

November 18, 2025

HIPER Global reports the results of the third quarter of 2025

Revenues in the third quarter amounted to approximately \$66.3 million compared to approximately \$62.4 million in the corresponding quarter, an increase of 6.2%.

Gross profit in the quarter amounted to \$10.7 million compared to \$11.5 million in the corresponding quarter (representing approximately 16.2% of the revenues compared to approximately 18.5% in the corresponding quarter). It was affected by a slowdown and delays in receiving orders for project implementation in the US defence sector, and by an increase in NIS costs due to revaluation of the NIS/Dollar exchange rate.

Operating profit in the quarter amounted to approximately \$4.7 million compared to approximately \$5.7 million in the corresponding quarter (approximately 7.1% of revenues compared to 9.1% in the corresponding quarter).

Net income in the quarter amounted to approximately \$3.3 million compared to approximately \$3.8 million last year. The Company declares a dividend of approximately \$1.4 million.

In October, the Company reported winning a follow-up tender and receiving a first binding order of approximately \$11 million from a large existing US customer for a new generation of its products.

The Company reported this week that it received new orders from an existing customer in Israel totaling approximately \$24 million to provide computing solutions for AI projects.

Shahaf Shrager, CEO of HIPER Global, said: “The results in this quarter were affected on the one hand by a good growth in revenues in Israel in various sectors, with an emphasis on high demands in the defense sector in Israel, and on the other hand, a decrease in revenues from the US, which results mainly from a slowdown and delays in receiving orders for the implementation of projects in the US defense sector. Other than the slowdown in the US, our operating and gross profitability were affected in the quarter by an exceptional increase in NIS operating costs in the Israel segment as a result of the continued impact of the revaluation of the NIS/dollar exchange rate that occurred in the third quarter of 2025.”

“We recently reported winning a follow-up tender and receiving a first binding order of approximately \$11 million from a large existing customer in the US to supply computing systems for a new generation of its products, with our estimate that follow-up orders are expected to be received in estimated volumes of tens of millions of dollars per year. In addition, this week we reported receiving new orders from an existing customer in the Israel segment to supply computing solutions for AI projects, totaling approximately \$24 million, which is significantly higher than the representative order rate for these lines of activity in recent years. This agreement included for the first time orders totaling approximately \$10 million for a new product line that the Company won, for which supplies will begin in the coming year.”

“In light of the latest business developments in the various sectors, we are optimistic in our general outlook for 2026. We continue to invest in identifying and analyzing opportunities for expansion through acquisitions and mergers in territories outside of Israel, with a special focus on the defense sector.”

Highlights of the results for the third quarter of 2025

The Company's revenues in the quarter increased by 6% to approximately \$66.3 million, compared to approximately \$62.4 million in the corresponding quarter last year. The increase is due to a rise in revenues from the Israeli segment, with an emphasis on activity in the defense sector in Israel.

Revenues from the Israel operating segment increased by 15.3% to approximately \$40.1 million in the quarter, compared to approximately \$35.5 million in the corresponding quarter last year. The increase in segment revenues was due to organic growth in the activity of existing and new customers in various sectors, including an increase in the volume of orders and activity in the defense sector.

Revenues from the US operating segment amounted to approximately \$21.2 million, compared to approximately \$22.1 million in the corresponding quarter last year. The decrease in revenues stems from the continued slowdown and delays in receiving orders for the implementation of projects in the US defense sector, as a result of changes made in federal offices after the new administration took office at the beginning of the year. The decrease in this sector was offset by a significant increase in activity with customers in other sectors.

Revenues from the Europe (Other) operating segment grew approximately 3.8% to approximately \$6.2 million in the quarter, compared to approximately \$5.9 million in the corresponding quarter last year.

Gross profit in the quarter amounted to approximately \$10.7 million (approximately 16.2% of the revenues) compared to approximately \$11.5 million (approximately 18.5% of the revenues) in the corresponding quarter last year. The decrease in gross profit was affected by a slowdown and delays in receiving orders for the implementation of projects in the US defense sector and by an increase in costs in the Israel segment due to the impact of the revaluation of the NIS/dollar exchange rate.

Selling, administrative and general expenses in the quarter amounted to approximately \$6 million, compared to approximately \$5.8 million in the corresponding quarter last year.

Operating profit in the quarter amounted to approximately \$4.7 million (approximately 7.1% of the revenues) compared to approximately \$5.7 million (approximately 9.1% of the revenues) in the corresponding quarter last year.

Operating profit of the Israel operating segment amounted to approximately \$3.1 million in the quarter, compared to approximately \$3.6 million in the corresponding quarter last year. The decrease in operating profit was due to an increase in NIS costs in the Israel segment, estimated at approximately \$325,000, resulting from the revaluation of the NIS/dollar exchange rate in the third quarter of 2025.

Operating profit of the US operating segment amounted to approximately \$1.4 million in the quarter, compared to \$1.8 million in the corresponding quarter last year. The decrease in profit was driven by lower segment revenue, as well as higher rental and depreciation expenses resulting from the expansion of the areas and production and operating sites in which the Company invested to enable advanced infrastructure to support future growth in the scope of activity.

Operating profit of the Europe (Other) operating segment amounted to approximately \$0.2 million in the quarter, compared to a loss of \$0.3 million in the corresponding quarter last year.

EBITDA in the quarter amounted to \$6.1 million compared to \$6.9 million in the corresponding quarter last year.

Net income in the quarter amounted to approximately \$3.3 million compared to approximately \$3.8 million in the corresponding quarter last year.

About the Company:

The Company provides computing solutions to technology companies that develop products. The Company consults on and implements the process of turning the customer's idea into a tangible product, from planning through market launch on time. The Company operates in Israel and the world (through subsidiaries in England and the USA) and provides its customers with global solutions. The activity in this field includes joint work with customers' development teams and the adaptation of complex technological solutions to their needs. In subsequent stages, the Company manufactures and supplies the systems it has designed for global deployment, in accordance with its customers' business needs.

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