

ITURAN LOCATION AND CONTROL LTD.

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

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ITURAN LOCATION AND CONTROL LTD.
CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands)	US dollars	
	December 31,	
	2024	2023
Current assets		
Cash and cash equivalents	77,357	53,434
Investments in marketable securities	10	119
Accounts receivable (net of allowance for doubtful accounts)	47,688	45,390
Other current assets	48,620	52,724
Inventories	23,434	26,872
	197,109	178,539
Long-term investments and other assets		
Investments in affiliated companies	519	714
Investments in other companies	1,491	2,213
Other non-current assets	3,300	3,989
Deferred income taxes	12,273	14,452
Funds in respect of employee rights upon retirement	21,823	18,525
	39,406	39,893
Property and equipment, net	33,080	41,955
Operating lease right-of-use assets, net	8,947	8,071
Intangible assets, net	9,011	10,830
Goodwill	39,325	39,400
Total assets	326,878	318,688

ITURAN LOCATION AND CONTROL LTD.
CONDENSED CONSOLIDATED BALANCE SHEETS (cont.)

(In thousands)	US dollars	
	December 31,	
	2024	2023
Current liabilities		
Credit from banking institutions	114	355
Accounts payable	18,847	20,842
Deferred revenues	22,857	27,117
Other current liabilities	45,904	44,150
	87,722	92,464
Long-term liabilities		
Loan from bank institution	-	237
Liability for employee rights upon retirement	27,593	24,562
Deferred income taxes	418	1,116
Deferred revenues	12,231	13,259
Operating lease liabilities, non-current	5,562	4,774
Other non-current liabilities	2,095	2,027
	47,899	45,975
Stockholders' equity	185,227	174,454
Non-controlling interests	6,030	5,795
Total equity	191,257	180,249
Total liabilities and equity	326,878	318,688

ITURAN LOCATION AND CONTROL LTD.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except per share data)	US dollars			
	Year ended December 31,		Three months period ended December 31,	
	2024	2023	2024	2023
			(unaudited)	
Revenues:				
Telematics services	242,491	234,541	61,548	59,426
Telematics products	93,766	85,437	21,335	18,382
	<u>336,257</u>	<u>319,978</u>	<u>82,883</u>	<u>77,808</u>
Cost of revenues:				
Telematics services	100,195	98,707	24,875	25,080
Telematics products	75,442	68,110	16,892	14,328
	<u>175,637</u>	<u>166,817</u>	<u>41,767</u>	<u>39,408</u>
Gross profit	160,620	153,161	41,116	38,400
Research and development expenses	18,090	16,986	4,483	4,240
Selling and marketing expenses	15,271	13,643	3,980	3,535
General and administrative expenses	56,238	56,635	14,667	14,305
Other income, net	(148)	(58)	(49)	(185)
Operating income	<u>71,169</u>	<u>65,955</u>	<u>18,035</u>	<u>16,505</u>
Other income, net	-	2	-	5
Financing income (expenses), net	80	(1,552)	(85)	(1,653)
Income before income tax	<u>71,249</u>	<u>64,405</u>	<u>17,950</u>	<u>14,857</u>
Income tax expenses	(14,579)	(13,355)	(3,345)	(2,534)
Share in profit (losses) of affiliated companies, net	(123)	(706)	178	116
Net income for the period	<u>56,547</u>	<u>50,344</u>	<u>14,783</u>	<u>12,439</u>
Less: net income attributable to non-controlling interest	(2,893)	(2,207)	(945)	(420)
Net income attributable to the Company	<u>53,654</u>	<u>48,137</u>	<u>13,838</u>	<u>12,019</u>
Basic and diluted earnings per share attributable to Company's shareholders	<u>2.70</u>	<u>2.41</u>	<u>0.70</u>	<u>0.60</u>
Basic and diluted weighted average number of shares outstanding (in thousands)	<u>19,894</u>	<u>20,000</u>	<u>19,894</u>	<u>19,894</u>

ITURAN LOCATION AND CONTROL LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)	US dollars			
	Year ended December 31, 2024	2023	Three months period ended December 31, 2024 2023 (unaudited)	
Cash flows from operating activities				
Net income for the period	56,547	50,344	14,783	12,439
Adjustments to reconcile net income to net cash from operating activities:				
Depreciation and amortization	20,083	21,068	4,497	5,407
Loss in respect of marketable securities and other investments	107	89	22	32
Increase in liability for employee rights upon retirement	3,199	2,507	954	226
Share in losses (profit) of affiliated companies, net	123	706	(178)	(116)
Deferred income taxes	(383)	(3,125)	958	(1,430)
Capital loss on sale of property and equipment, net	128	89	114	54
Decrease (increase) in accounts receivable	(5,227)	(26)	(435)	1,769
Decrease (increase) in other current and non-current assets	(6,498)	(3,169)	(1,170)	940
Decrease in inventories	3,366	1,102	776	201
Increase (decrease) in accounts payable	176	(1,863)	2,558	1,090
Increase (decrease) in deferred revenues	(804)	5,703	(990)	935
Increase in other current and non-current liabilities	3,450	3,793	803	232
Net cash provided by operating activities	74,267	77,218	22,692	21,779
Cash flows from investment activities				
Increase in funds in respect of employee rights upon retirement, net of withdrawals	(3,353)	(2,384)	(1,016)	(451)
Capital expenditures	(13,632)	(14,243)	(4,488)	(4,050)
Return from (investments in) affiliated and other companies, net	708	(800)	710	(244)
Return from (investments in) long-term deposit	(122)	(100)	(41)	40
Sale of marketable securities	-	99	-	-
Proceeds from sale of property and equipment	459	199	70	55
Net cash used in investment activities	(15,940)	(17,229)	(4,765)	(4,650)
Cash flows from financing activities				
Repayment of long-term loan	-	(11,732)	-	(244)
Short term credit from banking institutions, net	(433)	299	(49)	(1,187)
Dividend paid	(28,050)	(11,561)	(7,759)	(2,943)
Dividend paid to non-controlling interests	(3,286)	(3,327)	(25)	-
Acquisition of company shares	-	(6,613)	-	-
Net cash used in financing activities	(31,769)	(32,934)	(7,833)	(4,374)
Effect of exchange rate changes on cash and cash equivalents	(2,635)	(1,471)	(202)	800
Net change in cash and cash equivalents	23,923	25,584	9,892	13,555
Balance of cash and cash equivalents at beginning of period	53,434	27,850	67,465	39,879
Balance of cash and cash equivalents at end of period	77,357	53,434	77,357	53,434

Supplementary information on financing activities not involving cash flows:

In November 2024, the Company declared a dividend in an amount of US\$ 8 million. The dividend was paid in January 2025.