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One1 Technologies Accelerates its Growth

Revenues in the second quarter of 2019 increased by 14% to a total of NIS 397 million

Operating profit for the quarter increased by 62% to NIS 34 million

Net profit in the quarter increased to app. 38% to app. NIS 23 million

The Company recorded growth in all its operating segments

Revenues of the software segment increase by app. 29% to app. NIS 190 million

During the first half of 2019, One1 recorded a 16% increase in revenues to NIS 815 million and app. 28% increase in net profit to NIS 42 million

Adi Eyal, One's CEO: "We are pleased to close the second quarter and the first half of the year with strong performance, reflecting accelerated growth in all of the Group's operating segments.

During the reported period and the quarter, Company's management implemented a growth strategy, focusing on growth in the software solutions and services segment, which is the Company's core segment. Over the course of the reported period, the Company implemented its six-months work plan, whose main points were as follows:

- Merger of the SAP activity acquired from Advantech into the Company's existing SAP activity in order to create the leading Israeli entity in its field of activity.
- Merger of the BI activity and the digital innovations purchased at the end of 2018 into the Company's current activities and implementing them in the range of solutions available to Company's customers.
- Integrating the Company's advisory activities into a single organizational body in order to create a critical mass and cost savings.

The successful implementation of the plan's principal points during the reported period as described above, and the continued focus on meeting the Company's business targets resulted with the financial results listed below, most notably a two-digit growth in all of the Company's revenue and profit metrics for the reported period and the quarter.

We continue assessing further purchases and strategic moves that will support growth acceleration in the future”.

One1 Technologies Ltd., one of the leading IT companies in Israel presents its results for the second quarter and the first half of 2019. One1 presents an increase in revenue and profit growth as a consequence of solid growth in its three operating segments.

Principal results in the second quarter of 2019

The Company's revenue in the second quarter increased by 14% to NIS 397 million, as compared with NIS 348 million in the corresponding quarter last year. The increase in revenue stemmed from organic growth in Company's activities and from first-time consolidation of certain companies in the reported period.

Operating profit in the second quarter increased by 62% to NIS 34 million as compared with NIS 21 million in the corresponding quarter last year. The increase was reflected in an increase of operating profit in all of the Company's operating segments.

Operating profit net of other income in the second quarter increased by 25% to NIS 26.3 million as compared with NIS 21 million in the corresponding quarter last year.

EBITDA in the second quarter increased by 77% to NIS 44 million, as compared with NIS 25 million in the corresponding quarter last year.

The Company's net profit in the second quarter increased by 38% to NIS 23 million (NIS 22 million is attributed to shareholders), as compared with NIS 16.6 million (NIS 16.1 million is attributed to shareholders) in the corresponding quarter last year.

Growth in revenues by segments:

- **Revenue in the software segment** increased in the quarter by 29% to NIS 190 million, as compared with NIS 147 million in the corresponding quarter last year. The increase stems from organic growth as well as from results of companies consolidated for the first time into the activities of this segment.
- **Revenue in the infrastructure segment** increased in the quarter to NIS 173.2 million, as compared with NIS 171.2 million in the corresponding quarter last

year. The increase is attributed to organic growth in the activities of this segment.

- **Revenue in the managed services segment** increased in the quarter by 13.3% to NIS 36.6 million, as compared with NIS 32.3 million in the corresponding quarter last year. The increase is mainly attributed to first-time consolidation of ICSC during the quarter.

Growth in operating profit by segments:

- **Operating profit in the software segment** increased in the quarter by 26.1% to NIS 18.2 million, as compared with approximately NIS 14.5 million in the corresponding quarter last year.
- **Operating profit in the infrastructure segment** increased in the quarter by 33% to NIS 9 million, as compared with NIS 6.7 million in the corresponding quarter last year.
- **Operating profit in the managed services segment** increased in the quarter by 32.7% to NIS 2 million, as compared with approximately NIS 1.4 million in the corresponding quarter last year.

Principal results in the first half of 2019

The Company's revenue in the first half increased by 15.6% to NIS 815 million, as compared with NIS 705 million in the corresponding period last year.

Operating profit in the first half increased by 39.6% to NIS 61 million as compared with NIS 43.6 million in the corresponding period last year.

Operating profit net of other income in the first half increased by 22% to NIS 53.2 million as compared with NIS 43.7 million in the corresponding period last year.

The Company's **net profit in the first half increased by 28.2%** to NIS 42.1 million (NIS 40.2 million is attributed to shareholders), as compared with NIS 33 million (NIS 31.8 million is attributed to shareholders) in the corresponding quarter last year.

EBITDA in the first half increased by 54.6% to NIS 79.4 million, as compared with NIS 51.4 million in the corresponding period last year.

Growth in revenues by segments:

- **Revenue in the software segment** increased in the first half by 27.8% to NIS 389.1 million, as compared with NIS 304.5 million in the corresponding period last year.
- **Revenue in the infrastructure segment** increased in the first half by 6.8% to NIS 366.4 million, as compared with NIS 343.1 million in the corresponding period last year.
- **Revenue in the managed services segment** increased in the first half by 3.7% to NIS 67.6 million, as compared with NIS 65.2 million in the corresponding period last year.

Growth in operating profit by segments:

- **Operating profit in the software segment** increased in the first half by 17.7% to NIS 36.5 million, as compared with NIS 31 million in the corresponding period last year.
- **Operating profit in the infrastructure segment** increased in the first half by 45.1% to NIS 19.2 million, as compared with NIS 13.2 million in the corresponding period last year.
- **Operating profit in the managed services segment** increased in the first half by 19.9% to NIS 3.3 million, as compared with NIS 2.8 million in the corresponding period last year.

As of 30.6.2019, the Company's **cash and cash equivalents** balance amounted to NIS 83 million.

The Company's equity as of 30.6.2019, increased to NIS 313 million, as compared with NIS 298.7 million at the end of 2018.

One1 Software Technologies is one of the leading IT companies. The Company provides technological IT solutions to thousands of customers in various market sectors. The Company employs over 3,500 professional employees in Israel and around the world. The Company's share is included in the Tel Aviv 125 Index. The Company's CEO is Mr. Adi Eyal.

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