

ITURAN LOCATION AND CONTROL LTD.

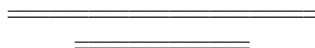
**Condensed Consolidated Financial Statements
as of March 31, 2022**

ITURAN LOCATION AND CONTROL LTD.

Condensed Consolidated Financial Statements as of March 31, 2022

Table of Contents

	Page
Condensed Consolidated Interim Financial Statements:	
Condensed Consolidated Balance Sheets	2-3
Condensed Consolidated Statements of Income	4
Condensed Consolidated Statements of Cash Flows	5



ITURAN LOCATION AND CONTROL LTD.

CONDENSED CONSOLIDATED BALANCE SHEETS

	US dollars	
(in thousands)	March 31, 2022	December 31, 2021
	(unaudited)	
Current assets		
Cash and cash equivalents	43,254	50,306
Investments in marketable securities	1,951	4,405
Accounts receivable (net of allowance for doubtful accounts)	48,245	43,916
Other current assets	44,544	36,979
Inventories	31,550	27,128
	169,544	162,734
Non- Current investments and other assets		
Investments in affiliated companies	1,218	885
Investments in other companies	1,827	1,866
Other non-current assets	3,405	3,146
Deferred income taxes	11,412	11,091
Funds in respect of employee rights upon retirement	16,263	16,205
	34,125	33,193
Property and equipment, net	39,453	35,652
Operating lease right-of-use assets, net	11,682	4,690
Intangible assets, net	15,937	16,753
Goodwill	39,912	39,999
Total assets	310,653	293,021

ITURAN LOCATION AND CONTROL LTD.

CONDENSED CONSOLIDATED BALANCE SHEETS (cont.)

(in thousands)	US dollars	
	March 31, 2022	December 31, 2021
	(unaudited)	
Current liabilities		
Credit from banking institutions	17,865	18,257
Accounts payable	24,075	21,275
Deferred revenues	23,401	24,333
Other current liabilities	39,985	40,767
	<u>105,326</u>	<u>104,632</u>
Non- Current liabilities		
Long term loan	8,597	13,169
Liability for employee rights upon retirement	22,971	22,476
Deferred income taxes	1,909	1,952
Deferred revenues	12,064	8,902
Others non-current liabilities	2,316	2,337
Operating lease liabilities, non-current	8,457	1,750
	<u>56,314</u>	<u>50,586</u>
Stockholders' equity	143,174	132,460
Non-controlling interests	5,839	5,343
Total equity	<u>149,013</u>	<u>137,803</u>
Total liabilities and equity	<u><u>310,653</u></u>	<u><u>293,021</u></u>

ITURAN LOCATION AND CONTROL LTD.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(in thousands except per share data)	US dollars	
	Three months period ended March 31 ,	
	2022	2021
	(unaudited)	
Revenues:		
Telematics services	50,226	45,619
Telematics products	<u>21,846</u>	<u>21,746</u>
	<u>72,072</u>	<u>67,365</u>
Cost of revenues:		
Telematics services	22,132	20,471
Telematics products	<u>16,677</u>	<u>16,231</u>
	<u>38,809</u>	<u>36,702</u>
Gross profit	33,263	30,663
Research and development expenses	4,140	3,546
Selling and marketing expenses	3,124	3,256
General and administrative expenses	11,712	11,098
Other income, net	<u>(79)</u>	<u>(12)</u>
Operating income	14,366	12,775
Other expenses, net	-	(3)
Financing expenses, net	<u>(2,565)</u>	<u>(993)</u>
Income before income tax	11,801	11,779
Income tax expenses	(2,464)	(2,813)
Share in losses of affiliated companies ,net	<u>(43)</u>	<u>(11)</u>
Net income for the period	9,294	8,955
Less: Net income attributable to non-controlling interest	<u>(565)</u>	<u>(694)</u>
Net income attributable to the Company	<u>8,729</u>	<u>8,261</u>
Basic and diluted earnings per share attributable to Company's stockholders	<u>0.43</u>	<u>0.40</u>
Basic and diluted weighted average number of shares outstanding (in thousands)	<u>20,534</u>	<u>20,813</u>

ITURAN LOCATION AND CONTROL LTD.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)	US dollars	
	Three months period ended March 31 ,	
	2022	2021
	(unaudited)	
Cash flows from operating activities		
Net income for the period	9,294	8,955
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	4,907	4,352
Interest and exchange rate on short and long term credit	-	(29)
Loss in respect of trading marketable securities	2,350	481
Increase in liability for employee rights upon retirement, net	918	462
Share in losses of affiliated company, net	43	11
Deferred income taxes	157	(921)
Capital gain from sale of property and equipment, net	(62)	(4)
Increase in accounts receivable	(3,685)	(5,588)
Increase in other current and non-current assets	(3,026)	(520)
Decrease (increase) in inventories	(4,750)	1,660
Increase (decrease) in accounts payable	1,211	(956)
Increase decrease in deferred revenues	1,846	1,821
Decrease in other current and non-current liabilities	(2,253)	(521)
Net cash provided by operating activities	6,950	9,203
Cash flows from investment activities		
Increase in funds in respect of employee rights upon retirement, net of withdrawals	(392)	(739)
Capital expenditures	(6,122)	(2,717)
Investments in affiliated and other companies	(377)	(282)
Investment in long term deposit	(22)	(79)
Proceeds from sale of property and equipment	210	221
Net cash used in investment activities	(6,703)	(3,596)
Cash flows from financing activities		
Short term credit from banking institutions, net	(49)	(49)
Repayment of long term loan	(4,177)	(10,771)
Dividend paid	(2,891)	-
Dividend paid to non-controlling interest	-	(29)
Net cash used in in financing activities	(7,117)	(10,849)
Effect of exchange rate changes on cash and cash equivalents	(182)	(2,808)
Net decrease in cash and cash equivalents	(7,052)	(8,050)
Balance of cash and cash equivalents at beginning of period	50,306	72,183
Balance of cash and cash equivalents at end of period	43,254	64,133

Supplementary information on financing and investing activities not involving cash flows:

In March 2022, the Company declared a dividend in the amount of US\$ 3 million. The dividend was paid in April 2022