

## THE TEL-AVIV STOCK EXCHANGE LTD REPORTED THIRD QUARTER 2019 RESULTS

- Increase of 14% in TASE revenues in the third quarter of 2019 compared to the corresponding quarter last year, to NIS 66 million
- Adjusted EBITDA increase in the third quarter of 2019 to NIS 17.0 million compared to NIS 11.6 million in the corresponding quarter last year, an increase of 47%
- Adjusted net profit amounted to NIS 7.2 million in the third quarter of 2019, compared to NIS 2.0 million adjusted net profit in the corresponding quarter last year, an increase of 266%

November 26, 2019 (Tel Aviv) -Tel Aviv Stock Exchange Ltd (**Tase:TASE**) today announced its financial results for the third quarter ended September\_30, 2019.<sup>1</sup>

### Three Months Ended September 30, 2019 Compared with Three Months Ended September 30, 2018

Presented below is condensed information relating to the results for the third quarter of 2019 (NIS, in thousands)

#### Condensed Statement of Profit or Loss

	Quarter ended		Difference	
	30.9.2019	30.9.2018	Amount	%
Revenue from services	66,048	58,166	7,882	14%
Expenses	60,287	55,435	4,852	9%
<b>Profit before financing income, net</b>	<b>5,761</b>	<b>2,731</b>	<b>3,030</b>	<b>111%</b>
Financing income	3,065	236	2,829	1199%
Taxes on income	(2,021)	(992)	1,029	104%
<b>Net profit</b>	<b>6,805</b>	<b>1,975</b>	<b>4,830</b>	<b>245%</b>
<b>%</b>	<b>10.3%</b>	<b>3.4%</b>		

<sup>1</sup> The Board of Directors of TASE today approved the Condensed Consolidated Financial Statement as of September 30, 2019. The consolidated financial statements of the Company were prepared in accordance with IFRS GAAP. 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 middle of December.

## Adjusted net profit and adjusted EBITDA data<sup>2</sup>

	Quarter ended		Difference	
	30.9.2019	30.9.2018	Amount	%
<b>Adjusted EBITDA for the quarter:</b>				
Profit before financing income, net	5,761	2,731		
Share-based payment expenses	432	-		
Depreciation, amortization and capital losses	10,815	8,826		
<b>Adjusted EBITDA for the quarter</b>	<b>17,008</b>	<b>11,557</b>	<b>5,452</b>	<b>47%</b>
<b>%</b>	<b>25.8%</b>	<b>19.9%</b>		
<b>Adjusted net profit for the quarter:</b>				
net profit	6,805	1,975		
Share-based payment expenses	432	-		
<b>Adjusted net profit</b>	<b>7,237</b>	<b>1,975</b>	<b>5,262</b>	<b>266%</b>
<b>%</b>	<b>11.0%</b>	<b>3.4%</b>		

**The revenue in the third quarter of 2019** – below is the composition of the quarter’s revenue, compared to the corresponding quarter last year:

	Quarter ended				Difference
	30.09.2019	% of the Company’s total revenues	30.09.2018	% of the Company’s total revenues	
<b>Revenue from services:</b>					
Trading and clearing commissions	28,193	43%	25,304	44%	11%
	Most of the increase is due to there being 8.8% more days and to higher trading volumes in equities and government bonds that were partly offset by a reduction in the trading volumes of derivatives.				
Listing fees and levies	13,508	20%	10,480	18%	29%
	Most of the increase is due to updating the annual levies for companies and to ETFs being charged an annual levy since the last quarter of 2018.				
Clearing House services	12,918	20%	12,747	22%	1%
Distribution of data and connectivity services	10,422	16%	8,473	14%	23%
	The increase is mainly due to connectivity revenue that was presented net in the corresponding quarter.				
Other revenue	1,007	2%	1,162	2%	(13%)
	<b>66,048</b>	<b>100%</b>	<b>58,166</b>	<b>100%</b>	<b>14%</b>

<sup>2</sup> 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 to 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.

- **The expenses in the third quarter of 2019** after excluding the effect of share-based payment expenses totaled NIS 59.9 million, compared to the expenses in the corresponding quarter last year that totaled NIS 55.4 million. Most of the increase in the expenses is due to an increase in employee benefits, depreciation (among other reasons, as a result of applying IFRS 16) and marketing expenses.
- **Financing income in the third quarter of 2019** increased by 1,199%, compared to the corresponding quarter last year. Most of the increase is due to a positive 1.5% return (compared to a 0.1% return in the corresponding period) on the Company's investments in the held-for-trading financial assets.
- **The net profit in the third quarter of 2019** totaled NIS 6.8 million, compared to NIS 2 million in the corresponding quarter last year – a 245% increase. The increase in the profit is mainly due to the increase in revenue from services and from financing income, as described above, which was offset by an increase in employee benefits, depreciation and tax expenses.
- **The adjusted EBITDA in the third quarter of 2019** totaled NIS 17.0 million, compared to NIS 11.6 million in the corresponding quarter last year. The increase is mainly due to an increase in revenue from services, which was partly offset by an increase in expenses – mainly in respect of employee benefits and marketing expenses.
- **The adjusted net profit in the third quarter of 2019** totaled NIS 7.2 million, compared to NIS 2.0 million in the corresponding quarter last year. The increase in profit is due to an increase in revenue from services and financing income, which was partly offset by an increase in expenses – mainly in respect of employee benefits and tax expenses.

### Nine months ended September 30, 2019 Compared with Nine months ended September 30, 2018

Presented below is condensed information relating to the results for the nine-month period ended September 30, 2019 (NIS, in thousands):

#### Condensed Statement of Profit or Loss

	Nine months ended		Difference	
	30.9.2019	30.9.2018	Amount	%
Revenue from services	193,585	185,263	8,322	4%
Expenses	182,974	81,428	101,546	125%
<b>Profit before financing income, net</b>	<b>10,611</b>	<b>103,835</b>	<b>(93,224)</b>	<b>(90%)</b>
Financing income (expenses)	9,371	(302)	9,673	---
Taxes on income	(5,254)	(24,117)	18,863	78%
<b>Net profit</b>	<b>14,728</b>	<b>79,416</b>	<b>(64,688)</b>	<b>(81%)</b>
<b>%</b>	<b>7.6%</b>	<b>42.9%</b>		

#### Adjusted net profit and adjusted EBITDA data<sup>3</sup>

	Nine months ended		Difference	
	30.9.2019	30.9.2018	Amount	%
<b>Adjusted EBITDA for the period:</b>				
Profit before financing income, net	10,611	103,835		
Share-based payment expenses	3,440	-		
Reversal of impairment provision	-	(85,108)		
Depreciation, amortization and capital losses	33,793	23,995		
<b>Adjusted EBITDA for the period</b>	<b>47,844</b>	<b>42,722</b>	<b>5,121</b>	<b>12%</b>
<b>%</b>	<b>24.7%</b>	<b>23.1%</b>		
<b>Adjusted net profit for the period:</b>				
Net profit	14,728	79,416		
Share-based payment expenses	3,440	-		
Reversal of impairment provision, net of tax	-	(65,533)		
<b>Adjusted net profit</b>	<b>18,168</b>	<b>13,883</b>	<b>4,285</b>	<b>31%</b>
<b>%</b>	<b>9.4%</b>	<b>7.5%</b>		

The revenue in nine months ended September 30, 2019 below is the composition of the period's revenue, compared to the corresponding period last year:

	Nine months ended	Difference
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<sup>3</sup> 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 to 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.

	30.09.2019	% of the Company's total revenues	30.09.2018	% of the Company's total revenues	
<b>Revenue from services:</b>					
Trading and clearing commissions	80,661	42%	85,862	47%	(6%)
	The reduction in revenue is due to lower trading volumes in equities, corporate bonds and derivatives in the first quarter; subsequently, trading recovered to the extent that, in the third quarter, revenue was higher than in the corresponding quarter last year.				
Listing fees and levies	40,469	21%	32,406	17%	25%
	Most of the increase is due to updating the annual levies for companies and to ETFs being charged an annual levy since the last quarter of 2018.				
Clearing House services	38,147	20%	36,607	20%	4%
	Most of the increase is due to greater operating activity at the Clearing Houses.				
Distribution of data and connectivity services	31,731	16%	26,303	14%	21%
	The increase is mainly due to connectivity revenue that was presented net in the corresponding period.				
Other revenue	2,577	1%	4,085	2%	(37%)
	Most of the reduction is due to lower revenue from the Analysis Project.				
	<b>193,585</b>	<b>100%</b>	<b>185,263</b>	<b>100%</b>	<b>4%</b>

- **The expenses in the period** after excluding the effect of share-based payment expenses totaled NIS 179.5 million, compared to the expenses in the corresponding period last year that, after excluding the effect of the impairment reversal, totaled NIS 166.5 million. Most of the increase in the expenses is due to an increase in the expenses for depreciation (among other reasons, as a result of applying IFRS 16), employee benefits and marketing.
- **Financing income in the period** - The transition to financing income in the period is due to the positive 4.9% return (as a result of the downturns in the interest curve on government bonds) on the Company's investments in held-for-trading financial assets, compared to a negative 0.3% return in the corresponding period last year.
- **The net profit in the period** totaled NIS 14.7 million, compared to NIS 79.4 million in the corresponding period last year – an 81% decrease. The reduction in the profit is mainly due to the impairment reversal of NIS 65.5 million, net of tax, in the corresponding period and to an increase in the period, compared to the corresponding period, in depreciation expenses, employee benefits and share-based payment expenses, which were largely offset by an increase in revenue from services and financing income in the period.
- **The adjusted EBITDA in the period** totaled NIS 47.8 million, compared to NIS 42.7 million in the corresponding period last year. Most of the increase is due to the initial application in 2019 of IFRS16, the effect of whose application is that the expenses in respect of leases in an amount of NIS 6.3 million are included, starting from 2019, under depreciation expenses.
- **The adjusted net profit in the period** totaled NIS 18.2 million, compared to an adjusted net profit of NIS 13.9 million in the corresponding period last year. The increase is due to an increase in revenue from services and financing income, which was partly offset by an increase in the expenses for depreciation, employee benefits and marketing expenses.

**Presented below is condensed information relating to the financial position of September 30, 2019**

**(NIS, in thousands):**

	As of		Difference	
	30.9.2019	31.12.2018	Amount	%
Cash and cash equivalents and short-term financial assets	289,548	238,180	51,368	21.6%
Other current assets	27,053	21,913	5,140	23.5%
Property and equipment and intangible assets	434,496	442,031	(7,535)	(1.7%)
Other non-current assets	38,796	12,961	25,835	199.3%
<b>Total assets (*)</b>	<b>789,893</b>	<b>715,085</b>	<b>74,808</b>	<b>10.5%</b>
Current liabilities	78,198	64,721	13,477	20.8%
Non-current liabilities	122,336	90,471	31,865	35.2%
<b>Total liabilities (*)</b>	<b>200,534</b>	<b>155,192</b>	<b>45,342</b>	<b>29.2%</b>
<b>Total equity</b>	<b>589,359</b>	<b>559,893</b>	<b>29,466</b>	<b>5.3%</b>
<b>Ratio of equity to total assets</b>	<b>75%</b>	<b>78%</b>		
<b>Surplus equity over regulatory requirements in NIS millions</b>	<b>284</b>	<b>264</b>	<b>20</b>	<b>7.6%</b>
<b>Surplus liquidity over regulatory requirements in NIS millions</b>	<b>136</b>	<b>99</b>	<b>37</b>	<b>37.4%</b>

(\*) The total assets and liabilities as of September 30, 2019 and December 31, 2018, include a balance of assets/liabilities in respect of open derivative positions amounting to NIS 356,645 thousand and NIS 895,401 thousand, respectively, which – for reasons of convenience in analyzing the financial position – has been offset against each other.

- The total assets as of September 30, 2019 amounted to NIS 789.9 million, a 10.5% increase compared to December 31, 2018. Most of the increase is due to an increase in cash from operating activities and financing activities (with regard to proceeds from listing the Company's shares and to proceeds within the framework of the Securities Law (Amendment No. 63), 2017 with regard to the TASE ownership restructuring ("the Ownership Restructuring"), see *Events at the reporting date and thereafter* below) and to an increase in right-of-use assets following the application of IFRS 16 with effect from January 1, 2019.
- The total liabilities as of September 30, 2019 amounted to NIS 200.5 million, a 29.2% increase compared to December 31, 2018. Most of the increase is due to annual levies being collected in advance and to lease liabilities following the application of IFRS 16 with effect from January 1, 2019 and from an increase in actuarial liabilities for long-term employee benefits due to a decrease in the discount rate.

**Presented below is Condensed Cash flows for nine months ended September 30, 2019 (NIS, in millions):**

Item	Data for nine months ended September 30, 2019		Data for 2018	Explanations of the Company for the inter-half-year change	
	2019	2018			
<b>Net cash from operating activities</b>	Adjusted EBITDA	47.8	42.7	61.5	The increase is mainly due to revenue growth in the third quarter. With effect from 2019, following the application of IFRS 16, expenses in respect of leases are included under depreciation expenses and had a NIS 4.2 million effect in the period.  Lease payments are included under financing activities.
	Changes in working capital	1.3	1.8	6.1	
	Financing and tax	6.7	5.1	3.7	
	<b>Total</b>	<b>55.8</b>	<b>49.6</b>	<b>71.3</b>	
<b>Net cash used in investing activities</b>	Investments in property and equipment and in intangible assets	(24.4)	(43.7)	(52.4)	In 2018, the Company made investments, in addition to the replacement of existing assets, in computer infrastructures and communications, following under investment in 2016-2017. In addition, in 2018, the Company began implementing the strategic plan that was adopted during 2017, also in 2018, the Company began developing two material projects: colocation, which began operating during June 2019, and a central securities lending pool, which is expected to be completed in 2020.
	Acquisition of financial assets at fair value	(29.2)	(1.1)	(2.6)	In the second quarter of 2019, NIS 27 million was deposited in the managed portfolios.
	<b>Total</b>	<b>(53.6)</b>	<b>(44.8)</b>	<b>(55.0)</b>	
<b>Net cash from financing activities</b>	Proceeds from shareholders within the framework of listing the Company's shares and the Ownership Restructuring	22.2	9.9	9.9	The proceeds received in the period within the framework of the initial listing of the Company's shares, in an amount of NIS 15.5 million, and the proceeds from a sale of shares within the framework of implementing the Ownership Restructuring, in an amount of NIS 6.6 million (in the corresponding period, NIS 9.9 million due to the Ownership Restructuring).
	Lease payments	(7.3)	-	-	Lease payments resulting from the initial application of IFRS 16.
	<b>Total</b>	<b>14.9</b>	<b>9.9</b>	<b>9.9</b>	
<b>Total increase in cash and cash equivalents</b>		<b>17.1</b>	<b>14.7</b>	<b>26.2</b>	

### **Events at the reporting date and thereafter**

on August 1, 2019, upon closing the sale process of the Company's shares and their listing on the Tel-Aviv Stock Exchange, the company received its share of the net surplus consideration from the sale process proceeds in an amount of NIS 15.5 million; additionally, in August 2019, one of the Company's shareholders disposed of 1.67 million shares that it had held prior to the TASE Restructuring Law taking effect and the Company received the surplus consideration of NIS 6.6 million in accordance with the Law; these amounts were carried directly to the Company's equity during the third quarter and increased its liquidity and equity balances by NIS 22.8 million.

At the end of October 2019, another of the Company's shareholders disposed of 313 thousand shares that it had held prior to the TASE Restructuring Law taking effect and the Company received the surplus consideration of NIS 2.2 million in accordance with the provisions of the Law; these amounts will be carried directly to the Company's equity during the fourth quarter of the year.

During the reporting period, the entry of Israeli government bonds into the FTSE World Government Bond Index (WGBI) and the FTSE World Inflation-Linked Securities Index (for both linked and unlinked bonds) was approved, with this being in light of the threshold conditions for inclusion in these indices having been met. It should be noted that some of the government bonds are expected to be included in these indices with effect from April 2020.

### **Seasonality**

The Company's revenues from trading and clearing are affected, among other things, by the number of trading and clearing days. In 2019, there were 62 trading days in the third quarter, compared to 57 in the corresponding quarter last year – an 8.8% increase. The number of trading days is affected by when exactly the Jewish High Holidays and Sukkot fall: in 2018, most of them fell in the third quarter (in September), while this year most of them fell in the fourth quarter (in October). In the first nine months of 2019, there were 185 trading days, compared to 181 trading days in the corresponding period last year – a 2.2% increase.



**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (NIS, in thousands)**

	September 30,		December 31,
	2019	2018	2018
	(Unaudited)		(Audited)
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	71,204	42,970	54,363
Financial assets at fair value through profit or loss	218,344	184,135	183,817
Trade receivables	13,736	11,886	15,325
Other receivables	13,107	13,229	3,797
Current tax assets	210	2,567	2,791
	316,601	254,787	260,093
Assets derived from clearing operations in respect to open derivative positions	356,645	891,814	895,401
<b>Total current assets</b>	<b>673,246</b>	<b>1,146,601</b>	<b>1,155,494</b>
<b>Non-current assets</b>			
Cash restricted as to use	540	539	538
Right-of-use assets	21,440	-	-
Other long-term receivables	3,643	-	-
Property and equipment, net	325,232	335,390	336,079
Intangible assets, net	109,264	102,181	105,952
Deferred tax assets	13,173	(*) 12,878	12,423
<b>Total non-current assets</b>	<b>473,292</b>	<b>450,988</b>	<b>454,992</b>
<b>Total assets</b>	<b>1,146,538</b>	<b>1,597,589</b>	<b>1,610,486</b>

(\*) Retroactively adjusted for change in accounting policy

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (NIS, in thousands)**

	September 30,		December 31,
	2019	2018	2018
	(Unaudited)		(Audited)
<b>Liabilities and Equity</b>			
<b>Current liabilities</b>			
Trade payables	8,119	12,588	15,272
Short-term liabilities for employee benefits	29,727	23,883	28,751
Other payables	2,832	(*) 2,207	3,495
Current maturities of lease liabilities	9,514	-	-
Current tax liabilities	1,622	-	-
Deferred income from listing fees and levies	26,384	(*) 23,353	17,203
	78,198	62,031	64,721
Liabilities derived from clearing operations in respect to open derivative positions	356,645	891,814	895,401
<b>Total current liabilities</b>	<b>434,843</b>	<b>953,845</b>	<b>960,122</b>
<b>Non-current liabilities</b>			
Non-current liabilities for employee benefits	35,500	21,901	19,522
Lease liabilities	14,330	-	-
Deferred tax liabilities	151	(*) -	-
Deferred income from listing fees and levies	71,7815	(*) 70,100	70,411
Other liabilities	540	539	538
<b>Total non-current liabilities</b>	<b>122,336</b>	<b>92,540</b>	<b>90,471</b>
<b>Equity</b>			
Remeasurement reserve of net liabilities in respect to defined benefit	(15,789)	(6,014)	(4,331)
Capital reserve in respect to share-based payment transactions	30,820	27,380	27,380
Other capital reserves	35,863	13,107	13,107
Retained earnings	538,465	(*) 516,731	523,737
<b>Total equity</b>	<b>589,359</b>	<b>551,204</b>	<b>559,893</b>
<b>Total liabilities and equity</b>	<b>1,146,538</b>	<b>1,597,589</b>	<b>1,610,486</b>

(\*) Retroactively adjusted for change in accounting policy.

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

	Nine-month period ended September 30,		Three-month period ended September 30,		Year ended December 31,
	2019	2018	2019	2018	2018
	(Unaudited)		(Unaudited)		(Audited)
<b>Revenue from services:</b>					
Trading and clearing commissions	80,661	85,862	28,193	25,304	119,355
Listing fees and levies (**)	40,469	(*) 32,406	13,508	(*) 10,480	46,525
Clearing House services	38,147	36,607	12,918	12,747	49,605
Distribution of data and connectivity services (**)	31,731	26,303	10,422	8,473	34,954
Other revenue (**)	2,577	4,085	1,007	1,162	5,166
<b>Total revenue from services</b>	<b>193,585</b>	<b>185,263</b>	<b>66,048</b>	<b>58,166</b>	<b>255,605</b>
<b>Cost of revenue:</b>					
Employee benefits expenses	98,675	94,967	33,088	31,117	129,270
Expenses in respect to share-based payments	3,440	-	432	-	-
Computer and communications expenses	17,671	18,237	6,320	5,636	26,024
Property taxes and building maintenance expenses	9,174	9,398	3,075	3,327	12,994
General and administrative expenses	6,331	6,402	2,153	2,334	8,829
Marketing expenses	5,916	4,480	1,746	1,163	5,452
Fee to the Israel Securities Authority	7,974	7,882	2,658	2,629	10,506
Operating expenses for nominee company	-	448	-	-	448
Depreciation and amortization	32,514	23,749	10,809	8,576	32,672
Reversal of impairment provision	-	(85,108)	-	-	(85,108)
Other expenses	1,279	973	6	653	896
<b>Total costs</b>	<b>182,974</b>	<b>81,428</b>	<b>60,287</b>	<b>55,435</b>	<b>141,983</b>
<b>Profit before financing income, net</b>	<b>10,611</b>	<b>103,835</b>	<b>5,761</b>	<b>2,731</b>	<b>113,622</b>
Financing income	10,024	(179)	3,286	245	(899)
Financing expenses	653	123	221	9	161
<b>Total financing income (expenses), net</b>	<b>9,371</b>	<b>(302)</b>	<b>3,065</b>	<b>236</b>	<b>(1,060)</b>
<b>Profit before taxes on income</b>	<b>19,982</b>	<b>103,533</b>	<b>8,826</b>	<b>2,967</b>	<b>112,562</b>
Taxes on income	5,254	(*) 24,117	2,021	(*) 992	26,140
<b>Profit for the period</b>	<b>14,728</b>	<b>79,416</b>	<b>6,805</b>	<b>1,975</b>	<b>86,422</b>
<b>Other comprehensive income (loss):</b>					
<b>Items that will not be subsequently reclassified to profit or loss, net of tax:</b>					
Remeasurement of net liability in respect to defined benefit, net of tax	(11,458)	3,080	(6,991)	-	4,763
<b>Comprehensive income (loss) for the period</b>	<b>3,270</b>	<b>82,496</b>	<b>(186)</b>	<b>1,975</b>	<b>91,185</b>
<b>Basic earnings per share (NIS)</b>	<b>0.147</b>	<b>(*) 0.794</b>	<b>0.068</b>	<b>(*) 0.020</b>	<b>0.864</b>
<b>Diluted earnings per share (NIS)</b>	<b>0.147</b>	<b>(*) 0.794</b>	<b>0.067</b>	<b>(*) 0.020</b>	<b>0.864</b>

(\*) Retroactively adjusted for change in accounting policy.

(\*\*) Reclassified

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (NIS in thousands)**

	<b>Nine-month period ended September 30, 2019 (unaudited)</b>				
	<b>Capital reserve in respect to share-based payment transactions</b>	<b>Other capital reserves</b>	<b>Remeasure-ment reserve of net liability in respect to defined benefit</b>	<b>Retained earnings</b>	<b>Total</b>
<b>Balance at January 1, 2019</b>	27,380	13,107	(4,331)	523,737	559,893
Profit for the period	-	-	-	14,728	14,728
Other comprehensive loss for the period	-	-	(11,458)	-	(11,458)
<b>Total comprehensive income (loss) for the period</b>	-	-	(11,458)	14,728	3,270
Share-based payment	3,440	-	-	-	3,440
Company's share in the first-time listing of the shares	-	16,147	-	-	16,147
Receipts from shareholders within the framework of implementing the ownership restructuring, net	-	6,609	-	-	6,609
	3,440	22,756	-	-	26,196
<b>Balance at September 30, 2019</b>	<b>30,820</b>	<b>35,863</b>	<b>(15,789)</b>	<b>538,465</b>	<b>589,359</b>

	<b>Three-month period ended September 30, 2019 (unaudited)</b>				
	<b>Capital reserve in respect to share-based payment transactions</b>	<b>Other capital reserves</b>	<b>Remeasure-ment reserve of net liability in respect to defined benefit</b>	<b>Retained earnings</b>	<b>Total</b>
<b>Balance at July 1, 2019</b>	30,388	13,107	(8,798)	531,660	566,357
Profit for the period	-	-	-	6,805	6,805
Other comprehensive loss for the period	-	-	(6,991)	-	(6,991)
<b>Total comprehensive income (loss) for the period</b>	-	-	(6,991)	6,805	(186)
Company's share in the first-time listing of the shares	-	16,147	-	-	16,147
Receipts from shareholders within the framework of implementing the ownership restructuring, net	-	6,609	-	-	6,609
Share-based payment	432	-	-	-	432
	432	22,756	-	-	23,188
<b>Balance at September 30, 2019</b>	<b>30,820</b>	<b>35,863</b>	<b>(15,789)</b>	<b>538,465</b>	<b>589,359</b>

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (NIS, in thousands)**

	Nine-month period ended September 30,		Three-month period ended September 30,		Year ended December 31,
	2019	2018	2019	2018	2018
	(Unaudited)		(Unaudited)		(Audited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit for the period	14,728	(*) 79,416	6,805	(*) 1,975	86,422
Expenses in respect of share-based payments	3,440	-	432	-	-
Tax expenses recognized in profit or loss	5,254	(*) 24,117	2,021	(*) 992	26,140
Net financing expenses (income) recognized in profit or loss	(9,371)	302	(3,065)	(236)	1,060
Depreciation and amortization	32,514	23,749	10,809	8,576	32,672
Reversal of impairment provision	-	(85,108)	-	-	(85,108)
Loss (gain) from disposal of property and equipment and intangible assets	1,279	246	6	248	280
	<u>47,844</u>	<u>42,722</u>	<u>17,008</u>	<u>11,555</u>	<u>61,466</u>
<b>Changes in asset and liability items:</b>					
Decrease (increase) in trade receivables and other receivables	(7,997)	(5,298)	1,736	2,430	(1,408)
Decrease (increase) in receivables in respect to open derivative positions	538,756	847,756	553,541	822,818	844,169
Decrease in trade payables and other payables	(3,357)	(*) (4,807)	(1,998)	(*) (4,256)	(3,282)
Increase (decrease) in deferred income from listing fees and levies	10,585	(*) 8,500	(6,405)	(*) (3,680)	2,660
Decrease in payables in respect to open derivative positions	(538,756)	(847,756)	(553,541)	(822,818)	(844,169)
Increase (decrease) in liabilities for employee benefits	2,073	3,409	1,518	(658)	8,084
	<u>49,148</u>	<u>44,526</u>	<u>11,859</u>	<u>5,391</u>	<u>6,054</u>
Interest received	5,110	4,250	1,805	1,118	5,058
Interest paid	(468)	(173)	(52)	(21)	(154)
Tax receipts (payments) - operating activities	2,107	1,059	(801)	(713)	(1,171)
	<u>6,749</u>	<u>5,136</u>	<u>952</u>	<u>384</u>	<u>3,733</u>
<b>Net cash provided by operating activities</b>	<u>55,897</u>	<u>49,662</u>	<u>12,811</u>	<u>5,775</u>	<u>71,253</u>

(\*) Retroactively adjusted for change in accounting policy.

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (NIS, in thousands, cont'd)**

	Nine-month period ended		Three-month period ended		Year ended
	September 30,		September 30,		December 31,
	2019	2018	2019	2018	2018
	(Unaudited)		(Unaudited)		(Audited)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Proceeds from the disposal of available for-sale financial assets	-	41	-	-	-
Purchase of property and equipment	(4,869)	(17,593)	(738)	(3,525)	(20,388)
Proceeds from the disposal of property and equipment	2	-	-	-	41
Acquisitions of intangible assets	(7,262)	(11,231)	(1,993)	(7,443)	(14,962)
Refund for overpaid development levies	-	-	-	-	1,788
Payments in respect to costs capitalized to property and equipment and to intangible assets	(12,272)	(14,873)	(3,724)	(3,774)	(18,892)
Acquisition of financial assets at fair value through profit or loss, net	(29,220)	(1,142)	253	(341)	(2,633)
<b>Net cash used in investing activities</b>	<b>(53,621)</b>	<b>(44,798)</b>	<b>(6,202)</b>	<b>(15,083)</b>	<b>(55,046)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>					
Lease payments	(7,280)	-	(2,451)	-	-
Company's share in the first-time listing of the shares	15,556	-	15,556	-	-
Receipts from shareholders within the framework of implementing the ownership restructuring, net	6,609	9,907	6,609	9,907	9,907
<b>Net cash provided by (used in) financing activities</b>	<b>14,885</b>	<b>9,907</b>	<b>19,714</b>	<b>9,907</b>	<b>9,907</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>17,161</b>	<b>14,771</b>	<b>26,323</b>	<b>599</b>	<b>26,114</b>
<b>Cash and cash equivalents, beginning of the period</b>	<b>54,363</b>	<b>28,095</b>	<b>44,953</b>	<b>42,452</b>	<b>28,095</b>
<b>Effect of changes in exchange rates on cash balances held in foreign currency</b>	<b>(320)</b>	<b>104</b>	<b>(72)</b>	<b>(81)</b>	<b>154</b>
<b>Cash and cash equivalents, end of the period</b>	<b>71,204</b>	<b>42,970</b>	<b>71,204</b>	<b>42,970</b>	<b>54,363</b>
<b>APPENDIX A – NON-CASH ACTIVITIES:</b>					
Acquisition of property and equipment and intangible assets, under short-term credit	1,170	2,656	1,170	2,656	5,630
Increase in right-of-use assets and lease liabilities as a result of new leases	4,811	-	4,811	-	-
Refund for overpaid development levies in accordance with a compromise agreement validated as a ruling (net of expenses)	-	1,688	-	1,688	-

## ABOUT TASE

The Company, including by means of the companies 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 derivatives 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 has operated 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

## CONTACTS

<b>Yehuda van der Walde</b>	<b>Orna Goren</b>
<b>EVP, CFO</b>	<b>Head of Communication and Public Relations Unit</b>
Email: <a href="mailto:cfo@tase.co.il">cfo@tase.co.il</a>	Email: <a href="mailto:ir.tase@tase.co.il">ir.tase@tase.co.il</a>
Tel: +972-76-8160442	Tel: +972-76-8160405

Appendix – Transactional Metrics

	Nine months Ended September 30,		Quarter Ended September 30,		Year Ended December 31,
	2019	2018	2019	2018	2018
<b>Number of trading days</b>	185	181	62	57	245
<b>SHARES</b>					
Shares (ex. ETN / ETFs)	780	781	780	781	703
ETN / ETFs on share indices	64	78	64	78	60
Market value (in NIS billions)	844	859	844	859	763
Shares (ex. ETN / ETFs)	1,043	1,110	1,144	1,056	1,124
ETN / ETFs on share indices	215	278	223	232	470
Average daily turnover (in NIS millions)	1,259	1,387	1,367	1,288	1,594
Average commissions	0.01%	0.01%	0.01%	0.01%	0.01%
Revenue (in NIS thousands)	24,044	24,852	8,698	7,352	33,976
<b>BONDS</b>					
Government bonds -Unlinked	275	253	275	253	248
Government bonds -Linked	262	235	262	235	236
Corporate bonds	410	392	410	392	380
Bonds (ex. ETN / ETFs)	946	880	946	880	864
ETN / ETFs on bond indices	29	39	29	39	27
Market value (in NIS billions)	975	919	975	919	891
Government bonds - Unlinked ADV (in NIS millions)	1,780	1,722	1,968	1,582	1,741
Government bonds - Linked ADV (in NIS millions)	921	934	940	833	907
Corporate bonds ADV excluding ETNs (in NIS millions)	766	890	708	764	899
ETN / ETFs on bond indices	92	132	105	129	160
Average daily turnover (in NIS millions)	3,559	3,678	3,721	3,308	3,706
Government bonds Unlinked - Average commissions	0.0019%	0.0019%	0.0019%	0.0019%	0.0019%
Government bonds Linked - Average commissions	0.0029%	0.0029%	0.0029%	0.0030%	0.0029%
Corporate bonds - Average commissions	0.0078%	0.0081%	0.0081%	0.0082%	0.0082%
Government bonds (in NIS thousands)	6,300	5,947	2,300	1,723	8,106
Government bonds (in NIS thousands)	4,953	4,916	1,674	1,419	6,431
Corporate bonds (in NIS thousands)	11,116	13,006	3,547	3,563	17,998
Other (MTS) (in NIS thousands)	158	225	59	72	281
Revenue (in NIS thousands)	22,527	24,093	7,581	6,776	32,816
<b>TREASURY BILLS</b>					



	Nine months Ended September 30,		Quarter Ended September 30,		Year Ended December 31,
	2019	2018	2019	2018	2018
Market value (in NIS billions)	120	101	120	101	108
Treasury bills ADV (in NIS millions)	411	358	452	425	431
Average commissions	0.0026%	0.0013%	0.0021%	0.0011%	0.0034%
Revenue (in NIS thousands)	1,964	836	595	275	3,622
<b>MUTUAL FUNDS</b>					
Market value (in NIS billions)	248	243	248	243	220
Average daily value of creation / redemptions (in NIS millions)	829	905	819	928	928
Average commissions	0.01%	0.01%	0.01%	0.01%	0.01%
Revenue (in NIS thousands)	17,867	17,624	6,127	5,645	23,900
<b>DERIVATIVES</b>					
Options on indices	100	132	107	116	134
Derivatives on FX	43	61	47	60	59
Derivatives on single shares	3	3	4	3	3
Total derivative contracts (in '000 units)	146	196	159	179	196
Average commissions	0.528	0.521	0.528	0.516	0.523
Revenue (in NIS thousands)	14,259	18,457	5,192	5,256	25,042
Total revenue from Trading and clearing commissions	80,661	85,862	28,193	25,304	119,355

Appendix – Non-Transactional Metrics (Cont'd)

	Nine months Ended September 30,		Quarter Ended September 30,		Year Ended December 31,
	2019	2018	2019	2018	2018
<b>CLEARING HOUSE SERVICES</b>					
Market value of assets (in NIS billions)	2,564	2,689	2,564	2,689	2,310
Avg. commissions on custodian fees	0.00105%	0.00105%	0.00105%	0.00105%	0.00105%
Revenue from: (in NIS thousands)					
Custodian fees	19,564	19,933	6,691	6,908	26,435
Clearing House services for members / company events	15,121	13,435	5,090	4,751	18,907
Other	3,461	3,239	1,136	1,088	4,263
Total revenue from Clearing House services	38,147	36,607	12,918	12,747	49,605
<b>LISTING FEES AND LEVIES</b>					
Weighted avg. number of companies / funds					
Companies	544	548	536	550	563
Mutual funds and ETNs / ETFs	2,093	1,455	2,099	1,470	1,511
Avg. revenue from levies (in NIS thousands)					
Companies	14	10	5	3	13
Mutual funds	6	5	2	2	7
Revenue from annual levies from: (in NIS thousands)					
Companies	7,679	5,437	2,540	1,799	7,236
Mutual funds & ETFs	11,513	7,918	3,843	2,670	11,033
Nominee Company	1,706	1,273	588	496	1,883
Issuance volume and swap transactions (in NIS millions)					
Shares and bonds	65,451	57,157	27,049	9,998	74,661
Government bonds	67,923	42,606	24,843	14,181	59,709
Short term T-bills	95,736	89,862	35,922	29,942	137,712
Number of issuances					
Tel Aviv public offerings	43	50	13	10	64
New offerings	6	9	2	1	11
New dual-listed companies	3	1	2	-	3
Issuance volume and funding					
IPOs (in NIS millions)	2,706	1,671	514	20	1,844
Preferred shares (in NIS millions)	-	-	-	-	-
New offerings (in NIS millions)	1,608	6,955	110	882	7,196

	Nine months Ended September 30,		Quarter Ended September 30,		Year Ended December 31,
	2019	2018	2019	2018	2018
Corporate bonds (total)	117	111	46	23	142
Corporate bonds (new)	3	12	1	3	13
Average revenue from examination and listing fees					
Shares and bonds	0.0209%	0.0181%	0.0143%	0.0187%	0.0227%
Government bonds	0.0035%	0.0040%	0.0036%	0.0040%	0.0040%
Revenue from examination and listing fees (in NIS thousands)					
Examination fees	4,085	6,460	1,155	3,303	7,985
Listing of shares & bonds	13,648	10,345	3,864	1,875	16,922
Listing of government bonds	2,385	1,704	883	567	2,388
Listing of T-bills	670	629	251	210	964
Annual levies and handling fees from member	340	-	152	-	-
Other	402	636	171	226	774
Effect of IFRS on Listing Fees	-1,958	-1,995	62	-665	-2,660
<b>Total revenue from Listing fees and levies</b>	<b>40,469</b>	<b>32,406</b>	<b>13,508</b>	<b>10,480</b>	<b>46,525</b>

	Nine months Ended September 30,		Quarter Ended September 30,		Year Ended December 31,
	2019	2018	2019	2018	2018
<b>DISTRIBUTION OF DATA AND CONNECTIVITY SERVICES:</b>					
Average number of data terminals					
Domestic business clients	7,253	8,031	6,804	7,842	8,073
Domestic private clients	7,177	-	6,868	-	-
Overseas	4,853	4,709	4,824	4,866	4,745
Quote generator	242	-	234	-	-
Revenue from data terminals and data (in NIS thousands)					
Domestic business clients	11,749	13,010	3,674	4,235	17,438
Domestic private clients	2,333	-	729	-	-
Overseas	4,695	4,569	1,528	1,503	6,148
Quote generator	1,077	-	344	-	-
Usage based	4,125	6,223	1,460	1,852	8,342
Indices and data	2,162	2,501	550	883	3,026
connectivity services	5,589	-	2,136	-	-
<b>Total revenue from Distribution of data and connectivity services</b>	<b>31,731</b>	<b>26,303</b>	<b>10,422</b>	<b>8,473</b>	<b>34,954</b>

Presented below are details regarding the speed of trading in Israel in the reported period:

### Turnover Speed

	Nine months Ended 30.09.2019	Nine months Ended 30.09.2018	% change	Quarter ended 30.09.2019	Quarter ended 30.09.2018	30.09.2018	2018
<b>Shares <sup>(1)</sup></b>	34.80%	36%	-3%	37%	33.50%	10.40%	36.20%
<b>Corporate bonds <sup>(2)(1)</sup></b>	50.10%	71.50%	-30%	49.10%	61.30%	-20%	64.80%
<b>Government bonds Non-linked, fixed interest <sup>(3)</sup></b>	134.50%	135.10%	0%	140.30%	125.30%	12%	135.80%
<b>Government bonds CPI-linked <sup>(4)</sup></b>	81.90%	87.20%	-6%	81.40%	80.80%	1%	84.40%
<b>Treasury bills</b>	87.70%	91%	-4%	93.50%	104.80%	-10.80%	61.90%

(1) Turnover velocity includes the ETFs / ETFs traded.

(2) Turnover velocity doesn't include the corporate bond traded in institutional succession

(3) Including shekel fixed- interest shekel bonds "Sahar" and short-term government bonds.

(4) Including index-linked bonds, and variable- interest shekel bonds - "Gilon".