due to an increase in revenue from listing fees, mainly as a result of an increase in the volumes raised by companies and ETFs this quarter compared to the corresponding quarter last year.				
	19,980	18%	19,113	19%	5%
Clearing House services	4% of the increase in revenue from Clearing House services is due to an increase in revenue from custodian fees as a result of an increase in the value of the assets held in custodianship at TASE-CH, and 1% of the increase is due to an increase in Clearing House services to companies and members, mainly as a result of the expansion of the services in relation to information on OTC transactions and the linkage of the clearing fees to the CPI.				
	22,601	21%	17,124	17%	32%
Data distribution and connectivity services	22% of the increase in revenue from data distribution and connectivity services is due to an increase in revenue from authorizations to use the TASE indices, mainly as a result of the updating of the index-usage authorization fees and the increased use of the TASE indices, 7% of the increase is due to an increase in revenue from data distribution to business and private customers, and 3% of the increase is due to an increase in revenue from connectivity services.				
	1,155	1%	1,554	2%	(26%)
Other revenue	The reduction in revenue is due to one-time income received in the corresponding quarter last year - a refund of municipal taxes for prior years in an amount of NIS 0.6 million.				
Total revenue from services	108,293	100%	100,016	100%	8%

Adjusted Net Profit and Adjusted EBITDA Data²

	Quarter ended		Difference	
	31.3.2024	31.3.2023	Amount	%
Adjusted EBITDA for the quarter:				
Profit before financing income (expenses), net	32,926	30,040	2,886	
Adjustments:				
Share-based payment expenses	2,113	611	1,502	
Depreciation and capital losses	13,529	12,883	646	
Adjusted EBITDA for the quarter:	48,568	43,534	5,034	12%
% of total revenue from services for the quarter	44.8%	43.5%		
Adjusted profit for the quarter:				
Profit for the quarter	25,710	25,481	229	
Adjustments:				
Share-based payment expenses	2,113	611	1,502	
Adjusted profit for the quarter:	27,823	26,092	1,731	7%
% of total revenue from services for the quarter	25.7%	26.1%		

- **The adjusted EBITDA in the first quarter of 2024** totaled NIS 48.6 million, compared to NIS 43.5 million in the corresponding quarter last year, an increase of 12%. The increase is due to an increase in profit before financing, as described in section 1.1.2 above, in an amount of NIS 2.9 million, eliminating share-based payment expenses and depreciation expenses in an amount of NIS 2.1 million.
- **The adjusted profit in the first quarter of 2024** totaled NIS 27.8 million, compared to NIS 26.1 million in the corresponding quarter last year, an increase of 7%. The increase is due to the adjustment of the increase in share-based payment costs.

² Adjusted data for the profit and EBITDA (operating profit before interest, tax, depreciation and amortization): These data are based on the data in the Company's financial statements for the reported periods, after eliminating the effects of certain events and factors, as explained above, that are not typical of the Company's operating activities.

It is hereby clarified that the data presented above are not presented in accordance with generally accepted accounting principles and do not reflect the Company's cash flows from operating activities or its operating profits and net profit and, accordingly do not constitute a substitute for the data in the Company's financial statements regarding the operating profit and/or the net profit. Nevertheless, in the Company's opinion, these data enable a better comparison to be made of the Company's performance in the reported periods.

Summary of Information Relating to the Financial Position as of March 31, 2024
(NIS, in thousands):

	As of 31.03.2024	As of 31.03.2023		
	NIS, in thousands		Difference	% Change
Cash and cash equivalents and short-term financial assets	483,014	401,640	81,374	20%
Other current assets	37,326	41,041	(3,715)	(9%)
Property and equipment and intangible assets	471,017	452,348	18,669	4%
Other non-current assets	13,198	9,797	3,401	35%
Total assets (*)	1,004,555	904,826	99,729	11%
Current liabilities	182,911	123,375	59,536	48%
Non-current liabilities	190,939	89,261	101,678	114%
Total liabilities (*)	373,850	212,636	161,214	76%
Total equity	630,705	692,190	(61,485)	(9%)
Ratio of equity to total assets (*)	63%	76%		
Adjusted ratio of equity to total assets (*) (**)	88%	88%		
Surplus equity over regulatory requirements (in NIS millions)	545	615	(70)	(11%)
Surplus liquidity over regulatory requirements (in NIS millions) (***)	110	273	(163)	(60%)

(*) The total assets and liabilities in the balance sheet as of 31.3.2024 and 31.12.2023, include a balance of assets and liabilities in respect of open derivative positions amounting to NIS 1,753 million and NIS 1,695 million, respectively, which for reasons of convenience in analyzing the financial position have been offset against each other in this report.

- The total assets as of 31.3.2024 amounted to NIS 1,004.6 million, a 1% increase compared to 31.12.2023. Most of the increase is due to an increase in other receivables and property and equipment, which was counteracted by a decrease in cash and cash equivalents (for details see section 1.3 below).
- The total liabilities as of 31.3.2024 amounted to NIS 373.9 million, a 37% decrease compared to 31.12.2023. Most of the decrease is due to a dividend declared and paid (for details see section 1.3 below).
- The total equity as of 31.3.2024 amounted to NIS 630.7 million, a 57% increase compared to 31.12.2023. The increase in equity is due mainly to an increase in a capital reserve as a result of receipts from the sale of shares within the framework of the TASE restructuring, in an amount of NIS 242.5 million.

(**) The adjusted equity also includes the total deferred income from listing fees.

(***) Net of a balance of cash earmarked for investment in TASE's technological infrastructure, in an amount of NIS 230 million as of 31.3.24.

Summary of Cash Flows for the Three Months Ended March 31, 2024 (NIS, in millions):

	Item	Three months ended March 31		Explanations of the Company
		2024	2023	
Net cash from operating activities	Adjusted EBITDA	48.6	43.5	The increase in adjusted EBITDA is due mainly to an increase in revenue from services as a result of the higher volume of activity and to a reduction in expenses, primarily marketing expenses.
	Changes in working capital	4.9	8.8	The decrease in working capital is due mainly to an increase in trade and other receivables, as well as to a reduction in trade and other payables.
	Financing and tax	(11.4)	(4.0)	The decrease is due mainly to higher tax payments, net in the quarter, compared to the corresponding quarter last year.
	Total	42.1	48.3	Cash flows from operating activities grew by 2% between the quarters.
Net cash for investing activities	Investments in property and equipment and in intangible assets and capitalized payroll costs	(13.0)	(11.4)	The decrease is due to the timing of implementation of the Group's investment work plans in the quarters.
	Acquisition of financial assets, net	0.5	(1.4)	Acquisition of assets in accordance with the Company's investments policy.
	Total	(12.5)	(12.8)	
Net cash for financing activities	Lease payments	(2.4)	(2.1)	
	Short-term credit	-	0.9	
	Acquisition of treasury shares	-	(24.4)	
	Repayment of long-term loan	(12.5)	-	
	Dividends paid	(272.7)	-	
	Payments carried directly to equity within the framework of implementing the TASE Restructuring Law, net	242.5	1.8	Receipts from a shareholder that realized shares that are subject to the provisions of the TASE Restructuring Law.
	Total	(45.1)	(23.8)	
Total increase in cash and cash equivalents		(15.5)	11.7	

3. Seasonality

The revenue of the Company from trading and clearing is affected, inter alia, by the number of trading and clearing days. In the first quarter of 2024, there were 63 trading days, the same as in the corresponding quarter last year.

Presented below are expected trading days:

	Q1	Q2	Q3	Q4	TOTAL
Year					
2023	64	58	61	66	249
2024	63	57	65	58	243

4. Events During the Reporting Period and Thereafter

4.1 Disclosure on the effects of the “Swords of Iron” War–

On 8.10.2023, the Government of Israel declared a state of war (which is still ongoing after the reporting date). This has had an unsettling effect on TASE and on the Israeli economy as a whole. The capital market declined, the Fear Index surged and the exchange rate of the dollar broke the NIS 4 ceiling. Nevertheless, the local market proved resilient, and already close to the end of October 2023 managed to curb the price drops and resume growth, as the indices regained and even exceeded their pre-war levels. Overall, in 2023 TASE's leading indices: TA-35, TA-90 and TA-125, increased by 4%, each, and by the end of 2023 the devaluation of the shekel subsided and the Fear Index dropped close to its pre-war level.

In the first quarter of 2024, the market remained strong, with an increase of 8% and 11%, respectively, in the TA-35 and TA-90 flagship indices, rising trading volumes and strong capital and debt raising activity.

The War, the duration, intensity and scope of which are uncertain, has adverse effects on the Israeli market and economy, including: economic slowdown, exchange rate fluctuations, disruptions in the manufacturing and supply chain, further rise in food, commodity and energy prices, and increase in the government deficit and in the Debt-GDP ratio.

In response to the rising economic risk, the international credit rating agencies took various actions: Fitch and Moody's announced that Israel's sovereign credit rating is now under “Rating Watch Negative”, and S&P reduced the rating outlook from “stable” to “negative”.

On 9.2.2024, Moody's reduced the State of Israel's credit rating from A1 to A2. Further to that, Moody's also reduced the credit rating of the five largest Israeli banks from A2 to A3, with a negative outlook.

Alongside the anticipated impact of the Swords of Iron War on Israel's macroeconomic indicators and the growing uncertainty in the market, the War is also expected to affect the operations and profitability of corporations in Israel and increase the occurrence of insolvency proceedings and debt arrangements, which will entail higher credit losses and provisions for credit losses by financiers. Those effects, combined with the macroeconomic effects, could also affect, both indirectly and directly, the operations and profitability of TASE, this, inter alia, as a result of: changes in the prices of shares, changes in the prices of government and corporate bonds, changes in the volumes of activity in the various channels, change in the activity of the foreign investors and the institutional investors, and change in the volumes of capital and debt raising on TASE. At this stage, despite the time that has elapsed since the breakout of the war, due to the uncertainty surrounding the intensity and duration of the War, the Company is unable to assess the impact of those changes on its operations and profitability.

4.2 Move for the Sale of the Arrangement Shares –

Following the discussions held over the past two years between TASE and the five TASE members that hold the Arrangement Shares, which included controversies in relation to their continued holding of the Arrangement Shares and their entitlement to a dividend and TASE's resolution to discontinue the dividend distribution policy and adoption and execution of buyback plans, on 14.12.2023, the Board of Directors of TASE approved a move concerning the Arrangement Shares (hereafter: "the Move"). Within the framework of the Move, it was agreed that, subject to the payment by TASE of a special dividend in an amount of NIS 2.5 per share to all shareholders at TASE, the five TASE members that hold 17,156,677 Arrangement Shares (hereafter: "the Selling Shareholders") will grant an irrevocable power of attorney to Leader & Co. Investment House Ltd. (hereafter: "Leader") for the sale of the aforesaid shares, for the duration of 12 months from the payment date of the aforesaid dividend, whereby, for each such sale TASE will receive the Excess Consideration (net of commissions and other related expenses). It should be noted that, on 13.12.2023, the position of the Israel Securities Authority was received, pursuant to which it does not intervene in TASE's position that the Move does not contradict the provisions of Amendment No. 63.

The move included the mutual waiver by the parties of any contention, demand or claim in connection with arguments that had been exchanged between them in relation to the Arrangement Shares, as aforementioned.

After the reporting date, on 24.1.2024, the book building process was completed for the acquisition of the 17,156,677 Arrangement Shares by a number of Israeli public institutions and foreign public institutions (hereafter collectively: "the Acquiring Institutions"), at a price of NIS 20.6 per share.

The (gross) consideration for the shares totaled NIS 353.4 million, of which NIS 87 million was paid to the Selling Shareholders and TASE received (net, after deduction of commissions and other related expenses) NIS 242 million. The consideration transferred to TASE was carried directly to the equity of TASE and, in accordance with the provisions of Amendment No. 63 of the Securities Law, will be used for investment in technological infrastructure of TASE.

To complete the picture it should be noted that, for the purpose of implementing the move and arranging the settlement of the transactions with the foreign Acquiring Institutions, TASE, Leader and Jefferies LLC (hereafter: "Jefferies") entered into a distribution agreement.

As customary in this type of agreements, the distribution agreement includes representations by the parties thereto, including representations by TASE, inter alia, in relation to the appropriateness of the disclosure provided in the reports of TASE and the non-use of insider information. In addition, the Company has undertaken to indemnify Jefferies in instances set out in the distribution agreement. For details, see note 18 F to the annual financial statements.

It should also be noted that, as part of the Move and despite the existence of sufficient liquid balances, the Board of Directors of TASE has approved TASE's engagement in an agreement with a financial institution for the receipt of a loan in an amount of up to NIS 150 million.

4.3 Dividends

On 2.1.2024, the Company paid a dividend of NIS 2.5 per share, in a total amount of NIS 231 million. For additional information, see the immediate report published by the Company on 17.12.2023 (reference no.: 2023-01-136920).

On 21.3.2024, the Company paid a dividend of NIS 0.45 per share, in a total amount of NIS 41.6 million. For additional information, see the immediate report published by the Company on 6.3.2024 (reference no.: 2024-01-019909).

4.4 Dividend Distribution Policy

On 6.3.2024, the Board of Directors of the Company approved a dividend distribution policy in connection with the profits of the Company in the years 2024 to 2026 (hereafter: “the Dividend Distribution Policy”), pursuant to which, commencing on the date of approval of the financial statements as of 31.12.2024 through to the date of approval of the financial statements as of 31.12.2026, the termination date of the Dividend Distribution Policy, the Company will work to distribute to its shareholders a cash dividend at the rate of 50% of the annual net profit as per the Company’s consolidated annual financial statements, this on the date of approval of the annual financial statements.

To remove any doubt, it is hereby clarified that the approval of the Dividend Distribution Policy does not obligate the Board of Directors of the Company to pass a resolution on the distribution of a dividend. Any resolution on the distribution of a dividend will be passed subject to compliance with the distribution criteria set out in the Companies Law, which would be reviewed on the date of passing of a resolution to distribute a dividend, and in consideration of the current business needs of the Company, the budget and the work plan of the Company for the year pertaining to the distribution, the liquidity situation of the Company, liabilities and covenants, as well as regulatory requirements that apply to companies in the Group (e.g. liquidity requirement and minimum capital requirement), all on the date that such resolution is passed. It is further clarified that the Board of Directors may modify and/or cancel and/or deviate from the Dividend Distribution Policy at any time.

4.5 Collective relations in the Group

Further to the stated in sections 1.25.3 and 1.42.17 of the “Description of the Company's Business” chapter included in the Company's periodic report for 2023 published on 6.3.2024 (reference No.: 2024-01-019876), regarding collective relations in the Company, on 28.3.2024, after obtaining the Board of Directors' approval, the Company entered into a special collective agreement for 2024-2028 (hereafter: “the New Collective Agreement”) with the New General Labor Federation and the Company's Employees Representation.

The New Collective Agreement, similarly to the previous collective agreements, contains various provisions regarding the terms of employment of the Company employees, including provisions that prescribe work hours and terms of wages as well as related benefits and conditions (such as: annual bonuses, pay rises, social and related benefits such as pension insurance, severance pay, advanced study fund, vacations, sick pay, recreation, travel expenses/company car/lease, employee loans, welfare expenses, etc.).

The principal changes in the New Collective Agreement relative to previous collective agreements include modification of the calculation of overtime; stipulation of arrangements for the employment of outsourced workers; updating of the pay rise to the effect that, starting in the New Collective Agreement and thereafter, the annual pay rise for employees will be at a rate of 3% of the total salary, and cancellation of the linkage to the CPI³; setting of a mechanism and provisions for the payment of an annual bonus at a rate of 12% of the annual profit (before tax) as reported in the Company's statement of profit or loss, excluding extraordinary profits or losses, which shall not exceed the ceiling stipulated in the Agreement and will be payable subject to the achievement of a minimum profit target; the application of Section 14 of the Severance Law to any employee hired by TASE starting on the date of the Agreement and thereafter.

Upon the signing of the New Collective Agreement, the labor dispute declared on 6.11.2022 was rescinded. The New Collective Agreement is exhaustive of the demands of the Employees Representation, including any financial demand through to the end-date of the Agreement, and includes an undertaking by the Employees Representation for industrial peace throughout the period of the Agreement, while TASE, on its part, has undertaken to refrain from unilateral changes in vested rights and terms of employment.

For additional information, see the immediate report published by the Company on 6.3.2024 (reference no.: 2024-01-034611).

(*) This, compared to a pay rise at a rate of 3.5% of the salary or at the rate of increase in the CPI with the addition of 1.5%, as the greater of the two, pursuant to previous collective agreements.

³This, compared to a pay rise at a rate of 3.5% of the salary or at the rate of increase in the CPI with the addition of 1.5%, as the greater of the two, pursuant to previous collective agreements.

4.6 Appointment and equity compensation of the Legal Counsel - 2023 warrant plan

On 29.1.2024, further to the framework resolution of the Company's general meeting from 12.1.2022, the Board of Directors of the Company (after obtaining the approval of the Audit Committee in its capacity as Compensation Committee on the same day), approved the grant of 176,342 warrants out of the pool, which are exercisable, each, into one ordinary share of the Company at an exercise price of NIS 23.58 (NIS 21.886 after adjustment for a resolution on the distribution of a dividend, as described in note 27 B to the annual financial statements) per warrant to the Company's new Legal Counsel, who took office on 1.2.2024 further to the approval of her appointment by the Company's Board of Directors. The warrants are granted within the framework of the Equity Compensation Plan for officers, which is in compliance with the provisions of the Company's Compensation Policy for the years 2023-2025, as approved by the Company's general meeting on 12.1.2023.

Under the theoretical assumption of the exercise and conversion of the maximum possible quantity of the warrants granted, the Company shares that will derive from the exercise and/or conversion of the warrants will constitute 0.19% of the issued and paid-up share capital of the Company, on the grant date, and 0.17% assuming full dilution. The cost of the benefit embodied in the warrants granted as aforesaid, based on their fair value on their grant date, amounted to NIS 1.3 million. The warrants were allotted to a trustee pursuant to Section 102 of the Income Tax Ordinance, under the capital gains track.

4.7 Equity compensation to directors

On 15.8.2023, the Board of Directors of the Company (after obtaining the approval of the Company's Audit Committee in its capacity as Compensation Committee on the same day), approved the grant, to 6 directors of the company, of 376,746 warrants out of the Pool, which are exercisable, each, into one ordinary share of the company at an exercise price of NIS 24.386 per warrant. The warrants are granted within the framework of the Equity Compensation Plan for officers of the Company, which is in compliance with the provisions of the Company's Compensation Policy for the years 2023-2025, as approved by the Company's general meeting on 12.1.2023.

Under the theoretical assumption of the exercise and conversion of the maximum possible quantity of the warrants granted, the Company shares that will derive from the exercise and/or conversion of the warrants will constitute 0.4% of the issued and paid-up share capital of the Company, on the grant date, and 0.37% assuming full dilution.

It should be noted that, on 27.2.2024, Mr. Yoav Chelouche, a director of the Company, stepped down. Accordingly, 52,011 warrants that had been granted to him were forfeited and returned to the Pool.

ABOUT TASE

The Company, including by means of the subsidiaries consolidated in its financial statements (collectively, “the Group”), is engaged in the area of securities trading and securities clearing.

Within this framework, the Group is engaged in setting rules regarding the TASE companies, rules for listing securities on TASE (including the obligations that apply to companies whose securities are listed) and rules regarding trading on TASE. The Group operates trading systems and provides clearing services for both listed and non-listed securities. In addition, the Group operates a derivative clearing house that writes derivatives that are traded on TASE, clears them and serves as a central counterparty for transactions in them. The Group provides central counterparty (CCP) services for transactions in securities and derivatives that are executed on TASE and also provides central securities depository (CSD) services for securities. The Group engages in calculating security indices, in authorizing the use of indices for the creation of financial instruments that track the indices, and in distributing TASE trading data. In addition, since January 2018, the Group operates a nominee company as defined in the Securities Law (securities traded on TASE are registered in the nominee company's name). The Company has one area of activity that is reported as a business segment in the Company's consolidated financial statements – trading and clearing transactions in securities

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Appendices



THE TEL-AVIV STOCK EXCHANGE LTD.

Information relating to the results for the first quarter of 2024 (NIS, in thousands)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (NIS, in thousands)

	March 31,		December 31,
	2024	2023	2023
Assets			
Current assets			
Cash and cash equivalents	392,955	204,271	408,484
Financial assets at fair value through profit or loss	90,059	197,369	90,182
Trade receivables	22,387	20,598	18,671
Other receivables	14,939	20,443	9,377
	520,340	442,681	526,714
Assets derived from clearing operations in respect of open derivative positions	1,752,755	1,371,095	1,695,082
Total current assets	2,273,095	1,813,776	2,221,796
Non-current assets			
Cash restricted as to use	-	720	-
Deferred tax assets	4,432	4,936	4,033
Property and equipment, net	313,466	309,429	307,144
Intangible assets, net	157,551	142,919	153,316
Other long-term receivables	8,766	4,141	5,358
Total non-current assets	484,215	462,145	469,851
Total assets	2,757,310	2,275,921	2,691,647



THE TEL-AVIV STOCK EXCHANGE LTD.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (NIS, in thousands) (CONT.)

	March 31,		December 31,
	2024	2023	2023
Liabilities and Equity			
Current liabilities			
Current maturities of a loan from a bank	49,876	-	49,946
Current maturities of lease liabilities	8,183	7,490	4,740
Trade payables	10,286	9,632	13,063
Other payables	4,081	6,788	5,204
Dividend declared	-	-	231,110
Income received in advance with respect to annual levies	31,472	28,420	-
Deferred income from listing fees, levies and others	28,850	27,888	28,734
Current tax liabilities	7,561	5,200	11,196
Short-term liabilities for employee benefits	42,602	37,957	55,397
	182,911	123,375	399,390
Liabilities derived from clearing operations in respect of open derivative positions	1,752,755	1,371,095	1,695,082
Total current liabilities	1,935,666	1,494,470	2,094,472
Non-current liabilities			
Loan from a bank	87,486	-	99,888
Lease liabilities	15,782	5,500	9,009
Deferred income from listing fees and levies	77,940	77,711	77,058
Deferred tax liabilities	41	-	-
Non-current liabilities for employee benefits	9,690	5,326	9,500
Other liabilities	-	724	-
Total non-current liabilities	190,939	89,261	195,455
Equity			
Remeasurement reserve of net liabilities in respect to defined benefit	5,058	7,386	4,745
Capital reserve in respect to share-based payment transactions	42,040	34,398	39,927
Other capital reserves	309,432	56,071	66,975
Retained earnings	274,175	594,335	290,073
Total equity	630,705	692,190	401,720
Total liabilities and equity	2,757,310	2,275,921	2,691,647



CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(NIS, in thousands)

	Three months ended March 31,		Year ended December 31,
	2024	2023	2023
Revenue from services:			
Trading and clearing commissions	42,954	41,923	155,589
Listing fees and levies	21,603	20,302	81,120
Clearing House services	19,980	19,113	78,208
Distribution of data and connectivity services	22,601	17,124	71,176
Other revenue	1,155	1,554	3,762
Total revenue from services	108,293	100,016	389,855
Cost of revenue:			
Employee benefits expenses	39,030	38,171	153,643
Expenses in respect to share-based payments	2,113	611	6,140
Computer and communications expenses	10,837	9,013	38,559
Property taxes and building maintenance expenses	3,264	3,227	13,732
Other operating expenses	700	534	2,470
General and administrative expenses	2,485	2,245	9,389
Marketing expenses	1,341	863	5,693
Fee to the Israel Securities Authority	2,092	2,429	8,098
Depreciation and amortization	13,496	12,868	52,412
Other expenses	9	15	1,380
Total costs	75,367	69,976	291,516
Profit before financing income (expenses), net	32,926	30,040	98,339
Financing income	4,213	2,648	11,952
Financing expenses	2,776	(120)	645
Total financing income, net	1,437	2,528	11,307
Profit before taxes on income	34,363	32,568	109,646
Taxes on income	8,653	7,087	26,440
Profit for the year	25,710	25,481	83,206
Basic earnings per share (NIS)	0.278	0.254	0.859
Diluted earnings per share (NIS)	0.270	0.250	0.840

THE TEL-AVIV STOCK EXCHANGE LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (NIS in thousands)

	Share-based payment reserve	Remeasurement of net defined benefit liability	Other capital reserves	Retained earnings	Total
Balance at January 1, 2024	39,927	4,745	66,975	290,073	401,720
Profit for the period	-	-	-	25,710	25,710
Other comprehensive loss for the period	-	313	-	-	313
Total comprehensive income for the period	-	313	-	25,710	26,023
Share-based payment	2,113	-	-	-	2,113
Acquisition of Treasury shares				(41,608)	(41,608)
Receipts from shareholders within the framework of implementing the ownership restructuring, net	-	-	242,457	-	242,457
Balance at March 31, 2024	42,040	5,058	309,432	274,175	630,705

CONSOLIDATED STATEMENTS OF CASH FLOWS (NIS, in thousands)

	Three months ended March 31,		Year ended December 31,
	2024	2023	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period	25,710	25,481	83,206
Expenses in respect of share-based payments	2,113	611	6,140
Tax expenses recognized in profit or loss	8,653	7,087	26,440
Net financing income recognized in profit or loss	(1,437)	(2,528)	(11,307)
Depreciation and amortization	13,496	12,868	52,412
Loss from disposal of property and equipment and intangible assets	33	15	691
	48,568	43,534	157,582
Changes in asset and liability items:			
Increase in trade receivables and other receivables	(12,647)	(20,891)	(9,130)
Decrease (increase) in receivables in respect to open derivative positions	(57,673)	(433,836)	(757,823)
Increase in trade payables and other payables	(2,764)	577	1,212
Increase in income received in advance with respect to annual levies	31,472	28,420	-
Increase (decrease) in deferred income from listing fees, levies and others	998	(1,272)	(1,079)
Increase (decrease) in payables in respect to open derivative positions	57,673	433,836	757,823
Increase in liabilities for employee benefits	(12,199)	1,969	20,152
	53,428	52,337	168,737
Interest received	4,125	2,783	10,564
Interest paid	(2,808)	(168)	(567)
Tax payments - operating activities	(12,731)	(6,614)	(18,461)
	(11,414)	(3,999)	(8,464)
Net cash provided by operating activities	42,014	48,338	160,273
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property and equipment	(2,384)	(1,196)	(10,138)
Acquisitions of intangible assets	(5,237)	(4,628)	(20,836)
Payments in respect to costs capitalized to property and equipment and to intangible assets	(5,377)	(5,625)	(19,591)
Disposal (acquisition) of financial assets at fair value through profit or loss, net	472	(1,400)	107,589
Net cash used in investing activities	(12,526)	(12,849)	57,024
CASH FLOW FROM FINANCING ACTIVITIES:			
Lease payments	(2,350)	(2,125)	(8,848)
Company's share in the first-time listing of the shares	-	(24,378)	(155,255)
Dividends paid	(272,718)	-	-
Receipts (payments) carried directly to equity within the framework of implementing the TASE Restructuring Law, net	242,457	1,849	12,753
Repayment of long-term loan	(12,500)	-	-
Short term credit	-	889	-
Loan from a bank	-	-	150,000
Net cash provided by (used in) financing activities	(45,111)	(23,765)	(1,350)
Net increase in cash and cash equivalents	(15,623)	11,724	215,947
Cash and cash equivalents, beginning of the period	408,484	192,416	192,416
Effect of changes in exchange rates on cash balances held in foreign currency	94	131	121
Cash and cash equivalents, end of the period	392,955	204,271	408,484

THE TEL-AVIV STOCK EXCHANGE LTD.

Quarterly statements of profit or loss for 2023 and for the first quarter of 2024 (NIS, in thousands)

Item	Jan-Mar 2023	Apr-Jun 2023	Jul-Sep 2023	Oct-Dec 2023	Jan-Mar 2024	2023
	(Unaudited)					(Audited)
Number of trading days	64	58	61	66	63	249
Revenue from services:						
Trading and clearing commissions	41,923	35,528	36,948	41,190	42,954	155,589
Listing fees and levies	20,302	20,143	20,489	20,186	21,603	81,120
Clearing House services	19,113	18,974	19,155	20,966	19,980	78,208
Distribution of data and connectivity services	17,124	17,367	18,111	18,574	22,601	71,176
Other revenue	1,554	891	785	532	1,155	3,762
Total revenue from services	100,016	92,903	95,488	101,448	108,293	389,855
Cost of revenue						
Expenses in respect of employee benefits, net	38,171	37,067	38,071	40,334	39,030	153,643
Share-based payment expenses	611	1,645	1,883	2,001	2,113	6,140
Computer and communication expenses	9,013	8,914	10,183	10,449	10,837	38,559
Property taxes and building maintenance expenses	3,227	3,234	3,836	3,435	3,264	13,732
General and administrative expenses	2,245	2,357	2,166	2,621	2,485	9,389
Marketing expenses	863	2,428	820	1,582	1,341	5,693
Fee to the Israel Securities Authority	2,429	2,428	1,242	1,999	2,092	8,098
Other operating expenses	534	599	760	577	700	2,470
Depreciation and amortization expenses	12,868	13,040	13,046	13,458	13,496	52,412
Other expenses	15	879	56	430	9	1,380
Total cost of revenue	69,976	72,591	72,063	76,886	75,367	291,516
Profit before financing income (expenses), net	30,040	20,312	23,425	24,562	32,926	98,339
Financing income	2,648	3,696	2,128	3,480	4,213	11,952
Financing expenses	120	80	140	305	2,776	645
Total financing income (expenses), net	2,528	3,616	1,988	3,175	1,437	11,307
Profit before taxes on income	32,568	23,928	25,413	27,737	34,363	109,646
Taxes on income	7,087	5,153	7,186	7,014	8,653	26,440
Net profit	25,481	18,775	18,227	20,723	25,710	83,206

THE TEL-AVIV STOCK EXCHANGE LTD.

Transactional Services

	Three months ended March 31,		Year ended December 31,
	2024	2023	2023
Number of trading days	63	64	249
SHARES			
Shares (ex. ETFs)	1,038	893	953
ETFs on share indices	117	71	102
Market value (in NIS billions)	1,155	964	1,055
Shares (ex. ETFs)	1,607	1,733	1,598
ETFs on share indices	531	403	400
Average daily turnover (in NIS millions)	2,138	2,136	1,998
Average commissions	0.01110%	0.01085%	0.01129%
Revenue (in NIS thousands)	14,952	14,827	56,176
BONDS			
Corporate bonds	457	411	447
ETFs on bond indices	30	27	29
Total market cap (in NIS billions)	487	438	446
Corporate bonds ADV excluding ETFs (in NIS millions)	1,054	969	902
ETFs on bond indices	105	125	114
Total average daily volume (in NIS millions)	1,159	1,094	1,016
Corporate bonds - Average commissions	0.00708%	0.00701%	0.00705%
Revenue from corporate bonds (in NIS thousands)	5,172	4,909	17,833
Government bonds -Unlinked	328	278	308
Government bonds -Linked	304	306	304
Total market cap (in NIS billions)	632	584	612
Government bonds - Unlinked ADV (in NIS millions)	2,469	1,885	1,902
Government bonds - Linked ADV (in NIS millions)	970	1,109	1,009
Total average daily volume (in NIS millions)	3,439	2,994	2,911
Government bonds Unlinked - Average commissions	0.00202%	0.00195%	0.00202%
Government bonds Linked - Average commissions	0.00299%	0.00294%	0.00303%
Government bonds (in NIS thousands)	3,146	2,350	9,579
Government bonds (in NIS thousands)	1,828	2,085	7,615
Revenue from Government bonds (in NIS thousands)	4,974	4,435	17,194
TREASURY BILLS			
Market value (in NIS billions)	256	272	305
Treasury bills ADV (in NIS millions)	1,926	1,377	1,397
Average commissions	0.00290%	0.00492%	0.00379%
Revenue (in NIS thousands)	3,516	4,332	13,170
MUTUAL FUNDS			
Market value (in NIS billions)	357	277	330
Average daily value of creation / redemptions (in NIS millions)	1,828	1,498	1,424
Average commissions	0.00748%	0.00779%	0.00813%
Revenue (in NIS thousands)	8,610	7,468	28,819
DERIVATIVES			
Options on indices	100.6	110.1	108.5
Derivatives on FX	29.8	42.0	36.1
Derivatives on single shares	20.1	12.3	12.7
Total derivative contracts (in '000 units)	150.5	164.4	157.3
Options on indices - Average commissions	0.580	0.580	0.580
Derivatives on FX -Average commissions	0.360	0.360	0.360
Derivatives on single shares- Average commissions	1.000	1.000	1.000
Revenue (in NIS thousands)	5,672	5,878	22,170
OTHER			
Other (MTS) (in NIS thousands)	58	74	227
	42,954	41,923	155,589



THE TEL-AVIV STOCK EXCHANGE LTD.

Non-Transactional Services

	Three months ended March 31,		Year ended December 31,
	2024	2023	2023
CLEARING HOUSE SERVICES			
Average Monthly Market value of assets (in NIS billions)	3,110	2,829	2,890
Avg. commissions from Custodian Fees	0.00108%	0.00109%	0.00110%
Revenue from: (in NIS thousands)			
Custodian Fees	8,417	7,741	31,711
Clearing House services for members	6,889	6,425	25,823
Clearing House services for company events	3,132	3,566	15,120
Other	1,542	1,381	5,554
Total revenue from Clearing House services	19,980	19,113	78,208
LISTING FEES AND LEVIES			
Weighted avg. number of companies / funds			
Companies	622	630	621
Mutual funds and ETFs	2,311	2,341	2,314
Avg. revenue from levies (in NIS thousands)			
Companies	5.7	5.4	22.0
Mutual funds and ETFs	2.1	2.0	8.0
Revenue from Annual Levies from: (in NIS thousands)			
Companies	3,557	3,397	13,670
Mutual funds and ETFs	4,933	4,740	18,682
Nominee Company and others	2,201	1,838	7,399
Total revenue from Annual levies	10,691	9,975	39,751
The value of issuance used to calculate Listing fees (in NIS millions)			
Companies – Shares, Bonds and ETFs	43,089	28,664	139,052
Government bonds (including swap transactions)	67,331	16,451	116,323
Treasury-bills	101,914	129,693	403,460
Number of issuances			
Number of public offerings of shares on TASE (including on TASE-UP)	20	16	66
Number of new issuers of shares	2	1	1
Number of new (dual-listed) companies	-	2	2
Number of Offerings and Volumes Raised			
Amount raised in share IPOs of new issuers (in NIS millions)	145	145	145
Amount raised in bond offerings by new issuers (in NIS millions)	-	105	2,049
Number of corporate bond offerings to the public	55	33	137
Number of corporate bond offerings to the public by new companies	-	2	9
Average revenue from Examination and Listing Fees			
Companies – shares, bonds and ETFs	0.0165%	0.0165%	0.0166%
Revenue from Examination and Listing Fees (in NIS thousands)			
Examination fees	2,040	1,946	7,048

THE TEL-AVIV STOCK EXCHANGE LTD.

	Three months ended March 31,		Year ended December 31,
	2024	2023	2023
Receipts from listing Fees			
Listing fees - shares, bonds & ETF's	7,102	4,728	23,152
Listing fees - government bonds	1,619	1,567	6,266
Listing of T-bills	713	908	2,824
Levies and examination fees from members	30	57	226
Other	223	26	490
Total	9,687	7,286	32,958
Accounting adjustments to revenue recognition	(815)	1,095	1,363
Total revenue from listing Fees	8,872	8,381	34,321
Total revenue from examination and listing fees (in NIS thousands)	10,912	10,327	41,369
Total revenue from listing fees and levies	21,603	20,302	81,120
DATA DISTRIBUTION AND CONNECTIVITY SERVICES (*)			
Average number of data terminals			
Domestic business clients	7,491	7,379	7,345
Overseas business clients	5,848	5,722	5,892
Non-display data	231	308	261
Revenue from distribution and connectivity services (in NIS thousands)			
Domestic business clients	4,723	4,450	17,800
Private clients	3,009	2,589	12,330
Overseas business clients	2,498	2,103	8,584
Derivative data and non-display data	1,166	1,199	4,613
Data files and other data	1,259	1,167	4,656
Authorization for indices usage	6,286	2,462	10,181
Connectivity services	3,660	3,154	13,012
Total revenue from Data distribution and Connectivity services	22,601	17,124	71,176

The velocity of trading (1) in Israel in the reported period:

	Three months ended March 31,		% Change	Year ended December 31,
	2024	2023		2023
Velocity of trading				
Shares	38.8%	45.5%	(15%)	42.5%
Corporate bonds (2)	59.6%	63.9%	(7%)	57.6%
Government bonds – shekel (3)	149.3%	139.4%	7%	132.4%
Government bonds – linked (4)	67.0%	80.0%	(16%)	72.2%
Treasury bills	157.4%	125.4%	26%	110.8%

- (1) The velocity of trading does not include off-exchange transactions.
- (2) The velocity of trading does not include data of corporate bonds traded on TASE UP.
- (3) Including “Shahar” fixed-interest shekel bonds and short-term government bonds.
- (4) Including CPI-linked bonds, “Gilon” variable-interest shekel bonds and global government bonds.

Deferred income from listing fees

	Deferred income from listing fees as of	Total receipts for the Three months ended	Income recognition in Three months ended	Deferred income from listing fees as of	Income recognition in Twelve months ended			Deferred income from listing fees as of
	31.03.2023	31.03.2024	31.03.2024	31.03.2024	31.03.2025	31.03.2026	31.03.2027	31.03.2027
Listing of								
Shares	25.5	1.4	1.5	25.4	5.6	5.0	4.2	10.6
Corporate bonds	43.0	3.6	3.9	42.7	13.0	10.2	7.2	12.3
ETF	22.7	2.1	1.2	23.6	4.9	4.4	3.5	10.8
Government bonds	12.5	1.6	1.2	12.9	3.5	3.1	2.9	3.4
T-bills	1.3	0.7	0.7	1.3	1.3	-	-	-
Total	105.0	9.4	8.5	105.9	28.3	22.7	17.8	37.1