

TASE's 2020 Summary - **More High-Tech, More Trading, More Investors**

A record number of 19 high-tech companies (including 5 R&D partnerships) of the total 30 new listings on TASE.

The new companies raised NIS 4.6 billion

Dozens of high-tech companies are expected to join TASE in the coming months

Average daily trading on the equity market - NIS 1.9 billion, an increase of 36% over the average in the past three years

A record number of new accounts - 135 thousand

Raising volumes reached NIS 16.3 billion on the equity market and NIS 66.8 billion on the bond market

First two to join TASE UP:

Group 11, the venture capital fund of the Investor Dovi Frances, with a raising target of US\$ 100 million, and a start-up company, Veev, with a raising target of US\$ 50 million

Several advanced technological projects launched, including: Securities Lending Platform, TASE Data Hub, "Digital Employee Stock Options"

Ittai Ben Zeev, TASE CEO:

"This year marked a significant milestone in the strengthening of ties between TASE and local high-tech, as a record number of new technology companies joined TASE, with dozens more to come. Our strategy over the past few years has laid the foundation that allows TASE to better reflect the success of the Israeli high-tech and serve as a home for those companies.

This year, more than ever, local companies across sectors sought TASE for capital raising and growth, and attracted great interest from both local investors and global players. As home of the Israeli economy, we believe that TASE is the natural venue for the Israeli companies, institutional investors and the public and expect to see the growth trend continue into the coming years."

Tel Aviv, December 22, 2020 - At the press conference marking the end of 2020, Ittai Ben Zeev, CEO of TASE, today (Tuesday) summarized the past year's activities.

This year, TASE continued to concentrate on a focused endeavor to achieve three main goals that were defined in the strategic plan it introduced four years ago: **reflecting the Israeli economy, enhancing liquidity and expanding its services**, all with the adjustments that are necessary to address the current needs of investors and companies.

Reflecting the Israeli economy with much more high-tech, and this is only the beginning

2020 was a peak year for TASE, where, more than ever, it has served as a primary and significant instrument for the continued business operations of Israeli companies, whether by way of IPOs, issuance of shares or raising of debt, this alongside a growing number of new investors on TASE.

The number of new companies that carried out IPOs on TASE was 27, the highest since 2007, of which 8 raised at a market cap in excess of NIS 1 billion. After years of exclusively Dutch auction offerings in 2020, 21 new companies issued by book building offering to institutional investors, raising NIS 4.3 billion - 94% of the IPO raisings this year, compared to only three new issuers that opted for book building last year.

The high-tech sector gathered significant momentum this year, as reflected in the all-time record number of 19 IPOs by high-tech companies (including 5 R&D partnerships), the dual listing of one high-tech company and dozens more high-tech companies in various stages of IPO. Another indication of the growing weight of the technology sector is the 6 high-tech companies that joined the TA-35 flagship index. The TA Tech-Elite and TA-Technology indices rose by 35% and 31%, respectively, similarly to the increase in the Nasdaq index (42%). These indices have also taken the lead in the five-year period of 2016-2020, with an increase of 123% and 195%, respectively.

Ben Zeev also addressed the publications concerning large IPOs of Israeli technology companies in the United States, and stated that TASE is constantly encouraging such companies to **dual list** in Israel:

“There is no reason for companies that grew up here and that have a significant center of operations in Israel not to join TASE. It benefits both the companies and the public that takes pride in the global success of Israeli minds and entrepreneurship and wants to play a part in it. Moreover, the companies enjoy increased liquidity and trading, diversification of raising instruments, home-market advantages, an easy exercise of employee stock options at a reduced cost and more. Today, more than 30% of total trading in dual listed shares is carried out on TASE. This substantial figure highlights the advantages of local trading alongside the trading overseas.”

Dual listing allows companies that are traded on stock exchanges in the United States, London, Hong Kong, Singapore and Toronto to also list their shares in a special track on TASE. Dual listed companies continue to be governed by the regulation of the foreign securities law and the foreign stock exchange, with no additional regulation in Israel. TASE stresses that the dual listing process is straightforward, easy and quick, at no significant cost.

Today, TASE revealed the two first to join its innovative electronic platform, TASE UP, which allows companies and funds to raise money from accredited and institutional investors and remain private: Group 11, the venture capital fund of the investor Dovi Frances, with a raising target of US\$ 100 million, and start-up company, Veev, with a raising target of US\$ 50 million (see separate press release).

Significant increase in trading volumes, new players, new investors

The equities market was characterized by strong trading volumes that amounted to a daily NIS 1.9 billion, an increase of **43%** over the average daily volume in 2019 and 36% over the average in the previous three years (2017-2019). Trading was highly volatile: in March, at the height of the crisis in the capital markets, the average daily trading volume amounted to NIS 2.9 billion, while in May through December the average daily trading volume was NIS 1.7 billion.

Capital raising on the equities market amounted to NIS 16.3 billion in 2020, compared to NIS 13.3 raised in 2019. Total public offerings amounted to NIS 12 billion in 2020, an increase of 45% over the previous year. Overall, more than 225 offerings and private placements were recorded this year, compared to 158 in 2019. Currently, 454 companies are listed on TASE, with an aggregate market cap of NIS 819 billion.

NIS 66.8 billion was raised in **offerings of corporate bonds** (including TASE UP and structured). 703 series of corporate bonds are currently listed on TASE, with an aggregate market cap of NIS 390 billion and an average daily trading volume of NIS 1.1 billion. These figures position TASE among the most advanced and sophisticated bonds markets.

Continuing the trend seen in previous years, the **free float percentage has continued to rise** and stood at 64% at the end of the year, compared to 63% at the end of last year and 60% at the end of 2017. This year, the scope of shares sold by interested parties reached a net amount of more than NIS 3 billion.

Close to 135 thousand new accounts were created in 2020, compared to less than 100 thousand new accounts in 2019, with a 150% surge in the number of accounts opened in investment houses. In recent years, TASE invested considerable resources in its public relations and information activities, aiming to remove barriers and to improve the accessibility of the capital market to the Israeli public. Within this framework, TASE launched a new campaign this week, starring real people of various ages, occupations and locations across Israel that invest on TASE.

Two new members announced their joining of TASE this year: **First Digital Bank**, which will allow its customers to trade in securities, including mutual funds, on TASE

and participate in offerings. First Digital Bank is also planning to apply for membership in the TASE Clearing House. Additionally, **Barak Capital** joined TASE as a Nostro member.

A week ago, TASE announced the signing of an **historic collaboration agreement with the Abu Dhabi Securities Exchange (ADX)**, which will allow companies in the United Arab Emirates and in Israel, for the first time, to enjoy new financing and investment opportunities and to collaborate in the development and commercialization of innovative financial technologies.

Five new indices were launched in 2020: two green equity indices - TA-Cleantech, comprising shares that are included in the Technology Sector's Cleantech Subsector, currently consisting of 12 shares with a market cap of NIS 37 billion, and a Fossil Fuel-Free Climate index, comprising the shares included in the TA-125 index, excluding those of corporations involved in the production chain of fossil fuels. This index consists of 112 shares with a market cap of NIS 595 billion (including 32 companies that are part of the TA-35 index). Additionally, in February of this year, TASE launched three real estate indices: TA-Investment Properties in Israel, TA-Investment Properties Abroad and TA-Construction. The launch of the new indices is designed to allow investors to invest in income-generating real estate firms, while distinguishing geographically between investment properties in Israel and investment properties abroad. It also facilitates investment in a basket of construction companies.

Introduction of advanced technological services for a more sophisticated market and increased competition

TASE also places an emphasis on expanding its services, most principally the introduction of advanced innovative services that improve the sophistication and efficiency of the capital market as well the accessibility of data.

This year, TASE launched a Central Blockchain Securities Lending Platform. This platform enables, for the first time in Israel, direct lending among all the major financial instruments. The platform functions, transparently, as a one-stop-shop for all securities lending activities, permitting access to larger securities volumes within shorter timeframes, even operating in shorter-term positions.

TASE also launched the TASE Data Hub, a data system that offers direct, immediate and seamless access to TASE market data, allowing more insights on market activities and the development and review of trading and investment strategies, while providing back office and operational efficiency improvements to various market players. The system offers several advanced products, including Smart Money, that allows, for the first time, access to daily and historical data of total purchases and sales by the public institutions and mutual funds in all securities that are listed on TASE, providing a deeper understanding of market trends and attracting great interest from market players and fintech companies.

In October, TASE announced the launching of a specialized innovative service, "Digital Exercise of Employee Options", which allows public companies with employee stock option plans to carry out a secure digital exercise of employee stock options, without drafting and printing documents, signing them manually and having them delivered by courier.

For further data and details -

https://info.tase.co.il/Eng/about_tase/news/2020/Pages/PR_20201222.aspx