SENVEST

ANNUAL REPORT

2023

Financial Highlights

SELECTED FINANCIAL DATA

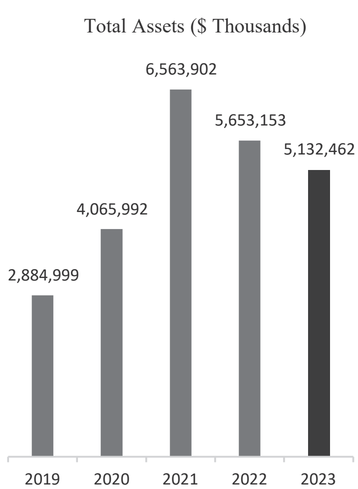
(In thousands, except per share amounts)
(years ended December 31)

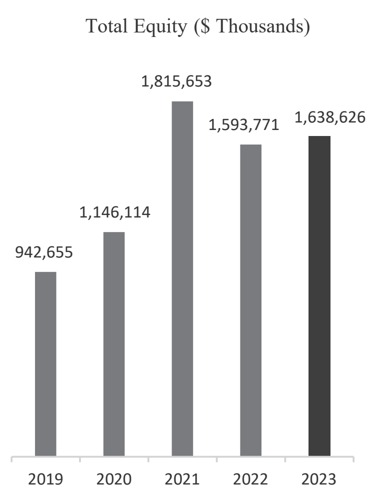
	2023	2022	2021	2020	2019
	$	**$**	**$**	**$**	**$**
SUMMARY OF OPERATIONS					
Total revenues and investment gains (loss)	432,303	(730,345)	2,482,176	739,405	426,150
Net income (loss) attributable to common shareholders	83,608	(326,083)	732,988	211,717	104,794
Diluted earnings (loss) per share	33.78	(130.98)	289.32	80.66	39.16
FINANCIAL DATA					
Total assets	5,132,462	5,653,153	6,563,902	4,065,992	2,884,999
Total equity	1,638,626	1,593,771	1,815,653	1,146,114	942,655

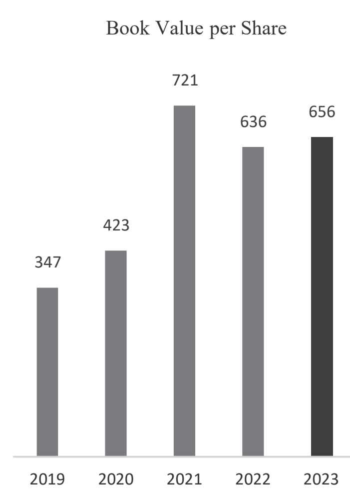
COMMON STOCK INFORMATION

The company's common shares are listed on the Toronto Stock Exchange under the symbol SEC.

	2023		2022	
	$		$	
FISCAL QUARTER	High	Low	High	Low
First	344.10	321.00	415.00	361.00
Second	319.67	300.00	404.00	340.00
Third	327.51	310.00	362.08	306.25
Fourth	310.00	280.00	344.99	279.00







OVERALL PERFORMANCE

Senvest Capital ("Senvest" or the "Company") recorded net income attributable to common shareholders of $83.6 million or $33.78 per basic and diluted common share for the year ended December 31, 2023. This compares to a net loss attributable to common shareholders of ($326.1) million or ($130.98) per basic and diluted common share for the year ended December 31, 2022. For the current year, the US dollar weakened against the Canadian dollar and the result was a currency translation loss of about $37.4 million. This amount is not reported in the Company's statement of income rather it's reflected in its statement of comprehensive income. As a result, the comprehensive income attributable to common shareholders was $46.7 million for the year.

The Company's income from equity investments was the biggest contributor to the results. The net change in fair value of equity investments and other holdings including securities sold short and derivative liabilities totaled $307.7 million in the year versus ($810.0) million in 2022. Most of the Company's equity investments are held by two funds, Senvest Master Fund, L.P. and Senvest Technology Partners Master Fund, L.P., which are consolidated into the accounts of the Company. A more detailed discussion on net change in fair value of equity investments can be found in the year end investment letters for each of the two funds which are disclosed near the end of this letter.

On a consolidated basis across the different funds, the largest holdings as at December 31, 2023 were Paramount Resources (POU), QuidelOrtho (QDEL), Tower semiconductors (TSEM), Boston Properties Inc (BXP), Kilroy Realty Corp (KRC) and Marriot Vacations (VAC).

The Senvest Master Fund (Senvest Partners Fund) is focused primarily on small and mid-cap companies. The fund recorded a return of 6.6% net of fees in the fourth quarter and 4.9% for the year. With most of the long portfolio invested in small and mid-cap stocks, the fund underperformed its most relevant benchmark, the Russell 2000 for the fourth quarter and for the year. The fund also underperformed the S&P 500 index both for the fourth quarter and for the year but does not consider this index as a benchmark. The fund has issued an institutional share class which requires a minimum investment of $75 million US, and includes a longer duration element, which further enhances the stability of its capital base and its ability to make long-term investments to help generate returns for the benefit of all of our partners. Senvest's internal capital is subject to the same liquidity provisions of the institutional share class.

The Senvest Technology Partners Fund was initiated in 2003 to focus on investing in Israel related companies. In 2019, the Fund broadened its geographic investment mandate to focus on global technology investments. After investing in Israel-related technology for 15 years, its holdings extended across the global technology universe. The Technology Fund maintained the same investment philosophy and continued to leverage the existing diligence and understanding of global technology and end markets. This fund recorded a return of 10.2% net of fees for the fourth quarter and up 15.3% year (monthly results of the two funds can be found on the Company's website). As stated above both funds are consolidated into the accounts of the Company.

The Company has a portfolio of real estate investments as at December 31, 2023. One part of this amount represents investments in different US real estate income trusts (REITs) and partnerships. These REITs and partnerships are not publicly traded and there is no established market for them.

The most likely scenario for a disposal of these holdings is an eventual sale of the underlying real estate properties of the REITs and partnerships and the distribution to its holders. Also, there are minority interests in private entities whose main assets are real estate properties. As described above for the REITs and partnerships, the most likely scenario for a disposal of these holdings is an eventual sale of the underlying real estate properties.

The Company also has investment properties in lands and buildings, specifically self-storage units in Madrid, Spain. Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are remeasured at fair value, using the fair value model. The fair value is based on external valuations from third party valuators. Gains or losses arising from changes in fair value of investment properties are included in the Company's net income or loss. The Company has seven self-storage units in operation and another four units are at various degrees of construction.

The Company consolidates the Senvest Management LLC (SML) entity that serves as the investment manager of Senvest Partners and Senvest Technology Partners as well as the general partners of the funds. The portion of the expected residual returns of structured entities that do not belong to the Company is reflected as a non-controlling interest on the statement of financial position. This non-controlling interest is owned by an executive of the Corporation. This non-controlling interest was $17.8 million as at December 31, 2023 from $17.5 million as at December 31, 2022.

At the end of December 31, 2023, Senvest had total consolidated assets of $5,132.5 million versus $5,653.2 million at the end of 2022. Equity investments and other holdings totaled $4,586.0 million from $5,280.9 million in December 2022. The Company purchased $3,456.5 million of investment holdings in the year and sold $4,360.3 million of such holdings. The Company's liabilities decreased to $3,493.8 million this year versus $4,059.4 million in 2022. The decrease was mainly due to a decline in due to brokers and securities sold short and derivative liabilities. The proceeds of securities sold short were $3,195.8 million and the amount of shorts covered was $3,573.7 million in the year. Overall, the trading figures were less than the corresponding amounts for the prior year.

Functional currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The functional currency of the Company is the US dollar.

Presentation currency

The Company has adopted the Canadian dollar as its presentation currency, which in the opinion of management is the most appropriate presentation currency. Historically, the Company's consolidated financial statements have been presented in Canadian dollars, and since the Company's shares are listed on a Canadian stock exchange, management believes it would better serve the use of shareholders to continue issuing consolidated financial statements in Canadian dollars. The US dollar consolidated financial statements described above are translated into the presentation currency as follows: assets and liabilities – at the closing rate at the date of the consolidated statement of financial position; and income and expenses – at the average rate for the period. All resulting changes are recognized in other comprehensive income as currency translation differences. Equity items are translated using the historical rate.

Risks

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk, cash flow interest rate risk, currency risk and equity price risk), credit risk and liquidity risk.

The Company's overall risk management program seeks to maximize the returns derived for the level of risk to which the Company is exposed and seeks to minimize potential adverse effects on the Company's financial performance. Managing these risks is carried out by management under policies approved by the Board of Directors.

The Company uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

Market risk

Fair value and cash flow interest rate risks

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

The majority of the Company's debt is based on floating rates which expose the Company to cash flow interest rate risk. The Company does not have a long-term stream of cash flows that it can match against this type of fixed debt, so it prefers to use short-term floating rate debt. The Company does not mitigate its exposure to interest rate fluctuation on floating rate debt. If interest rates spike, then the Company could enter into interest rate swaps or more probably just reduce its debt level. As at December 31, 2023, the Company has listed equity securities of $4,142.1 (2022 – $4,740.1). It can sell these securities to reduce its floating rate debt. As at December 31, 2023, a 1% increase or decrease in interest rates, with all other variables remaining constant, would impact interest expense by approximately $8.8 over the next 12 months (2022 – $10.6).

The Company holds held for trading financial assets in debt securities of $22.44 (2022 – $82.65).

Debt securities are usually highly sensitive to interest rate changes. Theoretically, when interest rates rise, it causes the value of debt securities to decline. The opposite generally happens when interest rates fall, then debt securities usually rise in value. A change of 100 basis points in the yield to maturity will affect the fair value of the debt securities held for trading.

Currency risks

Currency risk refers to the risk that values of monetary financial assets and liabilities denominated in foreign currencies will vary as a result of changes in underlying foreign exchange rates.

The Company is exposed to currency risk due to potential variations in currencies other than the US dollar. The following tables summarize the Company's main monetary financial assets and financial liabilities whose fair value is predominantly determined in currencies other than the US dollar, the Company's functional currency, and the effect on pre-tax net income of a 10% change in currency exchange rates:

	2023			
	Financial assets $	Financial liabilities $	Net exposure $	Net effect of a 10% increase or decrease $
Canadian dollar	63,150	-	63,150	6,315
Euro	6,683	(4,507)	2,176	218
British Pound	-	(64,911)	(64,911)	(6,491)
Israeli shekel	290	-	290	29
	70,123	(69,418)	705	71

Equity price risk

Equity price risk is the risk that the fair value of equity investments and other holdings and equities sold short and derivatives will vary as a result of changes in the market prices of the holdings. The majority of the Company's equity investments and other holdings and all of the securities sold short and derivatives are based on quoted market prices as at the consolidated statement of financial position date. Changes in the market price of quoted securities and derivatives may be related to a change in the financial outlook of the investee entities or due to the market in general. Where non-monetary financial instruments – for example, equity securities – are traded in currencies other than the US dollar, the price, initially expressed in a foreign currency and then converted into US dollars, will also fluctuate because of changes in foreign exchange rates.

Securities sold short represent obligations of the Company to make future delivery of specific securities and create an obligation to purchase the security at market prices prevailing at the later delivery date. This creates the risk that the Company's ultimate obligation to satisfy the delivery requirements will exceed the amount of the proceeds initially received or the liability recorded in the consolidated financial statements. In addition, the Company has entered into derivative financial instruments, which have a notional value greater than their fair value, which is recorded in the consolidated financial statements. This creates a risk that the Company could settle these instruments at a value greater or less than the amount that they have been recorded in the consolidated financial statements.

The Company's equity investments and other holdings have a downside risk limited to their carrying value, while the risk of equities sold short and derivatives is open ended. The Company is subject to commercial margin requirements which act as a barrier to the open-ended risks of the securities sold short and derivatives. The Company closely monitors both its equity investments and other holdings and its equities sold short and derivatives.

The impact of a 30% change in the market prices of the Company's listed equity investments and other holdings and equities sold short and derivatives would be as follows:

	2023		
	Fair value $	Estimated fair value with a 30% price increase $	Estimated fair value with a 30% price decrease $
Equity investments and other holdings			
Listed equity securities and derivatives	4,263,539	5,542,601	2,984,477
Equities sold short and derivative liabilities	(502,965)	(653,855)	(352,075)
Pre-tax impact on net loss		1,128,172	(1,128,172)

Liquidity risk

Liquidity risk is the risk the Company will encounter difficulties in meeting its financial obligations. The Company's largest assets are equity investments and other holdings. Most of these assets are made up of equities in listed companies which can be liquidated in a relatively short time. Due to its large holding of liquid assets, the Company believes that it has sufficient resources to meet its obligations as they come due. All financial liabilities other than equities sold short, derivative liabilities, mortgages, lease liabilities and liability for redeemable units as at the consolidated statement of financial position date mature or are expected to be repaid within one year (2022 – one year). The liquidity risk related to these liabilities is managed by maintaining a portfolio of liquid investment assets.

Credit risk

Credit risk is the risk that a counterparty will fail to fulfill its obligations under a contract and will cause the Company to suffer a loss.

The Company is exposed to credit risk from cash and cash equivalents, restricted short-term investments, due from broker and debt investments. Credit risk arising from funds held at financial institutions are managed by only investing with financial institutions with a minimum A rating. The Company manages its credit risk exposure from debt securities by closely monitoring the debt issuer and the ratings issued by various bond rating agencies. All debt security investments measured at fair value through profit or loss are traded over stock exchanges therefore exiting a position with increased risk is relatively easy if the credit worthiness of an issuer falls below the Company's threshold for credit risk exposure. All non-trading convertible debt securities are convertible into equity of the issuer and are measured at fair value using independent third-party appraisals. The Company closely monitors the debt issuer in order to identify when the credit risk falls below the Company's threshold at which point the Company may exercise its option to redeem its debt holdings or dispose of it in the less liquid private markets.

Capital risk management

The Company's objective when managing its capital is to maintain a solid capital structure appropriate for the nature of its business. The Company considers its capital to be its equity. The Company manages its capital structure in light of changes in economic conditions. To maintain or adjust its capital structure, the Company initiates normal course issuer bids or adjusts the amount of dividends paid. The Company monitors capital on the basis of its net debt -to-capital ratio. Net liabilities used in the net debt-to-capital ratio is calculated by subtracting the due from broker balances from total liabilities. The net debt-to-capital ratio is as follows:

	December 31, 2023	December 31, 2022
Total net liabilities	$3,147.5	$3,895.8
Total equity	$1,638.6	$1,593.8
Net liabilities to capital ratio	1.92	2.44

The Company's objective is to maintain a debt-to-capital ratio below 3.0. The Company believes that limiting its debt-to-capital ratio in this manner is the best way to monitor risk. The Company's debt to capital ratio was at 1.92 as at December 31 2023 from 2.44 at the end of 2022. The Company does not have any externally imposed restrictive covenants or capital requirements, other than those included in the credit facility.

Investment Risk

To the extent not discussed above, the Company is subject to additional risks with respect to the investments made.

The value of the Company's portfolio may decrease as well as increase, due to a variety of factors, including general economic conditions, and market factors. Additionally, investment decisions made by the Company may not always be profitable or prove to have been correct. Investment strategies, at any given time, may incur significant losses. Losses can occur for a number of reasons, including but not limited to, an overall decline in the underlying market, a lack of liquidity in the underlying markets, excessive volatility in a particular market, government intervention or monetary and/or fiscal policies of a specific region or country. The profitability of a significant portion of the Company's investments also depends to a great extent upon the Company's ability to correctly assess the future course of the price movements of securities and other investments. There can be no assurance that the Company will be able to accurately predict these price movements.

The Company's investment strategy is speculative and involves risk. The Company trades in options and other derivatives, as well as using short sales and utilizing leverage. The portfolio may not be diversified among a wide range of issuers or industries. In addition, the Company may take concentrated positions in its high conviction ideas, invest in high yield securities or invest in foreign markets outside the US and Canada. Accordingly, the investment portfolio may be subject to more rapid change in value than would be the case if the Company were required to maintain a wide diversification in the portfolios among industries, areas, types of securities and issuers.

The Company may make investments in the securities of high growth companies. More specifically, the Company may have significant investments in smaller-to-medium sized companies with market capitalizations of less than $2 billion US. While smaller companies may have potential for rapid growth, they often involve higher risks because they lack the management experience, financial resources, product diversification, and competitive strengths of larger corporations. These factors make smaller companies far more likely than their larger counterparts to experience significant operating and financial setbacks that threaten their short-term and long-term viability. In addition, in many instances, the frequency and volume of their trading is substantially less than is typical of larger companies. As a result, the securities of smaller companies may be subject to wider price fluctuations and exiting investments in such securities at appropriate prices may be difficult, or subject to substantial delay. Furthermore, some of the portfolio may be invested in technology, technology-related markets and biotech. These types of companies may allocate greater than usual amounts to research and product development. The securities of such companies may experience above-average price movements associated with the perceived prospects of success of the research and development programs. Also, these companies could be adversely affected by lack of commercial acceptance of a new product or products or by technological change and obsolescence. Some of these companies may have limited operating histories. As a result, these companies may face undeveloped or limited markets, have limited products, have no proven profit-making history, operate at a loss or with substantial variations in operating results from period to period, have limited access to capital and/or be in the developmental stages of their businesses.

The Company tries to manage the above risks by monitoring its leverage, actively following its investee companies and trying to react to market conditions. At the same time the Company expects its portfolio to exhibit a higher degree of volatility than portfolios that invest in larger more stable companies and that invest within more defined limits. As at December 31, 2023, approximately 88% of the Company's portfolio was invested in Level 1 securities. The Company monitors its Level 1 securities as a percentage of its total investments; however, it does not have a fixed number that this percentage cannot fall below.

Climate Change Risk

Climate change risk refers to the physical risks and transition-related risks related to the changes in climate patterns that may have a significant impact on communities and the economy. While the direct exposure of the Corporation's operations to climate change risk is relatively low, as an investor in equities and other assets, the Corporation could indirectly be impacted by this risk through its portfolio investments.

The Corporation's portfolio investments face the potential direct impact of more frequent and more intense extreme weather events, as well as the potential indirect impact of any related supply chain disruptions. The exposure of the Corporation's portfolio investments to climate change risk also arises from the movement toward a low-emission economy, which may result in increased reputational, market, regulatory, policy, legal and technology-related risks. Existing portfolio investments in carbon-intensive industries and in other markets which are dependent on such industries may be more exposed to such transitional risks as a result of significant changes in customer perceptions and preferences, the increasing cost of carbon emissions and competition from renewable energy.

Critical accounting estimates and judgments

Critical accounting estimates

The Company makes accounting estimates that are subject to measurement uncertainty because they require the use of judgement and assumptions. The Company uses judgement and assumptions in designing and selecting measurement or valuations techniques that are appropriate to the circumstances and applies inputs that correlate to the measurement or valuation technique selected. Inputs selected also require the use of judgment and assumptions.

Consolidation of entities in which the Company holds less than 50% of the voting rights.

Management considers the Company to have de facto control of Senvest Management L.L.C. (RIMA), RIMA Senvest Master Fund GP, L.L.C., and Senvest Technology Partners GP, L.L.C. three legal entities wholly owned by an executive of the Company, because of the Company's Board representation and the contractual terms of the investment advisory agreement. RIMA is the investment adviser to the Funds, whereas RIMA Senvest Master Fund GP, L.L.C. is the General Partner of Senvest Master fund LP and Senvest Technology Partners GP LLC is the General Partner of Senvest Technology Partners Master Fund LP. As compensation for its sub-advisory services, the Company is entitled to receive 60% of the net management fees through RIMA and incentive allocation earned through the General Partners each fiscal year.

Management considers that the Company has control of Senvest Master Fund LP, Senvest Technology Partners Master Fund LP and Senvest Cyprus Recovery Investment Partners LP even though the Company has less than 50% of the voting rights in each of the Funds. The Company assessed that the removal rights of non-affiliated unitholders are exercisable but not strong enough given the Company's decision-making authority over relevant activities, the remuneration to which it is entitled and its exposure to returns. The Company, through its structured entities, is the majority unitholder of each of the Funds and acts as a principal while there are no other unitholders forming a group to exercise their votes collectively.

Fair value estimates of investment properties

The Company has adopted the fair value model in measuring its investment properties. The fair value of the investment properties is performed by external independent knowledgeable valuators located in the area of the properties. Inputs used in the property valuation models are based on appropriate assumptions that reflect the type of property and location. Management reviews the assumptions made and models used to ensure they correlate with their expectation and understanding of the market. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Fair value estimates of financial instruments

The fair value of financial instruments, including real estate investments, where no active market exists or where listed prices are not otherwise available are determined by using valuation techniques. In these cases, the fair values are estimated from observable data in respect of similar financial instruments or by using models. Where market observable inputs are not available, they are estimated based on appropriate assumptions. To the extent practical, models use only observable data; however, areas such as credit risk (both the Company's own credit risk and counterparty credit risk), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Financial instruments in Level 1

The fair value of financial assets and financial liabilities traded in active markets are based on quoted market prices at the close of trading on the year-end date . The quoted market price used for financial assets and financial liabilities held by the Company is the close price. Investments classified in Level 1 include active listed equities and derivatives traded on an exchange. The financial assets classified as Level 1 were approximately 88% of the total financial assets.

Financial instruments in Level 2

Financial instruments classified with Level 2 trade in markets that are not considered to be active but are valued based on quoted market prices, broker quotations or valuation techniques, such as financial models, that use market data. These valuation techniques maximize the use of observable market data where available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in

Level 2. These include corporate bonds, thinly traded listed equities and derivatives, over-the-counter derivatives and private equities.

The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each year-end date. Valuation techniques used for non-standardized financial instruments such as options and other over-the-counter derivatives include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analyses, option pricing models and other valuation techniques commonly used by market participants, making maximum use of market inputs and relying as little as possible on entity-specific inputs. The financial assets classified as Level 2 were approximately 5.5% of the total financial assets.

Financial instruments in Level 3

Investments classified in Level 3 have significant unobservable inputs, as they trade infrequently. Level 3 instruments consist of unlisted equity investments, debt securities and real estate investments. As observable prices are not available for these securities, the Company has used valuation techniques to derive the fair value. The financial assets classified as Level 3 were approximately 6.5% of the total fair value of financial assets.

Level 3 valuations are reviewed by the Company's Chief Financial Officer (CFO), who reports directly to the Board on a quarterly basis in line with the Company's reporting dates. The Board considers the appropriateness of the valuation models and inputs used. On an annual basis, close to the year-end date, the Company obtains independent, third party appraisals to determine the fair value of the Company's most significant Level 3 holdings.

The Company's CFO reviews the results of the independent valuations. Emphasis is placed on the valuation model used to determine its appropriateness, the assumptions made to determine whether it is consistent with the nature of the investment, and market conditions and inputs such as cash flow and discount rates to determine reasonableness.

As at December 31, 2023, Level 3 instruments are in various entities and industries.

Real estate investments are made up of investments in private real estate companies, and in real estate income trusts and partnerships. The real estate companies are involved with various types of buildings in different geographical locations. For the main Level 3 instruments, the Company relied on appraisals carried out by independent third party valuators. There was no established market for any of these investments, so the most likely scenario is a disposal of the underlying assets. For the investments in real estate income trusts and partnerships, the Company relied mainly on audited financial statements, valuing the assets at fair value. The most likely scenario is an eventual sale of the underlying properties and the subsequent distribution to the holders.

Income taxes

The Company is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the consolidated provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the year in which such determination is made.

QUARTERLY RESULTS

(In thousands except for earnings (loss) per share information)

Year	Total revenue and investment gains (losses)	Net income (loss)- common shareholders	Earnings (loss) per share
2023-4	281,084	85,665	34.61
2023-3	(147,432)	(67,029)	(27.07)
2023-2	120,082	21,222	8.58
2023-1	178,571	43,750	17.66
2022-4	467,665	153,795	61.58
2022-3	(265,349)	(118,477)	(47.72)
2022-2	(956,862)	(356,091)	(142.71)
2022-1	24,201	(5,310)	(2.13)

SELECTED ANNUAL INFORMATION

(In thousands except for earnings per share information)

	2023	2022	2021
Total revenue and investment gains (losses)	432,303	(730,345)	2,482,176
Net income (loss) – common shareholders	83,608	(326,083)	732,988
Earnings (loss) per share-diluted	33.78	(130.98)	289.32
Total assets	5,132,462	5,653,153	6,563,902

The Company has equity investment capital commitments of $12,857 and has real estate equity investment capital commitments of $9,804.

Liability for redeemable units

Liability for redeemable units represents the units in Senvest Master Fund, L.P., Senvest Technology Partners Master Fund, L.P. and Senvest Cyprus Recovery Investment Partners, L.P. Fund (collectively the Funds or individually a Fund) that are not owned by the Company. Senvest Master Fund, L.P. and Senvest Technology Partners Master Fund, L.P. units may be redeemed as of the end of any calendar quarter, however for a particular class (the institutional class) there is a maximum quarterly redemption of 17% of the investor units and a maximum annual redemption of 34% of the investor units. The parent company, Senvest Capital, who is an investor in these funds has agreed to be bound by the terms of the institutional class. Redemptions made within the first 24 months will be subject to a redemption fee of 3% to 5% which is payable to Senvest Master Fund, L.P. and Senvest Technology Partners Master Fund, L.P. In addition, there are notice periods of 60 days that must be given prior to any redemption. Senvest Cyprus Recovery Investment Partners, L.P. Fund has units that can be redeemed semi-annually with a 120 day notice. These units are recognized initially at fair value, net of any transaction costs incurred, and subsequently units are measured at the redemption amount.

Redeemable units are issued and redeemed at the holder's option at prices based on each Fund's net asset value per unit at the time of subscription or redemption. Each Fund's net asset value per unit is calculated by dividing the net assets attributable to the holders of each class of redeemable units by the total number of outstanding redeemable units for each respective class. In accordance with the provisions of the Funds' offering documents, investment positions are valued at the close price for the purpose of determining the net asset value per unit for subscriptions and redemptions.

The Company has had wide swings in profitability from quarter to quarter in the past two years, as seen above. The profit has fluctuated a significant amount quarter to quarter. These wide swings are primarily due to the large quarterly mark to market adjustments in the Company's portfolio of public holdings. However, we expect the volatility and choppiness of the markets to result in wide profit swings from year to year and from quarter to quarter. Reference is made to the section on Investment risk above.

The Company maintains accounts with several major financial institutions in the U.S. who function as the Company's main prime brokers. The Company has assets with the prime brokers pledged as collateral for leverage. Although the prime brokers are large financial institutions, there is no guarantee that any financial institution will not become insolvent. In addition, there may be practical or time problems associated with enforcing the Company's rights to its assets in the case of such insolvency.

While both the U.S. Bankruptcy Code and the Securities Investor Protection Act seek to protect customer property in the event of a failure, insolvency or liquidation of a broker dealer, there is no certainty that, in the event of a failure of a broker dealer that has custody of the Company's assets, the Company would not incur losses due to its assets being unavailable for a period of time, ultimately less than full recovery of its assets, or both. As a significant majority of the Company's assets are in custody with three prime brokers, such losses could be significant.

On August 16, 2023, Senvest commenced a new normal course issuer bid to purchase a maximum of 100,000 of its own common shares until August 15, 2024. There have been 6,500 shares repurchased for the year. The number of common shares outstanding as at December 31, 2023 was 2,472,124 and as at March 28, 2024 was 2,468,824. There were no stock options outstanding as at December 31, 2023 and none have been issued since 2005.

The Company has financing with a bank, composed of a credit facility and a guarantee facility. A first ranking movable hypothec in the amount of $30 million on all of its assets has been granted as collateral for both of the facilities. According to the terms of the facilities, the Company is required to comply with certain financial covenants. During the year, the Company met the requirements of all the covenants. The Company also has margin facilities with brokers.

Related party transactions

The Company consolidates the Senvest Management LLC entity that serves as the investment manager of Senvest Partners and Senvest Technology Partners as well as the general partners of the funds. The portion of the expected residual returns of structured entities that do not belong to the Company is reflected as a non-controlling interest on the consolidated statement of financial position. This non-controlling interest is owned by an executive of the Company and was $17.8 million as at December 31, 2023 from $17.5 million on December 31, 2022.

Significant Equity Investments

For information on a summary of financial information from certain significant investees please refer to the 2023 audited consolidated financial statements. The accounts of Senvest Partners, Senvest Technology Partners and Senvest Cyprus Recovery Investment Fund are consolidated with the Company’s accounts.

FORWARD LOOKING STATEMENTS

This MD&A contains “forward looking statements” which reflect the current expectations of management regarding our future growth, results of operations, performance and business prospects and opportunities. Wherever possible, words such as “may”, “would”, “could”, “will”, “anticipate”, “believe”, “plan”, “expect”, “intend”, “estimate”, “aim”, “endeavour”, “likely”, “think” and similar expressions have been used to identify these forward looking statements. These statements reflect our current beliefs with respect to future events and are based on information currently available to us. Forward looking statements involve significant known and unknown risks, uncertainties and assumptions. Many factors could cause our actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward looking statements including, without limitation, those Risk Factors listed in the Company's annual information form. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward looking statements prove incorrect, actual results, performance or achievements could vary materially from those expressed or implied by the forward looking statements contained in this MD&A. These forward looking statements are made as of March 28, 2024 and will not be updated or revised except as required by applicable securities law.

OTHER FINANCIAL INFORMATION

There is additional financial information about the Company on Sedar at http://www.sedarplus.ca/ the Company’s website at www.senvest.com, as well the Company’s or Senvest Management’s U.S. SEC section 13 and other filings on www.sec.gov.

	Q4 2023[1]	2023	Cumulative Since Inception	Annualized Since Inception
Senvest Master Fund, LP	6.64%	4.94%	6096.86%	16.68%
Russell 2000	14.02%	16.88%	750.09%	8.33%
S&P 500	11.68%	26.26%	956.12%	9.21%
HFRI	5.51%	10.44%	606.59%	7.58%

Dear Partners:

Review of Q4 2023

Senvest Partners ended the year with a monthly performance that was much like how we entered 2023 – with a roughly mid-teens return that solidly beat the broader equity market indices. We view that sort of monthly outperformance as representative of what can happen to the portfolio at major inflections in the underlying macro, driven simply by interest rate expectations. That said, the Fund lagged behind the equity market indices for the quarter and the year.

Below and on the following page we show the Fund's sector attribution along with the average gross, net, long, and short exposure for the last quarter.

[1] Net performance

Sector Attribution[2] and Average Exposures for Q4 2023

	Attribution Q4				Average Exposure Q4			
Sector	**Long**	**Short**	**Total Gross**	**Total Net**	**Long**	**Short**	**Gross**	**Net**
Communication Services	-0.43%	0.00%	-0.43%	-0.45%	5%	0%	5%	5%
Consumer Discretionary	-1.31%	-0.23%	-1.54%	-1.60%	14%	-9%	23%	5%
Consumer Staples	-2.11%	0.01%	-2.10%	-2.18%	1%	0%	1%	1%
Energy	-3.29%	0.00%	-3.29%	-3.42%	17%	0%	17%	17%
Financials	3.88%	-0.03%	3.85%	3.70%	19%	0%	19%	19%
Health Care	1.18%	0.07%	1.25%	1.20%	18%	0%	18%	18%
Industrials	0.89%	-0.73%	0.16%	0.15%	14%	-3%	17%	11%
Information Technology	7.05%	-0.43%	6.62%	6.37%	39%	-2%	41%	37%
Materials	-0.09%	0.00%	-0.09%	-0.09%	1%	0%	1%	1%
Real Estate	3.35%	-0.03%	3.32%	3.20%	17%	0%	17%	17%
Utilities	0.00%	0.00%	0.00%	0.00%	0%	0%	0%	0%
Index/ETF	0.00%	-0.24%	-0.24%	-0.25%	0%	-2%	2%	-2%
Total	**9.12%**	**-1.61%**	**7.51%**	**6.63%**	**145%**	**-16%**	**161%**	**129%**

Below, we show the top 10 winning and losing investments (in rank order) for the Fund in Q4 2023[3]:

Top 10 Contributors

Company	Ticker	Long/Short	9/30/2023 Stock Price	12/31/2023 Stock Price	% Price Change
PENNYMAC FINANCIAL SERVICES	PFSI	Long	66.60	88.37	32.69%
UIPATH	PATH	Long	17.11	24.84	45.18%
BOSTON PROPERTIES	BXP	Long	59.48	70.17	17.97%
KILROY REALTY REIT	KRC	Long	31.61	39.84	26.04%
TOWER SEMICONDUCTOR	TSEM	Long	24.56	30.52	24.27%
AVIDXCHANGE HOLDINGS	AVDX	Long	9.48	12.39	30.70%
BANK OF CYPRUS[4]	BOCH	Long	259.00	304.00	17.37%
WIX.COM	WIX	Long	91.80	123.02	34.01%
RH	RH	Long	264.36	291.48	10.26%
JANUS INTERNATIONAL GROUP	JBI	Long	10.70	13.05	21.96%

[2] Net Attribution Figures have been prepared on a pro forma basis and provided above. Important considerations regarding Senvest's calculation methodology for the Net Sector attributions should be reviewed under the Important Disclosures on page 16—these figures are not properly understood without reference to these disclosures.
[3] Short investments are labelled by GICS Sector and the price changes are rounded to the nearest tenth.
[4] Based on the prices of LSE listed security, which is denominated in GBP. The P&L/performance also includes the Fund's investment in Senvest Cyprus Recovery Fund, L.P.

Top 10 Detractors

Company	Ticker	Long/Short	9/30/2023 Stock Price	12/31/2023 Stock Price	% Price Change
PARAMOUNT RESOURCE	POU	Long	32.25	25.93	-19.60%
BEAUTY HEALTH COMPANY	SKIN	Long	6.02	3.11	-48.34%
MARRIOTT VACATIONS WORLDWIDE	VAC	Long	100.63	84.89	-15.64%
INDUSTRIALS CO	N/A	Short	N/A	N/A	30.00%
CRITEO ADR	CRTO	Long	29.20	25.32	-13.29%
MARKFORGED HOLDING	MKFG	Long	1.45	0.82	-43.45%
EBAY	EBAY	Long	44.09	43.62	-1.07%
ARC RESOURCES	ARX	Long	21.68	19.67	-9.27%
INFORMATION TECHNOLOGY CO	N/A	Short	N/A	N/A	40.00%
WM TECHNOLOGY	MAPS	Long	1.32	0.72	-45.43%

Top Five Contributors and Detractors Commentary

PennyMac Financial Services ("PFSI")

Residential mortgage originator and servicer PennyMac Financial Services ("PFSI") stock rose +32.69% in the quarter. PFSI reported Q3 GAAP earnings of $1.77 and core earnings ex-hedging losses of $2.11, ahead of consensus of $1.69. PFSI generated an 11% ROE, up from 7% in Q2 and 4% in Q1, bolstering our confidence that the cycle troughed in Q1 2023, and ROE expansion is likely as conditions improve. Note the company has achieved these relatively solid returns in the face of the smallest mortgage origination market since the late 1990s.

Importantly, on December 4th PFSI announced the completion of the long-standing dispute between the company and Black Knight.[5] In November 2019, Black Knight filed suit against PFSI, alleging that the company misappropriated trade secrets and breached their contracts to copy Black Knight's mortgage servicing platform, MSP, to create its own internal servicing platform. Black Knight had sought over $340M in damages and ownership of PFSI's IP related to its internal servicing platform. The arbitrator awarded Black Knight $155M in damages but categorically rejected Black Knight's claim of misappropriation of trade secrets and gave PFSI unfettered ownership of its servicing platform and the ability to use its IP however it sees fit. While the $2.85/share hit to book value is meaningful, the arbitration result was less than the potential for a greater than $6.25/share hit and critically removed tail risk that had existed for four years.

PFSI shares had a terrific 2023, increasing by +55.97%. PFSI has been a core position for the Fund for over 10 years, and we still see the upside. PFSI has proven itself as a best-in-class operator with significant scale and a

[5] PennyMac Financial Services – Investor Update. Investor Presentation (December 4, 2023)

long runway of future growth. We expect PFSI to continue generating double-digit ROEs in a constrained mortgage market and greater than 20% ROEs when mortgage rates and spreads normalize over time. We think the book value for PFSI could approach $100 by year-end of 2025, which should garner a meaningful premium north of 1.0x book value, driving shares higher from current levels at just under $90/share.

UiPath ("PATH")

UiPath ("PATH"), a leader in artificial intelligence-based workflow automation and process optimization software, increased +45.18% during the fourth quarter as the company reported upside to revenue, annual recurring revenue ("ARR"), profitability, and an acceleration in new bookings. During the quarter, PATH saw ARR growth of 24% year-over-year and bookings growth of 31% year-over-year, resulting in a record number of $1 million ARR deals in the quarter. Profitability metrics, including an operating margin of 13.5% and FCF margin of 12.5%, also exceeded expectations. We attended the company's user conference, "Forward," in October, at which the company expressed confidence in its execution of a new go-to-market strategy as well as new product introductions that integrate Generative AI ("Artificial Intelligence") into its automation platform. While the overall demand environment remains uneven due to macroeconomic factors, PATH saw strong demand in key verticals such as the Federal Government, Financial Services, and Healthcare.

UiPath is a relatively recent investment for the Fund which we identified as a broken IPO (April 2021), one of our favorite new idea screens. We were attracted to the company's leading technology in the software automation market as well as a greater focus on driving operating leverage. PATH provides a platform for customers to automate legacy and repetitive digital tasks using robotic process automation software. UiPath pioneered the market for attended and unattended bots, which has since evolved into a full automation platform that includes key capabilities such as process, task, and communication mining that infuse AI-based technologies. In addition to market-leading technology, PATH was undergoing key changes in its go-to-market sales approach led by new senior management. Although the stock has seen its multiple expand to 7x EV/Sales from a trough of 4.5x in April 2023, we still believe the stock price can benefit from accelerating revenue and profitability over the next several years as it addresses a market opportunity of over $60 billion and approaches becoming "a rule of 40" company (revenue growth plus free cash flow margins). Rule of 40 SaaS companies typically trade at 10-12x revenues or 45-55x EV/FCF.

Boston Properties ("BXP")

Boston Properties' ("BXP") stock appreciated +17.97% in the quarter. BXP develops and operates premium Class A office space across the US, boasting over 54 million square feet of space between Boston, New York, DC, San Francisco, and other major metropolitan areas.

As discussed in a previous letter, the prevailing narrative is that the COVID-driven shift to work-from-home has permanently impaired the demand for office space and, thus, the value of office properties around the US. On top of work-from-home, the current higher interest rate environment has both valuation and fundamental implications for office REITs. On the valuation side, higher long-term rates drive lower multiples. From a fundamental perspective, REITs operate with leverage and as that comes due, real estate owners have to refinance at higher rates.

These dynamics have combined into a perceived "perfect storm" for office REITs, demand destruction and higher cost of capital, and have become common knowledge among both investors and laypersons alike. When a theme becomes common knowledge in the investing community, it can be a sign that positioning has become lopsided. For example, betting against publicly traded office REITs has become so popular that short interest in companies like BXP has reached levels not seen since the financial crisis. Further, pre-COVID BXP has, on average, traded at an around 1.4% spread to the 10-year treasury when measured on adjusted funds from operations, or free cash flow ("AFFO") yield, yet by September 2023, this spread had expanded to roughly 4.4%.[6] When positioning eventually reverses, it can drive violent moves in share prices. The volatility in share price of BXP during Q4 2023 illustrates this dynamic perfectly.

Despite the Q4 rally in the shares, we still view the risk/reward as largely attractive. If BXP returns to the pre-COVID average AFFO spread of around 1.4%, that would equate to a $95 stock today, even with the 10-year treasury hovering around 4.09%.[7] Every additional 25bp move lower in interest rates would equate to an additional roughly $3 in share price. In the meantime, we also collect a roughly 6% dividend. Finally, sentiment and positioning remain on our side, with short interest still over 6.5M shares, versus the pre-COVID average of around 2M.

Kilroy Realty ("KRC")

Commercial office REIT Kilroy Realty ("KRC") appreciated +26.04% in the quarter. Similar to BXP, KRC develops and operates premium Class A office space, except with a focus on the West Coast and Austin. KRC is especially exposed to the San Francisco market, with over 50% of NOI from the Bay Area.

The prevailing narrative around office REITs noted above also applies to KRC just as it applies to BXP, absent one wrinkle: San Francisco. As Boston is to Life Sciences, San Francisco is to the Tech industry, and the latter has been the poster child for both work-from-home and, beginning in late 2022, layoffs. While Manhattan office worker visits sit only -25% below the 2019 level, San Francisco remains -53% below the pre-COVID average.[8]

[6] Senvest analysis and NTM Consensus AFFO divided by share price
[7] Per Bloomberg 10-year Treasury and the BXP Forward AFFO estimates as of January 22, 2024
[8] https://www.placer.ai/blog/placer-ai-office-index-august-2023-recap

Crime has also jumped in the city, with motor vehicle thefts up +53% and homicides up +44% since 2019.[9] People have responded by leaving the city outright, with net migration outflows reducing the San Francisco population to 2010 levels. Some believe the city to be stuck in a negative feedback loop, with worsening business conditions and crime driving people to leave, reducing tax receipts and the ability to control crime.

Similar to office REITs overall, the issues in San Francisco have become common knowledge, and can lead to lopsided positioning or valuation. Currently, short interest in KRC sits at over 5M shares sold short, well above the historical average. In terms of valuation, KRC historically traded at an AFFO yield of around 1.9% above the 10-year treasury pre-COVID. Heading into Q4 2023, this spread sat at over 5.4%, implying that investors demanded 3x the risk premium to invest in San Francisco offices versus recent history.

Despite the issues surrounding both office REITs and San Fransisco, KRC is especially well-positioned to weather the storm. First, premier office space historically outperforms the average as companies that downsize on space typically upgrade on quality. Despite the overall office vacancy in San Francisco sitting around 21%, the KRC vacancy in San Francisco is 9%. Second, 95% of KRC's debt is fixed-rate, and less than 10% comes due in 2024 and 2025. Third, only around 6% of in-place leases are up for renewal in each of the next two years, the 2nd best lease maturity profile amongst peers.[10]

While the timing of the San Francisco office market recovery may be unknown, the question of whether it happens is not. There are already green shoots for those paying attention. US tech layoffs have decreased from over 60k in January 2023 to less than 10k in October 2023, and tech job postings in KRC markets have increased by +70% from January to October 2023. On the Q3 2023 earnings call, KRC disclosed a very muted 117k square feet of leases signed in October, equivalent to down -50% year-over-year. During a conference two weeks later, KRC surprised the market by announcing 205k square feet of leases signed in the first half of November alone. This momentum continued through the rest of the month, and the company finished November with 400k square feet of newly signed space.[11] Much of the leasing momentum can be traced to the boom in funding in AI companies. In summary, with one month to spare in the fourth quarter, KRC had already leased space equivalent to 1.6x the prior year's quarter, an impressive achievement. The recovery in the tech market appears to be translating to increasing leasing activity for KRC already.

Despite the clear improvement in sentiment, future interest rate expectations, and fundamentals, we still view the risk/reward as favorable. If KRC returns to the pre-COVID average AFFO spread of 1.9% versus the 10-year

[9] https://www.sfexaminer.com/news/crime/how-san-francisco-crime-trends-compare-to-drops-across-us/article_a23f638e-99de-11ee-a582-df313ac11b80.html
[10] Kilroy Realty Investor Presentation November 2023
[11] https://investors.kilroyrealty.com/investors/press-room/news-details/2023/Kilroy-Realty-Continues-Strong-Fourth-Quarter-Leasing-Momentum/default.aspx

treasury, that could equate to a $56 stock today, even with the 10-year treasury sitting at 4.09%. Every additional 25bp move lower in interest rates would equate to an additional roughly $2.50 in share price, before considering the attractive roughly 6% dividend yield. We believe we are being well compensated to wait for the recovery.

Tower Semiconductor ("TSEM")

Tower Semiconductor ("TSEM"), a leading specialty analog foundry, increased +24.27% during the quarter. The stock found its footing following the deal break from Intel in August, as the investor base has largely turned over from merger arbitrage funds to more traditional fundamental investors. Like many semiconductor peers, Tower faces temporary headwinds from an ongoing inventory correction in the semiconductor industry that the company highlighted in its November earnings conference call. Tower provided a cautious outlook for the fourth quarter, similar to peers and competitors throughout the industry. Although the company expects revenue to decline sequentially, management sees green shoots with some parts of its business, particularly in areas such as mobile and data centers, that should support revenue through the trough of the current cycle. Investors looked through the near-term choppiness and appear more focused on new opportunities over the next several years.

Looking out over the medium term, we are increasingly bullish on the opportunity set that should meaningfully benefit Tower and provide growth tailwinds for the company over the coming years. Given its advanced analog and mixed-signal foundry capabilities, TSEM benefits from the trend of ongoing supply chain rebalancing away from China. Tower has leading technologies in emerging areas, such as Silicon Photonics and Image Sensing that will enable new vectors of growth. Historically known as being capacity-constrained with limited room for growth, Tower has announced new capacity corridors with ST Micro and Intel that have just started to ramp modestly. We also see additional benefits emerging from the new Intel capacity deal as we believe Tower forged new customer relationships that it would not have otherwise engaged with if it were not for the new Intel partnership.

These new agreements should add an incremental $1.2 billion of revenue off of its Q3 annualized run-rate of $1.4 billion while dropping an incremental of approximately $400 million of gross profit. On an aggregate basis, at full utilization, we believe TSEM will have a revenue capability of $2.7 billion with EBITDA margins approaching 40% and net profit margins approaching 20%. This implies EBITDA greater than $1.0 billion and earnings per share of $4.50, well ahead of prior company targets. With peers like GlobalFoundries ("GFS") currently trading at 4x EV/Revenue and 12x EV/EBITDA, we believe over time, TSEM has material upside to its stock, which could exceed Intel's deal price of $53/share.

Paramount Resources ("POU")

Canadian oil and gas exploration company Paramount Resources ("POU") declined -19.60% in the quarter.

In terms of macroeconomic data points, the backdrop was largely negative. Renewed tensions in the Middle East and news around the US refilling the Strategic Petroleum Reserve were largely offset by negative data points including record US oil production, speculation over weak 2024 demand growth, and doubts about OPEC's ability to control prices. West Texas Intermediate crude sold off sharply in the quarter, declining -21.08%, and Henry Hub natural gas declined -9.83%.

On top of the unfavorable commodity price backdrop, POU reported positive Q3 2023 results in November but made some negative adjustments to 2024 guidance. The company decreased 2024 production guidance by -3% and, at the same time, increased 2024 capital expenditures guidance by +15%. These two factors combined decreased 2024 free cash flow guidance to $350M from $445M.

While this revision to guidance may look poor on the surface, it is worth unpacking the drivers behind this change. The largest driver behind the revision to production guidance is downtime at third-party infrastructure at the Wapiti plant. POU was notified of a 21-day maintenance outage in Q2 2024 and given the poor historical reliability, decided to layer in additional conservatism. Given this is entirely outside of management's control, it is hard to ding the company for the revision here.

With respect to the revised capex guidance, it is worth revisiting POU's ownership structure. CEO Jim Riddell and other insiders own nearly 50% of the company, meaning they are aligned with long-term shareholders. During the quarter, management made the decision to pull forward capex for 2025 production into 2024 after seeing better-than-expected well results. Said another way, 2024 will include the capex needed to grow without the benefit to production numbers in the year. While this may have frustrated more short-term oriented investors, we agree with management's capex decision. The recent well results in POU's Kaybob and Willesden Green acreage have been outstanding, and investing to get this production on-stream sooner is the right move.

We continue to believe that POU is a best-in-class combination of production growth and shareholder returns along with management's ability to create value through opportunistic acquisition, asset sales and investment activity.

Beauty Health Company ("SKIN")

The Beauty Health Company ("SKIN"), a beauty aesthetic company, declined -48.34% in the quarter. On the November earnings call, SKIN disclosed widespread quality issues with the Syndeo system, with the company implementing a remediation program that offered repairs or replacements on all Syndeo systems that had been shipped since launch. While we were aware of quality issues, management had claimed that they would be largely resolved by the end of Q3 2023. Furthermore, we independently conducted channel checks with Syndeo customers across a swath of geographies to evaluate the pervasiveness and magnitude of quality concerns with the Syndeo instrument. These customers did not indicate anything unusual with the quality of the instrument, deeming the emergent quality issues as an ordinary course for aesthetic device product launches. In fact, customers expressed satisfaction with the company's responsiveness in resolving any issues they had.

In reality, the scope of issues and cost of remediation was far worse than we were led to believe. Concurrently, SKIN announced that the CEO was departing, creating significant uncertainty regarding the forward path of the business. We have chosen to exit our investment in SKIN, as we believe that the risks associated with remedying the faulty Syndeo systems, the potential for new problems to arise, and the absence of long-term leadership in place outweighed the potential for share price appreciation.

Marriott Vacations Worldwide ("VAC")

Vacation ownership company Marriott Vacations Worldwide ("VAC"), fell -15.64% in the quarter, capping a difficult year in which shares declined -36.93%.

VAC has been a core holding for the Fund since 2018, during which the company has consistently delivered top-and-bottom-line growth with robust free cash flow. However, 2023 presented a perfect storm of headwinds, bringing company-specific and macro challenges that pressured results. As of Q3 earnings, FY guidance for EBITDA and EPS was 23% and 32% lower than the company's initial guidance for the year.

Our thesis over the last five years has remained consistent. We believe VAC owns the best brands in a sector that offers attractive margins, cash flow, and growth. Importantly, we also see compelling value for consumers. VAC's points-based model allows owners to prepay their vacation for life and use those points each year to vacation across over 100 resorts in the Marriott, Westin, Sheraton, and Hyatt systems. For families with kids, the value proposition of larger bedrooms, a kitchen and a living space offers good value versus the alternative of multiple hotel rooms and 100% of meals eaten at restaurants. Consumers definitively love the product, as evidenced by two-thirds of VAC sales coming from existing owners buying more points. For VAC, bringing a new owner into the system provides a reliable source of future upgrades, along with resort management fees, ancillary fees, and potential financing income should the customer choose to use financing. Each year, the company repurchases roughly $100M of inventory (at values far less than the physical replacement cost) from owners who have aged out of the product and re-sells those points to new owners for $1B. We think the core of this business remains intact and has a runway for growth ahead as the company adds more flags to the system and gains traction selling its recently introduced "Abound by Marriott Vacations" product that unifies the Marriott, Sheraton, and Westin brands under one roof.

We spent considerable time analyzing and re-underwriting every facet of the business and believe that most of the problems in 2023 are either transitory or fixable. As the company regains its footing in 2024, we expect there will be an opportunity for earnings growth and multiple expansion. Shares trade for less than 11x what we believe to be trough earnings and sport a 15% free cash flow yield, which we deem too cheap for a company of VAC's quality, despite its recent challenges.

Industrial Short

A short position in a truck rental company rose approximately +30.00%. Shares rose as the interest rate relief rally significantly lifted housing-related names.

Criteo ("CRTO")

Criteo ("CRTO"), an ad tech company specializing in commerce media and retargeting for the open internet, declined -13.29% in the quarter. CRTO has become a dominant player in the emerging and fast-growing market for "retail media" – essentially online advertising by brands and agencies to promote products on retailers' e-commerce sites – and has created an exclusive, scaled network of over 200 global retailer customers including 60% of the top 25 US retailers and 50% of the top 20 EMEA retailers.

CRTO reported Q3 earnings in November and the stock traded down -11.97% on the print. While Q3 results met expectations, the Q4 guide was worse than expected, and the company withdrew its primary 2025 financial targets for several reasons. First, CRTO's biggest retail media customer will switch to a new contract structure in 2024 that will impact revenues and EBITDA. The company noted that almost all of its other existing clients already operate with this type of contract, so we shouldn't expect similar contractual issues going forward. Other reasons for a potentially weak 2024 included macro headwinds and the apparent pull forward of Google's impending elimination of third-party cookies in the Chrome browser. While the deprecation of the cookie has been a known event, CRTO management expressed caution around the impact on its retargeting business given a hastier timeframe to respond to this major change.

Despite the issues highlighted during Q3 earnings, CRTO continued moving the ball down the field, as retail media growth accelerated and CRTO signed up 10 new clients in Q3. We believe there is significant momentum behind CRTO's retail media business and once this "show me" story comes to fruition, the stock could have outsized upside from its price and valuation today around $24.50 and 4.8x 2024 EBITDA.

Portfolio Activity

We added meaningfully to our TSEM investment during the quarter as it traded down to its lowest levels for the year following the termination of its acquisition by INTC in August. We initiated a position in a wireless communications semiconductor company and added to a position we have been building in a life sciences tools company, among other additions in the quarter. We sold down two core holdings on strength to reduce position sizes, which had grown due to stock price performance and reduced several core holdings to lower our gross long and net long exposure in general. We closed out of our investments in EBAY (not delivering on expected potential growth from its "tech-led reimagination"), New Relic (company agreed to be acquired), Doc Martens (lack of confidence in execution), Alexandria Real Estate (reduction in commercial office exposure), and Axcelis Technologies (valuation). We added to leisure and consumer-product related short positions while covering an index ETF and other positions.

Review of 2023

Below we show the Fund's sector attribution for 2023 along with average gross long and short exposure for the year:

Sector Exposure and Average Exposures for 2023[12]

	Attribution 2023				Average Exposure 2023				Exposure 12/31/2023			
Sector	**Long**	**Short**	**Total Gross**	**Total Net**	**Long**	**Short**	**Gross**	**Net**	**Long**	**Short**	**Gross**	**Net**
Communication Services	-0.36%	0.00%	-0.36%	-0.40%	4%	0%	4%	4%	4%	0%	4%	4%
Consumer Discretionary	-4.26%	-1.36%	-5.62%	-6.20%	26%	-9%	35%	17%	11%	-11%	22%	0%
Consumer Staples	-3.55%	0.31%	-3.24%	-3.57%	2%	0%	2%	2%	0%	0%	0%	0%
Energy	0.71%	0.10%	0.81%	0.73%	19%	0%	19%	19%	14%	0%	14%	14%
Financials	7.23%	0.36%	7.59%	6.80%	17%	-1%	18%	16%	18%	0%	18%	18%
Health Care	-3.20%	0.11%	-3.09%	-3.41%	18%	-1%	19%	17%	18%	0%	18%	18%
Industrials	2.64%	-1.05%	1.59%	1.43%	12%	-4%	16%	8%	14%	-3%	17%	11%
Information Technology	8.64%	-0.43%	8.21%	7.36%	38%	-1%	39%	37%	46%	-1%	47%	45%
Materials	-1.10%	0.00%	-1.10%	-1.22%	2%	0%	2%	2%	1%	0%	1%	1%
Real Estate	2.89%	0.68%	3.57%	3.20%	12%	-1%	13%	11%	18%	0%	18%	18%
Utilities	0.00%	0.14%	0.14%	0.13%	0%	0%	0%	0%	0%	0%	0%	0%
Index/ETF	0.02%	-0.04%	-0.02%	-0.02%	0%	-2%	2%	-2%	0%	0%	0%	0%
Total	**9.66%**	**-1.18%**	**8.48%**	**4.83%**	**150%**	**-19%**	**169%**	**131%**	**144%**	**-15%**	**159%**	**129%**

Included on the next page is a list of the top 10 winning and losing investments (in rank order) for the Fund in 2023.

[12] Net Attribution Figures have been prepared on a pro forma basis and provided above. Important considerations regarding Senvest's calculation methodology for the Net Sector attributions should be reviewed under the Important Disclosures on page 16—these figures are not properly understood without reference to these disclosures.

Top 10 Contributors in 2023

Company	Ticker	Long/Short	12/31/2022 Stock Price	12/31/2023 Stock Price	% Price Change
PENNYMAC FINANCIAL SERVICES	PFSI	Long	56.66	88.37	55.97%
AXCELIS TECHNOLOGIES	ACLS	Long	79.36	129.69	63.42%
UIPATH	PATH	Long	12.71	24.84	95.44%
BANK OF CYPRUS[13]	BOCH	Long	150.50	304.00	101.99%
MDA	MDA	Long	6.40	11.52	80.00%
NEW RELIC	N/A	Long	56.45	87.00	54.12%
AVIDXCHANGE HOLDINGS	AVDX	Long	9.94	12.39	24.65%
BOSTON PROPERTIES	BXP	Long	67.58	70.17	3.83%
RH	RH	Long	267.19	291.48	9.09%
WIX.COM	WIX	Long	76.83	123.02	60.12%

Top 10 Detractors in 2023

Company	Ticker	Long/Short	12/31/2022 Stock Price	12/31/2023 Stock Price	% Price Change
MARRIOTT VACATIONS WORLDWIDE	VAC	Long	134.59	84.89	-36.93%
BEAUTY HEALTH COMPANY	SKIN	Long	9.10	3.11	-65.82%
QUIDELORTHO	QDEL	Long	85.67	73.70	-13.97%
VERINT SYSTEMS	VRNT	Long	36.28	27.03	-25.50%
CAPRI HOLDINGS	CPRI	Long	57.32	50.24	-12.35%
AMERICAN WELL	AMWL	Long	2.83	1.49	-47.35%
GREENFIRST FOREST PR	GFP	Long	1.53	0.95	-37.91%
CONSUMER DISCRETIONARY CO	N/A	Short	N/A	N/A	40.00%
RADWARE	RDWR	Long	19.75	16.68	-15.54%
TOWER SEMICONDUCTOR	TSEM	Long	43.20	30.52	-29.35%

Outlook and Positioning for 2024

Early last year, Bank of America chief investment strategist Michael Hartnett dubbed a group of tech stock leaders the "Magnificent Seven" and launched the catchphrase into our cultural zeitgeist. And for good reason, as these stocks rode the advent of Artificial Intelligence into our lives and dominated the returns of the S&P 500 in 2023, rising an average of 105% and representing almost two-thirds of the index's returns. The other 493 stocks in the S&P 500 didn't fare nearly as well, with data reported by Apollo Group that 72% of the S&P 500's stocks underperformed the index this year, a record.[14] As the S&P 500 has hit record highs in early 2024, the

[13] Based on the prices of LSE listed security, which is denominated in GBP. The P&L/performance also includes the Fund's investment in Senvest Cyprus Recovery Fund, L.P.
[14] The New York Times (January 31, 2024). The S&P Through the Prism of a 'Magnificent 7'.

Russell 2000 index, comprised of small-cap stocks and which we consider the Fund's closest benchmark, remains just out of bear market territory from its prior peak in 2021. In fact, Goldman Sachs research further notes that for the first time in history, on January 19, the S&P 500 made a fresh all-time high while the Russell 2000 was in a bear market.[15] The Fund likewise sits about -17% off its February 2022 peak. We make these comparisons to suggest that smaller market-cap stocks still have room to recover.

The relative underperformance of the Russell 2000 also highlights its relative attractive valuation. Alpine Macro Research points out that "…it is clear that small caps are trading at their lowest levels relative to large caps since 2015."[16] Morgan Stanley research confirms this view and notes that "…the S&P Small Cap forward P/E multiple trades at a 30% discount to large caps."[17] Bank of America research further notes that "…the last time relative multiples for small vs. large were this low [was] during the Tech Bubble, following which we saw a great return decade for small caps relative to large caps." Value stocks also "…remains deeply underweight by active managers."[18] We believe that the Fund has a value orientation based on factor analysis by our prime brokers and fund administrator, and as also shown in the attached Appendix, which covers our top 15 holdings, which represent approximately 93% of equity.

We have held the view that the rise in inflation stemmed largely from supply-side issues caused by the pandemic-induced economic shutdowns and that the natural resolution of supply bottlenecks would help ease inflationary pressures over time. The Fed's rapid interest rate increases would further constrain financial conditions and price increases. We believe this has been playing out and we think inflation will continue to drop in 2024. In line with our thinking, Rosenberg Research made this important observation (January 29, 2024): "The most important inflation metric to have come out in the past month was the market-based core PCE deflator – devoid of the imputed guesswork that permeates the service sector components of all the various price measures. This index came in at a meek +0.1% MoM for the second month running. The YoY trend has been sliced form +4.8% a year ago to +3.0% today – and the six-month trend is down to the +2.0% target (at an annual rate), less than half the pace of a year ago." Rosenberg further notes "…both core and headline [market based PCE] are running at +0.12% MoM, or a +1.5% annualized rate."[19]

Further, we believe that the Fed significantly changed its posture toward the end of last year. In late November, Fed governor Christopher Waller – "a hawkish and influential voice at the central bank" reports Reuters – stated that "…we could start lowering the policy rate **just because inflation is lower** (emphasis added). It has nothing

[15] Goldman Sachs Research (January 23, 2024). GS Global Equities Call.
[16] Alpine Macro Research (January 8, 2024). Focus On The Big Picture.
[17] Morgan Stanley Research (January 8, 2024). US Equity Strategy – Strategy Data Pack January 2024.
[18] BofA Global Research (January 31, 2024). US Watch. January FOMC: March is no longer the base case.
[19] Rosenberg Research (January 29, 2024). Breakfast with Dave

to do with trying to save the economy. It is consistent with every policy rule."[20] Chairman Powell confirmed the Fed pivot in his December press conference with Bloomberg reporting "The Federal Reserve held interest rates steady for a third meeting and gave its clearest signal yet that its aggressive hiking campaign is finished by forecasting a series of cuts next year."[21] While Chairman Powell, at the January 31 FOMC meeting, confirmed for the third time that rates had peaked, he threw cold water on the likelihood of a March cut. Thus, the debate around the timing of cuts rages on. In the big picture, we don't believe that whether rate cuts start in March or May, or June will have much bearing on the year ahead.

A final piece to the puzzle comes from the record levels of cash held in money market funds at just under ***$6 trillion***. Moreover, private equity funds are sitting on a record $2.59 trillion in cash reserves available for buyouts and other investments, which of course can be further levered. When rates go lower, however, where will this mountain of cash go? We see massive "coiled spring" buying power for stocks as eventually some of this cash could rotate into equities.

Given the backdrop described above, coupled with the relative underperformance and attractive valuation of the Fund's investments, we have great optimism for the year ahead. December returns demonstrate the potential torque in the portfolio.

In the attached Appendix, we show the Fund's top 15 long positions and their market valuations. In general, the bulk of the portfolio consists of relatively low P/E stocks of companies generating free cash flow, which they often use to buy back stock at what we think are attractive valuations, thereby further enhancing shareholder value.

We thank our partners for your support and continued confidence in Senvest by entrusting us with your capital. As always, feel free to reach out to us with any questions.

Very truly yours,

Richard Mashaal Brian Gonick

[20] Reuters (November 28, 2023). With Fed Likely done hiking rates, Waller Flags pivot ahead. https://www.reuters.com/markets/us/feds-waller-increasingly-confident-policy-is-right-spot-2023-11-28/
[21] Bloomberg (December 13, 2023). Fed holds rates steady again and pivots towards cuts in 2024. https://www.bloomberg.com/news/articles/2023-12-13/fed-holds-rates-steady-again-and-pivots-toward-cuts-in-2024?sref=B4MQfMf3

Appendix A – Senvest Master Fund Top 15 Long Positions

Senvest Master Fund Top 15 Long Positions

		% Change			Trailing[1]				2024 Calendar[2]			
	Price	52 Wk High	LTM	2024	EV / Rev	EV / EBITDA[3]	P / Adj. EPS[4]	P / TBV	EV / Rev	EV / EBITDA[3]	P / Adj. EPS[4]	Market Cap
Paramount Resources (POU CN)	$24.79	(26%)	(16%)	(4%)	2.0x	3.7x	3.5x	1.1x	1.8x	3.5x	3.1x	$3,823
Quidel (QDEL US)	$67.81	(28%)	(24%)	(8%)	2.2x	8.8x	14.3x	0.9x	2.3x	8.5x	13.4x	$4,531
Tower Semi (TSEM US)	$28.55	(37%)	(31%)	(6%)	1.5x	4.1x	4.0x	1.4x	1.6x	4.6x	9.6x	$3,176
Marriott Vacations (VAC US)	$82.59	(50%)	(48%)	(3%)	1.3x	7.9x	9.7x	1.5x	1.3x	8.0x	10.5x	$3,576
Boston Properties (BXP US)	$62.65	(15%)	(15%)	(11%)	8.1x	14.3x	8.6x	1.7x	8.1x	13.5x	12.3x	$9,832
Illumina (ILMN US)[5]	$142.23	(39%)	(32%)	2%	5.2x	NM	NM	3.8x	5.2x	NM	NM	$22,586
Bank of Cyprus (BOCH LN)	$2.98	(2%)	63%	(2%)	NA	NA	3.2x	0.6x	NA	NA	3.2x	$1,329
Radware (RDWR US)	$18.34	(21%)	(16%)	10%	1.6x	18.3x	20.1x	2.7x	1.6x	16.7x	14.6x	$775
Ciena (CIEN US)	$54.77	–	11%	22%	1.9x	12.6x	20.1x	2.8x	1.8x	11.3x	18.3x	$7,932
UiPath (PATH US)	$22.51	(14%)	35%	(9%)	9.0x	NM	41.6x	6.5x	7.2x	42.2x	37.0x	$12,742
Kilroy (KRC US)	$34.42	(20%)	(13%)	(14%)	7.5x	12.0x	7.5x	0.8x	7.4x	12.4x	8.0x	$4,112
Kornit (KRNT US)	$17.34	(45%)	(36%)	(9%)	1.2x	NA	NM	1.0x	1.2x	NM	73.4x	$849
Verint (VRNT US)	$29.62	(26%)	(22%)	10%	2.9x	11.3x	12.3x	1.5x	2.7x	9.1x	10.5x	$1,912
PennyMac Financial Services (PFSI US)	$89.67	(4%)	39%	1%	NA	NA	21.5x	1.3x	NA	NA	9.1x	$4,713
MDA (MDA CN)	$11.39	(9%)	68%	(1%)	2.1x	9.8x	31.3x	1.3x	1.7x	8.5x	19.0x	$1,389
Median[6]		**(21%)**	**(16%)**	**(3%)**	**2.1x**	**10.5x**	**12.3x**	**1.4x**	**1.8x**	**9.1x**	**11.4x**	
Russell 2000[7]		(6%)	(1%)	(4%)	1.7x	14.9x	15.3x	3.8x	1.8x	13.2x	16.8x	
S&P 500[7]		(0%)	20%	4%	3.0x	15.3x	23.8x	13.0x	2.9x	13.5x	20.5x	

Note : NM = Not Meaningful. NA = Not Available. Senvest Top 15 ranking as of 2/5/24.
Prices, market cap and fundamentals as of 2/5/24. POU CN and MDA CN Price, Market Cap and EPS in CAD, BOCH LN Price, Market Cap and EPS in GBP, all other positions in USD. BOCH LN position includes investment in Senvest Cyprus Recovery Investment Fund (SCRIF).

(1) Trailing multiples based on last twelve months reported data for all companies.
(2) Bloomberg Estimates for calendar year 2024; Adjustments exclude non-cash charges, including intangible amortization and stock-based compensation.
(3) Trailing and Forward EBITDA estimates for POU CN represent Debt Adjusted (Unlevered) Cash Flow.
(4) P / Adj. EPS based on cash adjusted stock prices for those companies with positive net cash per share (POU, TSEM, PATH, RDWR, and KRNT). Earnings estimates for POU CN, BXP US, and KRC US based on FFO.
(5) ILMN historicals and projections assume consolidated financials for Core ILMN and GRAIL reportable segments.
(6) Median calculations also exclude members with negative earnings.
(7) P / EPS for Russell 2000 and S&P 500 represent current Price / Adj. EPS multiples from Bloomberg excluding members with negative earnings.

AUM ($ Million) - as of 12/31/2023 **$2,226.8**

Portfolio Exposure (% of AUM)	Q3 2023	Q4 2023	Change
Gross Long	151%	144%	-7%
Gross Short	-18%	-15%	3%
Total Gross	169%	159%	-10%
Net	133%	129%	-4%
Cash & Currency	-33%	-29%	4%

Concentration (% of Equity)	Q3 2023	Q4 2023	Change
Top 10 Longs	76%	71%	-5%
Top 20 Longs	115%	111%	-4%
Largest Long Position Size	15%	11%	-4%
Top 10 Shorts	16%	13%	-3%
Top 20 Shorts	18%	15%	-3%

IMPORTANT DISCLOSURES

This letter is an informational document and does not constitute an offer to sell or a solicitation to purchase any securities in any entity organized, controlled, or managed by Senvest Management, LLC ("Senvest") or in (i) Senvest Partners LP, a Delaware limited partnership, (ii) Senvest Partners Ltd., a Cayman Islands exempted company (both Senvest Partners LP and Senvest Partners Ltd. invest substantially all of their assets in Senvest Master Fund, L.P.), or any other partnership interests described herein (collectively, the "Funds"), and may not be relied upon in connection with any offer or sale of securities. Any offer or solicitation may only be made pursuant to a Confidential Private Offering Memorandum (or similar document) which will only be provided to qualified offerees and should be reviewed carefully by any such offerees prior to investing.

An investment in a Fund involves risk and volatility. Because this communication is only a high-level summary it does not contain all material terms pertinent to an investment decision, including important disclosures of conflicts and risk factors associated with an investment in a Fund. This document in and of itself should not form the basis for any investment decision. An investment in a Fund is speculative and entails substantial risks, including the fact that such an investment would be illiquid and be subject to significant restrictions on transferability. No market is expected to develop for interests in any Fund. Financial instruments and investment opportunities discussed or referenced herein may not be suitable for all investors, and potential investors must make an independent assessment of the appropriateness of any transaction in light of their own objectives and circumstances, including the possible risk and benefits of entering into such a transaction.

An investor in a Fund could lose all or a substantial amount of his or her investment. Returns generated from an investment in a Fund may not adequately compensate investors for the business and financial risks assumed. While the Funds are subject to market risks common to other types of investments, including market volatility, the Funds employ certain trading techniques such as the use of leverage and other speculative investment practices that may increase the risk of investment loss. The products and strategies in which the Funds expect to invest may involve above-average risk. Please see the Risk Factors section of the applicable Confidential Private Offering Memorandum (or similar document) for certain risks associated with an investment in a Fund.

Certain information contained in this Presentation constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may", "will", "should", "expect", "anticipate", "target", "project", "estimate", "intend", "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual policies, procedures and processes of the Investment Manager and the performance of the Funds may differ materially from those reflected or contemplated in such forward-looking statements and no undue reliance should be placed on these forward-looking statements, nor should the inclusion of these statements be regarded as the Investment Manager's representation that the Funds will achieve any strategy, objectives or other plans.

This document should be read in conjunction with, and is qualified in its entirety by, information appearing in the Confidential Private Offering Memorandum (or similar document) for each Fund and the organizational documents for such fund (e.g. limited partnership agreements, articles of association, etc.), which should be carefully reviewed prior to investing. Potential investors should consult a professional adviser regarding the possible economic, tax, legal or other consequences of entering into any investments or transactions described herein. Investment allocations and ownership percentages are subject to change without notice. The information contained herein is confidential and cannot be reproduced, shared or published in any manner without the prior written consent of Senvest.

Unless otherwise indicated, the information contained in this document is current as of the date indicated on its cover. Such information is believed to be reliable and has been obtained from sources believed to be reliable, but no representation or warranty is made, expressed or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of the information and opinions. Additionally, there is no obligation to update, modify or amend this document or to otherwise notify a reader in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

The Investment Manager is not acting and does not purport to act in any way as an advisor or in a fiduciary capacity vis-a-vis any investor in the Funds. Therefore, it is strongly suggested that any prospective investor obtain independent advice in relation to any investment, financial, legal, tax, accounting or regulatory issues discussed herein. Analyses and opinions contained herein may be based on assumptions that if altered can change the analyses or opinions expressed. Nothing contained herein shall constitute any representation or warranty as to future performance of any financial instrument, credit, currency rate or other market or economic measure.

Certain performance information is provided for the Funds. Performance numbers are net of all fees and expenses unless noted otherwise. All returns are subject to revision until completion of the annual audit. Past performance is not necessarily indicative of or a guarantee of future results. Short position percentage of price change is rounded to maintain the anonymity of the security. Unless otherwise noted, all calculations in this report are made by Senvest. All profit and loss, or other performance information is unaudited and is net of fees and expenses based on an investment made at inception. Total returns reflect compounded monthly returns. The distribution of this document in certain jurisdictions may be prohibited or restricted by law; therefore, people in whose possession this document comes should inform themselves about and observe such restrictions. Any such distribution could result in a violation of the law of such jurisdictions.

Gross and Net Attribution Figures: Attributions of sector-level performance are shown on a gross basis unless otherwise noted herein ("Gross Attributions"). Gross Attributions reflect the return contribution by the aggregate investments in each Sector for the period indicated (calculated by dividing the gains/losses of the indicated Sector over the portfolio, as applicable), but is calculated prior to the deduction of management fees, [expenses] and incentive compensation paid to Senvest, which will reduce performance.

Net sector attributions ("Net Attributions") reflect Gross Attributions, reduced by a percentage equal to the quotient of the the applicable Fund's net return divided by the applicable Fund's gross returnin order to approximate a pro forma “net” return. This pro forma return should not be relied upon as a precise metric of the impact of fees and expenses on the performance of each Sector, for the reasons detailed below.

Net Attributions are presented pro forma because, although such figures reflect actual performance, these calculations apply management fees, expenses and incentive compensation to each Sector's Gross Attributions, even though each Fund's fees, expenses and incentive compensation are only calculated for the applicable Fund as a whole. Correspondingly, this approximation does not precisely reflect the impact such fees and expenses actually had on the performance of positions included in each Sector. Net Attributions do not take into account the specific impact of leverage and other costs on specific Sectors' performance, nor do they incorporate the differing impact that each investor’s [or Fund's] high water mark has on specific Sectors. For example, if the Fund as a whole accrued incentive compensation for a given period, the Net Attributions methodology would result in the reduction of Gross Attributions,, on a percentage basis, of an amount incorporating that accrued incentive compensation from each Sector's performance, even where a Sector experienced negative performance (and therefore, viewed in isolation, would not have accrued incentive allocation). [In addition, expenses are not tracked on a Sector-by-Sector basis, and therefore the Net Attributions shown herein do not reflect an approximation of the precise impact of expenses on specific Sectors' performance—many expenses are incurred on a fund-wide level and do not relate to any specific portion of the investment program. Pro forma performance of this nature is subject to inherent limitations and should not form the basis for an investment decision. Additional information on the risks and limitations of pro forma performance is available upon request.

Senvest Master Fund, L.P. performance returns presented in certain tables reflect those Funds' historical performance during the time periods indicated.

The S&P 500 Index, HFRI Equity Hedge Total Index, and Russell 2000 Index (collectively, the "Indices") are included for informational purposes only. All index returns include dividend reinvestment. The Funds' portfolios will not replicate any of these indices and no guarantee is given that performance will match any of the indices; it is not possible to invest in any index. There are significant differences between the Funds' investments and the Indices (for instance, the Funds will use short sales and leverage and may invest in securities that have a greater degree of risk and volatility, as well as less liquidity, than those securities contained in the Indices). Moreover, the Indices are not subject to any of the fees or expenses that the Funds must pay. It should not be assumed that the Funds will invest in any specific securities that comprise the Indices, nor should it be understood to mean that there is a correlation between the Funds' returns and the Indices' performance. Additional information on each index follows:

The S&P 500 index is one of the most commonly used benchmarks for the overall U.S. stock market. This index is a broad based measurement of changes in stock market conditions based on the average performance of 500 widely held stocks including industrial, transportation, financial, and utility stocks. The composition of the 500 stocks is flexible and the number of issues in each sector varies over time.

The HFRX Equity Hedge Total Index is calculated by Hedge Fund Research, Inc. and is a benchmark of hedge fund industry performance that is engineered to achieve representative performance of equity hedge fund managers that would typically maintain at least 50%, and may in some cases be substantially entirely invested, in equities, both long and short. In order to be considered for inclusion in the HFRX Equity Hedge Index, a hedge fund must be currently open to new transparent investment, maintain a minimum asset size and meet the duration requirement (generally, a 24 month track record). Because the HFR Indices are calculated based on information that is voluntarily provided, actual returns may be higher or lower than those reported.

The Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which is made up of 3,000 of the largest U.S. stocks by market capitalization. The Russell 2000 Index represents approximately 8% of the total market capitalization of the Russell 3000 I

	Q4[22]			Q4[1]		Annualized Since Inception	Cumulative Since Inception
	Oct	Nov	Dec	2023	2023		
Senvest Technology Partners	**-13.64%**	**15.41%**	**10.55%**	**10.18%**	**15.31%**	**16.92%**	**2,460.97%**
Russell 2000	-6.82%	9.03%	12.23%	14.02%	16.88%	10.05%	629.13%
NASDAQ	-2.76%	10.84%	5.62%	13.84%	44.70%	13.55%	1,296.23%

Dear Partners,

Financial markets rallied into the end of 2023 as optimism increased around the U.S. Federal Reserve dialing back its' hawkishness on its 'higher-for-longer' interest rate policy amidst cooling core inflation data. The Fund ended the fourth quarter up +10.18% net, trailing the NASDAQ and Russell 2000, which were up +13.84% and +14.02% for the quarter, respectively. The Fund's underperformance for the month of October was primarily due to a temporary drop in Israeli stocks caused by the Hamas attack on Israel, as roughly 30% of the portfolio is exposed to Israeli-related companies. The portfolio recovered in November as the conflict proved to be contained to Gaza. Momentum continued into year-end as investors regained enthusiasm for small and mid ("SMID") cap stocks. During the quarter, we increased our investments in several core and new holdings, specifically in companies that are showing signs of near-term fundamental improvements. As we begin 2024, we are increasingly encouraged by the progress being charted by our portfolio companies to participate in transformative secular growth opportunities enabled by Artificial Intelligence ("A.I."). We expect that a gradual easing of monetary policy will help reignite some of the more established secular growth trends beyond A.I., that are currently seeing a slowdown due to high interest rates.

Technology Market Commentary:

The Magnificent Seven companies (Nvidia, Microsoft, Amazon, Alphabet, Apple, Meta, and Tesla) largely brought A.I. to the mainstream in 2023, first through the introduction of Chat GPT 3 in November 2022, followed by an enterprise version of Co-Pilot from Microsoft in November 2023. What started as a cloud computing intensive technology is now beginning to permeate to the network edge (Edge A.I.) across enterprise, consumer, and industrial markets. A.I. is still in its infancy and will continue to evolve (we are now on GPT 4), get more powerful, and become increasingly more impactful on society. The breadth of technological innovation around A.I. is resulting in a new emerging class of start-ups (Open A.I. and Anthropic, for example) as well as unprecedented levels of investment by tech industry incumbents as companies fear being left behind in what is likely to be the most important tech cycle of the next decade - the fear of becoming the next Blackberry or IBM is palpable. We believe that A.I. will dramatically impact industries ranging from Automotive, Energy, Computers, to

[22] Net Performance

Communications. We believe it will also accelerate improvements in technologies including Intelligent Process Automation, Augmented Reality and Virtual Realty, to name a few.

The impact of A.I. is most acutely felt around the demand for Cloud Computing. Aggregate capital investments approached $150 billion in 2023, between Microsoft, Google, Meta, and Amazon which have all integrated A.I. into their cloud offerings. Most impactful has been Microsoft's packaging of A.I. as part of its Microsoft Office products with Co-Pilot. While still in its early iteration, Co-Pilot should meaningfully increase employee productivity and accelerate enterprise digital transformation. Beyond having a profound impact on cloud computing, the integration of A.I. into end devices, ranging from smartphones and PCs to sensors, security cameras, and industrial equipment, should drive a refresh cycle across a host of consumer and enterprise hardware applications.

As A.I. spreads to the edge of the network, the exponential growth of data will continue unabated and will demand systems that can manage and transmit larger amounts of data at faster speeds. Data networks continue to evolve as optical networking systems migrate from 100G just a few years ago to 800G and 1600G over the next 2-3 years. There is also a revolution occurring in space-based communications. 2023 was a breakthrough year for innovation in and around satellite technology and business plans that enable 5G cellular connectivity from satellites and not just point-to-point satellite backhaul. What was unthinkable just a few years ago is now possible with the advent of digital low earth orbit ("LEO") satellites, made famous by Elon Musk's SpaceX; we expect to see Apple and other consumer technology companies launching connectivity services over the next several years, as well as industrial and corporate use cases for machinery and vehicle monitoring. While Apple was first to market with SOS text capabilities, we believe these 1st generation capabilities will be superseded by an emerging ecosystem of cellular technology from the 10,000+ satellites expected to be deployed over the upcoming decade. New digital beam forming technology will have the ability to bring mobile broadband to wireless remote users.

Across our portfolio, we have several investments that are benefiting from the rapid adoption of A.I. including companies that provide the infrastructure for the systems running A.I. to the software platforms that end-users are directly interfacing with. On the infrastructure side, one of the Fund's largest investments, Tower Semiconductor, provides key semiconductor technology that underpins the data networking layer of A.I. clusters. At the other end of the spectrum, UiPath is a software platform that enables enterprises automation using proprietary and open A.I. models. We believe that there are multiple ways to invest in this emerging trend and our research process enables us to discover less obvious beneficiaries who stand to benefit.

While we are excited about how A.I. is catalyzing growth across many industries, the after-effects of the COVID-induced supply chain challenges and inflation remain headwinds for other industries. In particular, the traditional technology supply chain wrestles with excess inventories and high-interest rates. Secular growth sectors that we have previously highlighted, such as Electric Vehicles ("EV"s) and Solar, grew far below earlier expectations in 2023 as high interest rates limited borrowing and sidelined demand from buyers. The slowdown in demand in these industries subsequently led to an inventory overbuild which the industry is currently working its way through. For example, in the fourth quarter, residential solar inverter companies estimated that sales were reduced by as much as 50%, and their respective channels continued to work down excess inventories.

Long-term, we remain bullish on solar despite near-term challenges and are excited about the evolution occurring in the EV market. Global EV demand remained resilient, growing 31% year over year in 2023 with penetration approaching 12%. While elevated interest rates and higher prices for EVs will likely temper consumer demand for EVs near-term, newer fast-charging battery and far more efficient Silicon Carbide based motor technologies will become mainstream and help to improve performance and reduce costs over time. We still expect demand to remain healthy and grow in 2024 and 2025. We look to take advantage of the cyclical downturn in some of these more mature secular growth markets to buy out of favor, beaten-down companies that will lead industry growth when the interest rate cycle turns more favorable.

OUTPERFORMERS:

The two largest contributors in the fourth quarters were UiPath [NASDAQ: PATH] and Tower Semiconductor [NASDAQ: TSEM].

PATH

UiPath ("PATH"), a leader in artificial intelligence-based workflow automation and process optimization software, increased +45.18% during the fourth quarter as the company reported upside to revenue, annual recurring revenue ("ARR"), and profitability, and an acceleration in new bookings. During the quarter, PATH saw ARR growth of 24% year-over-year and bookings growth of 31% year-over-year, resulting in a record number of $1 million ARR deals in the quarter. Profitability metrics, including an operating margin of 13.5% and FCF margin of 12.5%, also exceeded expectations. We attended the company's user conference, "Forward," in October, at which the company expressed confidence in its execution of a new go-to-market strategy and new product introductions that integrate Generative A.I. into its automation platform. While the overall demand environment remains uneven due to macroeconomic factors, PATH saw strong demand in key verticals such as the Federal Government, Financial Services, and Healthcare.

PATH is a relatively recent investment for the Fund which we identified as a broken IPO (April 2021), one of our favorite new idea screens. We were attracted to the company's leading technology in the software automation market as well as a greater focus on driving operating leverage. PATH provides a platform for customers to automate legacy and repetitive digital tasks using robotic process automation software. PATH pioneered the market for attended and unattended bots, which has since evolved into a full automation platform that includes key capabilities such as process, task, and communication mining that infuse AI-based technologies. In addition to market-leading technology, PATH was undergoing key changes in its go-to-market sales approach led by new senior management. Although the stock has seen its multiple expand to 7x EV/Sales from a trough of 4.5x in April 2023, we still believe the stock price can benefit from accelerating revenue and profitability over the next several years as it addresses a market opportunity over $60 billion and approaches becoming "a rule of 40" company (revenue growth plus free cash flow margins). Rule of 40 companies typically trade at 10-12x revenues or 45-55x EV/FCF.

TSEM

Tower Semiconductor ("TSEM"), a leading specialty analog foundry, increased +24.27% during the fourth quarter. The stock found its footing following the deal break from Intel in August, as the investor base has largely turned over from merger arbitrage funds to more traditional fundamental investors. Like many semiconductor peers, TSEM faces temporary headwinds from an ongoing inventory correction in the semiconductor industry that the company highlighted in its November earnings conference call. TSEM provided a cautious outlook, similar to peers and competitors throughout the industry. Although the company expects revenue to decline sequentially into a seasonally weak Q1, management sees green shoots with some parts of its business, particularly in areas such as mobile and data centers, that should support revenue through the trough of the current cycle.

Looking past the near-term choppiness and out over the medium term, we are increasingly bullish on the opportunity set that should meaningfully benefit TSEM and provide growth tailwinds for the company over the coming years. Given its advanced analog and mixed-signal foundry capabilities, TSEM benefits from the trend of ongoing supply chain rebalancing away from China. TSEM has leading technologies in emerging areas, such as Silicon Photonics and Image Sensing, that will enable new vectors of growth. Historically viewed as capacity-constrained, Tower has announced new capacity and technology corridors with ST Micro and Intel that have just started to ramp modestly. We also see additional benefits emerging from the new Intel capacity deal as we believe TSEM forged new customer relationships that it would not have otherwise engaged with if it were not for the new Intel partnership.

These new agreements should add an incremental $1.2 billion of revenue off of its Q3 annualized run-rate of $1.4 billion while dropping an incremental of approximately $400 million of gross profit. On an aggregate basis, at full utilization, we believe TSEM will have a revenue capability of $2.7 billion with EBITDA margins approaching 40% and net profit margins approaching 20%. This implies EBITDA greater than $1.0 billion and earnings per share of $4.50, well ahead of prior company targets. With peers like GlobalFoundries (“GFS”) currently trading at 4x EV/Revenue and 12x EV/EBITDA, we believe over time TSEM has material upside to its stock, which could exceed Intel’s deal price of $53/share.

UNDERPERFORMERS

The two largest detractors in the fourth quarter were MarkForged [NASDAQ: MKFG] and Criteo [NASDAQ: CRTO].

MKFG

Markforged (“MKFG”), a specialized additive manufacturing technology company, declined -43.45% in the fourth quarter, as macro headwinds continued to result in elongated sales cycles for its products with the company reporting a lower-than-expected outlook for 2023. Revenue declined 20% year-over-year due to several large deals that did not close at the end of the quarter. The revenue decline was primarily driven by a 31% year-over-year decline in hardware and 7% decline in consumables. Consumables revenue was impacted by lower system sales given customers typically purchase consumables with new system orders. At the end of the third quarter, MKFG had $126 million in cash and no debt but was operating at an expected operating loss of $60 million. While soft macroeconomic conditions are expected to continue into 2024, management was confident that the company should deliver revenue growth in 2024, in part aided by anticipated demand for the FX10 given the lower price point. In addition, management announced restructuring initiatives that are expected to deliver $9 million to $12 million in annual cost savings in 2024, primarily from a 10% headcount reduction. As a result, management expects margins to improve sequentially throughout 2024. MKFG is viewed as a leader in industrial-grade 3D printing with systems that range from metal to composite printers that can make extremely strong parts made from continuous strands of carbon fiber. While historically the 3D printing market has been associated with parts made for prototyping, MKFG has introduced systems that can produce parts used in production for industrial and aerospace applications. The company has introduced several new products over the past two years including FX20, FX10, and PX100 that should help reinvigorate growth as the macro stabilizes. Although fundamentals are soft near-term, we believe that at 0.8x EV-to-2024 consensus revenue, MKFG shares trade at a meaningful discount to peers that trade between 1-3x EV-to-sales.

CRTO

Criteo (“CRTO”), an ad tech company specializing in commerce media and retargeting for the open internet, declined -13.29% in the quarter. CRTO has become a dominant player in the emerging and fast-growing market for “retail media” – essentially online advertising by brands and agencies to promote products on retailers’ e-commerce sites – and has created an exclusive, scaled network of over 200 global retailer customers, including 60% of the top 25 US retailers and 50% of the top 20 EMEA retailers.

CRTO reported Q3 earnings in November, and the stock traded down -11.97% on the print. While Q3 results met expectations, the Q4 guide was worse than expected, and the company withdrew its primary 2025 financial targets for several reasons. First, CRTO’s biggest retail media customer will switch to a new contract structure in 2024 that will impact revenues and EBITDA. The company noted that almost all of its other existing clients already operate with this type of contract, so we shouldn’t expect similar contractual issues going forward. Other reasons for a potentially weak 2024 included macro headwinds and the apparent pull forward of Google’s impending elimination of third-party cookies in the Chrome browser. While this has been a known event, CRTO management expressed caution around the impact on its retargeting business, given a hastier timeframe to respond to this major change.

Despite the issues highlighted during Q3 earnings, CRTO continued moving the ball down the field, as retail media growth accelerated and CRTO signed up 10 new clients in Q3. We believe there is significant momentum behind CRTO’s retail media business. Once this “show me” story comes to fruition, the stock could have outsized upside from its price and valuation today around $33/share and 5.6x 2024 EBITDA.

INDUSTRY ATTRIBUTION

On the page below, we show the Fund’s industry attribution. Given the strong performance from PATH in the quarter, the Software sector contributed +5.51% to net performance. Similarly, strong performance from TSEM drove attribution from the Semiconductor sector of +3.20% net, while the largest Q4 sector detractor was Machinery -1.79% net from performance.

INDUSTRY	GROSS EXPOSURE (AS OF 12/31)	GROSS ATTRIBUTION[23] (Q4 2023)	GROSS ATTRIBUTION[2] (2023)	NET ATTRIBUTION (Q4 2023)	NET ATTRIBUTION (2023)
Aerospace & Defense	15%	1.10%	4.52%	1.07%	4.17%
Banks	1%	0.18%	0.46%	0.18%	0.42%
Broadline Retail	0%	-0.42%	-0.73%	-0.43%	-0.79%
Comm. Equipment	11%	-0.82%	-2.40%	-0.84%	-2.58%
Electronic Equip. & Components	7%	0.44%	-0.14%	0.43%	-0.15%
Financial Services	6%	1.87%	2.41%	1.82%	2.23%
Health Care Equip & Supplies/Tech	5%	0.13%	-1.60%	0.11%	-1.72%
Machinery	10%	-1.71%	-2.04%	-1.76%	-2.20%
Semiconductor & Equipment	23%	3.29%	6.94%	3.20%	6.41%
Software	26%	5.66%	7.23%	5.51%	6.68%
IT Hardware	1%	-0.39%	-0.24%	-0.40%	-0.26%
IT Services	8%	2.02%	2.37%	1.97%	2.19%
Index/ETF	0%	-0.28%	-0.14%	-0.29%	-0.15%
Other	6%	-0.28%	1.24%	-0.29%	1.15%
Totals	**119%**	**10.79%**	**17.88%**	**10.28%**	**15.40%**
Long	117%	11.60%	18.49%	11.13%	16.09%
Short	--2%	-0.81%	-0.61%	-0.84%	-0.69%
Totals	**119%**	**10.79%**	**17.88%**	**10.28%**	**15.40%**

PORTFOLIO CHARACTERISTICS

During the fourth quarter, the Fund's net exposure increased as we added to several holdings and initiated two new positions. As a result, we ended the quarter with a net exposure of 115%, up modestly from 111% at the end of the third quarter but well below 129% entering the year. Our gross exposure decreased modestly to 117%, down from 119% at the end of the third quarter, as we reduced our holdings in several positions. While we remain cautiously optimistic for a soft-landing scenario for 2024, with interest rates beginning to ease later in the year, we remain disciplined in the current risk environment.

PORTFOLIO VALUATION

As of December 31st, 2023, the Fund's top ten investments represented 65% of gross exposure and 77% of equity. The Fund's top ten positions traded with a portfolio-weighted average valuation of 2.60x EV/sales. Of our top investments, seven have a portfolio-weighted average net cash of 35.3% of their market capitalization, and another three companies have net debt and trade at 9.7x EV/EBITDA (per Bloomberg). While these

[23] Net Attribution Figures have been prepared on a pro forma basis and provided above. Important considerations regarding Senvest's calculation methodology for the Net Sector attributions should be reviewed under the Important Disclosures on page 8—these figures are not properly understood without reference to these disclosures.

valuation levels are near historical lows for the Fund, the size, quality and diversity of the Fund's underlying investments and their market opportunities have greatly improved.

CONCLUSION / OUTLOOK FOR 2024

While the potential that technology adoption and A.I. brings for global growth is uncharted, the world still has plenty of macro and geopolitical risks to navigate in 2024 from the impending US election to multiple regional conflicts in Ukraine and the Middle East to rising tensions with China in the Straits of Taiwan. Although we are gaining confidence in an economic soft landing, it is still not a *fait accompli*. While the timing may shift somewhat, we believe that interest rates will gradually be reduced in 2024 and 2025, stimulating global economic activity. We also see many 'green shoots' emerging for new products across multiple industries as innovation accelerates and new A.I. enhanced business models drive renewed growth. We anticipate that, by the second half of 2024, excess channel inventories will be drawn down to normalized levels and that end-user demand will drive growth throughout the electronic manufacturing supply chain. We believe several secular megatrends in technology, from A.I. and Digital Transformation to Electrification Economy and Industrial Automation, will underpin growth and renewal in the global economy over the decade ahead.

As mentioned in our quarterly letters throughout 2023, a significant performance discrepancy exists between the Magnificent 7 and SMID-cap stocks. This gap is one of the widest it has been in the past 30 years. In recent months, we have observed a pattern where SMID-cap stocks have outperformed their larger peers as expectations of falling interest rates increase, bringing growth into markets beyond core A.I. & Cloud Compute. Smaller companies tend to be more sensitive to changes in interest rates and can experience greater changes in profitability and, as a result, are primed for a greater re-rating as elevated interest rates begin to recede. We believe there is a good chance that SMID-cap tech will catch up this year after trailing its Mega cap peers last year.

We continue to see historically favorable risk-reward across the Fund, with many companies trading near historical low valuations and flush with cash. Our investments are primed once interest rates moderate and macro and geopolitical pressures start to abate. As always, please do not hesitate to reach out to us should you have any questions or wish to discuss anything in further detail. We look forward to speaking with you and reporting on our progress in future quarters.

Best regards,

Robert Katz Richard Mashaal

Technology Partners Ltd., a Cayman Islands exempted company (both Senvest Technology Partners LP and Senvest Technology Partners Ltd. invest substantially all of their assets in Senvest Technology Master Fund, L.P.), or any other partnership interests described herein (collectively, the "Funds"), and may not be relied upon in connection with any offer or sale of securities. Any offer or solicitation may only be made pursuant to a Confidential Private Offering Memorandum (or similar document) which will only be provided to qualified offerees and should be reviewed carefully by any such offerees prior to investing.

The Funds previously operated under the name of “Senvest Israel Partners Master Fund, LP”, and invested primarily in U.S. listed, Israeli-related and local Israel-listed companies of all market capitalization sizes. Effective January 1, 2019, the Fund’s investment focus has been broadened to include global technology (and technology-related), media and telecom investments, which may not include Israeli-related investments. Performance information of the Funds prior to January 1,2019 reflects the performance of the Fund’s prior investment strategy. While we believe that the investment strategy and process utilized prior to January 1, 2019 is similar to the current investment strategy and process, there is no historical performance available for the Fund’s current investment strategy. There can be no assurance that the future performance of the Funds will be the same as the historical performance of the Funds.

An investment in a Fund involves risk and volatility. Because this communication is only a high-level summary it does not contain all material terms pertinent to an investment decision, including important disclosures of conflicts and risk factors associated with an investment in a Fund. This document in and of itself should not form the basis for any investment decision. An investment in a Fund is speculative and entails substantial risks, including the fact that such an investment would be illiquid and be subject to significant restrictions on transferability. No market is expected to develop for interests in any Fund. Financial instruments and investment opportunities discussed or referenced herein may not be suitable for all investors, and potential investors must make an independent assessment of the appropriateness of any transaction in light of their own objectives and circumstances, including the possible risk and benefits of entering into such a transaction.

An investor in a Fund could lose all or a substantial amount of his or her investment. Returns generated from an investment in a Fund may not adequately compensate investors for the business and financial risks assumed. While the Funds are subject to market risks common to other types of investments, including market volatility, the Funds employ certain trading techniques such as the use of leverage and other speculative investment practices that may increase the risk of investment loss. The products and strategies in which the Funds expect to invest may involve above-average risk. Please see the Risk Factors section of the applicable Confidential Private Offering Memorandum (or similar document) for certain risks associated with an investment in a Fund.

Certain information contained in this Presentation constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may", "will", "should", "expect", "anticipate", "target", "project", "estimate", "intend", "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual policies, procedures and processes of the Investment Manager and the performance of the Funds may differ materially from those reflected or contemplated in such forward-looking statements and no undue reliance should be placed on these forward-looking statements, nor should the inclusion of these statements be regarded as the Investment Manager's representation that the Funds will achieve any strategy, objectives or other plans. The stated gross returns are calculated before deducting incentive fees, management fees and other expenses of the Fund, which would reduce returns. Net performance figures are not included for individual investments because individual investment level net performance cannot be calculated without making arbitrary assumptions related to the allocation of fees and expenses. Please refer to Page 1 for the net performance results of the Fund.”

This document should be read in conjunction with, and is qualified in its entirety by, information appearing in the Confidential Private Offering Memorandum (or similar document) for each Fund and the organizational documents for such fund (e.g. limited partnership agreements, articles of association, etc.), which should be carefully reviewed prior to investing. Potential investors should consult a professional adviser regarding the possible economic, tax, legal or other consequences of entering into any investments or transactions described herein. Investment allocations and ownership percentages are subject to change without notice. The information contained herein is confidential and cannot be reproduced, shared or published in any manner without the prior written consent of Senvest.

Unless otherwise indicated, the information contained in this document is current as of the date indicated on its cover. Such information is believed to be reliable and has been obtained from sources believed to be reliable, but no representation or warranty is made, expressed or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of the information and opinions. Additionally, there is no obligation to update, modify or amend this document or to otherwise notify a reader in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

The Investment Manager is not acting and does not purport to act in any way as an advisor or in a fiduciary capacity vis-a-vis any investor in the Funds. Therefore, it is strongly suggested that any prospective investor obtain independent advice in relation to any investment, financial, legal, tax, accounting or regulatory issues discussed herein. Analyses and opinions contained herein may be based on assumptions that if altered can change the analyses or opinions expressed. Nothing contained herein shall constitute any representation or warranty as to future performance of any financial instrument, credit, currency rate or other market or economic measure.

Certain performance information is provided for the Funds. Performance numbers are net of all fees and expenses unless noted otherwise. All returns are subject to revision until completion of the annual audit. Past performance is not necessarily indicative of or a guarantee of future results.

Gross and Net Attribution Figures: Attributions of sector-level performance are shown on a gross basis unless otherwise noted herein ("Gross Attributions"). Gross Attributions reflect the return contribution by the aggregate investments in each Sector for the period indicated (calculated by dividing the gains/losses of the indicated Sector over the portfolio, as applicable), but is calculated prior to the deduction of management fees, expenses and incentive compensation paid to Senvest, which will reduce performance. Net sector attributions ("Net Attributions") reflect Gross Attributions, reduced by a percentage equal to the quotient of the applicable Fund's net return divided by the applicable Fund's gross return in order to approximate a pro forma “net” return. This pro forma return should not be relied upon as a precise metric of the impact of fees and expenses on the performance of each Sector, for the reasons detailed below. Net Attributions are presented pro forma because, although such figures reflect actual performance, these calculations apply management fees, expenses and incentive compensation to each Sector's Gross Attributions, even though each Fund's fees, expenses and incentive compensation are only calculated for the applicable Fund as a whole. Correspondingly, this approximation does not precisely reflect the impact such fees and expenses actually had on the performance of positions included in each Sector. Net Attributions do not take into account the specific impact of leverage and other costs on specific Sectors' performance, nor do they incorporate the differing impact that each investor’s or Fund's high water mark has on specific Sectors. For example, if the Fund as a whole accrued incentive compensation for a given period, the Net Attributions methodology would result in the reduction of Gross Attributions, on a percentage basis, of an amount incorporating that accrued incentive compensation from each Sector's performance, even where a Sector experienced negative performance (and therefore, viewed in isolation, would not have accrued incentive allocation). In addition, expenses are not tracked on a Sector-by-Sector basis, and therefore the Net Attributions shown herein do not reflect an approximation of the precise impact of expenses on specific Sectors' performance—many expenses are incurred on a fund-wide level and do not relate to any specific portion of the investment program. Pro forma performance of this nature is subject to inherent limitations and should not form the basis for an investment decision. Additional information on the risks and limitations of pro forma performance is available upon request.

Unless otherwise noted, all calculations in this report are made by Senvest. All profit and loss, or other performance information is unaudited and is net of fees and expenses based on an investment made at inception. Total returns reflect compounded monthly returns. The distribution of this document in certain jurisdictions may be prohibited or restricted by law; therefore, people in whose possession this document comes should inform themselves about and observe such restrictions. Any such distribution could result in a violation of the law of such jurisdictions.

The Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which is made up of 3,000 of the largest U.S. stocks by market capitalization. The Russell 2000 Index represents approximately 8% of the total market capitalization of the Russell 3000 Index. The Nasdaq Composite Index is a market-capitalization-weighted index of all the stocks traded on the Nasdaq stock exchange. This index includes some companies that are not based in the United States.

INTERNAL CONTROLS

Disclosure controls and procedures

Our disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by us in reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified under those laws, and include controls and procedures that are designed to ensure that the information is accumulated and communicated to management, including Senvest's President and CEO and Vice-President and CFO, to allow timely decisions regarding required disclosure. As at December 31, 2023, management evaluated, under the supervision of and with the participation of the CEO and the CFO, the effectiveness of our disclosure controls and procedures, under National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings. Based on that evaluation, the CEO and CFO concluded that our disclosure controls and procedures were effective as at December 31, 2023.

Internal control over financial reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting under National Instrument 52-109. Our internal control over financial reporting is a process designed under the supervision of the CEO and CFO to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. However, because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements on a timely basis. Management evaluated, under the supervision of and with the participation of the CEO and the CFO, the effectiveness of our internal control over financial reporting as at December 31, 2023, based on the criteria established in the Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on that evaluation, the CEO and CFO concluded that our internal control over financial reporting was effective as at December 31, 2023. There have been no changes during the year ended December 31, 2023 in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial report.

Victor Mashaal
Chairman of the Board and President

March 28, 2024

(Management Discussion and Analysis ("MD&A") provides a review of Senvest Capital Inc.'s operations, performance and financial condition for the year ended December 31, 2023, and should be read in conjunction with the 2023 annual filings. Readers are also requested to visit the SEDAR+ website at www.sedarplus.ca ***for additional information. This MD&A also contains certain forward-looking statements with respect to the Corporation. These forward-looking statements, by their nature necessarily involve risks and uncertainties that could cause actual results to differ materially from those contemplated by these forward-looking statements. We consider the assumptions on which these forward-looking statements are based to be reasonable, but caution the reader that these assumptions regarding future events, many of which are beyond our control may ultimately prove to be incorrect.***

The Consolidated financial statements for the fiscal year ended December 31, 2023 and December 31, 2022, were prepared by the management of Senvest Capital Inc., reviewed by the Audit Committee and approved by the Board of Directors. They were prepared in accordance with International Financial Reporting Standards and are consistent with the Company's business.

The Company and its subsidiaries maintain a high level of quality of internal controls, designed to provide reasonable assurance that the financial information is accurate and reliable. The information included in this Annual Report is consistent with the financial statements contained herein.

The financial statements have been audited by PricewaterhouseCoopers LLP, the company's auditors, whose report is provided herein.

Victor Mashaal
Chairman of the Board and President

Senvest Capital Inc.

March 28, 2024

Independent auditor's report

To the Shareholders of Senvest Capital Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Senvest Capital Inc. and its subsidiaries (together, the Company) as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited
The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2023 and 2022;
- the consolidated statements of income (loss) for the years then ended;
- the consolidated statements of comprehensive income (loss) for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP
1250 René-Lévesque Boulevard West, Suite 2500, Montréal, Quebec, Canada H3B 4Y1
T.: +1 514 205 5000, F.: +1 514 876 1502, Fax to mail: ca_montreal_main_fax@pwc.com

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Valuation of level 3 debt and equity securities *Refer to note 2 – Material accounting policy information, note 3 – Critical accounting estimates and judgments and note 16 – Financial risks and fair value to the consolidated financial statements.* As at December 31, 2023, the Company's investment portfolio included $4,585,964,000 of equity investments and other holdings measured at fair value through profit or loss, which included $255,691,000 of level 3 debt and equity securities (the Securities) for which quoted prices or observables inputs were not available. Management uses valuation techniques, including the comparable company approach, comparable bond methodologies, Black-Scholes option pricing models, Backsolve option pricing models, index performance method, and recent transactions to determine the fair value of these Securities. In the determination of the fair value of these Securities, management applies significant judgment which includes the selection of appropriate valuation techniques and the use of significant unobservable inputs in those techniques, such as: a) earnings before interest, tax and amortization (EBITA) multiples, revenue multiples, EBITA estimates, revenue estimates, average change in market capitalization and index weighting for securities valued using the comparable company approach; b) discount rates and yield to maturity (YTM) rates for Securities valued using comparable bond methodologies;	Our approach to addressing the matter included the following procedures, among others: • Tested how management determined the fair value estimates for a sample of Securities, which included the following: – Evaluated the appropriateness of the valuation techniques used and tested the mathematical accuracy thereof. – For Securities valued using the comparable company approach, assessed the reasonableness of EBITA and revenue estimates of the underlying companies by comparing them to past performance of the underlying companies. – For Securities valued using the recent transaction approach, assessed publicly available information having a potential to affect the fair value between the transaction date and December 31, 2023 and, if applicable, the reasonableness of the discount for lack of marketability applied. – Professionals with specialized skills and knowledge in the field of valuation were used to further assist in evaluating the reasonableness of management's valuation techniques and significant unobservable inputs, by considering comparable companies for the EBITA multiples, revenue multiples, discount rates, YTM rates, index weighting, average change in market capitalization and expected volatilities.

Key audit matter	How our audit addressed the key audit matter
c) expected volatilities for Securities valued using the Black-Scholes option pricing models or Backsolve option pricing models; d) index weighting for Securities valued using the index performance method; and e) discount for lack of marketability for Securities valued using the recent transactions approach. We considered this a key audit matter due to the significant judgment applied by management in determining the fair value estimates of the Securities. This determination required the use of appropriate valuation techniques which included significant unobservable inputs. This in turn led to a high degree of auditor subjectivity and judgment in performing procedures relating to the valuation of the Securities. The audit effort involved the use of professionals with specialized skill and knowledge in the field of valuation.	– Tested the underlying data used in the valuation techniques.
Valuation of investment properties *Refer to note 2 – Material accounting policy information, note 3 – Critical accounting estimates and judgments and note 9 – Investment properties to the consolidated financial statements.* As at December 31, 2023, the Company held investment properties amounting to $63,095,000, which are measured at fair value. Management uses valuation techniques, including the comparable sales approach and recent transactions, to determine the fair value of investment properties. Management uses significant unobservable inputs in estimating the value of investment properties, such as value/m2 for investment properties valued using the comparable sales approach.	Our approach to addressing the matter included the following procedures, among others: • Tested how management determined the fair value of a sample of investment properties, which included the following: – Professionals with specialized skill and knowledge in the field of real estate valuation assisted us in evaluating the appropriateness of the valuation techniques, in testing the mathematical accuracy thereof, assessing recent transactions and evaluating the reasonableness of the value/m2 used. – Tested the underlying data used in the valuation techniques.

Key audit matter	How our audit addressed the key audit matter
We considered this a key audit matter due to the significant judgments applied by management in determining the fair value estimates of the investment properties. This determination required the use of appropriate valuation techniques which included significant unobservable inputs. This in turn led to a high degree of auditor subjectivity and judgment in performing procedures relating to the valuation of the investment properties. The audit effort involved the use of professionals with specialized skill and knowledge in the field of real estate valuation.	

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis, which we obtained prior to the date of this auditor's report and the information, other than the consolidated financial statements and our auditor's report thereon, included in the annual report, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. When we read the information, other than the consolidated financial statements and our auditor's report thereon, included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Linda Beauparlant.

/s/PricewaterhouseCoopers LLP[1]

Montréal, Quebec
March 28, 2024

[1] CPA auditor, public accountancy permit No. A117693

Consolidated Statements of Financial Position
As at December 31, 2023 and 2022

(in thousands of Canadian dollars)

	Note	2023 $	2022 $
Assets			
Cash and cash equivalents	4	33,011	42,531
Restricted short-term investments		477	477
Due from brokers	5(b)	346,315	163,579
Equity investments and other holdings	6	4,585,964	5,280,915
Investments in associates	7	20,383	29,563
Real estate investments	8	44,172	47,763
Investment properties	9	63,095	56,318
Income taxes receivable	12(b)	19,928	14,871
Other assets		19,117	17,136
Total assets		5,132,462	5,653,153
Liabilities			
Bank advances	5(a)	349	532
Trade and other payables	11	22,359	29,694
Due to brokers	5(b)	878,750	1,058,328
Securities sold short and derivative liabilities	6	502,965	858,733
Redemptions payable		72,332	34,006
Subscriptions received in advance		-	703
Income taxes payable		386	4,797
Deferred income tax liabilities	12(b)	89,492	90,606
Liability for redeemable units	10	1,927,203	1,981,983
Total liabilities		3,493,836	4,059,382
Equity			
Equity attributable to common shareholders			
Share capital	13	20,605	20,657
Accumulated other comprehensive income		197,312	234,254
Retained earnings		1,402,922	1,321,347
Total equity attributable to common shareholders		1,620,839	1,576,258
Non-controlling interest	17	17,787	17,513
Total equity		1,638,626	1,593,771
Total liabilities and equity		5,132,462	5,653,153

Approved by the Board of Directors

Victor Mashaal
Director

Frank Daniel
Director

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Income (Loss)
For the years ended December 31, 2023 and 2022

(in thousands of Canadian, except per share data)

	Note	2023 $	2022 $
Revenue			
Interest income		64,129	28,232
Dividend income		71,972	42,292
Other income		7,962	6,583
		144,063	77,107
Investment gains (losses)			
Net change in fair value of equity investments and other holdings		307,715	(810,022)
Dividend expense on securities sold short		(11,235)	(17,315)
Net change in fair value of real estate investments		(3,965)	10,587
Net change in fair value of investment properties		(919)	4,511
Share of loss of associates	7	(9,450)	(86)
Foreign exchange gain		6,094	4,873
		288,240	(807,452)
Total revenue and net investment gains (losses)		432,303	(730,345)
Operating costs and other expenses			
Employee benefit expense		43,350	40,953
Interest expense		102,105	51,780
Transaction costs		14,463	18,097
Other operating expenses		39,437	29,085
		199,355	139,915
Change in redemption amount of redeemable units		131,475	(502,428)
Income (loss) before income tax		101,473	(367,832)
Income tax expense (recovery)	12(a)	17,166	(40,507)
Net income (loss) for the year		84,307	(327,325)
Net income (loss) attributable to:			
Common shareholders		83,608	(326,083)
Non-controlling interest		699	(1,242)
Earnings (loss) per share			
Basic and diluted	14	33.78	(130.98)

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Comprehensive Income (Loss)

For the years ended December 31, 2023 and 2022

(in thousands of Canadian dollars)

	2023 $	2022 $
Net income (loss) for the year	84,307	(327,325)
Other comprehensive income (loss)		
Currency translation differences	(37,367)	107,279
Comprehensive income (loss) for the year	46,940	(220,046)
Comprehensive income (loss) attributable to:		
Common shareholders	46,666	(219,449)
Non-controlling interest	274	(597)

Other comprehensive income (loss) includes currency translation differences arising from the Company's interest in foreign entities. Accumulated other comprehensive income arising from currency translation differences arising from the Company's interest in foreign entities will be reclassified to profit and loss upon the disposal of such entities. Currency translation differences arising from the translation of the Company's consolidated financial statements' translation to the presentation currency will not be subsequently reclassified to profit and loss.

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Changes in Equity
For the years ended December 31, 2023 and 2022

(in thousands of Canadian dollars)

	Note	Share capital $	Accumulated other comprehensive income $	Retained earnings $	Total $	Non-controlling interests $	Total equity $
		Equity attributable to owners of the parent					
Balance – December 31, 2021		20,853	127,620	1,656,171	1,804,644	11,009	1,815,653
Net loss for the year		-	-	(326,083)	(326,083)	(1,242)	(327,325)
Other comprehensive income		-	106,634	-	106,634	645	107,279
Comprehensive income (loss) for the year		-	106,634	(326,083)	(219,449)	(597)	(220,046)
Repurchase of common shares	13	(196)	-	(8,741)	(8,937)	-	(8,937)
Contribution from non-controlling interest		-	-	-	-	7,101	7,101
Balance – December 31, 2022		20,657	234,254	1,321,347	1,576,258	17,513	1,593,771
Net income for the year		-	-	83,608	83,608	699	84,307
Other comprehensive loss		-	(36,942)	-	(36,942)	(425)	(37,367)
Comprehensive income (loss) for the year		-	(36,942)	83,608	46,666	274	46,940
Repurchase of common shares	13	(52)	-	(2,033)	(2,085)	-	(2,085)
Balance – December 31, 2023		20,605	197,312	1,402,922	1,620,839	17,787	1,638,626

The accompanying notes are an integral part of these consolidated financial statements.

(in thousands of Canadian dollars)

	Note	2023 $	2022 $
Cash flows provided by (used in)			
Operating activities			
Net income (loss) for the year		84,307	(327,325)
Adjustments for non-cash items	15(a)	(159,802)	232,974
Purchase of equity investments and other holdings held for trading		(3,456,530)	(5,472,576)
Purchase of securities sold short and derivative liabilities		(3,573,672)	(6,663,804)
Proceeds on sale of equity investments and other holdings held for trading		4,360,286	5,667,239
Proceeds from securities sold short and derivative liabilities		3,195,749	6,953,279
Dividends and distributions received from real estate investments		1,458	20,824
Changes in non-cash working capital items	15(b)	(367,381)	(153,303)
Net cash provided by operating activities		84,415	257,308
Investing activities			
Transfers to restricted short-term investments		(11)	29
Purchase of real estate investments		(2,904)	(4,019)
Purchase of investment properties		(7,341)	(2,639)
Purchase of investment in associates		(618)	(448)
Purchase of equity investments and other holdings at fair value through profit or loss		(21,915)	(20,668)
Proceeds on sale of equity investments and other holdings at fair value through profit or loss		43,866	1,869
Proceeds from investments in associates		-	1,075
Proceeds from sale of investment properties		-	5,617
Net cash provided (used) in investing activities		11,077	(19,184)
Financing activities			
Increase (decrease) in bank advances		(185)	265
Payment of lease liability		(1,283)	(1,236)
Contributions from non-controlling interest		-	7,101
Repurchase of common shares		(2,085)	(8,937)
Proceeds from issuance of redeemable units		9,428	29,187
Amounts paid on redemption of redeemable units		(110,091)	(276,760)
Net cash provided by (used in) financing activities		(104,216)	(250,380)
Decrease in cash and cash equivalents during the year		(8,724)	(12,256)
Effect of changes in foreign exchange rates on cash and cash equivalents		(796)	2,598
Cash and cash equivalents – Beginning of year		42,531	52,189
Cash and cash equivalents – End of year	4	33,011	42,531
Amounts of cash flows classified in operating activities:			
Cash paid for interest		104,210	47,951
Cash paid for dividends on securities sold short		13,312	15,937
Cash received on interest		65,819	24,414
Cash received on dividends		69,838	41,879
Cash paid for income taxes		25,657	12,067

The accompanying notes are an integral part of these consolidated financial statements.

(in thousands of Canadian dollars unless otherwise stated)

1 General information

Senvest Capital Inc. (the "Company") was incorporated under Part I of the *Canada Corporations Act* on November 20, 1968 under the name Sensormatic Electronics Canada Limited, and was continued under the *Canada Business Corporations Act* under the same name effective July 23, 1979. On April 21, 1991, the Company changed its name to Senvest Capital Inc. The Company and its subsidiaries hold investments in equity and real estate holdings that are located predominantly in the United States. The Company's head office and principal place of business is located at 1000 Sherbrooke Street West, Suite 2400, Montréal, Quebec H3A 3G4. The Company's shares are traded on the Toronto Stock Exchange under the symbol "SEC". Refer to note 17 for the composition of the Company.

2 Material accounting policy information

Basis of preparation

The Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards)

The Board of Directors (Board) approved these consolidated financial statements for issue on March 28, 2024.

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards, requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention, except for financial assets and financial liabilities at fair value through profit or loss (FVTPL), including derivative instruments, and investment properties which have been measured at fair value.

Consolidation

Subsidiaries

The financial statements of the Company consolidate the accounts of the Company, its subsidiaries, and its structured entities. All intercompany transactions, balances and unrealized gains and losses from intercompany transactions are eliminated on consolidation. Where applicable, amounts reported by subsidiaries, associates and structured entities have been adjusted to conform with the Company's accounting policies.

(in thousands of Canadian dollars unless otherwise stated)

Investments in associates

Investments in associates held by the Company's investment entities are included in the Company's consolidated financial statements as financial assets at FVTPL. The accounting policies applied to these investments in associates are similar to those applied to the Company's other financial assets at FVTPL and are disclosed in the accounting policy notes discussing the classification and measurement of financial assets and liabilities.

Investment in associates that are not held by the Company's investment entities are included in the Company's consolidated financial statements using the equity method.

Equity method

Participations in associates are initially recorded at cost plus transaction costs. Subsequent to the acquisition date, the Company's share of profits or losses of associates is recognized in the consolidated statements of income (loss). The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Company's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

Dilution gains and losses arising from changes in interests in investments in associates are recognized in the consolidated statements of income (loss).

The Company assesses at each year-end whether there is any objective evidence that its interests in associates are impaired. If impaired, the carrying value of the Company's share of the underlying assets of associates is written down to its estimated recoverable amount (being the higher of fair value less cost to sell and value in use) and charged to the consolidated statement of income (loss). In accordance with IAS 36 *Impairment of Assets*, impairment losses are reversed in subsequent years if the recoverable amount of the investment subsequently increases, and the increase can be related objectively to an event occurring after the impairment was recognized.

Liability for redeemable units

Liability for redeemable units represents the units in Senvest Master Fund, L.P., Senvest Technology Partners Master Fund, L.P. and Senvest Cyprus Recovery Investment Partners, L.P. Fund (collectively the "Funds" or individually a "Fund") that are not owned by the Company. Senvest Master Fund, L.P. and Senvest Technology Partners Master Fund, L.P. units may be redeemed as of the end of any calendar quarter subject to the required notice of redemption period, maximum quarterly amounts and redemption fees. Senvest Cyprus Recovery Investment Partners, L.P. Fund has units that can be redeemed semi-annually with a 120 day notice. These units are recognized initially at fair value, net of any transaction costs incurred, and subsequently units are measured at the redemption amount.

Redeemable units are issued and redeemed at the holder's option at prices based on each Fund's net asset value per unit at the time of subscription or redemption. Each Fund's net asset value per unit is calculated by dividing the net assets attributable to the holders of each class of redeemable units by the total number of outstanding redeemable units for each respective class. In accordance with the provisions of the Funds' offering documents, investment positions are valued at the close price for the purpose of determining the net asset value per unit for subscriptions and redemptions.

Non-controlling interests

Non-controlling interests represent equity interests in the consolidated structured entities owned by outside parties. The share of net assets of the structured entity attributable to non-controlling interests is presented as a component of equity. Their share of net income (loss) and comprehensive income (loss) is recognized directly in equity. Changes in the Company's ownership interest in the structured entity that do not result in a loss of control are accounted for as equity transactions.

Foreign currency translation

Functional currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The functional currency of the Company is the US dollar.

Transactions and balances

Foreign currency transactions are translated into the relevant functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in currencies other than an entity's functional currency are recognized in the consolidated statement of income (loss).

Consolidation and foreign operations

The financial statements of a subsidiary or a structured entity that has a functional currency different from that of the parent company are translated into US dollars as follows: assets and liabilities – at the closing rate at the date of the consolidated statement of financial position; and income and expenses – at the average rate for the period (as this is considered a reasonable approximation of actual rates). All resulting changes are recognized in other comprehensive income (loss) as currency translation differences.

If the Company disposes its interest in a foreign operation or loses control or significant influence over a foreign operation, the foreign exchange gains or losses accumulated in other comprehensive income related to the foreign operation would be recognized in net income (loss). If the Company disposes of part of an interest in a foreign operation which remains a subsidiary, a proportionate amount of foreign exchange gains or losses accumulated in other comprehensive income (loss) related to the subsidiary would be reallocated between controlling and non-controlling interests.

(in thousands of Canadian dollars unless otherwise stated)

Presentation currency

The Company has adopted the Canadian dollar as its presentation currency, which in the opinion of management is the most appropriate presentation currency. Historically, the Company's consolidated financial statements have been presented in Canadian dollars, and since the Company's shares are listed on a Canadian stock exchange, management believes it would better serve the use of shareholders to continue issuing consolidated financial statements in Canadian dollars. The US dollar consolidated financial statements described above are translated into the presentation currency as follows: assets and liabilities – at the closing rate at the date of the consolidated statement of financial position; and income and expenses – at the average rate for the period. All resulting changes are recognized in other comprehensive income as currency translation differences. Equity items are translated using the historical rate.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits held with banks and other short-term highly liquid investments with original maturities of three months or less.

Financial assets and liabilities

Recognition, derecognition and offsetting

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets and financial liabilities are recognized on the trade date, the date on which the Company commits to purchase or sell the investment.

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable and unconditional right to offset the recognized amounts and when there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Classification and measurement

The classification of financial assets is based on the Company's business model and the financial asset's contractual cash flow characteristics. Business models are reassessed periodically, and contractual cash flows characteristics are assessed to determine whether they are "Solely payments of principal and interest" (SPPI).

The Company assesses its business models individually at the level of the subsidiaries and the associated companies. Information that is considered in determining the business models includes policies and objectives for the financial instrument held in each entity, how risk and performance is measured at the entity level and reported to management and expected future events for the financial instrument with respect to valuation, holding period and selling. All of the group entities' financial assets are managed on a fair value basis with the exception of bank balances and short-term trade receivables. The Company does not hold any long-term financial assets with the intent of solely collecting payments of principal and interest or collecting such payments and selling the assets.

(in thousands of Canadian dollars unless otherwise stated)

Financial assets, including hybrid contracts, are classified as either amortized cost or the residual classification of FVTPL.

Financial assets with cash flows that are SPPI and are held within a business model where the objective is to hold the financial assets in order to collect contractual cash flows ("Hold to collect" business model) are measured at amortized cost.

Financial assets with cash flows that are SPPI but are not held within the "Hold to collect" business model are measured at FVTPL.

Financial assets with cash flows that do not meet the SPPI conditions are measured at FVTPL.

Financial assets held for trading are classified as FVTPL.

Financial liabilities are measured at amortized cost unless they must be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company elects to measure them at FVTPL. The Company has not made such elections.

Financial assets at FVTPL

i) Financial assets and financial liabilities held for trading

A financial asset or financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or if on initial recognition it is part of a portfolio of identifiable financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.

The Company makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions.

From time to time, the Company enters into derivative financial instruments for speculative purposes. Derivatives are also classified as held for trading. The Company does not classify any derivatives as hedges in a hedging relationship.

ii) Financial assets managed as fair value through profit or loss

Financial assets managed as fair value through profit or loss are financial instruments that are not classified as held for trading but form part of a portfolio that is managed and whose performance is evaluated on a fair value basis in accordance with the Company's documented investment strategy.

The Company's policy requires management to evaluate the information about these financial assets and financial liabilities on a fair value basis together with other related financial information.

Recognition, derecognition and measurement

Financial assets and financial liabilities at FVTPL are initially recognized at fair value. Transaction costs are expensed as incurred in the consolidated statement of income (loss).

Subsequent to initial recognition, all financial assets and financial liabilities at FVTPL are measured at fair value which approximates the amount that would be received or paid if the derivative were to be transferred to a market participant at the consolidated statement of financial position date.

(in thousands of Canadian dollars unless otherwise stated)

Gains and losses arising from changes in the fair value of financial assets or financial liabilities at FVTPL are presented in the consolidated statement of income (loss) in net change in fair value of equity investments and other holdings or net change in fair value of real estate investments in the period in which they arise.

The fair value is included in equity investments and other holdings if in an asset position or equities sold short and derivative liabilities if in a liability position.

Dividend income from financial assets at fair value through profit or loss is recognized in the consolidated statement of income (loss) as dividend income when the Company's right to receive payment is established. Interest on debt securities at fair value through profit or loss is recognized in the consolidated statement of income (loss) in interest income based on the contractual rate on an accrual basis. Dividend expense from equities sold short is recognized in the consolidated statement of income (loss) as dividend expense on equities sold short.

Financial assets at amortized cost

Classification

Financial assets at amortized cost are non-derivative financial assets with cash flows that are SPPI and that are managed under a "hold to collect" business model.

The Company's financial assets at amortized cost consist of cash and cash equivalents, due from brokers, as well as loans to employees and restricted short-term investment, which are included in other assets.

Recognition and measurement

At initial recognition, the Company measures its financial assets at its fair value plus transactions costs incurred. The amortized cost is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and adjusted for any loss allowance.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets.

Impairment

Substantially all of the Company's financial assets at amortized cost are short-term assets and due by counterparties with low credit risk. The Company monitors its financial assets measured at amortized cost and counterparty risk.

Financial liabilities at amortized cost

Classification

The Company's financial liabilities at amortized cost are non-derivative liabilities that comprise bank advances, trade and other payables, due to brokers, redemptions payable, subscriptions received in advance and liability for redeemable units.

(in thousands of Canadian dollars unless otherwise stated)

Recognition and measurement

Trade and other payables are initially recognized at fair value. Subsequently, trade and other payables are measured at amortized cost using the effective interest method. Bank advances, due to brokers, redemptions payable and subscriptions received in advance are recognized initially at fair value, net of any transaction costs incurred, and subsequently at amortized cost using the effective interest method.

Due from and to brokers

Amounts due from and to brokers represent positive and negative cash balances or margin accounts, and pending trades on the purchase or sale of securities.

Where terms in the prime brokerage agreements permit the prime broker to settle margin balances with cash accounts or collateral, the due from brokers cash balances are offset against the due to brokers margin balances at each prime broker.

Investment properties

Investment properties are properties held to earn rental income and/or for capital appreciation and are not occupied by the Company. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Changes in fair values are recognized in the consolidated statement of income (loss) as part of net change in fair value of investment properties in the period in which they arise.

Income tax

Income tax comprises current and deferred tax. Income tax is recognized in the consolidated statement of income (loss) except to the extent that it relates to items recognized directly in equity, in which case the income tax is recognized directly in equity.

Current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the consolidated statement of financial position date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the consolidated statement of financial position date and will apply when it is expected that the related deferred income tax asset will be realized or the deferred income tax liability settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be used.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of new common shares or options are recorded in equity as a deduction, net of tax, from the proceeds.

Earnings per share

Basic earnings per share is calculated by dividing the net loss for the year attributable to equity owners of the parent by the weighted average number of common shares outstanding during the year.

Diluted earnings per share are calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all potentially dilutive instruments. The Company currently does not have any dilutive instruments.

Accounting standards and amendments issued but not yet adopted

The IASB has issued a new standard and various amendment to existing standards that are not mandatory for the December 31, 2023, reporting period and which were not early adopted by the Company. Neither the new standard nor the amendments are relevant to the Company’s current activities and transactions.

(in thousands of Canadian dollars unless otherwise stated)

3 Critical accounting estimates and judgments

Critical accounting estimates

The Company makes accounting estimates that are subject to measurement uncertainty because they require the use of judgement and assumptions. The Company uses judgement and assumptions in designing and selecting measurement or valuations techniques that are appropriate to the circumstances and applies inputs that correlate to the measurement or valuation technique selected. Inputs selected also require the use of judgment and assumptions.

Fair value of financial instruments

The fair value of financial instruments, including real estate investments, where no active market exists or where listed prices are not otherwise available are determined by using valuation techniques. In these cases, the fair values are estimated from observable data in respect of similar financial instruments or by using models. Where market observable data inputs are not available, they are estimated based on appropriate assumptions. To the extent practical, models use only observable data; however, areas such as credit risk (both the Company's own credit risk and counterparty risk), volatilities and correlations require management to make estimates.

Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Refer to note 16 for more information on fair value measurements and risk sensitivity for the Company's financial instruments.

Fair value of investment properties

The Company has adopted the fair value model in measuring its investment properties. The fair value of the investment properties is performed by external independent knowledgeable valuators located in the area of the properties. Inputs used in the property valuation models are based on appropriate assumptions that reflect the type of property and location. Management reviews the assumptions made and models used to ensure they correlate with their expectation and understanding of the market.

Changes in assumptions about these factors could affect the reported fair value of investment properties.

Refer to note 9 for more information on fair value measurements and risk sensitivity for the Company's investment properties.

Income taxes

The Company is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the consolidated provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the year in which such determination is made.

(in thousands of Canadian dollars unless otherwise stated)

Critical accounting judgments

Consolidation of entities in which the Company holds less than 50% of the voting rights

Management considers the Company to have de facto control of Senvest Management L.L.C. (RIMA), RIMA Senvest Master Fund GP, L.L.C., and Senvest Technology Partners GP, L.L.C. three legal entities wholly owned by an executive of the Company, because of the Company's Board representation and the contractual terms of the investment advisory agreement. RIMA is the investment adviser to the Funds, whereas RIMA Senvest Master Fund GP, L.L.C. is the General Partner of Senvest Master fund LP and Senvest Technology Partners GP LLC is the General Partner of Senvest Technology Partners Master Fund LP. As compensation for its sub-advisory services, the Company is entitled to receive 60% of the net management fees through RIMA and incentive allocation earned through the General Partners each fiscal year.

Management considers the Company to have control of Senvest Master Fund, L.P., Senvest Technology Partners, Master Fund L.P. and Senvest Cyprus Recovery Investment Fund, L.P. even though the Company has less than 50% of the voting rights in each of the Funds. The Company assessed that the removal rights of non-affiliated unitholders are exercisable but not strong enough given the Company's decision-making authority over relevant activities, the remuneration to which it is entitled and its exposure to returns. The Company, through its structured entities, is the majority unitholder of each of the Funds and acts as a principal while there are no other unitholders forming a group to exercise their votes collectively.

4 Cash and cash equivalents

	2023 $	2022 $
Cash on hand and on deposit	25,453	42,309
Short-term investments	7,558	222
	33,011	42,531

5 Credit facility and due from and due to brokers

a) Credit facility

Bank advances

The Company has a credit facility with a Canadian bank and has available a demand revolving loan (credit facility) and a guarantee facility. The credit facility is in the amount of $3,000 and is payable on demand. As at December 31, 2023, $349 was outstanding (2022 – $532). Under the credit facility, the Company may, upon delivery of a required notice, opt to pay interest at the bank's prime rate plus 0.25%. All of the credit facility available is also available by way of term SOFR loans or banker's acceptance at varying rates depending on the length of term plus 1.75% per annum, or by US dollar advances.

(in thousands of Canadian dollars unless otherwise stated)

A first-ranking movable hypothec in the amount of $30,000 on all of the Company's assets has been granted as collateral for the credit facility. According to the terms of the facility, the Company is required to comply with certain financial covenants. As at December 31, 2023 and 2022, the Company had met the requirements of all the covenants.

b) Due from and due to brokers

The Company has margin facilities with its prime brokers. As at December 31, 2023 and 2022, the Company's amounts due to brokers have no specific repayment terms, and they are governed by the margin terms set forth in the prime brokerage agreements. As at December 31, 2023, listed equity securities and due from brokers amounting to $4,504,888 have been pledged as collateral (2022 – $4,488,173). The fair value of the collateral-listed equity securities is calculated daily and compared to the Company's margin limits. The prime brokers can at any time demand full or partial repayment of the margin balances and any interest thereon or demand the delivery of additional assets as collateral.

Due from and due to brokers balances are presented on a net basis by broker in the consolidated statement of financial position. Under the prime broker agreements, the broker may upon events of default offset, net and/or regroup any amounts owed by the Company to the broker by amounts owed to the Company by the broker. The following tables set out the offsetting of the Company's various accounts with prime brokers.

			2023
	Gross amounts due from brokers $	Gross amounts due to brokers $	Net amount $
Due from brokers	471,674	125,359	346,315
Due to brokers	69,923	948,673	(878,750)

			2022
	Gross amounts due from brokers $	Gross amounts due to brokers $	Net amount $
Due from brokers	520,503	356,924	163,579
Due to brokers	108,687	1,167,015	(1,058,328)

(in thousands of Canadian dollars unless otherwise stated)

6 Equity investments and other holdings, securities sold short and derivative liabilities

Equity investments and other holdings

	Note	2023 $	2022 $
Assets			
Financial assets at fair value through profit or loss			
Held for trading			
Equity securities		4,097,801	4,695,370
Debt securities		22,445	82,651
Derivative financial assets	6(a)	165,738	214,865
		4,285,984	4,992,886
Financial assets at fair value through profit or loss			
Other			
Equity securities		253,167	233,233
Debt securities		46,813	54,741
Derivative financial assets		-	55
		4,585,964	5,280,915
Current portion		4,285,984	4,992,886
Non-current portion		299,980	288,029

Securities sold short and derivative liabilities

	Note	2023 $	2022 $
Liabilities			
Financial liabilities			
Held for trading			
Securities sold short			
Listed equity securities (proceeds of $450,737; 2022 – $914,461)		445,658	810,045
Derivative financial liabilities (proceeds of $1,080; 2022 – $3,084)	6(a)	57,307	48,688
		502,965	858,733

a) From time to time, the Company enters into derivative financial instruments consisting primarily of warrants and options to purchase or sell equity indices and currencies, equity swaps, foreign currency forward contracts and foreign currency futures contracts. The following tables list the notional amounts, fair values of derivative financial assets and financial liabilities and net change in fair value by contract type, including swaps, options, warrants, rights, foreign currency futures contracts, foreign currency forward contracts and swaps and options sold short included in equity investments and other holdings or securities sold short and derivative liabilities:

(in thousands of Canadian dollars unless otherwise stated)

				As at December 31, 2023	For the year ended December 31, 2023
	Notional value $	Fair value of derivative financial assets $	Notional value $	Fair value of derivative financial liabilities $	Net change in fair value $
Equity swaps	347,143	165,057	-	(56,382)	(46,602)
Equity options	-	-	21,780	(925)	14,728
Warrants and rights	52,647	681	-	-	(12,235)
	399,790	165,738	21,780	(57,307)	(44,109)

				As at December 31, 2022	For the year ended December 31, 2022
	Notional value $	Fair value of derivative financial assets $	Notional value $	Fair value of derivative financial liabilities $	Net change in fair value $
Equity swaps	392,067	201,572	-	(47,029)	11,648
Equity options	3,251	241	92,482	(1,659)	5,524
Warrants and rights	124,110	13,107	-	-	(29,338)
	519,428	214,920	92,482	(48,688)	(12,166)

(in thousands of Canadian dollars unless otherwise stated)

7 Investments in associates

The following have been included in the consolidated financial statements using the equity method.

	2023 $	2022 $
Grant and Geary Partners LP(i)	10,310	13,144
Other associates	10,073	16,419
	20,383	29,563
The Company's share of:		
Net income (loss) and comprehensive income (loss)		
Grant and Geary Partners LP(i)	(2,578)	(1,478)
Other associates	(6,872)	1,392
	(9,450)	(86)

i) Grant & Geary Partners LP is a limited partnership in which the Company has an approximate 28.5% economic interest in the underlying property, which is commercial real estate property held in the United States. Grant & Geary Partners LP's assets and liabilities are $43,252 (2022 – $56,310) and $7,078 (2022 – $$10,190), respectively.

Commitments, contingent liabilities and borrowing arrangements of associates

There are no commitments, contingent liabilities or borrowing arrangements relating to the Company's interests in these associates.

8 Real estate investments

Real estate investments comprise the following:

	Note	2023 $	2022 $
Financial assets at fair value through profit or loss			
Investments in private entities	8(a)	12,308	12,759
Investments in real estate partnerships and income trusts	8(b)	31,864	35,004
		44,172	47,763
Non-current portion		44,172	47,763

(in thousands of Canadian dollars unless otherwise stated)

a) These investments are minority interests in private entities whose main assets are real estate properties. There is no established market for these investments. The most likely scenario for a disposal of these investments is an eventual sale of the underlying real estate properties.

b) These real estate investments are in US real estate partnerships and income trusts (commonly referred to as REITs). A REIT is an entity that owns and operates income-producing real estate and annually distributes to its holders at least 90% of its taxable income. The Company's investments are non-publicly-traded REITs. There is no established market for these partnerships and REITs. The most likely scenario for a disposal of these holdings is an eventual sale of the underlying real estate properties of the partnerships and REITs and the distribution to their holders.

9 Investment properties

	2023 $	2022 $
Opening balance as at January 1	56,318	54,349
Purchases	635	2,200
Proceeds from dispositions	-	(5,617)
Capitalized subsequent expenditure	6,706	439
Net gain from dispositions	-	2,068
Net gain (loss) from fair value adjustment	(919)	2,443
Currency translation adjustments	355	436
Closing balance as at December 31	63,095	56,318
Non-current portion	63,095	56,318

a) Amounts recognized in profit or loss for investment properties

	2023 $	2022 $
Rental income	7,304	6,004
Direct operating expenses from property that generated rental income	4,221	3,586
Direct operating expenses from property that does not generate rental income	894	953
Net gain from dispositions	-	2,068
Net change in fair value of investment properties	(919)	2,443

b) Investment properties are commercial properties situated in Spain.

c) Contractual obligations

Refer to note 19 for disclosure of contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements.

(in thousands of Canadian dollars unless otherwise stated)

d) Leasing arrangements

e) The investment properties are leased to tenants under short-term month-to-month operating leases with rentals payable monthly.

f) Fair value measurements

Investment properties are measured at fair value in these consolidated financial statements. Estimates are made in determining the fair values of the investment properties. Based on the source of the inputs used in determining the fair value, the Company has classified its investment properties in Level 3 of the fair value hierarchy (a description of the levels is provided in note 16). There were no transfers between levels for recurring fair value measurements of investment properties during the years ended December 31, 2023 and 2022.

i) Valuation techniques used to determine Level 3 fair values

The Company obtains independent valuations for its investment properties annually. At the end of each reporting period, management updates their assessment of the fair value of each property, taking into account the most recent independent valuations. Management determines a property's value within a range of reasonable fair value estimates.

The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available the independent valuators consider information from a variety of sources including:

- current prices in active markets for similar properties in similar markets and in less active market, adjusted to reflect those differences;
- discounted cash flow projections based on reliable estimates of future cash flows; and
- capitalized income projections based upon a property's estimated net market income, and a capitalization rate derived from an analysis of market evidence.

ii) Fair value measurements using significant unobservable inputs (Level 3)

The following table summarizes the quantitative information about the significant unobservable inputs used in recurring Level 3 fair value measurement. See (i) above for the valuation technique adopted.

Description	**Fair value 2023 $**	**Valuation technique**	**Significant unobservable inputs**	**Weighted average input**	**Reasonably possible shifts +/−**	**Change in value $**
Leased buildings and land	45,633	Comparable sales approach	Value/m^2	$1,175	10%	+/-4,552
–Storage facilities	17,462	Recent Transaction	Value/m^2	$728	-	-

(in thousands of Canadian dollars unless otherwise stated)

Description	Fair value 2022 $	Valuation technique	Significant unobservable inputs	Weighted average input $	Reasonably possible shifts +/−	Change in value $
Leased buildings and land	46,569	Comparable sales approach	Value/m^2	$1,182	10%	+/-4,642
–Storage facilities	9,749	Recent Transaction	Value/m^2	$651	-	-

10 Financial instruments by category and related income, expenses and gains and losses

	Assets (liabilities) at fair value through profit or loss				2023
	Held for trading $	Other $	Financial Assets at amortized cost $	Financial liabilities at amortized cost $	Total $
Assets (liabilities) as per consolidated statement of financial position					
Cash and cash equivalents	-	-	33,011	-	33,011
Restricted short-term investments	-	-	477	-	477
Due from brokers	-	-	346,315	-	346,315
Equity investments and other holdings	4,285,984	299,980	-	-	4,585,964
Real estate investments	-	44,172	-	-	44,172
Other assets*	-	-	14,818	-	14,818
Bank advances	-	-	-	(349)	(349)
Trade and other payables	-	-	-	(22,359)	(22,359)
Due to brokers	-	-	-	(878,750)	(878,750)
Securities sold short and derivative liabilities	(502,965)	-	-	-	(502,965)
Redemptions payable	-	-	-	(72,332)	(72,332)
Subscriptions received in advance	-	-	-	-	-
Liability for redeemable units	-	-	-	(1,927,203)	(1,927,203)
	3,783,019	344,152	394,621	(2,900,993)	1,620,799
Amounts recognized in consolidated statement of income (loss)					
Net change in fair value	261,055	42,695	-	-	303,750
Net interest income (expense)	61,628	-	2,305	(101,900)	(37,967)
Net dividend income	59,313	1,424	-	-	60,737
	381,996	44,119	2,305	(101,900)	326,520

* Includes other financial receivables but excludes capital assets and other non-financial assets.

(in thousands of Canadian dollars unless otherwise stated)

					2022
	Assets (liabilities) at fair value through profit or loss				
	Held for trading $	Other $	Financial Assets at amortized cost $	Financial liabilities at amortized cost $	Total $
Assets (liabilities) as per consolidated statement of financial position					
Cash and cash equivalents	-	-	42,531	-	42,531
Restricted short-term investments	-	-	477	-	477
Due from brokers	-	-	163,579	-	163,579
Equity investments and other holdings	4,992,886	288,029	-	-	5,280,915
Real estate investments	-	47,763	-	-	47,763
Other assets*	-	-	11,392	-	11,392
Bank advances	-	-	-	(532)	(532)
Trade and other payables	-	-	-	(29,694)	(29,694)
Due to brokers	-	-	-	(1,058,328)	(1,058,328)
Securities sold short and derivative liabilities	(858,733)	-	-	-	(858,733)
Redemptions payable	-	-	-	(34,006)	(34,006)
Subscriptions received in advance	-	-	-	703	703
Liability for redeemable units	-	-	-	(1,981,983)	(1,981,983)
	4,134,153	335,792	217,979	(3,103,840)	1,584,084
Amounts recognized in consolidated statement of income (loss)					
Net change in fair value	(705,696)	(93,739)	-	-	(799,435)
Net interest income (expense)	24,859	2	244	(48,662)	(23,557)
Net dividend income	22,067	2,910	-	-	24,977
	(658,770)	(90,827)	244	(48,662)	(798,015)

* Includes other financial receivables but excludes capital assets and other non-financial assets.

`

11 Trade and other payables

	2023 $	2022 $
Trade and interest payable	3,326	5,264
Employee benefits accrued	7,349	9,546
Mortgages	5,759	5,878
Lease Liability	1,528	2,768
Other	4,397	6,238
	22,359	29,694

(in thousands of Canadian dollars unless otherwise stated)

12 Income taxes

a) Income tax expense (recovery)

	2023 $	2022 $
Current tax		
Current tax on income for the year	21,279	19,665
Adjustments in respect of prior years	(5,147)	130
	16,132	19,795
Deferred tax		
Origination and reversal of temporary differences	1,034	(60,302)
	1,034	(60,302)
	17,166	(40,507)

The tax on the Company's income before income tax differs from the theoretical amount that would arise using the federal and provincial statutory tax rate applicable to income of the consolidated entities. The statutory tax rate for 2023 was 26.5% (2022 –26.5%). The difference between the Company's income tax and theoretical tax is as follows:

	2023 $	2022 $
Income (loss) before income tax	101,473	(367,832)
Income tax expense (recover) based on statutory rate of 26.5% (2022 – 26.5%)	26,890	(97,475)
Prior year adjustments	(2,322)	130
Difference in tax rate	14,002	5,556
Portion of income recoverable in hands of non-controlling interests	(220)	(2,217)
Non-taxable dividends	(205)	(348)
Non-deductible (non-taxable) portion of capital loss (gain)	(9,828)	34,693
Non-taxable income	(4,110)	(2,126)
Foreign exchange	(7,035)	22,381
Other	(6)	(1,101)
Income tax expense (recovery)	17,166	(40,507)

(in thousands of Canadian dollars unless otherwise stated)

b) The analysis of deferred income tax assets and liabilities is as follows:

	2023 $	2022 $
Deferred income tax assets		
Deferred tax assets to be recovered		
After more than 12 months	-	-
Within 12 months	-	-
Deferred income tax assets	-	-
Deferred income tax liabilities		
Deferred tax liabilities to be settled		
After more than 12 months	89,492	90,606
Within 12 months	-	-
Deferred income tax liabilities	89,492	90,606

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows.

Deferred income tax assets	Equity investments and other holdings $	Investments in associates $	Real estate investments $	Total $
As at December 31, 2021	1,085	2,006	1,691	4,782
Credited (charged) to consolidated statement of income (loss)	2,981	(627)	517	2,871
Foreign exchange differences	195	112	136	443
As at December 31, 2022	4,261	1,491	2,344	8,096
Credited (charged) to consolidated statement of income (loss)	(780)	(1,377)	714	(1,443)
Foreign exchange differences	(85)	(7)	(69)	(161)
As at December 31, 2023	3,396	107	2,989	6,492

(in thousands of Canadian dollars unless otherwise stated)

Deferred income tax liabilities	Equity investments and other holdings $	Investments in associates $	Real estate investments $	Investment properties $	Other $	Total $
As at December 31, 2021	9,413	132,950	4,472	1,136	356	148,327
Charged (credited) to consolidated statement of income (loss)	(4,239)	(52,242)	(2,127)	1,180	(3)	(57,431)
Foreign exchange differences	471	6,965	220	125	25	7,806
As at December 31, 2022	5,645	87,673	2,565	2,441	378	98,702
Charged (credited) to consolidated statement of income (loss)	(1,082)	1,150	(819)	12	330	(409)
Foreign exchange differences	(111)	(2,079)	(44)	(63)	(12)	(2,309)
As at December 31, 2023	4,452	86,744	1,702	2,390	696	95,984

Deferred income tax liabilities have not been recognized on unremitted earnings totalling $70,267 as at December 31, 2023 (2022 – $73,497) with respect to the investment in subsidiaries, branches and associates and interest in joint arrangements because the Company controls whether the liability will be incurred, and it is satisfied that it will not be incurred in the foreseeable future. During the year, the Company did not distribute earnings from its subsidiaries (2022 - $nil).

(in thousands of Canadian dollars unless otherwise stated)

13 Share capital

Authorized

Unlimited number of common shares, without par value

Movements in the Company's share capital are as follows:

	2023		2022	
	Number of shares	Amount $	Number of shares	Amount $
Balance – Beginning of year	2,478,624	20,657	2,503,024	20,853
Shares repurchased	(6,500)	(52)	(24,400)	(196)
Balance – End of year	2,472,124	20,605	2,478,624	20,657

In 2023, the Company began a normal course issuer bid to purchase a maximum of 100,000 of its own common shares before August 15, 2024. In 2023, the Company purchased common shares 6,500; (2022 – 24,400) for a total cash consideration of $2,085; (2022 – $8,937). The excess of the consideration paid over the stated capital was charged to retained earnings in the consolidated statement of changes in equity.

No dividends were declared in 2023 and 2022.

14 Earnings per share

a) Basic

	2023	2022
Net income (loss) attributable to common shareholders	$83,608	$(326,083)
Weighted average number of outstanding common shares	2,474,949	2,489,652
Basic earnings (loss) per share	$33.78	$(130.98)

b) Diluted

For the years ended December 31, 2023 and 2022, there were no dilutive instruments.

(in thousands of Canadian dollars unless otherwise stated)

15 Supplementary information to consolidated statements of cash flows

a) Adjustments for non-cash items are as follows:

	Note	2023 $	2022 $
Net change in fair value of equity investments and other holdings		(307,715)	810,022
Net change in fair value of real estate investments		3,965	(10,587)
Net change in fair value of investment properties		919	(4,511)
Share of profit (loss) of associates, adjusted for distributions received		9,450	86
Amortization and depreciation		1,070	694
Change in redemption amount of redeemable units		131,475	(502,428)
Deferred income tax	12(a)	1,034	(60,302)
		(159,802)	232,974

b) Changes in working capital items are as follows:

	2023 $	2022 $
Decrease (increase) in		
Due from brokers	(190,400)	(86,027)
Income taxes receivable	(5,517)	6,384
Other assets	(3,276)	(1,151)
Increase (decrease) in		
Trade and other payables	(5,890)	(69,157)
Due to brokers	(157,900)	(7,958)
Income taxes payable	(4,398)	4,606
	(367,381)	(153,303)

(in thousands of Canadian dollars unless otherwise stated)

16 Financial risks and fair value

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk, cash flow interest rate risk, currency risk and equity price risk), credit risk and liquidity risk.

The Company's overall risk management program seeks to maximize the returns derived for the level of risk to which the Company is exposed and seeks to minimize potential adverse effects on the Company's financial performance. Managing these risks is carried out by management under policies approved by the Board.

The Company uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

Market risk

Fair value and cash flow interest rate risks

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

The majority of the Company's debt is based on floating rates, which exposes the Company to cash flow interest rate risk. The Company does not have a long-term stream of cash flows that it can match against this type of fixed debt, so it prefers to use short-term floating rate debt. The Company does not mitigate its exposure to interest rate fluctuation on floating rate debt. If interest rates spike, then the Company could enter into interest rate swaps or more probably just reduce its debt level. As at December 31, 2023, the Company has listed equity securities of $4,142,089 (2022 – $4,740,125). It can sell these securities to reduce its floating rate debt. As at December 31, 2023, a 1% increase or decrease in interest rates, with all other variables remaining constant, would impact interest expense by approximately $8,800 over the next 12 months (2022 – $10,600).

The Company's exposure to interest rate risk is summarized as follows:

	2023	2022
Cash and cash equivalents	Between 0.00% and 5.64%	Between 0.00% and 2.58%
Debt securities	Between 1.94% and 10.95%	Between 0.25% and 12.5%
Credit facilities		
Canadian Bank advances	Prime rate plus 0.25%	Prime rate plus 0.25%
European Bank advances	2.75 %	Between 2.75% and 2.97%
Trade and other payables	Non-interest bearing	Non-interest bearing
Due to brokers	0.00% to 5.65%	0.00% to 5.6%
Mortgages	0.95% to 4.73%	0.76% to 2.24%

(in thousands of Canadian dollars unless otherwise stated)

The Company holds held for trading financial assets in debt securities of $22,445; (2022 – $82,651).

Debt securities are usually highly sensitive to interest rate changes. Theoretically, when interest rates rise, it causes the value of debt securities to decline. The opposite generally happens when interest rates fall, then debt securities usually rise in value. A change of 100 basis points in the yield to maturity will affect the fair value of the debt securities held for trading as follows.

Estimated effect on the fair value of debt securities due to:

	2023	2022
	Financial assets Held for trading Debt securities $	Financial assets Held for trading Debt securities $
An increase of 100 basis points in the yield to maturity	(3,721)	(3,218)
A decrease of 100 basis points in the yield to maturity	2,429	3,655

Currency risk

Currency risk is the risk that the value of monetary financial assets and financial liabilities denominated in foreign currencies will vary as a result of changes in underlying foreign exchange rates. The Company is exposed to currency risk due to potential variations in currencies other than the US dollar. The following tables summarize the Company's main monetary financial assets and financial liabilities whose fair value is predominantly determined in currencies other than the US dollar, the Company's functional currency, and the effect on pre-tax net income of a 10% change in currency exchange rates:

				2023
	Financial assets $	Financial liabilities $	Net exposure $	Net effect of a 10% increase or decrease $
Canadian dollar	63,150	-	63,150	6,315
Euro	6,683	(4,507)	2,176	218
British Pound	-	(64,911)	(64,911)	(6,491)
Israeli shekel	290	-	290	29
	70,123	(69,418)	705	71

(in thousands of Canadian dollars unless otherwise stated)

	2022			
	Financial assets $	Financial liabilities $	Net exposure $	Net effect of a 10% increase or decrease $
Canadian dollar	124,870	-	124,870	12,487
Euro	9,813	(17,231)	(7,418)	(742)
British Pound	1,068	(22,402)	(21,334)	(2,133)
Israeli shekel	3,248	(2,916)	332	33
	138,999	(42,549)	96,450	9,645

Equity price risk

Equity price risk is the risk that the fair value of equity investments and other holdings and equities sold short and derivatives will vary as a result of changes in the market prices of the holdings. The majority of the Company's equity investments and other holdings and all of the equities sold short and derivatives are based on quoted market prices as at the consolidated statement of financial position date. Changes in the market price of quoted securities and derivatives may be related to a change in the financial outlook of the investee entities or due to the market in general. Where non-monetary financial instruments – for example, equity securities – are traded in currencies other than the US dollar, the price, initially expressed in a foreign currency and then converted into US dollars, will also fluctuate because of changes in foreign exchange rates.

Securities sold short represent obligations of the Company to make future delivery of specific securities and create an obligation to purchase the security at market prices prevailing at the later delivery date. This creates the risk that the Company's ultimate obligation to satisfy the delivery requirements will exceed the amount of the proceeds initially received or the liability recorded in the consolidated financial statements. In addition, the Company has entered into derivative financial instruments which have a notional value greater than their fair value which is recorded in the consolidated financial statements. This information is disclosed in note 6(a) to these consolidated financial statements. This creates a risk that the Company could settle these instruments at a value greater or less than the amount that they have been recorded in the consolidated financial statements.

The Company's equity investments and other holdings have a downside risk limited to their carrying value, while the risk of equities sold short and derivatives is open-ended. The Company is subject to commercial margin requirements which act as a barrier to the open-ended risks of the equities sold short and derivatives. The Company closely monitors both its equity investments and other holdings and its equities sold short and derivatives.

The impact of a 30% change in the market prices of the Company's listed equity investments and other holdings and equities sold short and derivatives would be as follows:

(in thousands of Canadian dollars unless otherwise stated)

	2023		
	Fair value $	Estimated fair value with a 30% price increase $	Estimated fair value with a 30% price decrease $
Equity investments and other holdings			
Listed equity securities and derivatives	4,263,539	5,542,601	2,984,477
Equities sold short and derivative liabilities	(502,965)	(653,855)	(352,075)
Pre-tax impact on net loss		1,128,172	(1,128,172)

	2022		
	Fair value $	Estimated fair value with a 30% price increase $	Estimated fair value with a 30% price decrease $
Equity investments and other holdings			
Listed equity securities and derivatives	4,929,114	6,407,848	3,450,380
Equities sold short and derivative liabilities	(858,733)	(1,116,353)	(601,113)
Pre-tax impact on net income		1,221,114	(1,221,114)

The above analysis assumes that listed equity securities, derivatives, equities sold short and derivative liabilities would increase or decrease at the same rate. As these portfolios are not hedged together, a change in market prices will affect each one differently.

Credit risk

Credit risk is the risk that a counterparty will fail to fulfill its obligations under a contract and will cause the Company to suffer a loss.

The Company is exposed to credit risk from cash and cash equivalents, restricted short-term investments, due from broker and debt investments. Credit risk arising from funds held at financial institutions are managed by only investing with financial institutions with a minimum A rating. The Company manages its credit risk exposure from debt securities by closely monitoring the debt issuer and the ratings issued by various bond rating agencies. All debt security investments measured at fair value through profit or loss are traded over stock exchanges therefore exiting a position with increased risk is relatively easy if the credit worthiness of an issuer falls below the Company's threshold for credit risk exposure. All non-trading convertible debt securities are convertible into equity of the issuer and are measured at fair value using independent third party appraisals. The Company closely monitors the debt issuer in order to identify when the credit risk falls below the Company's threshold at which point the Company may exercise its option to redeem its debt holdings or dispose of it in the less liquid private markets.

(in thousands of Canadian dollars unless otherwise stated)

Credit ratings are presented using Standard & Poor's rating scale as follows:

Financial assets	Rating	2023 $	2022 $
Cash and cash equivalents	A	33,011	42,531
Due from brokers	A	346,315	163,579
Debt securities	A^- to AAA	87	39
Debt securities	B^- to BBB	19,466	7,178
Debt securities	CCC	1,721	10,002
Debt securities	Unrated	47,984	120,173

The company estimates that the unrated investments are below investment grade.

Liquidity risk

Liquidity risk is the risk the Company will encounter difficulties in meeting its financial obligations. The Company's largest assets are equity investments and other holdings. Most of these assets are made up of equities in listed companies which can be liquidated in a relatively short time. Due to its large investments in liquid assets, the Company believes that it has sufficient resources to meet its obligations as they come due.

All financial liabilities other than equities sold short, derivative liabilities, mortgages, lease liabilities and liability for redeemable units as at the consolidated statement of financial position date mature or are expected to be repaid within one year (2022 – one year). The liquidity risk related to these liabilities is managed by maintaining a portfolio of liquid investment assets.

Capital risk management

The Company's objective when managing its capital is to maintain a solid capital structure appropriate for the nature of its business. The Company considers its capital to be its equity. The Company manages its capital structure in light of changes in economic conditions. To maintain or adjust its capital structure, the Company initiates normal course issuer bids. The Company monitors capital on the basis of its net debt-to-capital ratio. Net liabilities used in the net debt-to-capital ratio is calculated by subtracting the due from broker balances from total liabilities. The net debt-to-capital ratio is as follows:

	2023	2022
Net total liabilities	$3,147,521	$3,895,803
Total equity	$1,638,626	$1,593,771
Debt-to-capital ratio	1.92	2.44

The Company's objective is to maintain a debt-to-capital ratio below 3.0; (2022 – 3.0). The Company believes that limiting its debt-to-capital ratio in this manner is the best way to monitor risk. The Company does not have any externally imposed restrictive covenants or capital requirements, other than those included in the credit facility (note 5).

(in thousands of Canadian dollars unless otherwise stated)

Fair value estimation

The tables below analyze financial instruments carried at fair value by the inputs used in the valuation method. The different levels have been defined as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices); and

Level 3 – Inputs that are not based on observable market data.

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes “observable” requires significant judgment by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following tables analyze within the fair value hierarchy the Company’s financial assets and financial liabilities measured at fair value as at December 31, 2023 and 2022:

(in thousands of Canadian dollars unless otherwise stated)

				2023
	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Financial assets at fair value through profit or loss				
Held for trading				
Equity securities	4,071,844	25,957	-	4,097,801
Debt securities	-	22,445	-	22,445
Derivative financial assets	-	165,738	-	165,738
Other				
Equity securities	4,447	39,841	208,878	253,167
Debt securities	-	-	46,813	46,813
Derivatives	-	-	-	
Real estate investments	-	-	44,172	44,172
	4,076,291	253,981	299,863	4,630,136
Liabilities				
Financial liabilities				
Held for trading				
Equity holdings sold short	(445,658)	-	-	(445,658)
Derivative liabilities	-	(57,307)	-	(57,307)
	(445,658)	(57,307)	-	(502,965)

				2022
	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Financial assets at fair value through profit or loss				
Held for trading				
Equity securities	4,686,413	8,957	-	4,695,370
Debt securities	-	82,651	-	82,651
Derivative financial assets	-	214,865	-	214,865
Other				
Equity securities	30,174	1,758	201,301	233,233
Debt securities	-	2,365	52,376	54,741
Derivatives	-	-	55	55
Real estate investments	-	-	47,763	47,763
	4,716,587	310,596	301,495	5,328,678
Liabilities				
Financial liabilities				
Held for trading				
Equity holdings sold short	810,045	-	-	810,045
Derivative liabilities	-	48,688	-	48,688
	810,045	48,688	-	858,733

(in thousands of Canadian dollars unless otherwise stated)

Financial instruments in Level 1

The fair value of financial assets and financial liabilities traded in active markets are based on quoted market prices at the close of trading on the year-end date. The quoted market price used for financial assets and financial liabilities held by the Company is the close price. Investments classified in Level 1 include active listed equities and derivatives traded on an exchange.

Financial instruments in Level 2

Financial instruments classified with Level 2 trade in markets that are not considered to be active but are valued based on quoted market prices, broker quotations or valuation techniques such as financial models that use market data. These valuation techniques maximize the use of observable market data where available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. These include corporate bonds, thinly traded listed equities and derivatives, over-the-counter derivatives and private equities.

The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each year-end date. Valuation techniques used for non-standardized financial instruments such as options and other over-the-counter derivatives include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analyses, option-pricing models and other valuation techniques commonly used by market participants, making maximum use of market inputs and relying as little as possible on entity-specific inputs:

Description	Valuation technique
Equity securities	Quoted market prices or broker quotes for similar instruments
Private equities	Valuation techniques or net asset value based on observable inputs
Debt securities	Quoted market prices or broker quotes for similar instruments
Derivatives	Quoted market prices or broker quotes for similar instruments

Financial instruments in Level 3

Investments classified in Level 3 have significant unobservable inputs, as they trade infrequently. Level 3 instruments consist of unlisted equity investments, debt securities and real estate investments. As observable prices are not available for these securities, the Company has used valuation techniques to derive the fair value.

Level 3 valuations are reviewed by the Company's chief financial officer (CFO), who reports directly to the Board on a quarterly basis in line with the Company's reporting dates. The Board considers the appropriateness of the valuation models and inputs used. On an annual basis, close to the year-end date, the Company obtains independent, third party appraisals to determine the fair value of the Company's most significant Level 3 holdings. The Company's CFO reviews the results of the independent valuations. Emphasis is placed on the valuation model used to determine its appropriateness, the assumptions made to determine whether it is consistent with the nature of the investment, and market conditions and inputs such as cash flow and discount rates to determine reasonableness.

(in thousands of Canadian dollars unless otherwise stated)

As at December 31, 2023 and 2022, Level 3 instruments are held in various entities and industries.

Real estate investments are disclosed in more detail in note 8, comprising investments in private real estate companies and in real estate income trusts and partnerships. The real estate companies are involved with various types of buildings in different geographical locations. For the main Level 3 instruments, the Company relied on appraisals carried out by independent third party valuators. There was no established market for any of these investments, so the most likely scenario is a disposal of the underlying assets. For the investments in partnerships and real estate income trusts, the Company relied mainly on audited financial statements, valuing the assets at fair value. The most likely scenario is an eventual sale of the underlying properties and the subsequent distribution to the holders.

The following tables present the changes in Level 3 instruments:

			2023
	Real estate investments $	Unlisted securities $	Total $
As at December 31, 2022	47,763	253,732	301,495
Transfers out of level 3	-	(1,611)	(1,611)
Purchases (ii)	2,904	17,212	20,116
Distributions	(1,458)	(33,241)	(34,699)
Gains (losses) recognized in net income			
On financial instruments disposed of during the year	-	20,798	20,798
On financial instruments held at end of year	(3,965)	4,922	957
Currency translation adjustments	(1,072)	(6,121)	(7,193)
As at December 31, 2023	44,172	255,691	299,863

			2022
	Real estate investments $	Unlisted securities $	Total $
As at December 31, 2021	50,765	287,961	338,726
Purchases (ii)	4,019	20,668	24,687
Distributions	(20,824)	(3,620)	(24,444)
Gains (losses) recognized in net income			
On financial instruments disposed of during the year	-	(6,785)	(6,785)
On financial instruments held at end of year	10,587	(68,850)	(58,263)
Currency translation adjustments	3,216	24,358	27,574
As at December 31, 2022	47,763	253,732	301,495

(in thousands of Canadian dollars unless otherwise stated)

i. During the year the Company transferred private holdings in equity securities in the information technology and pharmaceuticals industries out of level 3 pursuant to public offerings. The fair value of these investments became available through quoted prices from the active markets however due to restrictions on trading they have been classified as level 1.

ii. During the years ended December 31, 2023 and 2022, the Company made investments in private holdings in the information technology, healthcare, pharmaceutical, communication services and financial industries totaling $17,212 (2022 – $18,103). There is no established market for these holdings. The most likely disposal of these investments is through a disposition or a listing of these holdings on a public stock exchange.

(in thousands of Canadian dollars unless otherwise stated)

The table below presents the investments whose fair values are measured using valuation techniques classified as Level 3 as at December 31, 2023.

Description	Fair value (rounded) 2023 $	Valuation technique	Significant unobservable inputs	Weighted average input	Reasonably possible shifts +/−	Change in value $
Unlisted private equity holdings Industrials -Convertible Prefs	44,000	Comparable company approach	Average change in market cap	22.50%	10%	+/-3,800
Unlisted private equity holdings Financial services -Equity securities	23,000	Comparable company approach	Revenue multiple	2.25	10%	+/-2,280
Unlisted private equity holdings Financial services -Equity securities	44,500	Comparable company approach	Revenue multiple	4	10%	+/-4,360
Unlisted private equity holdings Financial services -Equity securities	4,000	Comparable company approach	Revenue multiple	4.5	10%	+/-316
Unlisted private equity holdings Financial services -Equity securities	16,900	Comparable company approach	Average change in market cap	8.49%	10%	+/-71
Unlisted private equity holdings Healthcare -Convertible bonds	1,200	Recent transaction	None	0%	0%	-
Unlisted private equity holdings Healthcare -Convertible bonds	24,000	Comparable bond methodology	Discount rate	10.25%	10%	+/-276
Unlisted private equity holdings Healthcare -Corporate bonds	4,000	Comparable bond methodology	Yield to maturity (YTM)	18.22%	10%	+/-118
Unlisted private equity holdings Healthcare -Corporate bonds	14,000	Recoverability analysis	Revenue multiple	0.92	10%	+/-6,135
Unlisted private equity holdings Healthcare -Equity securities	6,000	Black-Scholes Options Pricing Model (OPM)	Expected volatility	33%	10%	+/-27
Unlisted private equity holdings Healthcare -Equity securities	2,200	Black-Scholes OPM	Expected volatility	85%	10%	+/-48
Unlisted private equity holdings Healthcare -Equity securities	16,500	Recent transaction	Discount for lack of marketability (DLOM)	50%	10%	+/-1,670
Unlisted private equity holdings Food and beverages -Equity securities	21,500	Comparable company approach	Revenue multiple EBITA multiple	2.6 18.2	10% 10%	+/-1,500 +/-1,000
Unlisted private equity holdings Food and beverages -Equity securities	2,000	Comparable company approach	Average change in market cap DLOM	(38.10%) 15%	10%	+/-117

(in thousands of Canadian dollars unless otherwise stated)

Description	Fair value (rounded) 2023 $	Valuation technique	Significant unobservable inputs	Weighted average input	Reasonably possible shifts +/−	Change in value $
Unlisted private equity holdings Pharmaceuticals -Equity securities	750	Recent transaction approach	DLOM	20%	10%	+/-18
Unlisted private equity holdings Pharmaceuticals -Equity securities	7,000	Recent transaction	Index weighting	3.8%	10%	+/-22
Unlisted private equity holdings Information technology -Equity securities	235	Comparable company approach	Revenue multiple	3.42	10%	+/-42
Unlisted private equity holdings Information technology -Equity securities	1,050	Comparable company approach	Lower quartiles change of market caps	(59.85%)	10%	+/-158
Unlisted private equity holdings Information technology -Equity securities	4,000	Backsolve OPM/ Comparable company approach	Expected volatility/ Average change in market cap	60% 18.93% 5.49%	10%	+/-170
Unlisted private equity holdings Information technology -Equity securities	835	Black-Scholes OPM	Expected volatility	70%	10%	+/-90
Unlisted private equity holdings Information technology -Equity securities	1,050	Black-Scholes OPM	Expected volatility	60%	10%	+/-150
Unlisted private equity holdings Communication services -Equity securities	5,600	Index performance method	Index weighting	(3.13%)	10%	+/-17
Unlisted private equity holdings Other -Equity securities	625	Comparable company approach	Average change in market cap	2.85	10%	+/-11
Unlisted private equity holdings Other -Equity securities	151	Comparable company approach	Average change in market cap	(17.4%)	10%	+/-9
Unlisted private equity holdings Other -Equity securities	1,200	Comparable company approach	Revenue multiple	0.98	10%	+/-223
Unlisted private equity holdings Other -Equity securities	6,000	Recent transaction	none	-	-	-
Unlisted private equity holdings Other -Convertible Bond	4,000	Comparable Bond Methodologies	YTM	9.31%	10%	+/-55
REITs and partnerships	32,000	Discounted cash flows	Discount rate Cash flow term Capitalization rate	6.3%-12% 5-10 years 4.8%-7.5%	The inputs disclosed cover the range used for all the real estate holdings in the REITs and partnerships	
Real estate investments in private entities	12,310	Capitalization model	Rate of return	7.4%	1.0%	+1,200 -920

(in thousands of Canadian dollars unless otherwise stated)

The table below presents the investments whose fair values are measured using valuation techniques classified as Level 3 as at December 31, 2022.

Description	Fair value (rounded) 2022 $	Valuation technique	Significant unobservable inputs	Weighted average input	Reasonably possible shifts +/−	Change in value $
Unlisted private equity holdings Industrials -Convertible Prefs	46,000	Comparable company approach	Average change in market cap	21.40%	10%	+/-1,200
Unlisted private equity holdings Financial services -Equity securities	28,000	Comparable company approach	Price/Book Value (P/BV) multiple	12	10%	+/-2,700
Unlisted private equity holdings Financial services -Equity securities	25,000	Comparable company approach	Index Weighting Revenue multiple	33.53% 8.48	10% 10%	+/-445
Unlisted private equity holdings Financial services -Equity securities	6,600	Comparable company approach	Average change in market cap	16.03%	10%	+/-114
Unlisted private equity holdings Financial services -Equity securities	5,500	Comparable company approach	Revenue multiple	4.5	10%	+/-390
Unlisted private equity holdings Healthcare -Convertible bonds	21,500	Comparable Bond Methodologies	Discount rate	10.25%	10%	+/-244
Unlisted private equity holdings Healthcare -Convertible bonds	17,000	Comparable Bond Methodologies	YTM	8.91%	10%	+/-600
Unlisted private equity holdings Healthcare -Equity securities	14,500	Recent transaction	Discount for lack of marketability	50%	10%	+/-1,460
Unlisted private equity holdings Healthcare -Equity securities	6,000	Black-Scholes OPM	Expected volatility	33%	10%	+/-100
Unlisted private equity holdings Healthcare -Equity securities	2,500	Black-Scholes OPM	Expected volatility	88%	10%	+/-45
Unlisted private equity holdings Food and beverages -Equity securities	19,500	Comparable company approach	Revenue multiple EBITA multiple	2.0 17.6	10% 10%	+/-2,300
Unlisted private equity holdings Food and beverages -Equity securities	3,500	Index performance method	Index weighting	9.39%	10%	+/-9
Unlisted private equity holdings Pharmaceuticals -Convertible bonds	9,500	Comparable Bond Methodologies	YTM	10.16%	10%	+/-1,000

(in thousands of Canadian dollars unless otherwise stated)

Description	Fair value (rounded) 2022 $	Valuation technique	Significant unobservable inputs	Weighted average input	Reasonably possible shifts +/−	Change in value $
Unlisted private equity holdings Pharmaceuticals -Convertible prefs	11,600	Black-Scholes OPM	Expected volatility	90%	10%	+/-145
Unlisted private equity holdings Pharmaceuticals -Convertible prefs	8,500	Recent transaction	none	-	-	-
Unlisted private equity holdings Information technology -Equity securities	5,000	Black-Scholes OPM	Expected volatility	60%	10%	+/-35
Unlisted private equity holdings Information technology -Equity securities	3,500	Black-Scholes OPM	Expected volatility	67%	10%	+/-25
Unlisted private equity holdings Information technology -Equity securities	2,000	Comparable company approach	Average change in market cap	50.8%	10%	+/-140
Unlisted private equity holdings Communication services -Equity securities	5,000	Index performance method	Index weighting	16.4%	10%	+/-92
Unlisted private equity holdings Other --Equity securities	5,700	Recent transaction	none	-	-	-
Unlisted private equity holdings Other -Equity securities	3,300	Comparable company approach	Revenue multiple EBITA multiple	1.50 0.83	10% 10%	+/-205
Unlisted private equity holdings Other -Corporate bonds	4,000	Comparable Bond Methodologies	YTM	11.01%	10%	+/-100
REITs and partnerships	35,000	Discounted cash flows	Discount rate Cash flow term Capitalization rate	5.8%-10.5% 5-10 years 3.8%-7.5%	The inputs disclosed cover the range used for all the real estate holdings in the REITs and partnerships	
Real estate investments in private entities	12,760	Capitalization model	Rate of return	4.6%	1.0%	+3,000 -2,000

Financial assets and financial liabilities not carried at fair value but for which fair value is disclosed.

The carrying amount of cash and cash equivalents, restricted short-term investments, due from brokers, bank advances, credit facilities, trade and other payables, due to brokers, redemptions payable, and subscriptions received in advance represent a reasonable approximation of their respective fair value due to their short-term nature.

(in thousands of Canadian dollars unless otherwise stated)

17 Disclosure of the composition of the Company

Principal subsidiaries and structured entities

The consolidated financial statements include the accounts of the Company and all of its subsidiaries and structured entities as at December 31, 2023 and 2022. The principal operating subsidiaries and structured entities and their activities are as follows.

Name	Country of incorporation	% Interest held 2023	% Interest held 2022	Nature of business
Senvest Global (KY) L.P.	Cayman Islands	100	100	Investment company
Senvest Global L.P.	United States	100	100	Investment company
RIMA Senvest Master Fund GP, L.L.C.	United States	-	-	General partner of Senvest Master Fund, L.P.
Senvest Technology Partners GP, L.L.C.	United States	-	-	General partner of Senvest Technology Partners Master Fund L.P.
Argentina Capital Inc.	Canada	100	100	Real estate
Pennsylvania Properties Inc.	United States	100	100	Real estate
Senvest Blends Inc.	United States	100	-	Investment company
Senvest Management L.L.C.	United States	-	-	Investment manager of the Funds
Senvest Master Fund, L.P.	Cayman Islands	41	39	Investment fund
Senvest Technology Partners Master Fund, L.P.	Cayman Islands	49	49	Investment fund
Senvest Cyprus Recovery Investment Fund, L.P.	Cayman Islands	75	75	Investment fund
Coldstream SL	Spain	100	100	Real estate

The total non-controlling interest in net income (loss) for the year is mostly attributed to Senvest Management L.L.C. The change in redemption amount of liability for redeemable units for the year is attributable to the Funds. No guarantees or collateral were provided to the subsidiaries and structured entities except for the lease liabilities of Senvest Management L.L.C. The amounts in question have been included in trade and other payables. The Company is not liable for any other contingent liabilities arising in its subsidiaries and structured entities and will not settle any other liabilities on their behalf.

(in thousands of Canadian dollars unless otherwise stated)

18 Related party transactions

Key management compensation

Key management includes the Board, the president and chief executive officer, the vice-president, the secretary-treasurer, and the CFO. The compensation paid or payable to key management for employee services is as follows:

	2023 $	2022 $
Salaries and other employee benefits	14,310	19,619
	14,310	19,619

Management fees

Certain employees and related parties that have invested in the Funds do not pay management fees that are charged to outside investors. The amount invested by these participants in 2023 totals $510,753 (2022 – $518,346). The amount invested in the fund by these participants is included in liability for redeemable units.

19 Commitments

As of December 31, 2023, the Company's future commitments relating to other equity investments and other holdings totaled $12,857 and those relating to real estate totaled $9,804.

(in thousands of Canadian dollars unless otherwise stated)

20 Segmented and geographical information

The Company operates in a single reportable segment, which is the management of its own investments and those of the Funds.

The following tables summarize the Company's revenues by geographical area for the years ended December 31:

					2023
	United States $	Canada $	European Union $	Other $	Total $
Revenue					
Interest income	56,167	3,467	4,487	8	64,129
Dividend income	43,090	26,010	2,872	-	71,972
Other income	-	607	7,355	-	7,962

						2022
	United States $	Canada $	European Union $	Bermuda $	Other $	Total $
Revenue						
Interest income	22,267	940	4,683	-	342	28,232
Dividend income	22,977	18,754	35	289	237	42,292
Other income	109	454	6,020	-	-	6,583

Board of Directors

Victor Mashaal
Chairman of the Board & President
Senvest Capital Inc.

Richard Mashaal
Vice-President
Senvest Capital Inc.

Frank Daniel
Secretary-Treasurer
Senvest Capital Inc.

David E. Basner*
Business Executive

Eileen Bermingham*
Business Executive

Jeffrey L. Jonas*
Partner, Brown Rudnick L.L.P.

*Member of the Audit Committee

Officers

Victor Mashaal
Chairman of the Board & President

Richard Mashaal
Vice-President

Frank Daniel
Secretary-Treasurer

George Malikotsis
Vice-President, Finance

Investor Information

AUDITORS
PricewaterhouseCoopers L.L.P.
Montréal (Canada)

LEGAL COUNSEL
Howard M. Levine
Blake, Cassels & Graydon L.L.P.
1 Place Ville-Marie
Suite 3000
Montréal (Québec) H3B 4N8

TRANSFER AGENT & REGISTRAR
Computershare Trust Company of Canada
1500 Robert-Bourassa Boulevard
7th Floor
Montréal (Québec) H3A 3S8

Computershare Trust Company of Canada
100 University Street
Toronto (Ontario) M5J 2Yl

Senvest Capital Inc.
1000 Sherbrooke street West
Suite 2400
Montréal (Québec) H3A 3G4
(514) 281-8082