

ITURAN LOCATION AND CONTROL LTD.

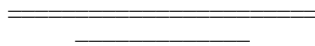
**Condensed Consolidated Financial Statements
as of June 30, 2024**

ITURAN LOCATION AND CONTROL LTD.

Condensed Consolidated Financial Statements as of June 30, 2024

Table of Contents

	Page
Condensed Consolidated Interim Financial Statements:	
Condensed Consolidated Balance Sheets	2-3
Condensed Consolidated Statements of Income	4
Condensed Consolidated Statements of Cash Flows	5



ITURAN LOCATION AND CONTROL LTD.

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands)	US dollars	
	June 30, 2024	December 31, 2023
	(unaudited)	
Current assets		
Cash and cash equivalents	63,210	53,434
Investments in marketable securities	81	119
Accounts receivable (net of allowance for doubtful accounts)	49,168	45,390
Other current assets	50,146	52,724
Inventories	<u>24,806</u>	<u>26,872</u>
	<u>187,411</u>	<u>178,539</u>
Long-term investments and other assets		
Investments in affiliated companies	736	714
Investments in other companies	2,060	2,213
Other non-current assets	3,431	3,989
Deferred income taxes	14,121	14,452
Funds in respect of employee rights upon retirement	<u>19,364</u>	<u>18,525</u>
	<u>39,712</u>	<u>39,893</u>
Property and equipment, net	<u>35,582</u>	<u>41,955</u>
Operating lease right of use assets, net	<u>7,342</u>	<u>8,071</u>
Intangible assets, net	<u>9,488</u>	<u>10,830</u>
Goodwill	<u>39,219</u>	<u>39,400</u>
Total assets	<u><u>318,754</u></u>	<u><u>318,688</u></u>

ITURAN LOCATION AND CONTROL LTD.

CONDENSED CONSOLIDATED BALANCE SHEETS (cont.)

(in thousands)	US dollars	
	June 30, 2024	December 31, 2023
	(unaudited)	
Current liabilities		
Credit from banking institutions	236	355
Accounts payable	20,913	20,842
Deferred revenues	25,557	27,117
Other current liabilities	45,215	44,150
	<u>91,921</u>	<u>92,464</u>
Long-term liabilities		
Loan from bank institutions	-	237
Liability for employee rights upon retirement	25,317	24,562
Deferred income taxes	703	1,116
Deferred revenues	12,636	13,259
Others non-current liabilities	2,058	2,027
Operating lease liabilities, non-current	4,458	4,774
	<u>45,172</u>	<u>45,975</u>
Stockholders' equity	175,512	174,454
Non-controlling interests	6,149	5,795
	<u>181,661</u>	<u>180,249</u>
Total liabilities and equity	<u><u>318,754</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		US dollars	
	Six months period ended June 30,		Three months period ended June 30,	
	2024	2023	2024	2023
	(unaudited)		(unaudited)	
Revenues:				
Telematics services	121,352	114,963	60,417	59,186
Telematics products	<u>48,543</u>	<u>46,154</u>	<u>24,452</u>	<u>22,459</u>
	<u>169,895</u>	<u>161,117</u>	<u>84,869</u>	<u>81,645</u>
Cost of revenues:				
Telematics services	50,746	48,642	25,225	25,250
Telematics products	<u>39,802</u>	<u>37,124</u>	<u>19,840</u>	<u>17,733</u>
	<u>90,548</u>	<u>85,766</u>	<u>45,065</u>	<u>42,983</u>
Gross profit	79,347	75,351	39,804	38,662
Research and development expenses	9,117	8,354	4,594	4,216
Selling and marketing expenses	7,272	6,606	3,698	3,283
General and administrative expenses	28,307	27,716	13,851	14,443
Other expenses (income), net	<u>(123)</u>	<u>118</u>	<u>(84)</u>	<u>75</u>
Operating income	34,774	32,557	17,745	16,645
Other expenses, net	-	(3)	-	(24)
Financing income, net	<u>131</u>	<u>154</u>	<u>56</u>	<u>349</u>
Income before income tax	34,905	32,708	17,801	16,970
Income tax expenses	<u>(7,205)</u>	<u>(7,220)</u>	<u>(3,775)</u>	<u>(3,801)</u>
Share in losses of affiliated companies, net	<u>(122)</u>	<u>(627)</u>	<u>(41)</u>	<u>(261)</u>
Net income for the period	27,578	24,861	13,985	12,908
Less: Net income attributable to non-controlling interest	<u>(1,415)</u>	<u>(1,257)</u>	<u>(858)</u>	<u>(659)</u>
Net income attributable to the Company	<u>26,163</u>	<u>23,604</u>	<u>13,127</u>	<u>12,249</u>
Basic and diluted earnings per share attributable to Company's stockholders	<u>1.32</u>	<u>1.17</u>	<u>0.66</u>	<u>0.61</u>
Basic and diluted weighted average number of shares outstanding (in thousands)	<u>19,894</u>	<u>20,097</u>	<u>19,894</u>	<u>20,045</u>

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

(in thousands)	US dollars		US dollars	
	Six months period ended June 30,		Three months period ended June 30,	
	2024	2023	2024	2023
	(unaudited)		(unaudited)	
Cash flows from operating activities				
Net income for the period	27,578	24,861	13,985	12,908
Adjustments to reconcile net income to net cash from operating activities:				
Depreciation and amortization	10,651	10,051	5,353	5,146
Loss (gain) in respect of trading marketable securities	35	(53)	139	(54)
Increase in liability for employee rights upon retirement	1,680	1,590	918	729
Share in losses of affiliated companies, net	122	627	41	261
Deferred income taxes	(1,237)	(1,394)	(447)	(791)
Capital loss (gain) from sale of property and equipment, net	(95)	46	(131)	53
Increase in accounts receivable	(6,544)	(2,952)	(1,704)	(172)
Increase in other current and non-current assets	(4,371)	(6,975)	(886)	(2,399)
Decrease (increase) in inventories	1,529	(609)	1,008	(450)
Increase (decrease) in accounts payable	1,816	939	2,286	(2,726)
Increase (decrease) in deferred revenues	372	5,227	(892)	2,498
Increase in other current and non-current liabilities	2,804	3,544	3,268	2,504
Net cash provided by operating activities	<u>34,340</u>	<u>34,902</u>	<u>22,938</u>	<u>17,507</u>
Cash flows from investment activities				
Increase in funds in respect of employee rights upon retirement, net of withdrawals	(1,515)	(1,160)	(808)	(777)
Capital expenditures	(6,309)	(6,282)	(3,178)	(3,379)
Return of (investments in) affiliated and other companies, net	57	(607)	(81)	(312)
Return of (investments in) long term deposit	23	(45)	(41)	(45)
Sale of marketable securities	-	99	-	-
Proceeds from sale of property and equipment	293	58	137	40
Net cash used in investment activities	<u>(7,451)</u>	<u>(7,937)</u>	<u>(3,971)</u>	<u>(4,473)</u>
Cash flows from financing activities				
Short term credit from banking institutions, net	(331)	185	(58)	(954)
Repayment of long term loan	-	(7,907)	-	(3,765)
Dividend paid	(12,533)	(5,617)	(7,759)	(2,820)
Acquisition of company shares	-	(4,717)	-	(3,517)
Dividend paid to non-controlling interest	(1,630)	(1,687)	-	(892)
Net cash used in financing activities	<u>(14,494)</u>	<u>(19,743)</u>	<u>(7,817)</u>	<u>(11,948)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(2,619)</u>	<u>(867)</u>	<u>(1,975)</u>	<u>(157)</u>
Net increase in cash and cash equivalents	9,776	6,355	9,175	929
Balance of cash and cash equivalents at beginning of the period	<u>53,434</u>	<u>27,850</u>	<u>54,035</u>	<u>33,276</u>
Balance of cash and cash equivalents at end of the period	<u>63,210</u>	<u>34,205</u>	<u>63,210</u>	<u>34,205</u>

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

In May 2024, the Company declared a dividend in an amount of approximately US\$ 8 million. The dividend was paid in July 2024.