

ITURAN LOCATION AND CONTROL LTD.

**Condensed Consolidated Financial Statements
as of December 31, 2025**

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ITURAN LOCATION AND CONTROL LTD.
CONDENSED CONSOLIDATED BALANCE SHEETS

| (In thousands) | US dollars | |
|--|-------------------|------------------------------|
| | 2025 | December 31, 2024 |
| Current assets | | |
| Cash and cash equivalents | 107,551 | 77,357 |
| Investments in marketable securities | 3 | 10 |
| Accounts receivable (net of provision for credit loss) | 58,517 | 47,688 |
| Other current assets | 48,360 | 46,067 |
| Inventories | 23,213 | 23,434 |
| | 237,644 | 194,556 |
| Long-term investments and other assets | | |
| Investments in affiliated companies | 517 | 519 |
| Investments in other companies | 1,542 | 1,491 |
| Other non-current assets | 5,413 | 5,853 |
| Deferred income taxes | 15,684 | 12,273 |
| Funds in respect of employee rights upon retirement | 28,480 | 21,823 |
| | 51,636 | 41,959 |
| Property and equipment, net | 39,386 | 33,080 |
| Operating lease right-of-use assets, net | 8,878 | 8,947 |
| Intangible assets, net | 8,839 | 9,011 |
| Goodwill | 39,831 | 39,325 |
| Total assets | 386,214 | 326,878 |

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

| (In thousands) | US dollars | |
|---|---------------------|-------------|
| | December 31, | |
| | 2025 | 2024 |
| Current liabilities | | |
| Credit from banking institutions | - | 114 |
| Accounts payable | 19,082 | 18,847 |
| Deferred revenues | 27,206 | 22,857 |
| Other current liabilities | 57,817 | 45,904 |
| | 104,105 | 87,722 |
| Long-term liabilities | | |
| Deferred income taxes | 531 | 418 |
| Liability for employee rights upon retirement | 35,080 | 27,593 |
| Deferred revenues | 14,876 | 12,231 |
| Operating lease liabilities, non-current | 4,745 | 5,562 |
| Other non-current liabilities | 2,391 | 2,095 |
| | 57,623 | 47,899 |
| Stockholders' equity | 217,564 | 185,227 |
| Non-controlling interests | 6,922 | 6,030 |
| Total equity | 224,486 | 191,257 |
| | | |
| Total liabilities and equity | 386,214 | 326,878 |

ITURAN LOCATION AND CONTROL LTD.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

| (in thousands, except share data) | US dollars | | | |
|---|----------------------------|----------------|---|---------------|
| | Year ended December 31, | | Three months period ended December 31, | |
| | 2025 | 2024 | 2025 | 2024 |
| | | | (unaudited) | |
| Revenues: | | | | |
| Telematics services | 264,559 | 242,491 | 71,073 | 61,548 |
| Telematics products | 94,464 | 93,766 | 22,424 | 21,335 |
| | <u>359,023</u> | <u>336,257</u> | <u>93,497</u> | <u>82,883</u> |
| Cost of revenues: | | | | |
| Telematics services | 108,451 | 100,195 | 28,767 | 24,875 |
| Telematics products | 71,995 | 75,442 | 17,518 | 16,892 |
| | <u>180,446</u> | <u>175,637</u> | <u>46,285</u> | <u>41,767</u> |
| Gross profit | 178,577 | 160,620 | 47,212 | 41,116 |
| Research and development expenses | 20,806 | 18,090 | 5,152 | 4,483 |
| Selling and marketing expenses | 18,378 | 15,271 | 4,887 | 3,980 |
| General and administrative expenses | 62,456 | 56,238 | 16,870 | 14,667 |
| Other income, net | (91) | (148) | (109) | (49) |
| Operating income | 77,028 | 71,169 | 20,412 | 18,035 |
| Other non-operating expenses | (272) | - | (272) | - |
| Financing income (expenses), net | (1,854) | 80 | (732) | (85) |
| Income before income tax | 74,902 | 71,249 | 19,408 | 17,950 |
| Income tax expenses | (14,899) | (14,579) | (3,678) | (3,345) |
| Share in profit (losses) of affiliated companies, net | (5) | (123) | 26 | 178 |
| Net income for the period | 59,998 | 56,547 | 15,756 | 14,783 |
| Less: net income attributable to non-controlling interest | (2,031) | (2,893) | (479) | (945) |
| Net income attributable to the company | <u>57,967</u> | <u>53,654</u> | <u>15,277</u> | <u>13,838</u> |
| Basic and diluted earnings per share attributable to company's stockholders | <u>2.92</u> | <u>2.70</u> | <u>0.77</u> | <u>0.70</u> |
| Basic and diluted weighted average number of shares outstanding | <u>19,874</u> | <u>19,894</u> | <u>19,840</u> | <u>19,894</u> |

ITURAN LOCATION AND CONTROL LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS

| (in thousands) | US dollars | | | |
|---|------------------------------------|----------|--|---------|
| | Year ended December 31, 2025 | 2024 | Three months period ended December 31, 2025 2024 (unaudited) | |
| Cash flows from operating activities | | | | |
| Net income for the period | 59,998 | 56,547 | 15,756 | 14,783 |
| Adjustments to reconcile net income to net cash from operating activities: | | | | |
| Depreciation and amortization | 19,170 | 20,083 | 4,930 | 4,497 |
| Loss in respect of trading marketable securities and other investments | 8 | 107 | - | 22 |
| Increase in liability for employee rights upon retirement | 3,298 | 3,199 | 1,164 | 954 |
| Share in losses (profit) of affiliated and other companies, net | 277 | 123 | 246 | (178) |
| Deferred income taxes | (1,607) | (383) | (716) | 958 |
| Capital loss (gain) on sale of property and equipment, net | 27 | 128 | (72) | 114 |
| Decrease (increase) in accounts receivable | (3,728) | (5,227) | 4,730 | (435) |
| Decrease (increase) in other current and non-current assets | 6,843 | (6,498) | 640 | (1,170) |
| Decrease in inventories | 2,614 | 3,366 | 3,525 | 776 |
| Increase (decrease) in accounts payable | (2,136) | 176 | (1,324) | 2,558 |
| Increase (decrease) in deferred revenues | 2,235 | (804) | (80) | (990) |
| Increase in other current and non-current liabilities | 1,579 | 3,450 | 551 | 803 |
| Net cash provided by operating activities | 88,578 | 74,267 | 29,350 | 22,692 |
| Cash flows from investment activities | | | | |
| Increase in funds in respect of employee rights upon retirement, net of withdrawals | (3,324) | (3,353) | (1,002) | (1,016) |
| Capital expenditures | (21,776) | (13,632) | (4,607) | (4,488) |
| Return from (investments in) affiliated and other companies, net | (38) | 708 | 11 | 710 |
| Repayment of (Investments in) long-term deposit | 57 | (122) | 22 | (41) |
| Proceeds from sale of property and equipment | 901 | 459 | 337 | 70 |
| Net cash used in investment activities | (24,180) | (15,940) | (5,239) | (4,765) |
| Cash flows from financing activities | | | | |
| Short term credit from banking institutions | (114) | (433) | - | (49) |
| Acquisition of company shares | (3,100) | - | (1,625) | - |
| Dividend paid | (37,585) | (28,050) | (9,933) | (7,759) |
| Dividend paid to non-controlling interests | (1,908) | (3,286) | (231) | (25) |
| Net cash used in financing activities | (42,707) | (31,769) | (11,789) | (7,833) |
| Effect of exchange rate changes on cash and cash equivalents | 8,503 | (2,635) | 2,157 | (202) |
| Net change in cash and cash equivalents | 30,194 | 23,923 | 14,479 | 9,892 |
| Balance of cash and cash equivalents at beginning of period | 77,357 | 53,434 | 93,072 | 67,465 |
| Balance of cash and cash equivalents at end of period | 107,551 | 77,357 | 107,551 | 77,357 |

Supplementary information on financing activities not involving cash flows:

In November 2025, the Company declared a dividend in an amount of US\$10 million. The dividend was paid in January 2026.