



MAX GROUP

October 2021



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The information in this presentation is based on data and information available to the Company as of the date of preparation of the presentation and the date of the financial statements as of December 31, 2020 and June 30, 2021.

Warburg Pincus



One of the **world's largest** PE funds with head office in New York



Since it was founded in 1966, the Fund has invested more than **US\$ 68 billion** in 825 companies in 40 countries



Manages US\$ 45 billion in assets in a wide range of industries (health, technology, media, telecommunications, energy, industry and finance), of which more than **US\$ 10 billion** has been invested in various **financial entities**, including companies that operate in the **payments sector**



All **financial regulatory approvals** were obtained in the countries in which it operates in this sector

MAX



Robust acquirer, with a rich portfolio in the financial sector and extensive experience, including in the fintech industry and derivative technologies



Recent transactions made in the financial sector :

Ant Financial - investment in Alibaba's financial and fintech branches

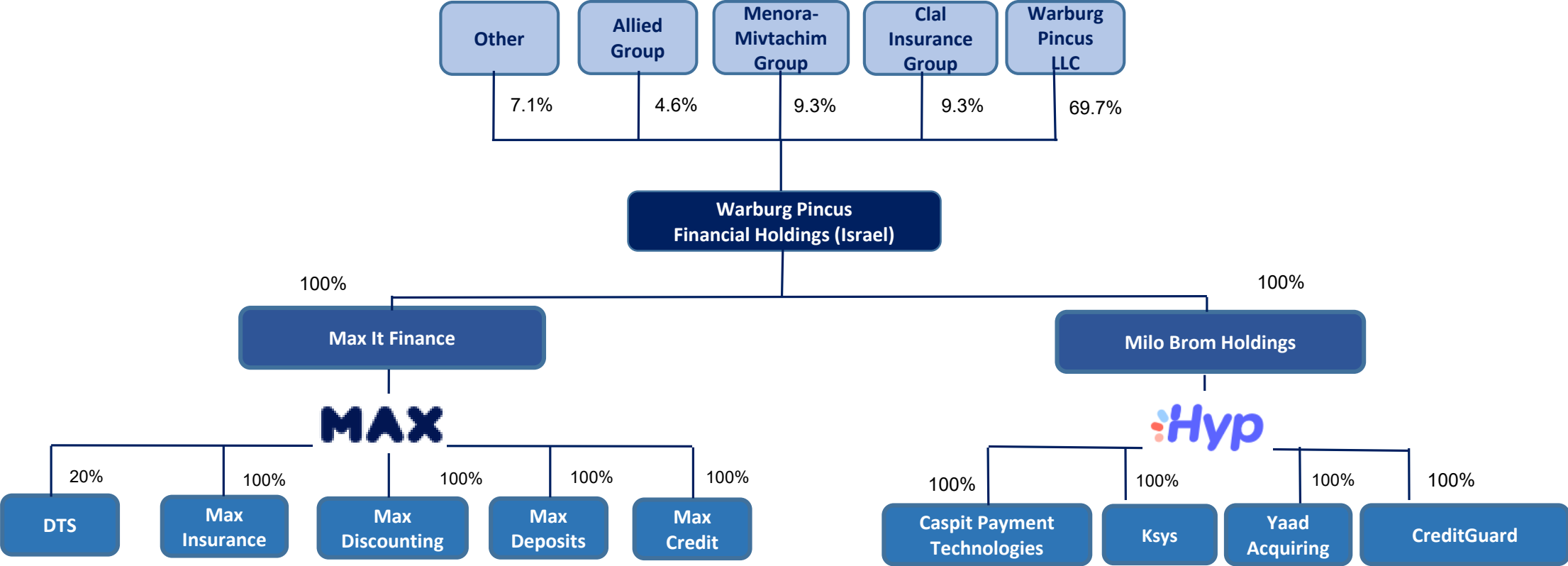
TECHOMBANK - the largest shareholder in a Vietnamese bank

Fiserv Lending Solutions - software and technology solutions for, among others, mortgage services

Reorg Research - specializing in capital market processes and analysis
Acquisition of control

Sources: <https://www.calcalist.co.il/money/articles/0,7340,L-3743245,00.html>, Bank Leumi Le-Israel Ltd. and Azrieli Group Ltd. reports dated July 28, 2018

Group structure



Strategy

A leading, innovative and technological player

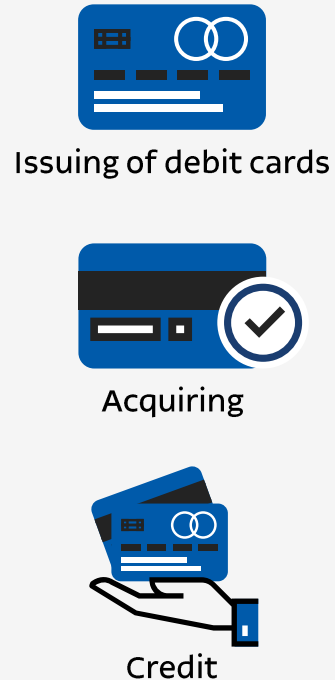
**Offering financial solutions and services for all the needs of its
private and business customers**

**based on profitability from a variety of products and sources
of income**

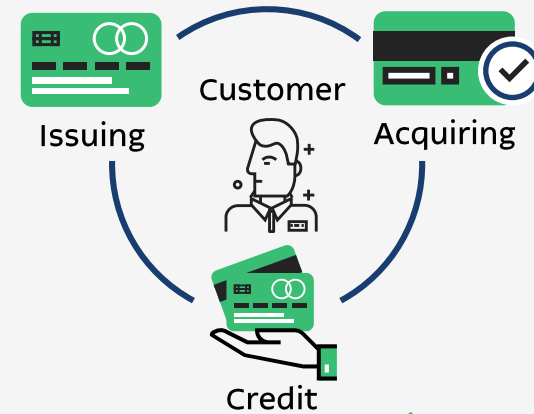


The strategic change - based on existing assets and strategic strengths

To date: Product Concept



From today: One Stop Shop Concept



Merchants

From acquirer to financial solutions provider, especially for small and medium businesses:

- Credit and Total Debt
- Discounting and Factoring
- Data based products

Financial Institutions

Providing operating, issuing and credit services to banks and other financial institutions :

- Issuing of credit cards
- Additional and complementary services (travel insurance, fraud insurance, etc.)

Consumers

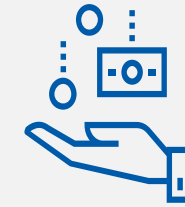
Providing added value with advanced payment and credit solutions:

- Direct distribution of credit cards through business partners
- Consumer credit solutions
- Advanced payment products

Large-scale, extensive and diverse customer portfolio; Databases; State-of-the-art operating systems; Innovation; Exclusive credit underwriting models; Mechanisms for risk management, supervision and control; Diversification of sources of finance

Credit Market –

Positioning of Credit Card Companies in Relation to the Market



Advantages of credit card companies in reducing borrower risk:

Data-based Underwriting Mechanisms with regard to the borrower's recent financial history

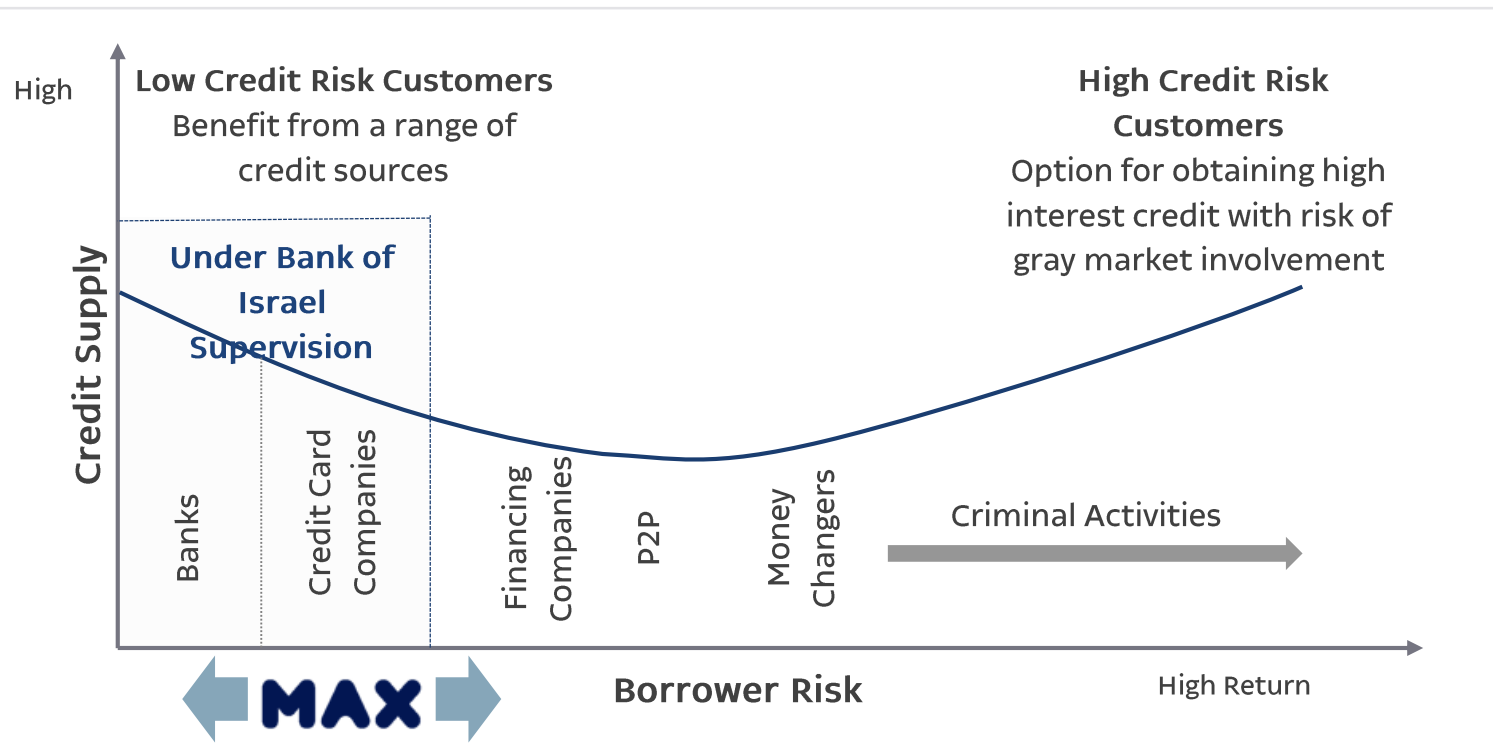
Specific **underwriting models** for borrowers that have no history

Existing system of **monitoring and control mechanisms**

Independent IT systems

Close supervision by the Bank of Israel

The credit risk of credit card companies is significantly lower than that of other non-bank financing alternatives



source: Capital Market, Insurance and Savings Authority

2021 – 360° for private and business customers



- ✓ Utilizing “side money” – Pilot stage
- ✓ Settlement funds to credit cards
- ✓ Marketing investment product



- ✓ Forex – first stage
- ✓ International FX transfers



- ✓ Tagging transactions - business, trip, children ...



- ✓ Customer = ID, clearing and credit cards



- ✓ Self employed - Collaboration with All Club and Shulman clubs



- ✓ Apple pay
Google pay



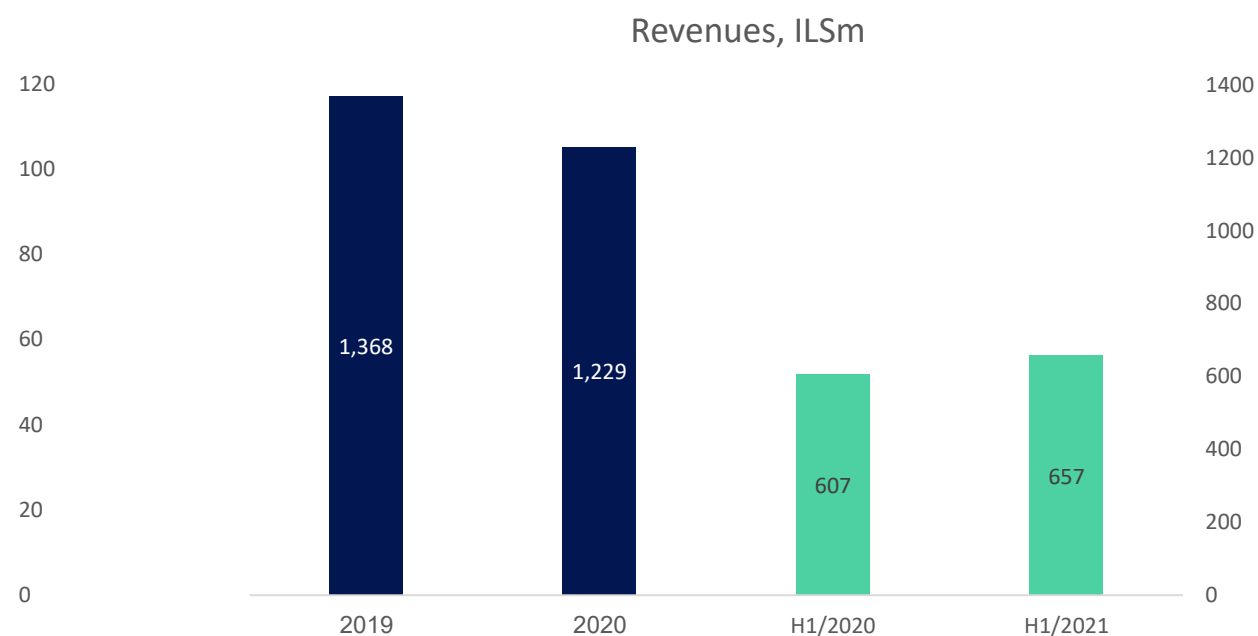
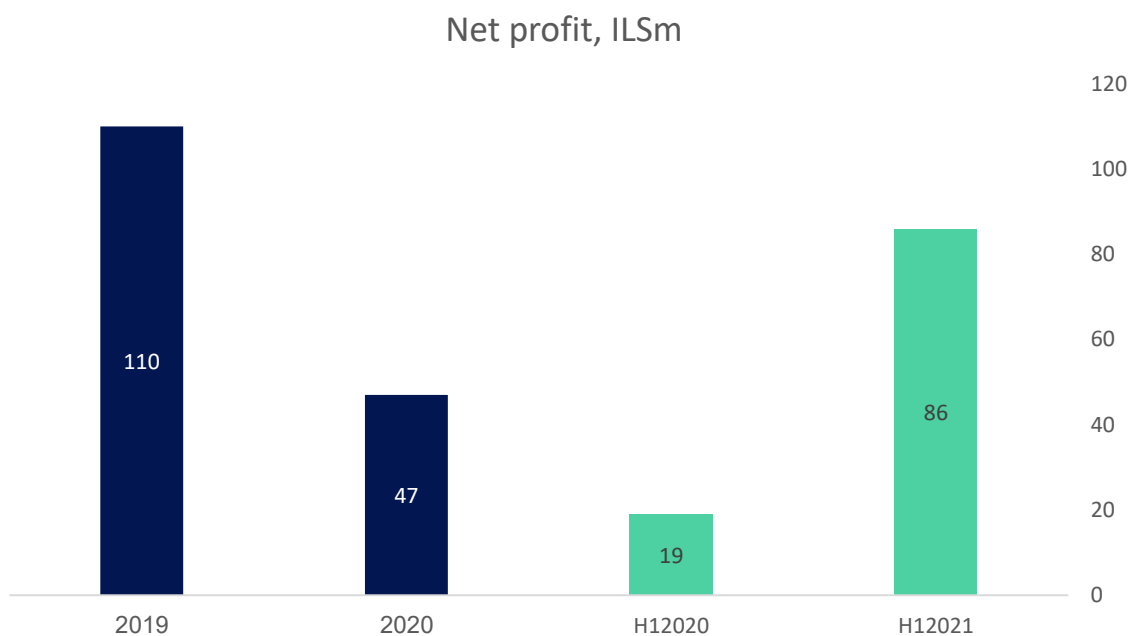
- ✓ Complementary financial services for businesses



- ✓ Launch of mortgage insurance, business and travel abroad

Rapid return to growth after the COVID-19 crisis

- ✓ Significant improvement in net profit and profitability ratio
- ✓ The same annual income rate for 2019, despite the low income from operating abroad as a result of the COVID-19



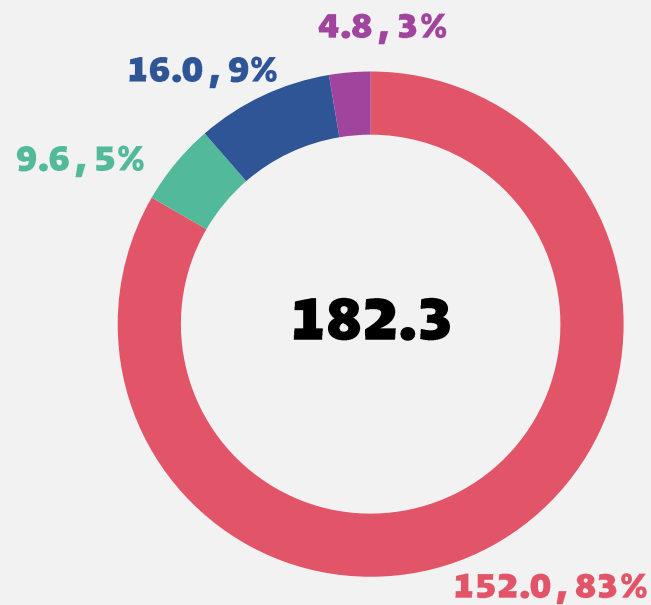
¹ In 2019, excluding one-off impact of transaction bonus to employees.

In 2020, excluding capital gain from disposal of Shufersal Finance.

Consumer lending

Household debt¹

2016



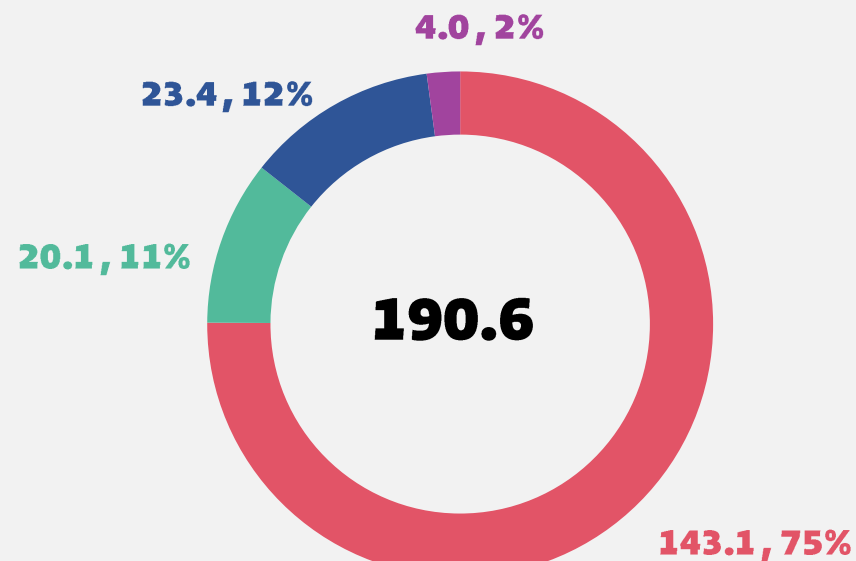
■ Banks

■ Credit card companies

■ Financial institutions

■ Government

2020



■ Banks

■ Credit card companies

■ Financial institutions

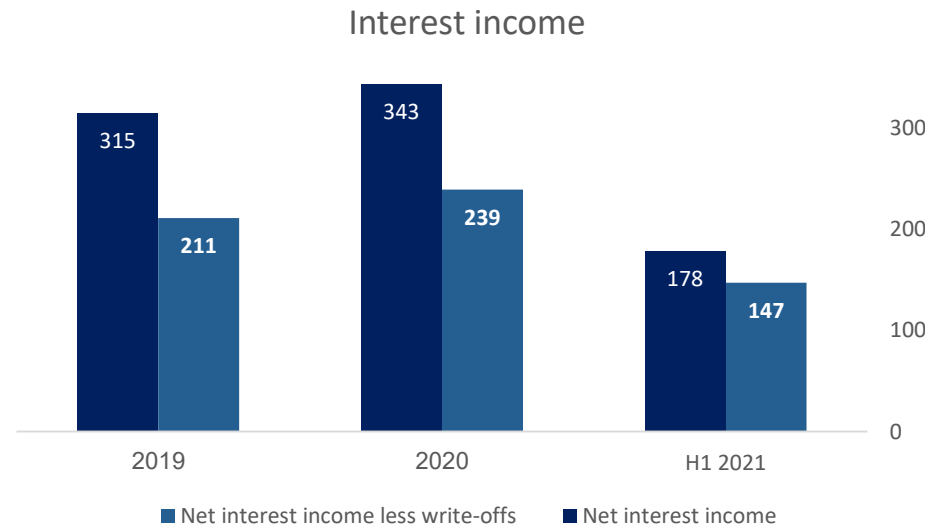
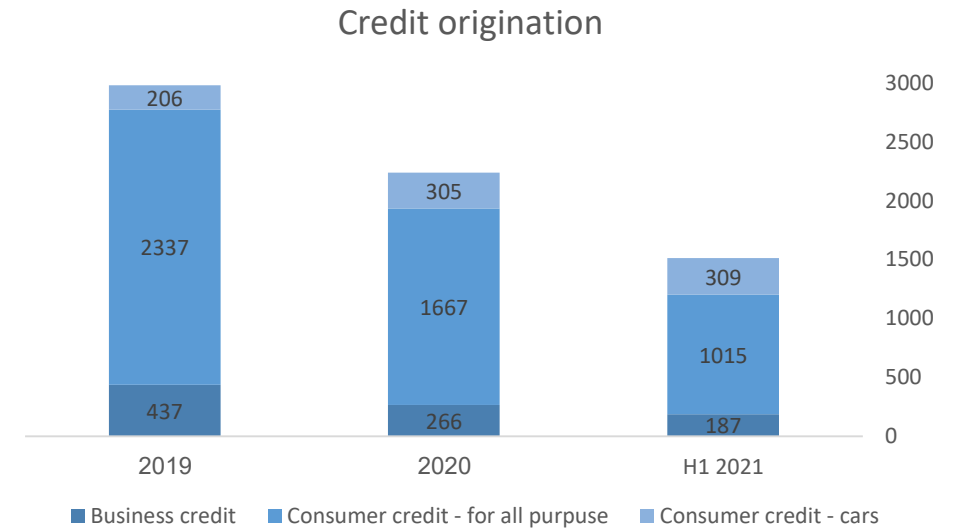
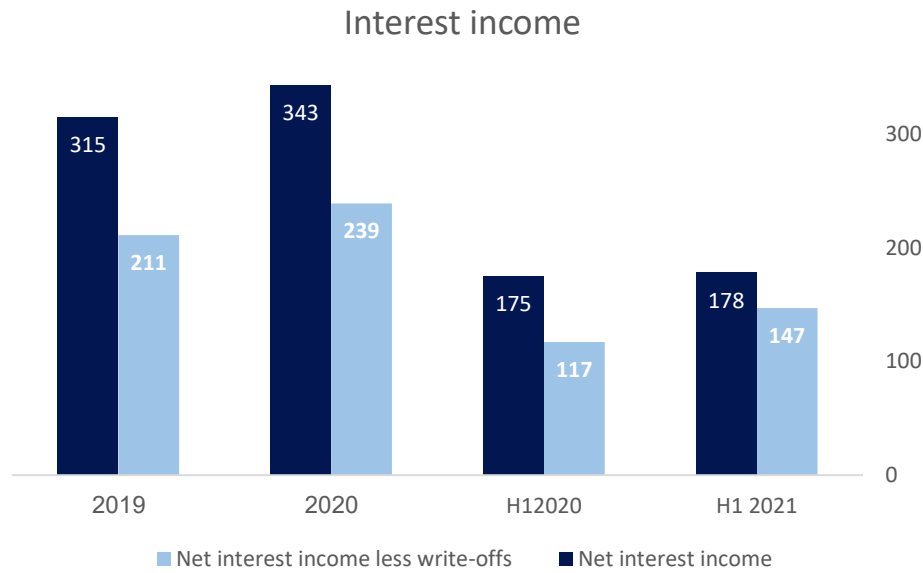
■ Government

Over the period, the share of Credit card companies and Financial institutions has increased (6%, 3%), on account of the banks

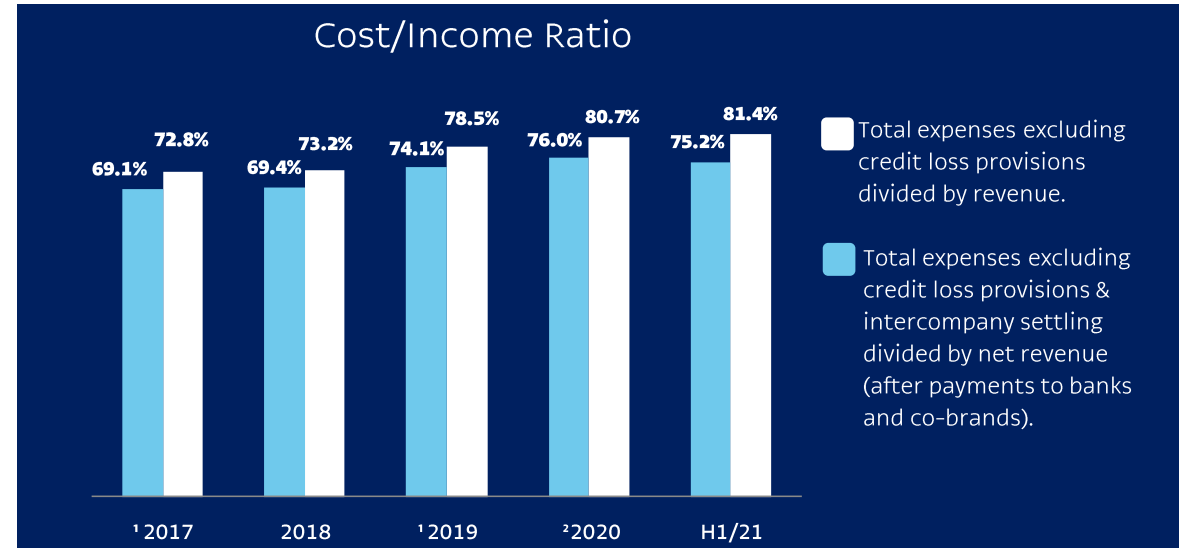
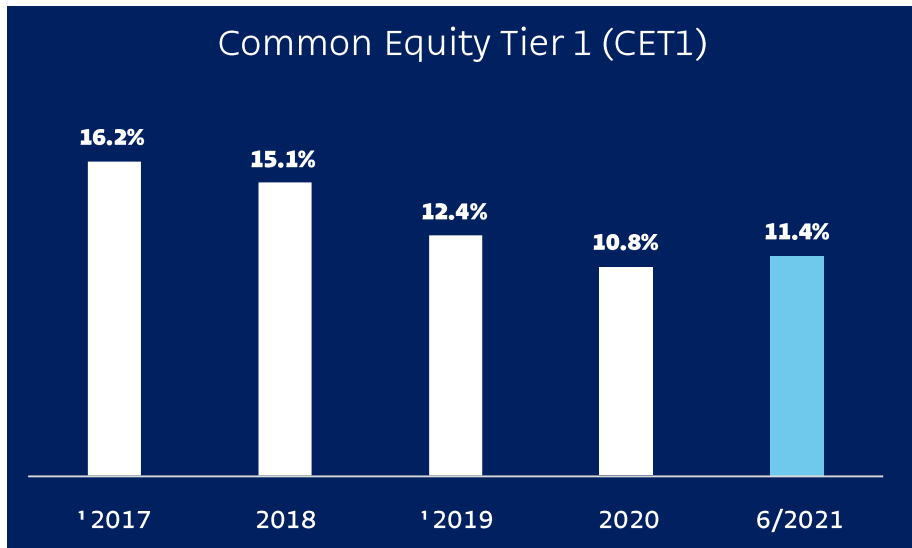
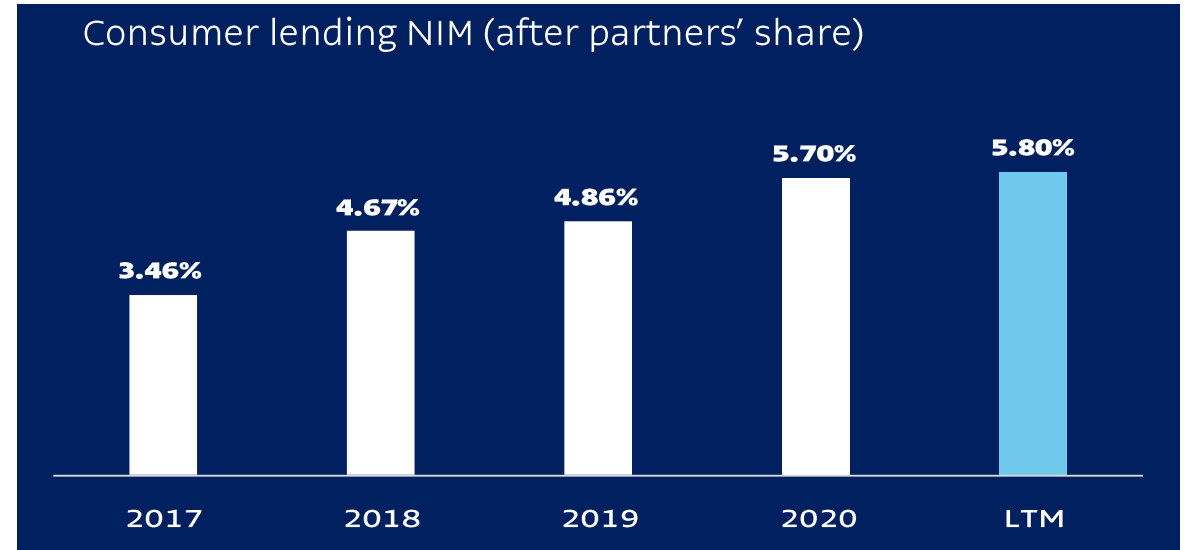
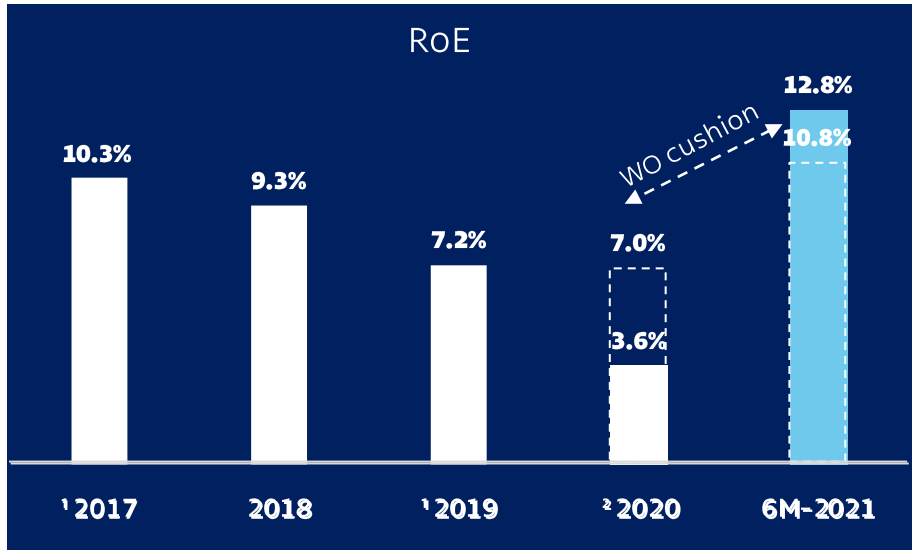
¹Excluding mortgages

Source: Bank Of Israel Reports

Balance growth, positions and margin from credit activity



Key KPI Trends



¹ Excluding one-off impact of transaction bonus to employees.
² Excluding one-off impact of capital gain from disposal of Shufersal Finance.

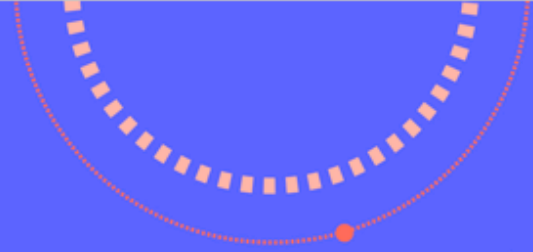
Balance Sheet Highlights & Capital adequacy ratio | ILSm

	Data as of		
	30.6.2021	31.12.2020	30.6.2020
	Basel III		
<u>Capital for calculation of capital ratio</u>			
CET1, after deductions	1,435	1,348	1,311
Tier 2 capital	305	303	300
Total comprehensive capital	1,740	1,651	1,611
<u>Risk-weighted assets</u>			
Credit risk	10,392	10,280	9,988
Market risk	36	30	44
Operational risk	2,155	2,144	2,121
Total risk-weighted assets	12,583	12,454	12,153
TCR	13.8%	13.3%	13.3%
Minimum TCR ratio required by the Supervisor of Banks	11.5%	11.5%	11.5%
CET1 ratio	11.4%	10.8%	10.8%
Minimum CET1 ratio required by the Supervisor of Banks	8.0%	8.0%	8.0%
Leverage ratio	8.4%	7.9%	7.7%
Minimum leverage ratio required by the Supervisor of Banks	4.5%	4.5%	5.0%

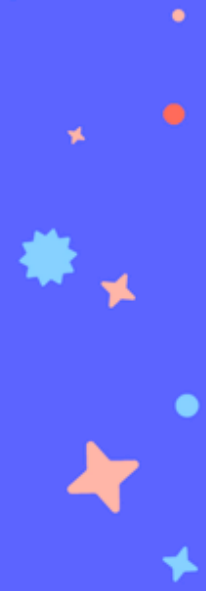
				% Change vs.	
	30.6.2021	31.12.2020 ¹	30.6.2020	31.12.2020 ¹	30.6.2020
Total Assets	14,641	14,024	13,885	4.4%	5.4%
Consumer Lending balance	5,464	5,344	5,232	2.2%	4.4%
Interest rate	7.5%	7.7%	7.8%	(2.6%)	(3.8%)
Interest rate for last month transactions ¹	7.1%	7.1%	8.1%	0.0%	(12.3%)
Business Lending	432	409	409	5.6%	5.6%
Interest rate	5.2%	5.4%	5.9%	(3.7%)	(11.9%)
Interest rate for last month transactions	5.5%	4.0%	4.9%	37.5%	12.2%
Return on equity ²	12.8%	3.6%	1.7%		
Return on minimum required equity ²	17.9%	4.8%	2.3%		

¹ In 2020, the interest rate for transactions in the last month does not include interest on loans acquired on December 30, 2020

² In 2020, excluding capital gain from disposal of Shufersal Finance.



Meet
Нур



Combining 4 leading payments companies

Merged from 4 leading payment companies, Hyp is simplifying the payment infrastructure and introducing the **only one stop shop** for accepting payments in Israel.

Our longstanding knowledge and unparalleled expertise in POS, PG services, digital invoicing, and acquiring, has positioned us as trusted advisor for legacy and advanced payment solutions, advising to enterprises & regulatory agencies.

With best in class differentiated solutions, we power market leading wallets and payment apps exclusively, serve +45,000 businesses and process payments of millions of customers everyday.

Capturing industry's best practices and solutions within one provider



..to simplify payments for businesses

“

Our mission is to help biz and organizations thrive by offering accessible payment solutions

We aspire to reshape the payment journey for merchants and their customers by reducing friction with the legacy payment chain and providing businesses with simple and holistic tools to start, run and grow their business.

Our diversified suite of shelf and tailored solutions, APIs to PSPs, acquiring services, and eCom platforms, are designed to support each business needs **from first steps to becoming an enterprise.**

Our solutions goes beyond payments, with value added platform for business management and distribution channels.



We cover all technological payment needs



Advanced POS products

supporting EMV, APM (such as apple pay & BIT), digital invoicing and other business solutions through our Hyp Portal



Integrated services for self employed & micro businesses

sending payouts through Whatsapp, accepting payments online or in-person, digital invoices, integration to e-Com platforms and business control solutions



Online payment solutions

fast onboarding for acquiring solutions, personalized payment page, payment buttons, and integrations to leading APIs



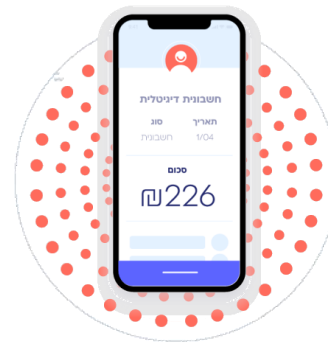
Real omni channel

simultaneously controlling both online and in-store transactions and inventory on Hyp portal or your ECR



Payment gateway services

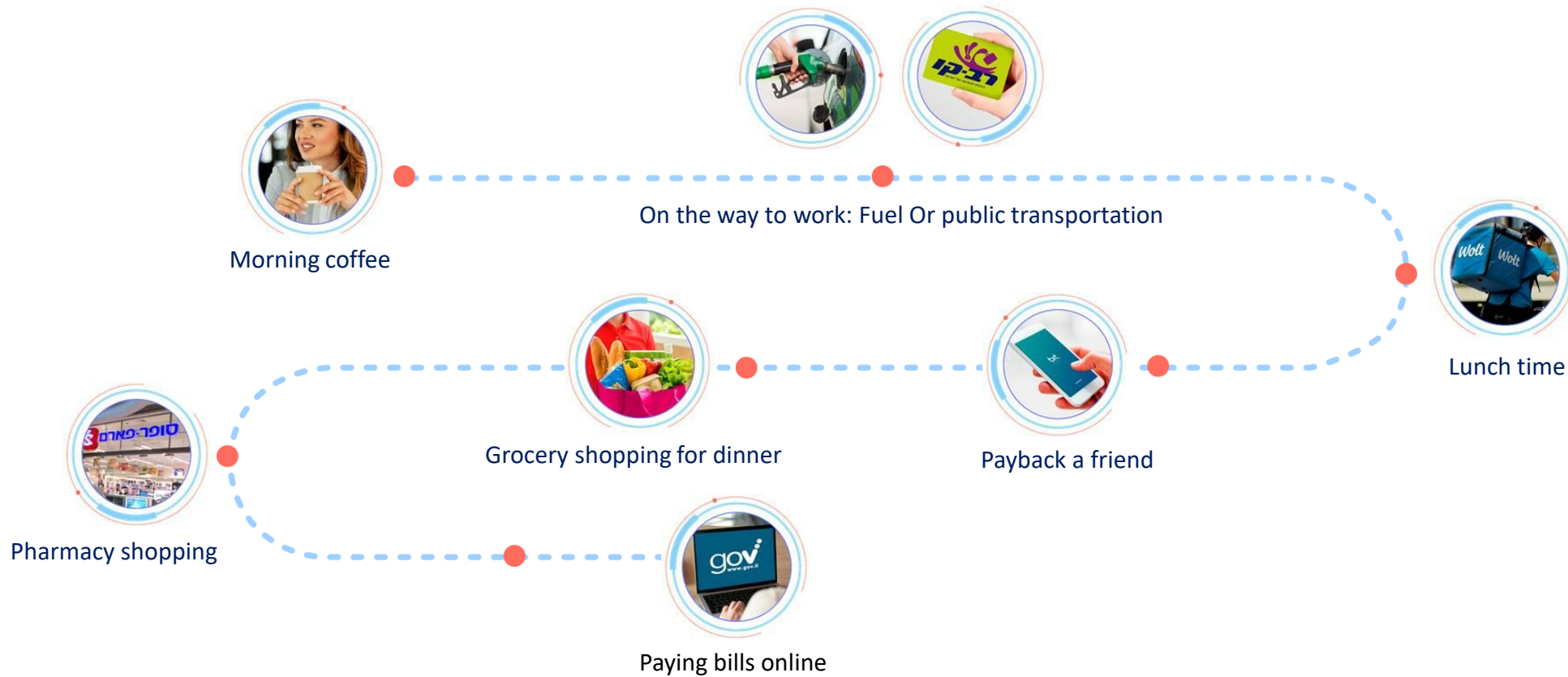
tokenization, 3D secure, reconciliation, reporting and tailored solutions to support large volume transactions



Digital invoicing and Business Dashboard

APIs to distribution channels: quick onboarding & tracking tools

Powering 1 in 4 everyday payments



Supporting
payments 24/7

+500,000,000

Online transactions per annum

+62,524

Merchants & customers

+43,858

Active cashiers & terminals

+1,820,386

Digital invoices per month



Thank you.