

ORBIT TECHNOLOGIES LTD.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF MARCH 31, 2025

UNAUDITED

U.S. DOLLARS IN THOUSANDS

INDEX

	<u>Page</u>
Consolidated Balance Sheets	3 - 2
Consolidated Statements of Income	4
Consolidated Statements of Comprehensive Income	5
Consolidated Statements of Changes in Equity	7 - 6
Consolidated Statements of Cash Flows	9 - 8
Note to Consolidated financial Statements	10

CONSOLIDATED BALANCE SHEETS

	March 31,		December 31,
	2025	2024	2024
	Unaudited		Audited
	U.S. dollars in thousands		
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	16,644	10,501	15,146
Short term deposit	16,536	31,009	19,039
Accounts receivables	22,489	17,975	13,610
Amounts due for construction contracts	17,271	11,686	19,605
Other accounts receivable	1,873	2,273	1,688
Inventories	16,253	16,359	14,520
	<u>91,066</u>	<u>89,803</u>	<u>83,608</u>
NON-CURRENT ASSETS:			
Other assets	32	10	10
Fixed assets	19,068	18,819	18,261
Intangible assets	16,673	15,589	16,420
Goodwill	785	785	785
Deferred taxes	232	136	250
	<u>36,790</u>	<u>35,339</u>	<u>35,726</u>
	<u><u>127,856</u></u>	<u><u>125,142</u></u>	<u><u>119,334</u></u>

The accompanying note is an integral part of the interim consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

	March 31,		December 31,
	2025	2024	2024
	Unaudited		Audited
	U.S. dollars in thousands		
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Trade payables	9,871	11,527	8,024
Income taxes payable	2,471	1,503	2,503
Other accounts payable	20,768	18,204	17,917
	33,110	31,234	28,444
NON-CURRENT LIABILITIES:			
Liability for Government grants	648	496	648
Employee benefit liability	205	210	218
Lease payment liability	9,610	9,084	9,289
Warranty liability	905	1,039	917
Deferred taxes	1,056	729	993
	12,424	11,558	12,065
EQUITY:			
Share capital	8,293	8,204	8,285
Paid-in capital	37,329	36,847	37,214
Retained earnings	34,613	35,466	31,355
Reserve for share-based payment	2,613	2,474	2,567
Foreign currency translation adjustments	(436)	(486)	(506)
Reserve for defined benefit plans	777	712	777
Treasury shares	(867)	(867)	(867)
Total equity	82,322	82,350	78,825
	127,856	125,142	119,334

The accompanying note is an integral part of the interim consolidated financial statements.

25 May, 2025			
Date of approval of the financial statements	Yitzchak Gat Chairman of the Board	D. Eshchar CEO	R. Wirth CFO

CONSOLIDATED STATEMENTS OF INCOME

	Three months ended March 31,		Year ended December 31,
	2025	2024	2024
	Unaudited		Audited
	U.S. dollars in thousands (except per share data)		
Revenues from sales and construction performed	18,358	15,129	70,049
Cost of sales and construction performed	11,144	9,519	43,161
Gross profit	7,214	5,610	26,888
Research and development costs, net	818	919	3,600
Selling and marketing expenses	1,820	1,616	6,120
General and administrative expenses	1,065	1,005	4,364
Operating income	3,511	2,070	12,804
Finance income	470	701	1,941
Finance expenses	172	272	846
Income before taxes on income	3,809	2,499	13,899
Income tax expense	551	310	2,152
Net Profit	3,258	2,189	11,747
Net Profit per share attributable to equity holders of the Company (in U.S. dollars):			
Basic profit per share	0.131	0.088	0.474
Diluted profit per share	0.129	0.086	0.466

The accompanying note is an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three months ended		Year ended
	March 31,		December 31,
	2025	2024	2024
	Unaudited		Audited
	U.S. dollars in thousands		
Net Profit	3,258	2,189	11,747
Other comprehensive profit (net of tax effect):			
Actuarial loss from defined benefit plans	-	-	65
Foreign currency translation adjustments of foreign operation	70	(17)	(37)
Total other comprehensive income (loss)	70	(17)	28
Total comprehensive income	3,328	2,172	11,775

The accompanying note is an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Paid-in capital	Retained earnings	Reserve for share-based payment	Foreign currency translation adjustments	Reserve for defined benefit plans	Treasury shares	Total equity
	U.S. dollars in thousands							
	Unaudited							
Balance at January 1, 2025 (audited)	8,285	37,214	31,355	2,567	(506)	777	(867)	78,825
Net Income	-	-	3,258	-	-	-	-	3,258
Other comprehensive income	-	-	-	-	70	-	-	70
Total comprehensive income	-	-	3,258	-	70	-	-	3,328
Exercise of warrants into shares	8	115	-	(116)	-	-	-	7
Cost of share based-payment	-	-	-	162	-	-	-	162
Balance at March 31, 2025	8,293	37,329	34,613	2,613	(436)	777	(867)	82,322

	Share capital	Paid-in capital	Retained earnings	Reserve for share-based payment	Foreign currency translation adjustments	Reserve for defined benefit plans	Treasury shares	Total equity
	U.S. dollars in thousands							
	Unaudited							
Balance at January 1, 2024 (audited)	8,201	36,733	33,277	2,426	(469)	- 712	(867)	80,013
Net Income	-	-	2,189	-	-	-	-	2,189
Other comprehensive loss	-	-	-	-	(17)	-	-	(17)
Total comprehensive income	-	-	2,189	-	(17)	-	-	2,172
Exercise of warrants into shares	3	114	-	(38)	-	-	-	79
Cost of share based-payment	-	-	-	86	-	-	-	86
Balance at March 31, 2024	8,204	36,847	35,466	2,474	(486)	712	(867)	82,350

The accompanying note is an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Paid-in capital	Retained earnings	Reserve for share-based payment	Foreign currency translation adjustments	Reserve for defined benefit plans	Treasury shares	Total equity
	U.S. dollars in thousands							
	Audited							
Balance at January 1, 2024	8,201	36,733	33,277	2,426	(469)	712	(867)	80,013
Net income	-	-	11,747	-	-	-	-	11,747
Other comprehensive income (loss)	-	-	-	-	(37)	65	-	28
Total comprehensive Income	-	-	11,747	-	(37)	65	-	11,775
Dividend	-	-	(13,669)	-	-	-	-	(13,669)
Forfeiture of options	-	-	-	(56)	-	-	-	(56)
Exercise of options into shares	84	481	-	(483)	-	-	-	82
Cost of share based-payment	-	-	-	680	-	-	-	680
<u>Balance at December 31, 2024</u>	<u>8,285</u>	<u>37,214</u>	<u>31,355</u>	<u>2,567</u>	<u>(506)</u>	<u>777</u>	<u>(867)</u>	<u>78,825</u>

The accompanying note is an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended March 31,		Year ended December 31,
	2025	2024	2024
	Unaudited		Audited
	U.S. dollars in thousands		
<u>Cash flows from operating activities:</u>			
Net income	3,258	2,189	11,747
Adjustments to reconcile net income to net cash provided by operating activities:			
Adjustments to the profit or loss items:			
Depreciation and amortization	956	821	3,505
Capital Gain from lease liability	(9)	(2)	(4)
Cost of share-based payment	162	86	624
Tax expense	551	310	2,152
Interest expenses, net	(145)	(180)	(967)
Change in employee benefit Liability, net	(13)	-	65
Adjustment to current accounts with foreign operation	43	(40)	79
	1,545	995	5,454
Changes in operating asset and liability items:			
Decrease (Increase) in trade receivables	(8,879)	(2,824)	1,542
Decrease (Increase) in amounts due for construction contracts	2,334	5,005	(2,915)
Decrease (Increase) in other accounts receivable	(208)	(387)	198
increase in inventories	(1,878)	(3,405)	(1,711)
Increase (Decrease) in trade payables	1,682	1,824	(1,699)
Increase (Decrease) in other accounts payable	2,367	(373)	1,055
	(4,582)	(160)	(3,530)
Cash paid and received during the period for:			
Interest paid	(171)	(255)	(830)
Interest received	91	155	1,736
Taxes paid	(100)	(14)	(1,072)
	(180)	(114)	(166)
Net cash provided by operating activities	41	2,910	13,505

The accompanying note is an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended March 31,		Year ended December 31,
	2025	2024	2024
	Unaudited		Audited
	U.S. dollars in thousands		
<u>Cash flows from investing activities:</u>			
Purchase of fixed assets	(332)	(222)	(740)
Capitalization of research and development costs	(433)	(761)	(2,078)
Purchase of Intangible assets	(46)	-	(87)
Deposit in banking corporations	2,729	(9,305)	1,690
Net cash provided by (Used in) investing activities	1,918	(10,288)	(1,215)
<u>Cash flows from financing activities:</u>			
Payments for Government grants	-	-	(7)
Payments of lease liability	(426)	(377)	(1,608)
	-	-	(13,669)
Exercise of warrants into shares	8	79	82
Net cash Used in financing activities	(418)	(298)	(15,202)
Translation differences on balances of cash and cash equivalents	(43)	40	(79)
Decrease in cash and cash equivalents	1,498	(7,636)	(2,991)
Cash and cash equivalents at the beginning of the period	15,146	18,137	18,137
Cash and cash equivalents at the end of the period	16,644	10,501	15,146
<u>Significant non-cash transaction:</u>			
Purchase of fixed assets on suppliers credit	325	141	160
Recognition of the right of use against a lease liability	886	381	1,250

The accompanying note is an integral part of the interim consolidated financial statements.

NOTE TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1:- GENERAL

These financial statements have been prepared in a condensed format as of March 31, 2025 and for the three months then ended ("interim financial statements"). These financial statements should be read in conjunction with the Company's annual financial statements as of December 31, 2024 and for the year then ended and accompanying notes ("annual financial statements").
