

May 16, 2024

HIPER Global reports strong results for the first quarter of 2024 with a record income.

Revenues in the first quarter grew by 14.5% and amounted to \$ 85.8 million compared to \$ 75 million in the corresponding quarter last year.

Gross profit in the quarter grew by 8.9% compared to last year and amounted to \$ 13.8 million (approximately 16.1% of the revenues).

Operating profit in the quarter grew by 36.7% compared to last year and amounted to \$ 7.8 million (9.1% of the revenues).

EBITDA in the quarter grew by 24.9% compared to last year and amounted to \$ 8.9 million.

Net income in the quarter grew by 45.2% compared to last year and amounted to a record income of \$ 5 million.

The Company declares a dividend distribution of approximately \$ 1.5 million.

This quarter included, among other things, transactions to supply computer systems for the AI field in both operating segments.

Shahaf Shrager, CEO of HIPER Global, said: "We are pleased with the strong results and the record income recorded this quarter, which included, among other things, additional transactions to supply computing systems for the AI field that we implemented in our operating segments in Israel and abroad. We still believe that in the future we will see signs of a return to growth in other industries, including the chip industry, which is identified with our main customers, considering the global investments that countries are making in establishing chip manufacturing plants, especially considering the desire of Western countries to transfer chip manufacturing back to their territory. In addition, we continue to see various opportunities in the AI field and believe that the Company is in a place where it can provide value to its customers to implement innovative solutions in this field worldwide."

Highlights of the results for the first quarter of 2024

The Company's revenue from sales and services in the quarter increased by approximately 14.5% and amounted to approximately \$ 85.8 million, compared to approximately \$ 75 million in the corresponding quarter last year. The increase in revenues is mainly due to an increase in both operating segments in transactions for the supply of computer systems for the AI field. Revenues from the Israel operating segment grew by approximately 7.8% compared to last year and amounted to approximately \$ 50.6 million in the quarter, compared to approximately \$ 46.9 million in the corresponding quarter last year. Revenues from the international operating segment grew by approximately 28.9% compared to last year and amounted to approximately \$ 36.9 million in the quarter, compared to approximately \$ 28.6 million in the corresponding quarter last year.

Gross profit in the quarter grew by 8.9% and amounted to approximately \$ 13.8 million (approximately 16.1% of the revenues) compared to approximately \$ 12.7 million (approximately 16.9% of the revenues) in the corresponding quarter last year. The increase in gross profit is due to the increase in revenue turnover, which is partially offset by a change in the revenue mix and their profitability rate.

Selling, administrative and general expenses in the quarter amounted to approximately \$ 6 million, compared to approximately \$ 7 million in the corresponding quarter last year. The main decrease in expenses stems from a decrease in intangible asset amortization expenses and from the effect of the devaluation in the NIS/dollar exchange rate on NIS costs (mainly wages) in operations in Israel.

Operating profit in the quarter increased by approximately 36.7% and amounted to approximately \$ 7.8 million (9.1% of the revenues) compared to approximately \$ 5.7 million (7.6% of the revenues) in the corresponding quarter last year. **The operating profit of the Israel operating segment grew by approximately 33.5%** compared to last year and amounted to approximately \$ 4.7 million in the quarter compared to approximately \$ 3.5 million in the corresponding quarter last year. **The operating profit of the international operating segment grew by 41.9%** compared to last year and amounted to approximately \$ 3.1 million in the quarter compared to approximately \$ 2.2 million in the corresponding quarter last year.

Financial expenses, net in the quarter amounted to approximately \$ 0.8 million compared to financial expenses, net of approximately \$ 0.7 million last year. The increase in financial expenses, net is mainly due to an increase in financial expenses due to revaluation of a liability for put option to minority, which was partially offset by a decrease in interest costs (net) for loans and deposits.

Net income in the quarter increased by approximately 45.2% and amounted to a record income of approximately \$ 5 million compared to approximately \$ 3.5 million in the corresponding quarter last year.

EBITDA in the quarter increased by approximately 24.9% and amounted to approximately \$ 8.9 million compared to approximately \$ 7.1 million in the corresponding quarter last year.

About the Company:

The Company is engaged in providing computing solutions to technology companies that develop products, allowing them to turn the customer's idea into a tangible product and consults them from the planning stage to reaching the market on time. The Company operates in Israel, England and the USA and provides its customers with global solutions. The activity in this field includes joint work with the customers' development bodies and adapting complex technological solutions according to their needs. In subsequent stages, the Company manufactures and supplies the systems it has designed in global deployment and in accordance with the business needs of its customers.

For additional details:

Jonathan Raz

Investor Relations Ltd.

Tel: 03-5167620

jonathan@km-ir.co.il

www.km-ir.co.il