

ITURAN LOCATION AND CONTROL LTD.

**Condensed Consolidated Financial Statements
as of June 30, 2025**

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

(In thousands)	US dollars	
	June 30, 2025	December 31, 2024
	(unaudited)	
Current liabilities		
Credit from banking institutions	-	114
Accounts payable	20,621	18,847
Deferred revenues	24,534	22,857
Other current liabilities	53,183	45,904
	98,338	87,722
Long-term liabilities		
Liability for employee rights upon retirement	31,617	27,593
Deferred income taxes	566	418
Deferred revenues	14,752	12,231
Operating lease liabilities, non-current	5,175	5,562
Other non-current liabilities	2,330	2,095
	54,440	47,899
Stockholders' equity	206,043	185,227
Non-controlling interests	5,633	6,030
Total equity	211,676	191,257
Total liabilities and equity	364,454	326,878

ITURAN LOCATION AND CONTROL LTD.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except per share data)	US dollars			
	Six months period ended June 30,		Three months period ended June 30,	
	2025	2024	2025	2024
	(unaudited)		(unaudited)	
Revenues:				
Telematics services	125,936	121,352	63,756	60,417
Telematics products	47,312	48,543	23,037	24,452
	<u>173,248</u>	<u>169,895</u>	<u>86,793</u>	<u>84,869</u>
Cost of revenues:				
Telematics services	52,734	50,746	26,835	25,225
Telematics products	35,574	39,802	17,037	19,840
	<u>88,308</u>	<u>90,548</u>	<u>43,872</u>	<u>45,065</u>
Gross profit	84,940	79,347	42,921	39,804
Research and development expenses	9,920	9,117	5,058	4,594
Selling and marketing expenses	8,634	7,272	4,375	3,698
General and administrative expenses	29,369	28,307	15,131	13,851
Other expenses (income), net	27	(123)	21	(84)
Operating income	<u>36,990</u>	<u>34,774</u>	<u>18,336</u>	<u>17,745</u>
Financing income (expenses), net	(782)	131	(1,328)	56
Income before income tax	<u>36,208</u>	<u>34,905</u>	<u>17,008</u>	<u>17,801</u>
Income tax expenses	(7,329)	(7,205)	(3,263)	(3,775)
Share in profit (losses) of affiliated companies, net	(18)	(122)	16	(41)
Net income for the period	<u>28,861</u>	<u>27,578</u>	<u>13,761</u>	<u>13,985</u>
Less: net income attributable to non-controlling interest	<u>(816)</u>	<u>(1,415)</u>	<u>(308)</u>	<u>(858)</u>
Net income attributable to the company	<u>28,045</u>	<u>26,163</u>	<u>13,453</u>	<u>13,127</u>
Basic and diluted earnings per share attributable to Company's stockholders	<u>1.41</u>	<u>1.32</u>	<u>0.67</u>	<u>0.66</u>
Basic and diluted weighted average number of shares outstanding (in thousands)	<u>19,894</u>	<u>19,894</u>	<u>19,894</u>	<u>19,894</u>

ITURAN LOCATION AND CONTROL LTD.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)	US dollars			
	Six months period ended June 30,		Three months period ended June 30,	
	2025	2024	2025	2024
	(unaudited)		(unaudited)	
Cash flows from operating activities				
Net income for the period	28,861	27,578	13,761	13,985
Adjustments to reconcile net income to net cash from operating activities:				
Depreciation and amortization	9,230	10,651	4,602	5,353
Loss in respect of trading marketable securities and other investments	8	35	-	139
Increase in liability for employee rights upon retirement	1,622	1,680	591	918
Share in losses (profit) of affiliated companies, net	18	122	(16)	41
Deferred income taxes	(387)	(1,237)	(302)	(447)
Capital loss (gain) on sale of property and equipment, net	89	(95)	58	(131)
Increase in accounts receivable	(7,691)	(6,544)	(1,127)	(1,704)
Decrease (increase) in other current and non-current assets	4,800	(4,371)	4,822	(886)
Decrease (increase) in inventories	(58)	1,529	72	1,008
Increase (decrease) in accounts payable	(124)	1,816	(393)	2,286
Increase (decrease) in deferred revenues	1,354	372	607	(892)
Increase (decrease) in other current and non-current liabilities	163	2,804	(249)	3,268
Net cash provided by operating activities	<u>37,885</u>	<u>34,340</u>	<u>22,426</u>	<u>22,938</u>
Cash flows from investment activities				
Increase in funds in respect of employee rights upon retirement, net of withdrawals	(852)	(1,515)	(560)	(808)
Capital expenditures	(11,874)	(6,309)	(5,264)	(3,178)
Return from (investments in) affiliated and other companies, net	(110)	57	(106)	(81)
Repayment of (investment in) long-term deposit	(23)	23	61	(41)
Proceeds from sale of property and equipment	454	293	154	137
Net cash used in investment activities	<u>(12,405)</u>	<u>(7,451)</u>	<u>(5,715)</u>	<u>(3,971)</u>
Cash flows from financing activities				
Short term credit from banking institutions, net	(114)	(331)	-	(58)
Dividend paid	(17,705)	(12,533)	(9,947)	(7,759)
Dividend paid to non-controlling interests	(1,677)	(1,630)	-	-
Net cash used in financing activities	<u>(19,496)</u>	<u>(14,494)</u>	<u>(9,947)</u>	<u>(7,817)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>5,394</u>	<u>(2,619)</u>	<u>6,288</u>	<u>(1,975)</u>
Net change in cash and cash equivalents	11,378	9,776	13,052	9,175
Balance of cash and cash equivalents at beginning of period	<u>77,357</u>	<u>53,434</u>	<u>75,683</u>	<u>54,035</u>
Balance of cash and cash equivalents at end of period	<u>88,735</u>	<u>63,210</u>	<u>88,735</u>	<u>63,210</u>

Supplementary information on financing activities not involving cash flows:

In May 2025, the Company declared a dividend in an amount of US\$10 million. The dividend was paid in July 2025.