

ITURAN LOCATION AND CONTROL LTD.

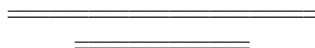
**Condensed Consolidated Financial Statements
as of March 31, 2024**

ITURAN LOCATION AND CONTROL LTD.

Condensed Consolidated Financial Statements as of March 31, 2024

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ITURAN LOCATION AND CONTROL LTD.

CONDENSED CONSOLIDATED BALANCE SHEETS

	US dollars	
(in thousands)	March 31, 2024	December 31, 2023
	(unaudited)	
Current assets		
Cash and cash equivalents	54,035	53,434
Investments in marketable securities	221	119
Accounts receivable (net of allowance for doubtful accounts)	49,271	45,390
Other current assets	54,467	52,724
Inventories	26,140	26,872
	<u>184,134</u>	<u>178,539</u>
Long-term investments and other assets		
Investments in affiliated companies	710	714
Investments in other companies	1,972	2,213
Other non-current assets	3,851	3,989
Deferred income taxes	14,804	14,452
Funds in respect of employee rights upon retirement	18,957	18,525
	<u>40,294</u>	<u>39,893</u>
Property and equipment, net	<u>39,331</u>	<u>41,955</u>
Operating lease right of use assets, net	<u>7,831</u>	<u>8,071</u>
Intangible assets, net	<u>10,259</u>	<u>10,830</u>
Goodwill	<u>39,346</u>	<u>39,400</u>
Total assets	<u><u>321,195</u></u>	<u><u>318,688</u></u>

ITURAN LOCATION AND CONTROL LTD.

CONDENSED CONSOLIDATED BALANCE SHEETS (cont.)

(in thousands)	US dollars	
	March 31, 2024	December 31, 2023
	(unaudited)	
Current liabilities		
Credit from banking institutions	320	355
Accounts payable	19,904	20,842
Deferred revenues	28,006	27,117
Other current liabilities	44,622	44,150
	<u>92,852</u>	<u>92,464</u>
Long-term liabilities		
Loan from bank institutions	-	237
Liability for employee rights upon retirement	24,959	24,562
Deferred income taxes	842	1,116
Deferred revenues	13,227	13,259
Others non-current liabilities	2,059	2,027
Operating lease liabilities, non-current	4,711	4,774
	<u>45,798</u>	<u>45,975</u>
Stockholders' equity	177,106	174,454
Non-controlling interests	5,439	5,795
Total equity	<u>182,545</u>	<u>180,249</u>
Total liabilities and equity	<u><u>321,195</u></u>	<u><u>318,688</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 ,	
	2024	2023
	(unaudited)	
Revenues:		
Telematics services	60,935	55,777
Telematics products	<u>24,091</u>	<u>23,695</u>
	<u>85,026</u>	<u>79,472</u>
Cost of revenues:		
Telematics services	25,521	23,392
Telematics products	<u>19,962</u>	<u>19,391</u>
	<u>45,483</u>	<u>42,783</u>
Gross profit	39,543	36,689
Research and development expenses	4,523	4,138
Selling and marketing expenses	3,574	3,323
General and administrative expenses	14,456	13,273
Other expenses (income), net	<u>(39)</u>	<u>43</u>
Operating income	17,029	15,912
Other income, net	-	21
Financing income (expenses), net	<u>75</u>	<u>(195)</u>
Income before income tax	17,104	15,738
Income tax expenses	(3,430)	(3,419)
Share in losses of affiliated companies, net	<u>(81)</u>	<u>(366)</u>
Net income for the period	13,593	11,953
Less: Net income attributable to non-controlling interest	<u>(557)</u>	<u>(598)</u>
Net income attributable to the Company	<u>13,036</u>	<u>11,355</u>
Basic and diluted earnings per share attributable to Company's stockholders	<u>0.66</u>	<u>0.56</u>
Basic and diluted weighted average number of shares outstanding (in thousands)	<u>19,894</u>	<u>20,228</u>

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

(in thousands)	US dollars	
	Three months period ended March 31 ,	
	2024	2023
	(unaudited)	
Cash flows from operating activities		
Net income for the period	13,593	11,953
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	5,298	4,905
Loss (gain) in respect of trading marketable securities	(104)	1
Increase in liability for employee rights upon retirement, net	762	861
Share in losses of affiliated company, net	81	366
Deferred income taxes	(790)	(603)
Capital loss (gain) from sale of property and equipment, net	36	(7)
Increase in accounts receivable	(4,840)	(2,780)
Increase in other current and non-current assets	(3,485)	(4,576)
Decrease (increase) in inventories	521	(159)
Increase (decrease) in accounts payable	(470)	3,665
Increase in deferred revenues	1,264	2,729
Increase (decrease) in other current and non-current liabilities	(464)	1,040
Net cash provided by operating activities	11,402	17,395
Cash flows from investment activities		
Increase in funds in respect of employee rights upon retirement, net of withdrawals	(707)	(383)
Capital expenditures	(3,131)	(2,903)
Return of (investments in) affiliated and other companies	138	(295)
Return of long term deposit	64	-
Sale of investment in marketable securities	-	99
Proceeds from sale of property and equipment	156	18
Net cash used in investment activities	(3,480)	(3,464)
Cash flows from financing activities		
Short term credit from banking institutions, net	(273)	1,139
Repayment of long term loan	-	(4,142)
Dividend paid	(4,774)	(2,797)
Dividend paid to non-controlling interest	(1,630)	(795)
Acquisition of company shares	-	(1,200)
Net cash used in financing activities	(6,677)	(7,795)
Effect of exchange rate changes on cash and cash equivalents	(644)	(710)
Net increase in cash and cash equivalents	601	5,426
Balance of cash and cash equivalents at beginning of period	53,434	27,850
Balance of cash and cash equivalents at end of period	54,035	33,276

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

In March 2024, the Company declared a dividend in the amount of US\$ 8 million. The dividend was paid in April 2024.