

**ITURAN LOCATION AND CONTROL LTD.**

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

# **ITURAN LOCATION AND CONTROL LTD.**

## **Condensed Consolidated Financial Statements as of September 30, 2025**

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**ITURAN LOCATION AND CONTROL LTD.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

US dollars

<b>(In thousands)</b>	<b>September 30, 2025 (unaudited)</b>	<b>December 31, 2024</b>
<b>Current assets</b>		
Cash and cash equivalents	93,072	77,357
Investments in marketable securities	2	10
Accounts receivable (net of provision for credit loss)	62,059	47,688
Other current assets	49,396	46,067
Inventories	25,672	23,434
	<u>230,201</u>	<u>194,556</u>
<b>Long-term investments and other assets</b>		
Investments in affiliated companies	494	519
Investments in other companies	1,833	1,491
Other non-current assets	5,290	5,853
Deferred income taxes	14,828	12,273
Funds in respect of employee rights upon retirement	26,495	21,823
	<u>48,940</u>	<u>41,959</u>
<b>Property and equipment, net</b>	<u>39,970</u>	<u>33,080</u>
<b>Operating lease right-of-use assets, net</b>	<u>8,323</u>	<u>8,947</u>
<b>Intangible assets, net</b>	<u>8,932</u>	<u>9,011</u>
<b>Goodwill</b>	<u>39,690</u>	<u>39,325</u>
<b>Total assets</b>	<u><u>376,056</u></u>	<u><u>326,878</u></u>

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

	US dollars	
(In thousands)	September 30, 2025 (unaudited)	December 31, 2024
<b>Current liabilities</b>		
Credit from banking institutions	-	114
Accounts payable	20,380	18,847
Deferred revenues	26,620	22,857
Other current liabilities	55,398	45,904
	102,398	87,722
<b>Long-term liabilities</b>		
Deferred income taxes	520	418
Liability for employee rights upon retirement	32,754	27,593
Deferred revenues	14,637	12,231
Operating lease liabilities, non-current	4,852	5,562
Other non-current liabilities	2,385	2,095
	55,148	47,899
<b>Stockholders' equity</b>	211,997	185,227
<b>Non-controlling interests</b>	6,513	6,030
<b>Total equity</b>	218,510	191,257
<b>Total liabilities and equity</b>	376,056	326,878

**ITURAN LOCATION AND CONTROL LTD.**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**

(in thousands, except earnings per share)	US dollars			
	Nine months period ended September 30,		Three months period ended September 30,	
	2025	2024	2025	2024
	(unaudited)		(unaudited)	
<b>Revenues:</b>				
Telematics services	193,486	180,943	67,550	59,591
Telematics products	72,040	72,431	24,728	23,888
	<u>265,526</u>	<u>253,374</u>	<u>92,278</u>	<u>83,479</u>
<b>Cost of revenues:</b>				
Telematics services	79,684	75,320	26,950	24,574
Telematics products	54,477	58,550	18,903	18,748
	<u>134,161</u>	<u>133,870</u>	<u>45,853</u>	<u>43,322</u>
Gross profit	131,365	119,504	46,425	40,157
Research and development expenses	15,654	13,607	5,734	4,490
Selling and marketing expenses	13,491	11,291	4,857	4,019
General and administrative expenses	45,586	41,571	16,217	13,264
Other expenses (income), net	18	(99)	(9)	24
Operating income	56,616	53,134	19,626	18,360
Financing income (expenses), net	(1,122)	165	(340)	34
Income before income tax	55,494	53,299	19,286	18,394
Income tax expenses	(11,221)	(11,234)	(3,892)	(4,029)
Share in losses of affiliated companies, net	(31)	(301)	(13)	(179)
Net income for the period	44,242	41,764	15,381	14,186
Less: net income attributable to non-controlling interest	(1,552)	(1,948)	(736)	(533)
Net income attributable to the company	<u>42,690</u>	<u>39,816</u>	<u>14,645</u>	<u>13,653</u>
Basic and diluted earnings per share attributable to company's stockholders	<u>2.15</u>	<u>2.00</u>	<u>0.74</u>	<u>0.69</u>
Basic and diluted weighted average number of shares outstanding	<u>19,892</u>	<u>19,894</u>	<u>19,889</u>	<u>19,894</u>

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

<b>(in thousands)</b>	<b>US dollars</b>			
	<b>Nine months period ended September 30,</b>		<b>Three months period ended September 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>(unaudited)</b>		<b>(unaudited)</b>	
<b>Cash flows from operating activities</b>				
Net income for the period	44,242	41,764	15,381	14,186
<b>Adjustments to reconcile net income to net cash from operating activities:</b>				
Depreciation and amortization	14,240	15,586	5,010	4,935
Loss in respect of trading marketable securities and other investments	8	85	-	50
Increase in liability for employee rights upon retirement	2,134	2,245	512	565
Share in losses of affiliated companies, net	31	301	13	179
Deferred income taxes	(891)	(1,340)	(504)	(104)
Capital loss on sale of property and equipment, net	99	14	10	109
Decrease (increase) in accounts receivable	(8,458)	(4,792)	(767)	1,752
Decrease (increase) in other current and non-current assets	6,203	(5,328)	1,403	(957)
Decrease (increase) in inventories	(911)	2,591	(853)	1,062
Decrease in accounts payable	(812)	(2,382)	(688)	(4,198)
Increase (decrease) in deferred revenues	2,315	186	961	(186)
Increase (decrease) in other current and non-current liabilities	1,028	2,645	865	(158)
Net cash provided by operating activities	<u>59,228</u>	<u>51,575</u>	<u>21,343</u>	<u>17,235</u>
<b>Cash flows from investment activities</b>				
Increase in funds in respect of employee rights upon retirement, net of withdrawals	(2,322)	(2,337)	(1,470)	(822)
Capital expenditures	(17,169)	(9,144)	(5,295)	(2,835)
Return from (investments in) affiliated and other companies, net	(49)	(2)	61	(59)
Repayment of (Investment in) long-term deposit	35	(81)	58	(104)
Proceeds from sale of property and equipment	564	389	110	96
Net cash used in investment activities	<u>(18,941)</u>	<u>(11,175)</u>	<u>(6,536)</u>	<u>(3,724)</u>
<b>Cash flows from financing activities</b>				
Short term credit from banking institutions	(114)	(384)	-	(53)
Acquisition of company shares	(1,475)	-	(1,475)	-
Dividend paid	(27,652)	(20,291)	(9,947)	(7,758)
Dividend paid to non-controlling interests	(1,677)	(3,261)	-	(1,631)
Net cash used in financing activities	<u>(30,918)</u>	<u>(23,936)</u>	<u>(11,442)</u>	<u>(9,442)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>6,346</u>	<u>(2,433)</u>	<u>952</u>	<u>186</u>
Net change in cash and cash equivalents	15,715	14,031	4,337	4,255
Balance of cash and cash equivalents at beginning of period	<u>77,357</u>	<u>53,434</u>	<u>88,735</u>	<u>63,210</u>
Balance of cash and cash equivalents at end of period	<u><u>93,072</u></u>	<u><u>67,465</u></u>	<u><u>93,072</u></u>	<u><u>67,465</u></u>

**Supplementary information on financing activities not involving cash flows:**

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