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Press Release

One1 Technologies Group concludes a record year:

Revenues in 2020 grew by around 17%, to around NIS 1.89 billion;

Net profit – crossed the NIS 100 million threshold

Record results in the fourth quarter as well: revenue grew by around 41%,
to around NIS 588 million, while net profit grew by around 48%, to NIS 34.5
million

The results do not include Teldor Ltd., the acquisition of which, in
consideration of around NIS 250 million, was completed last month

Adi Eyal, CEO of One1 Technologies Group: “We are proud to conclude 2020 and the fourth quarter of the year with record results, despite the extraordinary challenges imposed on us, and on the entire economy, by the coronavirus pandemic. We are pleased to report that we were able to optimally adjust our operations to the changing needs of our customers and of the business environment, as reflected in the financial results.

In the last year, we expanded our cloud computing operation and boosted One1 Group’s position in the advanced software industry, while also growing our other operations. Recently we completed one of the most significant strategic processes in the history of One1: our acquisition of Teldor Ltd., a company that complements us on many levels, and which allows us, among other advantages, to enter the BPO and telecommunication segments, while making One1 the second largest IT group in the Israeli market. We are currently working intensively on integrating Teldor into One1, and believe that the acquisition will support the continued implementation of One1’s accelerated business growth strategy, and the expansion of the array of solutions offered to our diverse customers.”



One1 Technologies Ltd. published this morning its full financial results for 2020, which show that 2020 was a record year for the company, as was the fourth quarter of 2020 - which was the company's strongest quarter on record.

One1, which last month published a preliminary report including the main financial results, as part of the adoption of the "preliminary reporting" policy for the publication of its annual business results, reports a double digit increase in revenue, an improvement in operating profitability, and significant growth in profit.

It is noted that the results for 2020 do not include the results of Teldor Ltd., the acquisition of which was completed in February 2021.

Main results in 2020:

Revenues in 2020 grew by around 17%, to around NIS 1.89 billion, as compared with around NIS 1.61 billion in 2019. The growth in revenue was due both to organic growth and to the initial consolidation of companies in the segment of installing and implementing cloud computing services in Microsoft environments. Presented below is the segmentation of revenues by operating segments:

- **Revenues in the software solutions and services, consulting, management, and value added services segment** in 2020 grew by around 16%, to around NIS 1.07 billion, as compared with around NIS 926 million in 2019.
- **Revenues in the infrastructure and IT solutions segment** in 2020 grew by around 19%, to around NIS 815 million, as compared with around NIS 682 million in 2019. The high rate of growth of revenue in the IT infrastructure solutions segment was due to the increase in demand among many organizations which adopted the hybrid model due to the coronavirus pandemic, and also due to the change in the mix of products.

Gross profit in 2020 increased by around 13%, to around NIS 317 million, as compared with around NIS 280 million in 2019.

Operating profit in 2020 increased by around 24%, to around NIS 145 million, as compared with around NIS 117 million in 2019. The increase in operating profit was due to the aforementioned growth in gross profit, the growth in the software segment, which features greater profitability, the mix of added value transactions, and higher profitability in the

infrastructure segment. Presented below is the segmentation of operating profit by operating segments:

- **Operating profit in the software solutions and services, consulting, management, and value added services segment** in 2020 by around 13% to around NIS 99 million (around 9.3% of revenue), as compared with around NIS 88 million (around 9.5% of revenue) in 2019.
- **Operating profit in the infrastructure and IT solutions segment** in 2020 increased by around 45% to around NIS 59 million (around 7.2% of revenue), as compared with around NIS 40 million (around 5.9% of revenue) in 2019.

One1's **operating profit ratio** in 2020 increased to around 7.7% of revenue, as compared with around 7.3% in 2019.

EBITDA in 2020 increased by around 23% to around NIS 206 million, as compared with around NIS 167 million in 2019.

Net profit after neutralizing other revenues in 2020 increased by around 28%, to around NIS 101 million (NIS 93.7 million attributable to shareholders), as compared with around 79 million (NIS 74.4 million attributable to shareholders) in 2019.

Net cash flows from operating activities in 2020 increased to around NIS 251 million, as compared with around NIS 83 million in 2019, and was most positively affected by the aforementioned growth in profit, and changes in working capital.

Main results in the fourth quarter of 2020:

Revenues in the quarter grew by around 41% to around NIS 588 million, as compared with around NIS 416 million in the corresponding quarter of 2019. The growth in revenue was due, as stated above, to organic growth and to the initial consolidation of acquired companies. Presented below is the segmentation of revenue by operating segments:

- **Revenues in the software solutions and services, consulting, management, and value added services segment** in the quarter grew by around 30% to around NIS 311 million, as compared with around NIS 239 million in the corresponding quarter of 2019.
- **Revenues in the infrastructure and IT solutions segment** in the quarter grew by around 56%, to around NIS 277 million, as compared with around NIS 177 million in the corresponding quarter of 2019.

Gross profit in the fourth quarter of 2020 increased by around 28%, to around NIS 97 million, as compared with around NIS 76 million in the corresponding quarter of 2019.

Operating profit in the quarter increased by around 42% to around NIS 47 million, as compared with around NIS 33 million in the corresponding quarter of 2019. Presented below is the segmentation of operating profit by operating segments:

- **Operating profit in the software solutions and services, consulting, management, and value added services segment** in the quarter grew by around 21% to around NIS 29 million (around 9.2% of revenue), as compared with around NIS 24 million (around 9.9% of revenue) in the corresponding quarter of 2019.
- **Operating profit in the infrastructure and IT solutions segment** in the quarter doubled to around NIS 23 million (around 8.2% of revenue), as compared with around NIS 12 million (around 6.5% of revenue) in the corresponding quarter of 2019.

The operating profit ratio in the quarter amounted to around 8.0%, similarly to the corresponding quarter in 2019.

EBITDA in the quarter increased by around 39% to around NIS 64 million, as compared with around NIS 46 million in the corresponding quarter of 2019.

Net profit in the quarter grew by around 48% to around NIS 34.5 million (around NIS 32.1 million attributable to shareholders), as compared with around NIS 23.2 million (around NIS 21.4 million attributable to shareholders) in the corresponding quarter of 2019. The significant increase in net profit was due, as stated above, to the significant growth in the scope of activity.

Net cash flows from operating activities in the quarter increased threefold to around NIS 86 million, as compared with around NIS 30 million in the corresponding quarter of 2019.

Balance sheet figures as of December 31, 2020:

As of the end of 2020, the company has **cash and cash equivalents** in the amount of around NIS 296 million, and gross financial debt in the amount of around NIS 184 million. Accordingly, the company has a **net surplus of financial assets** in the amount of around NIS 112 million.

As of the end of 2020, the company's **equity** increased to around NIS 509 million, as compared with around NIS 327 million at the end of 2019, representing around 36.6% of the total balance sheet. The increase in equity was mostly due to the aforementioned increase in net profit, and



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a private allocation of shares last November, in a net total of around NIS 124 million. All of the above was after being partially offset by a dividend distribution in the amount of around NIS 41 million in 2020.



Additional business events:

In parallel with the approval of the reports, the company's board of directors announced a **dividend distribution** to shareholders in the amount of around NIS 21.2 million.

In February 2021, the transaction involving the acquisition of the entire share capital of Teldor Ltd. was completed, by way of a reverse triangular merger, in consideration of NIS 250 million, in cash. Following the completion of the merger, One1 Group employs around 6,500 employees, making it one of the two largest leading entities in the sector of information technology services, software and infrastructure solutions in Israel. Teldor concluded the first nine months of 2020 with revenue of around NIS 592 million, reflecting an annual revenue rate of around NIS 750 million.

In February 2021, the company entered into an agreement with a banking corporation for the acceptance of a loan in a total amount of around NIS 125 million, bearing fixed annual interest of around 2%, without collateral, and with a final maturity date at the end of February 2029. The consideration in the loan was intended to finance the consideration for the acquisition of Teldor shares, along with the share issuance which the company performed in November of last year (2020).

In November 2020, the company completed a private allocation of its shares, and raised around NIS 125 million, for the allocation of around 4.9% of the company's capital to institutional investors, at a price per share of around NIS 358.5.

In September 2020, One1 Technologies Group signed an agreement with the Ministry of Education to provide around 60 thousand laptop computers, in consideration of around NIS 90 million.

One1 Software Technologies is one of the leading IT companies. The company provides IT solutions to thousands of customers in various market sectors. The company employs around 6,500 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.

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