

August 17, 2022

HIPER Global is reporting strong results in the first half and in the second quarter of 2022.

HIPER Global is reporting a 32.6% increase in revenues in the first half of 2022, totaling approximately \$ 132.7 million (of which approximately \$ 71 million was from the second quarter) compared to approximately \$ 100.1 million in the corresponding half last year.

Gross profit in the half amounted to approximately \$ 21 million (approximately 15.9% of the revenues), an increase of approximately 38% compared to last year. In the second quarter, gross profit amounted to approximately \$ 11.7 million (approximately 16.6% of the revenues)

A 49% increase in operating profit in the half, which amounted to approximately \$ 9.2 million (6.9% of the revenues), compared to \$ 6.2 million last year. Operating profit in the second quarter amounted to approximately \$ 5.6 million (approximately 8% of the revenues)

Net income in the half amounted to approximately \$ 7.5 million, an increase of approximately 75.5% compared to last year.

Shahaf Shrager, CEO of HIPER Global, said: "We continue the positive trend recorded in the first quarter also in the second quarter, and even more so, concluding a strong half, while showing significant growth in all operational parameters. This growth is a result of the Company's strategy to leverage the extensive technological knowledge accumulated in Israel into acquired activities and enable our customers to deploy globally across our many sites. Looking ahead, we will continue to focus on improving existing activities and examining additional synergistic acquisitions, as we did in the second quarter, with an emphasis on international markets which are regarded by the Company as a primary growth engine."

Yoav Weinberg, co-chairman of the board of directors in HIPER Global said: "We conclude the first half and the current quarter with excellent results that reflect the positive momentum and organic growth in the Company's operations, despite operating in a complex macro environment and competitive market. We will continue to work for the Company's growth both through the improvement of existing activities and through the acquisition of additional activities, mainly abroad, that integrate with the Company's operations."

Highlights of the results for the first half of 2022

The description of the Company and its businesses in pro forma data is made in relation to the Company, as if the transfer of the segment's activities to the Company had already been completed in the periods presented, although the transfer of the activities was only carried out upon completion of the split (on March 8, 2022). The data is based on pro forma Carve-out consolidated financial statements prepared to reflect the results of the segment's activities.

The Company's revenues from sales and services in the half amounted to approximately \$132.7 million, compared to approximately \$100.1 million in the corresponding half last year, an increase of approximately 32.6%, which stems from the addition of new customers, organic growth in the domestic and international operating segments, as well as expansion into new products among existing customers.

Gross profit in the half amounted to approximately \$21 million (approximately 15.9% of the revenues) compared to approximately \$15.2 million (approximately 15.2% of the revenues) in the corresponding half last year. An increase of approximately 38%, which results from the increase in revenue turnovers alongside improved profitability rates from the mix of transactions.

Selling, administrative and general expenses in the half amounted to approximately \$11.8 million, compared to approximately \$9.1 million in the corresponding half last year. The increase is mainly attributed to an increase in salary and sales commission expense component from an increase in sales volumes and the expansion of the sales teams. In addition, expenses were recorded during the half in connection with the Company's IPO process and marketing activities for its new branding.

Operating profit in the half amounted to approximately \$9.2 million (approximately 6.9% of the revenues) compared to approximately \$6.2 million (approximately 6.1% of the revenues) in the corresponding half last year, an increase of approximately 49%, mainly due to the improvement in gross profit, which was partially offset by an increase in selling and administrative expenses.

Financial income, net in the half amounted to approximately \$0.9 million compared to financial expenses, net, of approximately \$0.5 million in the corresponding half last year. The change mainly stems from revenues from exchange rate differences.

Net income in the half amounted to approximately \$7.5 million compared to approximately \$4.3 million in the corresponding half of last year. An increase of approximately 75.5%.

EBITDA in the half amounted to approximately \$11.3 million compared to approximately \$7.9 million in the corresponding half last year, an increase of approximately 43%.

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