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One Technologies concludes the third quarter of 2023 with continued growth and organic increases in all operating segments

Third quarter revenues grew by 13% to NIS 898 million; net profits increased by 9% to NIS 47 million.

Concurrently, the Company is providing information on the impact of Operation Iron Swords on its activity.

Adi Eyal, CEO of One Technologies: “In light of the Iron Swords war, the One Group commiserates with the bereaved families, and prays along with the rest of Israel for the fast return of the hostages. Unfortunately, we at One have been directly impacted by events, with 3 of those fallen in battle being children of our employees. Alongside this, 37 of our employees reside in the Gaza Envelope and 500 Group employees are currently actively serving in the reserves. We are working to help and support them and their families, and at the same time are doing whatever we can to keep the Company fully functional, as much as possible.

Regarding the third quarter results, we conclude it with consistent growth in revenues with organic increases in all operating segments, maximizing synergy inside the group as well as improving net profits. Among other things, we have presented a great deal of growth particularly in the field of cloud activity, in public sector projects particularly in the field of infrastructure, and in salesforce-based digital solutions for overseas customers. We will continue acting for the Company’s growth, while examining mergers and acquisitions that will allow us to offer a new and up-to-date basket of solutions for our customers, and help the Israeli economy as much as possible to operate as usual.”

This morning, **One Technologies** published its monetary results of the third quarter of 2023, which show an additional quarter with significant growth in revenues and profits, alongside continued improvements in financial fortitude. The Company is also making updates on the impact of the Iron Swords war, which broke out soon after the balance sheet date, on the Company’s activity.

Over the course of the war some 500 Company employees were called up for active IDF reserve duty (some 8% of the Israeli workforce), and the Company is preparing to assist and support the soldiers and their families. Concurrently, the task of Company Management, as part of its contribution in the economic front, is to operate as close to full levels of functionality as possible. In the longer term, the war may harm the Israeli economy – which may have implications on business activity as well, including on the Company's activity. At the same time, the Company has a number of advantages that may moderate negative influences, including a high rate of revenues deriving from the government and public sector, technological solutions and services with increased demand during wartime, engaging in core activities, diversifying activities, alongside negligible leveraging. At this stage and assuming that the current situation will continue until the end of the year, the Company expects there to be non-material negative impacts on its activity.

Key results in the third quarter of 2023:

Revenues in the third quarter of 2023 grew by 13% to NIS 898 million, compared to NIS 792.3 million in the corresponding quarter last year. The Company presented organic growth in all of its operating segments in the quarter. The following is the division into operating segments:

- **Revenues from the software segment** increased by 21% in the quarter to NIS 521 million, compared to NIS 432 million in the corresponding quarter last year.
- **Revenues from the IT and communications infrastructure segment** increased by 4% in the quarter to NIS 297 million, compared to NIS 285 million in the corresponding quarter last year.
- **Revenues from the business process outsourcing and technological support centers segment** in the quarter increased by 3% to NIS 84 million, compared to NIS 81 million in the corresponding quarter last year.

Gross profit in the third quarter of 2023 increased by 5% to NIS 132 million, compared to NIS 126 million in the corresponding quarter last year, with the drop in gross profit rates deriving from strong growth in market segments with low gross profitability.

Operating profit in the third quarter of 2023 increased by 8% to a quarterly peak of NIS 65 million (7.2% of revenues), compared to NIS 60 million (7.6% of revenues) in the corresponding quarter last year. The increase in operating profit derived, as noted from the increase in the Company's levels of activity, particularly in the software field. The following is operating profit divided by operating segments:

- **Operating profits from the software segment** in the quarter increased by 13% to NIS 43 million, compared to NIS 38 million in the corresponding quarter last year.
- **Operating profits from the IT and communications infrastructure segment** in this quarter increased by 5% to NIS 21 million, compared to NIS 20 million in the corresponding quarter last year.
- **Operating profits from the outsourcing business processes and technological support centers segment** amounted to NIS 6 million, similar to the corresponding quarter last year.

The EBITDA in the third quarter of 2023 grew by 7% to NIS 93 million, compared to NIS 87 million in the corresponding quarter last year.

Net profit in the third quarter of 2023 increased by 9% to NIS 47 million (NIS 44 million attributed to shareholders), compared to NIS 43 million (NIS 41 million attributed to shareholders) in the corresponding quarter last year. The increase in profits derives, as noted, from the growth in activities, alongside a drop in operating expenses.

Key results of the first nine months of 2023:

Revenues in the first nine months of 2023 grew by some 14% to NIS 2.7 billion, compared to NIS 2.36 billion in the corresponding period last year. The Company presented organic growth in the period in all of its areas of activity, and in particular in the field of software services.

Gross profit in the first nine months of 2023 increased by some 10% to NIS 408 million, compared to NIS 370 million in the corresponding period last year.

Operating profit in the first nine months of 2023 increased by some 11% to NIS 194 million (7.2% of revenues), compared to NIS 174 million (7.4% of revenues) in the corresponding period last year.

The EBITDA in the first nine months of 2023 increased by some 7% to NIS 274 million, compared to NIS 256 million in the corresponding period last year.

Net profit in the first nine months of 2023 increased by 11.5% to NIS 140 million (NIS 134 million attributed to shareholders), compared to NIS 125 million (NIS 119 million attributed to shareholders) in the corresponding period last year. The increase in profit mainly derived from growth in all areas of activity.



The cash flow from ongoing activity in the first nine months of 2023 increased by some 14.6% to NIS 220 million, compared to NIS 192 million in the corresponding period last year, as a result of the increase in net profit and from working capital items.

Data from the September 30 2023 Balance Sheets:

The Company's equity amounted to NIS 667 million and constitutes 33.8% of the balance sheet total. The Company has a strong balance sheet structure expressed by negligible leveraging and a **net capital surplus** of NIS 30 million.

Alongside publication of the Statements, the Company Board of Directors declared that it would be distributing dividends to the sum of NIS 29 million, following additional distributions to the cumulative sum of NIS 87 million from the beginning of the year, in accordance with the dividend distribution policy according to which the Company would distribute dividends to its shareholders at a rate of 66% of the quarterly net profits.

One Software Technologies is the second-largest IT company in the Israeli market. The company provides a variety of technological IT solutions to thousands of customers in various sectors of the economy. The Company has some 6,500 employees. The Company's share is included on the Tel Aviv 125 Index. The company's CEO and controlling shareholder is Mr. Adi Eyal.

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