

May 24, 2020

Press ReleaseOne1 Technologies:

The company concluded the first quarter of 2020 with growth of approximately 7.3% in net profit, to approximately NIS 20.6 million

Revenue in the quarter increased to approximately NIS 431.6 million; Operating profit increased by approximately 15%, to approximately NIS 30.8 million

Adi Eyal, CEO of One1 Technologies Group: “We are proud to open the first quarter of 2020 with growth and improvement in all major business metrics (turnover, operating profit and net profit) – further to processes we have been implementing in the group to connect and merge existing operations in order to increase business efficiency, while continuing to focus on growing our business. During the quarter, we were able to address the beginning of the coronavirus crisis, which affected the Company’s business environment, and we estimate that, had the crisis not occurred beginning in March, we would have presented even stronger results. We are continuing to expand our activity into new segments and operations, including our acquisition last month of the e-commerce platform mySupermarket Israel, with the aim of significantly expanding our activity in the segment of technological solutions for the retail world.”

One Technologies Ltd., one of the leading IT companies in Israel, published its financial results for the first quarter of 2020.

Main results in the first quarter of 2020:

Revenues in the quarter grew by 3.2% to NIS 431.6 million, as compared with NIS 418.2 million in the corresponding quarter last year.

Presented below is the distribution of revenue by operating segments:

- **Revenues in the software and added value solutions segment** in the quarter grew by approximately 10.6%, to approximately NIS 253.7 million, as compared with NIS 229.5 million in the corresponding quarter last year.
- **Revenues in the infrastructure segment** in the quarter amounted to NIS 182.2 million, as compared with NIS 193.1 million in the corresponding quarter last year. The slight decrease was due to delays in delivery as a result of the coronavirus crisis.

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Operating profit in the first quarter increased by 8.6% to approximately NIS 73.5 million (17% of revenue), as compared with NIS 67.6 million (16.2% of revenue) in the corresponding quarter last year. The increase was mostly due to the growth in the Company's scope of activity.

Operating profit in the quarter increased by 15% to NIS 30.8 million, as compared with NIS 26.9 million in the corresponding quarter last year. The increase in operating profit was mostly due to the growth in the scope of activity in the software segment, the mix of added value transactions, higher profitability in the infrastructure segment, and the initial consolidation of companies.

The operating profit ratio (after neutralizing other income) in the quarter increased to 7.1%, as compared with 6.4% in the corresponding quarter last year. The improvement in the operating profit ratio was attributable to all of the Company's operating segments.

Presented below is the distribution of operating profit:

- **Operating profit in the software and value added solutions segment** in the quarter increased by approximately 12.9%, to approximately NIS 22.3 million, as compared with operating profit of approximately NIS 19.7 million in the corresponding quarter last year.
- **Operating profit in the infrastructure segment** in the quarter increased by 11.9%, to approximately NIS 11.4 million, as compared with NIS 10.2 million in the corresponding quarter last year. The increase was due to the change in the mix of business operations, with an emphasis on added value operations and higher profitability.

Net profit in the first quarter increased by 7.3% to NIS 20.6 million (of which, approximately NIS 18.6 million was attributable to shareholders), as compared with NIS 19.2 million (of which, approximately NIS 18.2 million attributable to shareholders) in the corresponding quarter last year.

EBITDA in the quarter increased by 24.3%, to NIS 44.1 million, as compared with NIS 35.5 million in the corresponding quarter last year. The increase in EBITDA was due to the increase in operating profit.

Balance sheet figures as of March 31, 2020:

The scope of cash and cash equivalents amounted to NIS 189.5 million. **Net financial debt** decreased to NIS 63.2 million.

The Company's equity increased to NIS 350.5 million, as compared with NIS 326.7 million at the end of 2019. The increase in equity was due to the aforementioned growth in the Company's profits.



Cash flows from operating activities as of March 31, 2020 increased to approximately NIS 72.8 million, as compared with approximately NIS 24.4 million in the corresponding quarter last year, mostly due to the increased emphasis on addressing the balance of trade receivables.

Despite the strong results, the Company's Board of Directors resolved, as a responsible and cautious measure, to suspend this quarter as well the dividend distribution with respect to the profits of Q1 2020, in light of the uncertainty regarding the continued development and scope of the coronavirus outbreak.

Major events during and after the reporting period:

In April 2020, the Company announced the acquisition of the e-commerce site mySupermarket Israel. The acquisition forms a part of the strategic process of expanding the Company's technological solutions into the retail segment.

In February 2020, the Company announced a series of new appointments in management: Shaly Cohen was appointed as the Company's CEO New Automation; Ori Enoch was appointed as the Company's CFO; Shalom Dayan was appointed as the Infrastructure Division Manager; Adi Shein was appointed as the VP Strategic Accounts Sales Manager; Sasi Shilo was appointed as the VP Business Development for the Public Sector; And Yaela Bash was appointed as the CFO of the group's software segment.

One1 Software Technologies is one of Israel's leading IT companies. The company provides IT solutions to thousands of customers in various market sectors. The Company employs around 4,000 professional employees in Israel and around the world. The Company's stock is included on the Tel Aviv 125 Index. The Company's CEO is Mr. Adi Eyal.

For details: Amir Eisenberg 0528-260285; Shy Eliash 0522-546635; Yossi Fink 052-4888857; Lee Shein 052-7512226; Yoav Naimi 054-6300933; Office: 03-7538828