



Unitronics (1989) (RG) Ltd.

Quarterly Report as of September 30, 2025

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Unitronics (1989) (RG) Ltd.

Chapter A

Board of Directors Report on the State of Affairs of the Company for the Period Ended September 30, 2025

1. General

Company name: Unitronics (1989) (RG) Ltd.
(Hereinafter: the "**Company**" or "**Unitronics**")

Company number: 520044199

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Period of the Report: For the nine-month and three-month period ended September 30, 2025

Date of the Report: September 30, 2025

In accordance with Regulation 39A of the Regulations, the following review is limited in scope and only relates to material changes and developments in the Company's affairs during the report period and it is prepared under the assumption that the reader also has access to the 2024 Periodic Report of the Company (including the Board of Directors Report as of December 31, 2024, attached thereto) as published on March 20, 2025 (reference number: 2025-01-018586) (hereinafter: the "**2024 Periodic Report**") plus the 2025 First and Second Quarter reports which were published on May 14, 2025 and August 21, 2025 (reference number: 2025-01-062345 and 2025-01-033643, respectively) (hereinafter: the "**First Quarter Report**" and the "**Second Quarter Report**"). The above reference is included by way of reference. At the same time, in some cases, for the purpose of providing an overall picture, the Company has included a more detailed description than is actually required, which includes information which, in its opinion, is not necessary material.

2. Description of the Company and its Business Environment

The company deals in the design, development, manufacturing, marketing, sales and support of programmable logic controllers (PLC) (hereinafter: the "**Controllers**") and other automation products. Controllers are computer-based electronic products (hardware and software) used to control and monitor machines which perform automated operations, such as manufacturing systems and other automated installations in various sectors. In addition, the company is marketing and selling propulsion controllers (VFD and servo systems) designed to interface in an integrative and simple manner with the Controllers of the company. Furthermore, the company has an integrative platform for cloud services (SaaS) which is designed to allow any customer to connect the controllers of the Company (And even controllers from other companies) to an environment based on a cloud computing infrastructure, transfer data securely and create business dashboards (BI). In this service, the emphasis is on a complementary service

to company controllers with added value which is reflected in the simplicity and ease of application and full integration with the remainder of the products of the company.

This activity is carried out by the Company as well as through Unitronics Inc., a wholly owned subsidiary incorporated in the US and Unitronics GMBH, a wholly owned subsidiary incorporated in Germany.

The Company's products and services are marketed and sold through the Company's internal sales and marketing system via subsidiaries in the United States and Germany, as well as through a network of distributors that includes approximately 185 distributors, of which approximately 105 are in the US and North America and the remainder in approximately seventy countries (including Israel) mainly in Europe, Asia and South America.

The Company mainly operates in offices and industrial buildings located at Airport City near the Ben Gurion Airport. For further details, see Section 1.11 in Chapter A of the Company's 2024 Periodic Report.

3. **Main Events during the Report Period and in the Period until its Publication**

3.1 **The impact of the “Iron Swords” war**

On October 7, 2023, the State of Israel was attacked in a surprise attack by terrorist organizations from the Gaza Strip, following which the Israeli government declared the "Iron Swords" War, which continues to this day. In the immediate aftermath of the surprise attack, fighting began on the northern border of the country, and later a security threat from the Houthis in Yemen developed in the Red Sea region and the adjacent trade routes, as well as from Iran and its proxies, which caused, among other things, the firing of missiles and the launching of attack drones. In addition, in September 2025, Israel launched a military operation against Iran, which lasted 12 days until a ceasefire. In October 2025, the State of Israel signed an agreement with the terrorist organization Hamas, under which a ceasefire came into effect, and as of the date of publication of the reports, there is relative security calm in all the theaters of war.

The war has had a significant impact on the Israeli economy, which is reflected, among other things, in the extensive mobilization of reserve forces, the temporary closure of businesses, the volatility of the NIS against foreign currencies, and the downgrading of Israel's credit rating by leading credit rating companies .

During the entire period of the fighting, all of the systems of the Company operated and continue to operate regularly, and the war had no direct material impact on the operations of the Company, among other things, in light of its global activities. As of the date of publication of the report, the Company does not expect the events of the war to have a material impact on its business activities. However, there is no certainty that this will indeed be the case if and as the war is renewed and its consequences worsen.

3.2 Changing tariff policy on goods imported into the US

In April 2025, the US government announced the imposition of tariffs on goods imported into the United States from various countries around the world, including Israel, a change that has extensive implications for the US economy as well as the global economy, causing, among other things, hesitation and uncertainty among the American customers of the Company. As part of this program, at the start of its implementation, the tariff imposed on Israeli-made goods imported into the United States was 10%. As of August 7, 2025, the tariff rate on imports from Israel to the United States was updated to 15%. As of this date, there is still uncertainty regarding the overall impact of the new tariff policy on the markets and, consequently, on the operations of the Company, therefore, at this stage, the Company is unable to assess the impact of the new tariff policy on its operations. However, in light of the fact that part of the revenue of the Company derives from exports to the United States (see also Note 24 in Chapter C of the 2024 Periodic Report), the Company has taken action to reduce the aforesaid direct impacts on the Company at this time, with an emphasis on profitability, including an update of selling prices in the United States. Furthermore, the Company continues to regularly review changes in US tariff policy and the potential impacts on its operations and takes additional steps, as necessary, to mitigate the impact.

3.3 The impact of inflation and the increase in interest rates

Further to the aforesaid in section 1.4 to the Board of Directors' Report in the 2024 Periodic Report, the Company is continually monitoring and examining the possible consequences of the increase in the consumer price index on the market, the operations of the Company, its business and financial results.

In this context, starting in 2021, there was an increase in inflation rates in Israel and the world; however, in 2023, the consumer price index moderated to approximately 3%, in comparison to a rate of 5.3% in 2022, whereas the rate in 2024 was 3.2%. In the first nine months of 2025, the index increased by approximately 2.6%.

Considering the moderation in the global inflation rate, the central banks in the US and the European Union have gradually lowered interest rates, which stand at 2.15% in the Eurozone and 4% as of September 30, 2025. In contrast, considering the geopolitical risk in Israel and in particular the continuation of the Iron Sword War, the interest rate in Israel remained unchanged during 2024 (following a 0.25% interest rate cut in January 2024) and 4.5% at the end of the third quarter of 2025. According to the forecast of the Bank of Israel's Research Division, the inflation rate during 2025 is expected to be 3% whereas in 2026 it is expected to be 2.2%.

Furthermore, according to the aforesaid forecast, the monetary interest rate is expected to average 3.75% in the third quarter of 2026.

The Company holds loans from banking corporations with variable interest rates, plus the Company also rents the building and parking spaces in exchange for rental fees linked to the consumer price index. The Company estimates that the effect of the continued increase in the consumer price index as well as the increase in interest rates are not expected to materially affect the results of its operations considering the volume of the loans and the increases influenced by the increase in the interest rate and the consumer price index.

The Company's assessments with regard to the impact of the War of Iron Swords, the Impact of the Tariff Policy on Imported Goods in the US, the impact of the inflation and the increase in the interest rate and the impact of these factors on the operations of the Company constitute forward-looking information, as defined in the Securities Law, 1968, which is based, inter alia, on the Company's estimates as of the date of publication of this report with respect to factors outside its control, including the great uncertainty regarding the extent of the war, its duration and impact on Israel's economy, the US Tariff Policy and Its Impact on the Global Economy and changes in interest rates and inflation. The Company's assessments are based on information that is currently held by the Company, on publications on this subject and on relevant government directives, and which are not certain to materialize, in whole or in part, and which may materialize substantially differently, due to factors outside the Company's control.

- 3.4 For events that occurred from January 1, 2025, until the date of publication of the 2025 Second Quarter Report, see Section 3 of the Board of Directors' Report of the Company attached to the 2024 Periodic Report, as well as Section 3 of the Board of Directors' Report in the First Quarter Report and the Second Quarter Report.
- 3.5 Further to that specified in section 3 of the 2025 Second Quarter Report, on October 9, 2025, the Company reported that a transaction was closed in which the FIMI Fund (FIMI Opportunity V, L.P. and FIMI Israel Opportunity V, Limited Partnership) sold 4,583,153 ordinary shares of the Company to ILJIN Holding LTD (hereinafter: the "**Buyer**"), constituting approximately 31.34% of the issued and paid-up share capital of the Company (excluding dormant shares), in consideration for a total amount of approximately NIS 121,693,490. Simultaneously therewith, Mr. Haim Shani sold 1,239,240 ordinary shares of the Company to the Buyer, constituting approximately 8.86% of the issued and paid-up share capital of the Company (excluding dormant shares), in consideration for a total amount of NIS 34,388,910. In accordance therewith, the Buyer became the controlling shareholder of the Company together with Mr. Haim Shani, and the FIMI Fund ceased to be a controlling shareholder of the Company. For further details, see the Immediate Report of the Company dated October 9, 2025 (reference number: 2025-01-074617). The aforesaid reference is presented herein by way of reference.
- 3.6 Further to that specified in section 3.5 of this report regarding the closing of the transaction, on October 9, 2025, the Company reported that Directors Amit Ben Zvi, Gillon Beck, Yariv Avisar and Barkat Shani have ceased to serve. Simultaneously therewith, the Directors Mr. Jasbir

Singh, Mr. Iyar Prakash, Mr. Arora Sanjay Kumar and Mr. Sim Hyun Chul started to serve on the Board of Directors of the Company. For further details, see the Immediate Reports of the Company dated October 9, 2025 (reference numbers: 2025-01-074681, 2025-01-074682, 2025-01-07483, 2025-01-07484, 2025-01-074675, 2025-01-074676, 2025-01-074677 and 2025-01-074678 respectively). The aforesaid reference is presented herein by way of reference.

- 3.7 On October 18, following the approval of the Audit Committee, the Company's Board of Directors approved the Company's engagement in a transaction in accordance with Regulation 1B(5) of the Companies Regulations (Reliefs in Transactions with Interested Parties), 2000 (hereinafter: the "Reliefs Regulations"), under which the Company may, for a period of five years, purchase raw materials from defined product groups from companies owned by the controlling shareholder or from others with whom the controlling shareholder has a personal interest in the transaction. The purchase of such raw materials is in the ordinary course of the Company's business, given that the Company purchases such raw materials in the course of its regular operations.

Furthermore, the price per item under the transaction will be lower than the price paid by the Company at that time for the same item to a third party, provided that the Company has another price quote for the same item from an independent third party (where there is another third-party supplier from whom a price quote can be obtained, and not a sole supplier in the territory) at a higher price than that offered in the transaction with the controlling shareholder or in a transaction in which the controlling shareholder has a personal interest.

In addition, the total annual purchase transactions in a calendar year shall not exceed 5% of the Company's total annual cost of sales for the calendar year preceding the year in which the engagement was made.

- 3.8 In addition, on October 18, following the approval of the Audit Committee, the Company's Board of Directors approved the Company's engagement in a transaction in accordance with Regulation 1B(5) of the Regulations, under which the Company will sell controllers, for a period of five years, to companies owned by the controlling shareholder or to others with whom the controlling shareholder has a personal interest in the transaction.

The sale of such controllers is in the ordinary course of the Company's business, as the sale of controllers constitutes the core of the Company's operations.

Furthermore, the price per item under the transaction shall be at least equal to the price charged by the Company for a similar item sold to an unrelated third party, based on the Company's price list as updated from time to time, including quantity discounts, as granted to third-party customers for the same quantities at the same time.

The total annual sales transactions in a calendar year shall not exceed 5% of the Company's total annual sales for calendar year.

- 3.9 On October 18, after approval by the Compensation Committee, the Company's Board of Directors approved the convening of a special general meeting on the agenda: (1) Updating the terms of the employment of Mr. Amit Harari, the Company's CEO, including the allocation of 200,000 options exercisable for 200,000 ordinary shares of the Company at an exercise price of NIS 25.21 and a total value of approximately NIS 1.64 million. The options will vest over a period of 4 years, starting two years after the date the Board of Directors approved the grant, so that the first tranche will vest at the end of 24 months and then the two additional tranches will vest at the end of 36 and 48 months, respectively. The granting of 100,000 of the total of the aforementioned options is through a reduction in the exercise price and an extension of the vesting period of the options granted in 2024 and is subject to receipt of approval from the Tax Authority. (2) Granting exemption and indemnity to directors Mr. Jasbir Singh, Mr. Iyar Prakash, Mr. Arora Sanjay Kumar and Mr. Sim Hyun Chul on the same terms as those of the other officers of the company for a period of three years from the date of approval of the meeting.
- 3.10 On October 18, following approval by the Compensation Committee, the Company's Board of Directors approved the allocation of 390,000 options exercisable for 390,000 common shares of the Company at an exercise price of NIS 25.21 and a total value of approximately NIS 3.2 million. The options will vest over a period of 4 years, starting two years after the date the Board of Directors approved the grant, so that the first tranche will vest at the end of 24 months and then the two additional tranches will vest at the end of 36 and 48 months, respectively. Of the total of the aforementioned options, a total of 190,000 options will be allocated to four officers and 200,000 options will be allocated to additional employees. The granting of 190,000 options to the officers and 90,000 options to the additional employees (non-officers) is through a reduction in the exercise price and an extension of the vesting period of the options granted in 2024 to those officers and those additional employees who are not officers in identical quantities, respectively, and is conditional on receiving approval from the Tax Authority for this.

4. **Financial situation**

4.1 **Balance sheet (NIS thousands)**

| | As of September 30 | | As of December 31 | The Board of Directors' explanations for the main changes in balance sheet balances compared to December 31, 2024 |
|---------------------|--------------------|---------|----------------------|---|
| | 2025 | 2024 | 2024 | |
| | NIS thousands | | | |
| Current assets | 78,181 | 80,752 | 81,105 | The decrease in the balance of current assets of approximately NIS 2.9 million is mainly due to a decrease in the inventory balance of NIS 5.8 million following the continued adjustment thereof in light of the end of the global shortage of electronic components and a decrease in the balances of related companies of NIS 0.8 million, which was partially offset by an increase in a cash balance of approximately NIS 3.6 million. |
| Non-current assets | 60,891 | 62,105 | 61,884 | The decrease in the balance of non-current assets of approximately NIS 1 million is mainly due to a decrease in the long-term balance of related companies in the amount of NIS 3.1 million (repayment of debt to the Company and the classification of long-term to short-term in accordance with the expected repayment date), which is partially offset mainly by an increase in intangible assets, net following an increase in development assets. |
| Total assets | 139,072 | 142,857 | 142,989 | |
| Current liabilities | 50,807 | 52,923 | 44,747 | The increase in the balance of current liabilities of approximately NIS 6.1 million is mainly due to the balance of a loan received in the reporting quarter of NIS 14 million, partially offset by a decrease in the balance of short-term credit from banking corporations of NIS 2.5 million (repayment of a short-term loan), a decrease in the balance of other payables and credit balances of NIS 3.8 million (tax payments and a |

| | As of September 30 | | As of December 31 | The Board of Directors' explanations for the main changes in balance sheet balances compared to December 31, 2024 |
|--|--------------------|----------------|----------------------|---|
| | 2025 | 2024 | 2024 | |
| | NIS thousands | | | |
| | | | | decrease in accrued expenses, including a provision for bonuses), and a decrease in the balance of suppliers and service providers of approximately NIS 1.1 million. |
| Non-current liabilities | 7,709 | 7,691 | 7,143 | |
| Equity attributable to the Company's shareholders | 80,556 | 82,243 | 91,099 | The decrease in the equity of the Company as of September 30, 2025 in comparison to the equity as of December 31, 2024, in the amount of approximately NIS 10.5 million, is mainly due to a decrease due to dividends in the amount of NIS 29 million, which was partially offset by the profit in the nine months from the beginning of the year, which amounted to approximately NIS 18.6 million. |
| Total liabilities and equity | 139,072 | 142,857 | 142,989 | |

The Company's working capital as of September 30, 2025, September 30, 2024, and December 31, 2024, amounted to approximately NIS 27,374. thousand, NIS 27,829 thousand and NIS 36,358 thousand, respectively.

4.2 Operating results (NIS thousands)

| | For the nine-month period ended September 30 | | For the three-month period ended September 30 | | As of December 31 | The Board of Directors' explanations of the main changes in the Statement of Income compared to the corresponding period of the previous year |
|------------------------------------|--|-------------------|---|-------------------|-------------------|---|
| | 2025 | 2024 | 2025 | 2024 | 2024 | |
| Revenues | 117,870 | 149,767 | 37,942 | 43,153 | 192,236 | The revenues of the Company decreased by approximately NIS 31.9 million mainly due to a slowdown in the United States due to uncertainty in the markets as a result of the US tariff plan, which was partially offset by the growth of the Data Centers activity of the Company in the US market. In addition, the strengthening of the Shekel relative to the US Dollar and the Euro also contributed to the aforementioned decline. |
| Cost of revenues | 59,157 | 73,964 | 19,327 | 21,317 | 93,954 | |
| Gross profit (gross profit margin) | 58,713 (49.8%) | 75,803 (50.6%) | 18,615 (49.1%) | 21,836 (50.6%) | 98,282 (51.1%) | A decrease in gross profit of approximately NIS 17.1 million following the decrease in revenue. The decrease in the gross profit rate is mainly due to an increase in the rate of fixed expenses (mainly depreciation and amortization and wages) over revenue with the decrease in sales, was partially offset by the action of the Company to reduce the price of raw materials. |
| Development expenses | 3,141 | 3,710 | 1,031 | 1,285 | 4,777 | The decrease in development expenses, net, of approximately NIS 0.6 million, despite the increase in salary and related costs due to the investment of the Company in development projects for new controllers, is mainly due to an increase in expenses attributed to capitalized projects. |
| Sales and marketing expenses | 23,531 | 25,977 | 8,301 | 7,880 | 33,355 | The decrease in Sales and Marketing expenses in the amount of approximately NIS 2.4 million is |

| | For the nine-month period ended September 30 | | For the three-month period ended September 30 | | As of December 31 | The Board of Directors' explanations of the main changes in the Statement of Income compared to the corresponding period of the previous year |
|--|--|--------|---|-------|-------------------|---|
| | 2025 | 2024 | 2025 | 2024 | 2024 | |
| | | | | | | mainly due to a decrease in variable salary expenses and other variable costs, which was partially offset by the cost of tariffs on exports to the United States starting from the second quarter. |
| General and administrative expenses | 10,692 | 11,736 | 3,217 | 3,905 | 15,655 | The decrease in general and administrative expenses of approximately NIS 1 million is mainly due to a decrease in salary expenses. |
| Other income | - | - | - | - | 70 | |
| Profit from ordinary activities | 21,349 | 34,380 | 6,066 | 8,766 | 44,565 | |
| Financing income (expenses), net | 1,409 | (233) | 251 | (113) | (280) | The financing income, net, is mainly due to profits from foreign exchange hedging transactions and accounting exchange rate differences as a result of the strengthening of the Shekel against foreign currencies (mainly the US Dollar). |
| Profit from revaluation of the liability in respect of option warrants | - | 6,907 | - | - | 6,907 | The profit in the first nine months of the past year is mainly due to the expiration of the option warrants during the second quarter of last year. |
| Profit before taxes on income | 22,758 | 41,054 | 6,317 | 8,653 | 51,192 | |
| Taxes on income | 4,207 | 5,996 | 986 | 1,382 | 7,484 | Decrease in tax expenses following the decrease in profit. |
| Profit for the period | 18,551 | 35,058 | 5,331 | 7,271 | 43,708 | |

4.3 Liquidity and Financing Sources (USD thousands)

4.3.1 The balance of cash and cash equivalents as of September 30, 2025, September 30, 2024, and December 31, 2024, amounted to approximately NIS 6,271 thousand, approximately NIS 2,789 thousand and approximately NIS 2,677 thousand, respectively.

4.3.2 Below are explanations regarding the changes in cash flows:

| | For the nine-month period ended September 30 | | For the three-month period ended September 30 | | As of December 31 | The Board of Directors' explanations |
|--------------------------------------|--|---------|---|---------|-------------------|---|
| | 2025 | 2024 | 2025 | 2024 | 2024 | |
| Cash flow from operating activities | 31,298 | 29,431 | 12,303 | 5,680 | 34,909 | <p>The cash flows from operating activities stems from the Company's operating profit of approximately NIS 18.6 million, less adjustments required to present cash flows from operating activities of approximately NIS 12.7 million. These adjustments include:</p> <p>(1) An addition due to non-cash flow related income and expenses of approximately NIS 11.6 million, is mainly from depreciation and amortization of approximately NIS 10 million and a share-based payment (employee options) of NIS 1.4 million.</p> <p>(2) An addition due to changes in working capital items in the amount of approximately NIS 1.2 million is mainly due to a decrease in inventory of approximately NIS 5.6 million, which was partially offset by a decrease in other payables and credit balances in the amount of approximately NIS 3.3 million and a decrease in the balance of suppliers and service providers of approximately NIS 1.1 million.</p> |
| Cash flow from investment activities | (8,248) | (8,228) | (2,777) | (2,979) | (11,125) | The cash flow used for investment activities was mainly used for investment in development assets. |

| | For the nine-month period ended September 30 | | For the three-month period ended September 30 | | As of December 31 | The Board of Directors' explanations |
|-------------------------------------|--|----------|---|---------|-------------------|---|
| | 2025 | 2024 | 2025 | 2024 | 2024 | |
| Cash flow from financing activities | (19,347) | (32,009) | (7,587) | (4,176) | (34,674) | The cash flow used for financing activities was mainly used to pay a dividend of approximately NIS 29 million as well as the repayment of short-term credit from banking corporations in the amount of NIS 2.5 million, which was partially offset by the receipt of a loan from a banking corporation of NIS 14 million. |

- 4.3.3 On July 1, 2025, the Company received a loan from a banking corporation in the amount of NIS 14 million for the use of the Company in its ongoing operations. The annual interest on the loan is a variable interest rate at an annual rate in the range of Prime to Prime minus 0.5%, with the loan and interest repayable in five equal quarterly installments starting on October 1, 2025, such that the loan will be repaid in full on September 30, 2026.
- 4.3.4 Except for the aforesaid loan, as of September 30, 2025, the Company has loans and credit lines of a non-material amount. The Company applies from time to time to financial institutions for credit lines in accordance with the needs thereof.

5. **Quarterly Report on the Balance of Liabilities by Maturity Dates**

For details on the balance of the liabilities of the Company by maturity date as of September 30, 2025, see the Statement of the Balance of Liabilities by Maturity Dates, which is published concurrently with this report and is hereby incorporated by way of reference.

6. **Critical Accounting Estimates**

There have been no material changes to the material accounting estimates and reasons as specified in Note 2 to the Consolidated Financial Statements attached to the 2024 Periodic Report.

7. **Donation Policy of the Company**

As of the date of this report, the Company does not have a Donation Policy.

8. **Directors with accounting and financial expertise**

There have been no changes to the Board of Directors' determination regarding the minimum required number of directors with accounting and financial expertise, as specified in the Board of Directors' Report attached to the 2024 Periodic Report. For details of the Directors with accounting and financial expertise, see Regulation 26 in Chapter D - Additional Details - in the 2024 Periodic Report with regard to Zvi Livneh and the Convening of the Meeting of Shareholders Report dated June 22, 2025 for the appointment of Ms. Doron Shahar as an External Director with accounting and financial expertise dated May 18, 2025 (reference number: 2025-01-0347780) and the Immediate Report dated October 9, 2025 (reference number: 2025-01-074676), in connection with the appointment of Iyar Prakash as a Director with accounting and financial expertise.

9. **Independent directors**

As of the date of this report, the Company has not adopted provisions in its articles of association regarding the number of independent directors, as such is defined in Section 1 of the First Schedule to the Companies Law, 1999.

10. **Disclosure with regard to the Internal Controller of the Company**

As of the date of this report, there has been no material change in relation to the data regarding the Internal Auditor as specified in Section 5.1 of the Board of Directors' Report within the framework of the 2024 Periodic Report.

Mr. Jasbir Singh
Active Chairman of the
Board of Directors

Haim Shani
Active Deputy Chairman
of the Board of Directors

Amit Harari
CEO

Date: November 18, 2025

UNITRONICS (1989) (R"G) LTD

Interim Condensed Financial Statements

**As of September 30, 2025
(Unaudited)**

Unitronics (1989) (R"G) Ltd
Interim Condensed Financial Statements
As of September 30, 2025

(Unaudited)

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Independent Auditors' Report to the shareholders of Unitronics (1989) (R"G) Ltd.

Introduction

We have reviewed the accompanying financial data of Unitronics (1989) (R"G) Ltd. (hereinafter – "the Company") which includes the condensed consolidated statements of financial position as of September 30, 2025 and the condensed consolidated statements of profit or loss and the comprehensive income, changes in equity and cash flows for the nine-month and three-month period then ended. The Board of Directors and the management are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standards IAS 34 "Financial Reporting for Interim Periods" and are also responsible for the preparation of financial information for this interim period in accordance with Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970. It is our responsibility to draw a conclusion on the financial information for this interim period based on our review.

Scope of Review

We conducted our review in accordance with Review Standard (Israel) 2410 of the Institute of Certified Public Accountants in Israel, "Review of Financial Information for Interim Periods Prepared by the Entity's Auditor." A review of interim financial information consists of making inquiries, particularly with the people responsible for financial and accounting matters and performing analytic and other review procedures. A review is significantly limited in scope in comparison to an audit conducted in accordance with generally accepted accounting standards in Israel and therefore does not allow us to reach an assurance that we have become aware of all material issues which may have been identified in an audit. In accordance therewith, we do not express an opinion of the audit.

Conclusion

Based on our review, nothing has come to our attention which would lead us to believe that the aforesaid financial information was not prepared, in all material respects, in accordance with IAS 34.

In addition to the previous paragraph, based on our review, nothing has come to our attention which would lead us to believe that the above financial information does not comply, in all material respects, with the disclosure requirements set forth in Section D of the Securities Regulations (Periodic and Immediate Reports), 1970.

Ziv Haft
Certified Public Accountants

Tel Aviv, November 18, 2025



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Unitronics (1989) (R”G) Ltd.

Condensed Consolidated Statements of Financial Position

| | As of September 30 | | As of |
|---------------------------|--------------------|----------------|----------------|
| | 2025 | 2024 | December 31 |
| | (Unaudited) | | (Audited) |
| | NIS (thousands) | | |
| <u>Current assets</u> | | | |
| Cash | 6,271 | 2,789 | 2,677 |
| Trade receivables, net | 25,626 | 25,679 | 25,967 |
| Other receivables | 4,374 | 3,961 | 3,886 |
| Related companies | 4,031 | 2,378 | 4,875 |
| Inventories | 37,879 | 45,945 | 43,700 |
| | <u>78,181</u> | <u>80,752</u> | <u>81,105</u> |
| <u>Non-current assets</u> | | | |
| Long-term deposits | 123 | 142 | 110 |
| Related companies | 433 | 3,457 | 3,548 |
| Fixed assets, net | 2,958 | 2,283 | 2,183 |
| Rights-of-use assets | 13,584 | 14,612 | 14,119 |
| Intangible assets, net | 43,793 | 41,611 | 41,924 |
| | <u>60,891</u> | <u>62,105</u> | <u>61,884</u> |
| | <u>139,072</u> | <u>142,857</u> | <u>142,989</u> |

Mr. Jasbir Singh
Active Chairman
of the Board of
Directors

Haim Shani
Active Deputy
Chairman of the Board
of Directors

Amit Harari
CEO

Itzik Hai
CFO

Date of approval of the financial statements: November 18, 2025

The notes to the consolidated interim financial statements form an integral part thereof.

Unitronics (1989) (R”G) Ltd.

Condensed Consolidated Statements of Financial Position

| | As of September 30 | | As of December 31 |
|--|--------------------|----------------|-------------------|
| Note | 2025 | 2024 | 2024 |
| | (Unaudited) | (Unaudited) | (Audited) |
| | NIS (thousands) | | |
| <u>Current liabilities</u> | | | |
| Loans from banking corporations and others | 14,151 | 4,794 | 2,693 |
| Trade payables | 18,163 | 23,433 | 19,289 |
| Lease liabilities | 1,497 | 2,019 | 1,952 |
| Other payables and credit balances | 16,996 | 22,677 | 20,813 |
| | <u>50,807</u> | <u>52,923</u> | <u>44,747</u> |
| <u>Non-current liabilities</u> | | | |
| Loans from a banking corporation and others | - | 151 | 142 |
| Employee benefit liabilities, net | 1,466 | 1,532 | 1,414 |
| Lease liabilities | 826 | 956 | 613 |
| Deferred tax liability | 5,417 | 5,052 | 4,974 |
| | <u>7,709</u> | <u>7,691</u> | <u>7,143</u> |
| <u>Equity</u> | | | |
| Share capital | 431 | 430 | 430 |
| Share premium | 64,798 | 64,603 | 64,603 |
| Capital reserve from translation of financial statements of foreign activities | (3,227) | (1,384) | (1,701) |
| Share based payments reserve | 2,987 | 1,213 | 1,751 |
| Treasury shares | (7,042) | (7,042) | (7,042) |
| Fund regarding a transaction with the controlling shareholder | 104 | 104 | 104 |
| Retained earnings | 22,505 | 24,319 | 32,954 |
| | <u>80,556</u> | <u>82,243</u> | <u>91,099</u> |
| | <u>139,072</u> | <u>142,857</u> | <u>142,989</u> |

The notes to the consolidated interim financial statements form an integral part thereof

Unitronics (1989) (R”G) Ltd.

Condensed Consolidated Statements of Profit or Loss

| | | For the nine-month period ended | | For the three-month period ended | | For the year ended |
|--|------|------------------------------------|---------|-------------------------------------|--------|-----------------------|
| | | September 30 | | September 30 | | December 31 |
| | Note | 2025 | 2024 | 2025 | 2024 | 2024 |
| | | (Unaudited) | | (Unaudited) | | (Audited) |
| | | NIS (thousands) | | | | |
| Revenues | 3 | 117,870 | 149,767 | 37,942 | 43,153 | 192,236 |
| Cost of revenues | | 59,157 | 73,964 | 19,327 | 21,317 | 93,954 |
| Gross profit | | 58,713 | 75,803 | 18,615 | 21,836 | 98,282 |
| Development expenses | | 3,141 | 3,710 | 1,031 | 1,285 | 4,777 |
| Sales and marketing expenses | | 23,531 | 25,977 | 8,301 | 7,880 | 33,355 |
| General and administrative expenses | | 10,692 | 11,736 | 3,217 | 3,905 | 15,655 |
| Other income | | - | - | - | - | 70 |
| Operating profit | | 21,349 | 34,380 | 6,066 | 8,766 | 44,565 |
| Finance incomes | | 2,405 | 514 | 633 | 276 | 968 |
| Finance expenses | | 996 | 747 | 382 | 389 | 1,248 |
| Profit from revaluation of option warrant liabilities | | - | 6,907 | - | - | 6,907 |
| Profit before taxes on income | | 22,758 | 41,054 | 6,317 | 8,653 | 51,192 |
| Income taxes | | 4,207 | 5,996 | 986 | 1,382 | 7,484 |
| Profit for the period | | 18,551 | 35,058 | 5,331 | 7,271 | 43,708 |
| Basic earnings per share in NIS | | 1.328 | 2.518 | 0.381 | 0.522 | 3.139 |
| Diluted earnings per share in NIS | | 1.324 | 1.936 | 0.381 | 0.519 | 2.591 |

The notes to the consolidated interim financial statements form an integral part thereof

Unitronics (1989) (R"G) Ltd.

Condensed Consolidated Statements of Comprehensive Income

| | For the nine-month period ended September 30 | | For the three-month period ended September 30 | | For the year ended December 31 |
|--|--|--------|---|-------|--------------------------------------|
| | 2025 | 2024 | 2025 | 2024 | 2024 |
| | (Unaudited) | | (Unaudited) | | (Audited) |
| | <u>NIS (thousands)</u> | | | | |
| Profit for the period | 18,551 | 35,058 | 5,331 | 7,271 | 43,708 |
| <u>Other comprehensive income (net of tax)</u> | | | | | |
| <u>Amounts that will not subsequently be reclassified to profit or loss:</u> | | | | | |
| Losses from revaluation in respect of defined benefit plans | - | - | - | - | (15) |
| <u>Amounts that may be reclassified to profit or loss if certain conditions are fulfilled:</u> | | | | | |
| Adjustments arising from translation of financial statements of foreign operations | (1,526) | 338 | (315) | (184) | 21 |
| Other comprehensive income (loss) for the period | (1,526) | 338 | (315) | (184) | 6 |
| Total comprehensive income for the period | 17,025 | 35,396 | 5,016 | 7,087 | 43,714 |

The notes to the consolidated interim financial statements form an integral part thereof

Unitronics (1989) (R”G) Ltd.

Condensed Consolidated Statements of Changes in Equity

| | Share capital | Share premium | Capital reserve from translation of financial statements of foreign operations | Share based payments reserve | Company shares held by the company | Reserve from a transaction with a controlling party | Retained earnings | Total |
|---|------------------|------------------|---|---------------------------------------|--|--|----------------------|---------------|
| | | | | | <u>NIS thousands</u> | | | |
| | | | | | <u>(Unaudited)</u> | | | |
| <u>Balance as of January 1, 2025</u> | 430 | 64,603 | (1,701) | 1,751 | (7,042) | 104 | 32,954 | 91,099 |
| Profit for the period | - | - | - | - | - | - | 18,551 | 18,551 |
| Other comprehensive loss for the period | - | - | (1,526) | - | - | - | - | (1,526) |
| Total comprehensive income (loss) for the period | - | - | (1,526) | - | - | - | 18,551 | 17,025 |
| Exercise of employee stock options | 1 | 195 | - | (196) | - | - | - | - |
| Dividend distribution | - | - | - | - | - | - | (29,000) | (29,000) |
| Share-based payment cost | - | - | - | (1,432) | - | - | - | 1,432 |
| <u>Balance as of September 30, 2025</u> <u>(unaudited)</u> | <u>431</u> | <u>64,798</u> | <u>(3,227)</u> | <u>2,987</u> | <u>(7,042)</u> | <u>104</u> | <u>22,505</u> | <u>80,556</u> |
| <u>Balance as of January 1, 2024</u> | 430 | 64,361 | (1,722) | 588 | (7,042) | 104 | 13,261 | 69,980 |
| Profit for the period | - | - | - | - | - | - | 35,058 | 35,058 |
| Other comprehensive income for the period | - | - | 338 | - | - | - | - | 338 |
| Total comprehensive income for the period | - | - | 338 | - | - | - | 35,058 | 35,396 |
| Exercise of employee stock option | * | 242 | - | (242) | - | - | - | - |
| Dividend distribution | - | - | - | - | - | - | (24,000) | (24,000) |
| Share-based payment cost | - | - | - | 867 | - | - | - | 867 |
| <u>Balance as of September 30, 2024</u> <u>(unaudited)</u> | <u>430</u> | <u>64,603</u> | <u>(1,384)</u> | <u>1,213</u> | <u>(7,042)</u> | <u>104</u> | <u>24,319</u> | <u>82,243</u> |

Unitronics (1989) (R"G) Ltd.
Condensed Consolidated Statements of Changes in Equity

| | Share capital | Share premium | Capital reserve from translation of financial statements of foreign operations | Share based payments reserve | Company shares held by the company | Reserve from a transaction with a controlling party | Retained earnings | Total |
|---|--|------------------|---|---------------------------------------|--|--|----------------------|---------------|
| | <u>NIS thousands</u> <u>(Unaudited)</u> | | | | | | | |
| <u>Balance as of July 1, 2025</u> | 431 | 64,681 | (2,912) | 2,600 | (7,042) | 104 | 17,174 | 75,036 |
| Profit for the period | - | - | - | - | - | - | 5,331 | 5,331 |
| Other comprehensive loss for the period | - | - | (315) | - | - | - | - | (315) |
| Total comprehensive income (loss) for the period | - | - | (315) | - | - | - | 5,331 | 5,016 |
| Exercise of employee stock options | * | 117 | - | (117) | - | - | - | - |
| Dividend distribution | - | - | - | - | - | - | - | - |
| Share-based payment cost | - | - | - | 504 | - | - | - | 504 |
| <u>Balance as of September 30, 2025 (unaudited)</u> | <u>431</u> | <u>64,798</u> | <u>(3,227)</u> | <u>2,987</u> | <u>(7,042)</u> | <u>104</u> | <u>22,505</u> | <u>80,556</u> |
| <u>Balance as of July 1, 2024</u> | 430 | 64,564 | (1,200) | 713 | (7,042) | 104 | 25,048 | 82,617 |
| Profit for the period | - | - | - | - | - | - | 7,271 | 7,271 |
| Other comprehensive loss for the period | - | - | (184) | - | - | - | - | (184) |
| Total comprehensive income (loss) for the period | - | - | (184) | - | - | - | 7,271 | 7,087 |
| Exercise of employee stock options | * | 39 | - | (39) | - | - | - | - |
| Dividend distribution | - | - | - | - | - | - | (8,000) | (8,000) |
| Share-based payment cost | - | - | - | 539 | - | - | - | 539 |
| <u>Balance as of September 30, 2024 (unaudited)</u> | <u>430</u> | <u>64,603</u> | <u>(1,384)</u> | <u>1,213</u> | <u>(7,042)</u> | <u>104</u> | <u>24,319</u> | <u>82,243</u> |

(*) Lower than NIS 500

The notes to the consolidated interim financial statements form an integral part thereof

Unitronics (1989) (R"G) Ltd.
Condensed Consolidated Statements of Changes in Equity

| | Share capital | Addition al paid- in capital | Capital reserve from translation of financial statements of foreign operations | Share based payments reserve | Company shares held by the company | Reserve from a transaction with a controlling party | Retained earnings | Total |
|---|--|---------------------------------------|--|---------------------------------------|--|--|----------------------|---------------|
| | <u>NIS thousands</u> <u>(Unaudited)</u> | | | | | | | |
| <u>Balance as of January 1, 2024</u> | 430 | 64,361 | (1,722) | 588 | (7,042) | 104 | 13,261 | 69,980 |
| Profit for the year | - | - | - | - | - | - | 43,708 | 43,708 |
| Other comprehensive income (loss) for the year | - | - | 21 | - | - | - | (15) | 6 |
| Total comprehensive income for the year | - | - | 21 | - | - | - | 43,693 | 43,714 |
| Share-based payment cost | - | - | - | 1,405 | - | - | - | 1,405 |
| Dividend distribution | - | - | - | - | - | - | (24,000) | (24,000) |
| Exercise of employee stock options | * | 242 | - | (242) | - | - | - | - |
| <u>Balance as of December 31, 2024</u> | <u>430</u> | <u>64,603</u> | <u>(1,701)</u> | <u>1,751</u> | <u>(7,042)</u> | <u>104</u> | <u>32,954</u> | <u>91,099</u> |

(*) Lower than NIS 500

The notes to the consolidated interim financial statements form an integral part thereof

Unitronics (1989) (R"G) Ltd.

Condensed Consolidated Statements of Cash Flows

| | For the nine-month period ended September 30 | | For the three-month period ended September 30 | | For the year ended December 31 |
|---|---|----------|--|---------|---|
| | 2025 | 2024 | 2025 | 2024 | 2024 |
| | (Unaudited) | | (Unaudited) | | (Audited) |
| | (NIS thousands) | | | | |
| <u>Cash flows – operating activities:</u> | | | | | |
| | 18,551 | 35,058 | 5,331 | 7,271 | 43,708 |
| Profit for the period | | | | | |
| Adjustments required to reconcile cash flows - operating activities (Appendix A) | 12,747 | (5,627) | 6,972 | (1,591) | (8,799) |
| Net cash derived from operating activities | 31,298 | 29,431 | 12,303 | 5,680 | 34,909 |
| <u>Cash flows – investment activities:</u> | | | | | |
| Fixed asset investment | (586) | (424) | (215) | (122) | (582) |
| Proceeds from the exercise of fixed assets | - | - | - | - | 157 |
| Repayment of long-term debt of related companies | 1,886 | 335 | 600 | 335 | 444 |
| Investment in right-of-use assets | (86) | (229) | (15) | (156) | (273) |
| Investment in intangible assets | (9,462) | (7,910) | (3,147) | (3,036) | (10,871) |
| Net cash flows used in investing activities | (8,248) | (8,228) | (2,777) | (2,979) | (11,125) |
| <u>Cash flows – financing activities:</u> | | | | | |
| Short-term credit from banks, net | (2,500) | 4,500 | - | 4,500 | 2,500 |
| Receipt of long-term bank loan | 14,000 | - | 14,000 | - | - |
| Repayment of long-term loan | (191) | (776) | (8) | (91) | (871) |
| Repayment of lease liabilities | (1,656) | (1,733) | (579) | (585) | (2,303) |
| Dividends paid | (29,000) | (34,000) | (21,000) | (8,000) | (34,000) |
| Net cash used in financing activities | (19,347) | (32,009) | (7,587) | (4,176) | (34,674) |
| Effect of foreign exchange rate differences on cash balances and cash equivalents | (109) | 336 | (11) | 97 | 308 |
| Increase (decrease) in cash and cash equivalents for the period | 3,594 | (10,470) | 1,928 | (1,378) | (10,582) |
| Cash and cash equivalent balance at beginning of the period | 2,677 | 13,259 | 4,343 | 4,167 | 13,259 |
| Cash balance at end of the period | 6,271 | 2,789 | 6,271 | 2,789 | 2,677 |

The notes to the consolidated interim financial statements form an integral part thereof

Unitronics (1989) (R"G) Ltd.

Condensed Consolidated Statements of Cash Flows

| | For the nine-month period ended September 30 | | For the three-month period ended September 30 | | For the year ended December 31 |
|---|---|----------------|--|----------------|---|
| | 2025 | 2024 | 2025 | 2024 | 2024 |
| | (Unaudited) | | (Unaudited) | | (Audited) |
| | NIS (thousands) | | | | |
| <u>Appendix A</u> | | | | | |
| Adjustments required to reconcile cash flows - operating activities | | | | | |
| <u>Non-cash revenues and expenses</u> | | | | | |
| Depreciation and amortization | 9,971 | 10,042 | 3,292 | 3,511 | 13,513 |
| Stock-based compensation | 1,432 | 867 | 504 | 539 | 1,405 |
| Change in employee benefit liabilities, net | 45 | (229) | 12 | (236) | (335) |
| Revaluation of cash balances in foreign currency | 43 | (294) | 20 | (112) | (285) |
| Revaluation of long-term loans | 6 | 10 | - | 8 | (5) |
| Changes in deferred taxes | 443 | 611 | 142 | 116 | 535 |
| Capital gain from sales of fixed assets | - | - | - | - | (70) |
| Revaluation of financial assets, net | (440) | 336 | 97 | 249 | (99) |
| Revaluation of warrants for share options | - | (6,907) | - | - | (6,907) |
| Interest expenses in respect of leases and others | 76 | 132 | 20 | 34 | 199 |
| <u>Changes in operating assets and liabilities:</u> | | | | | |
| Decrease (increase) in trade receivables | (893) | (2,228) | 2,031 | 1,723 | (2,863) |
| Increase in other receivables | (140) | (657) | (1,017) | (415) | (398) |
| Decrease (increase) in inventories | 5,550 | (41) | 194 | (321) | 2,141 |
| Decrease (increase) in related companies, net | 1,017 | (671) | 810 | (459) | (3,460) |
| Decrease in suppliers and service providers | (1,051) | (2,112) | (197) | (2,049) | (6,240) |
| Increase (decrease) in other payables | (3,312) | (4,486) | 1,064 | (4,179) | (5,930) |
| | <u>12,747</u> | <u>(5,627)</u> | <u>6,972</u> | <u>(1,591)</u> | <u>(8,799)</u> |
| <u>Appendix B - Additional information on cash flows for current operations</u> | | | | | |
| Cash paid during the period for: | | | | | |
| Interest | <u>671</u> | <u>414</u> | <u>130</u> | <u>131</u> | <u>613</u> |
| Taxes on income | <u>5,003</u> | <u>8,073</u> | <u>1,074</u> | <u>4,678</u> | <u>10,177</u> |
| Cash received during the year for: | | | | | |
| Interest | <u>301</u> | <u>35</u> | <u>62</u> | <u>-</u> | <u>35</u> |
| <u>Appendix C – non-cash activities</u> | | | | | |
| New lease agreements | 1,361 | 277 | 364 | - | 404 |
| Classification to long-term debt of related companies | - | 5,686 | - | 5,686 | 5,686 |
| Acquisition of fixed assets from related company | 668 | - | 668 | - | - |

The notes to the consolidated interim financial statements form an integral part thereof

Unitronics (1989) (R"G) Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

Note 1 – General:

A. General description of the Company and its operations

Unitronics (1989) (R"G) Ltd. (hereinafter - the "Company") is engaged in the design, development, production, marketing, sale and support of programmable logic controllers (PLC) and automation products.

The condensed interim financial statements are to be reviewed in conjunction with the annual financial statements of the Company as of December 31, 2024 and the accompanying notes (hereinafter - the "Consolidated Annual Financial Statements"). Therefore, no notes were provided in the condensed interim financial statements with regard to non-material updates relative to the information which has previously been reported in the notes in the most recent annual financial statements of the Company.

B. The "Iron Swords" War

On October 7, 2023, the State of Israel was attacked in a surprise attack by terrorist organizations from the Gaza Strip, following which the Israeli government declared the "Iron Swords" War. In the immediate aftermath of the surprise attack, fighting began on the northern border of the country, and later a security threat from the Houthis in Yemen developed in the Red Sea region and the adjacent trade routes, as well as from Iran and its proxies, which caused, among other things, the firing of missiles and the launching of attack drones. In addition, in September 2025, Israel launched a military operation against Iran, which lasted 12 days until a ceasefire. In October 2025, the State of Israel signed an agreement with the terrorist organization Hamas, under which a ceasefire came into effect, and as of the date of publication of the reports, there is relative security calm in all the theaters of war.

The war has had a significant impact on the Israeli economy, which is reflected, among other things, in the extensive mobilization of reserve forces, the temporary closure of businesses, the volatility of the NIS against foreign currencies, and the downgrading of Israel's credit rating by leading credit rating companies.

During the entire period of the fighting, all of the systems of the Company continued to operate regularly, and the war had no direct material impact on the operations of the Company, among other things, in light of its global activities. As of the date of publication of the report, the Company does not expect the events of the war to have a material impact on its business activities. However, there is no certainty that this will indeed be the case if and as the war will be renewed and its consequences worsen.

C. Change in tariff policy on goods imported into the United States

In April 2025, the US government announced the imposition of tariffs on goods imported into the United States from various countries around the world, including Israel, a change that has extensive implications for the US economy as well as the global economy, causing, among other things, hesitation and uncertainty among the American customers of the Company. As part of this program, at the start of its implementation, the tariff imposed on Israeli-made goods imported into the United States was 10%. As of August 7, 2025, the tariff rate on imports from Israel to the United States was updated to 15%.

Unitronics (1989) (R"G) Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

Note 1 – General (continued):

C. Change in tariff policy on goods imported into the United States (continued)

As of this date, there is still uncertainty regarding the overall impact of the new tariff policy on the markets and, consequently, on the operations of the Company, therefore, at this stage, the Company is unable to assess the impact of the new tariff policy on its operations. However, in light of the fact that part of the revenue of the Company derives from exports to the United States, the Company has taken action to reduce the aforesaid direct impacts on the Company at this time, with an emphasis on profitability, including an update of selling prices in the United States. Furthermore, the Company continues to regularly review changes in US tariff policy and the potential impacts on its operations and takes additional steps, as necessary, to mitigate the impact.

Note 2 – Main Points of the Accounting Policies

- A. The condensed interim financial statements are in conformity with the provisions of IAS 34 with regard to "Interim Financial Reporting". In addition, the condensed interim financial statements are in accordance with the disclosure provisions pursuant to Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970.
- B. The condensed interim financial statements were prepared in accordance with the same accounting policies and calculation methods which were applied in the consolidated annual financial statements of the Company as of December 31, 2024.

Note 3 – Income

Income by geographical area:

| | For the nine-month period ended September 30 | | For the three-month period ended September 30 | | For the year ended December 31 |
|---------------------|--|---------|---|--------|--------------------------------------|
| | 2025 | 2024 | 2025 | 2024 | 2024 |
| | (Unaudited) | | (Unaudited) | | (Audited) |
| | NIS (thousands) | | | | |
| Israel | 5,731 | 6,548 | 1,295 | 2,228 | 10,566 |
| Europe | 41,323 | 47,861 | 12,692 | 14,398 | 59,428 |
| United States | 60,876 | 77,206 | 20,555 | 21,667 | 100,363 |
| Others (1) | 9,940 | 18,152 | 3,400 | 4,860 | 21,879 |
| Total income | 117,870 | 149,767 | 37,942 | 43,153 | 192,236 |

- (1) Including income from several countries, wherein the income from one country does not exceed 3% of the total income of the Company.

Unitronics (1989) (R"G) Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

Note 3 – Income (continued)

Income by main products

| | For the nine-month period ended September 30 | | For the three-month period ended September 30 | | For the year ended December 31 |
|---------------------------------|--|---------|---|--------|--------------------------------------|
| | 2025 | 2024 | 2025 | 2024 | 2024 |
| | (Unaudited) | | (Unaudited) | | (Audited) |
| | NIS (thousands) | | | | |
| Controllers and expansion units | 112,394 | 143,404 | 35,667 | 41,150 | 183,969 |
| Others | 5,476 | 6,363 | 2,275 | 2,003 | 8,267 |
| Total income | 117,870 | 149,767 | 37,942 | 43,153 | 192,236 |

Note 4 – Material events during and after the reporting period

1. On March 19, 2025, the Board of Directors of the Company decided to distribute a dividend to the shareholders of the Company in total amount of NIS 8 million. On April 22, 2025, the dividend was fully paid.
2. On May 13, 2025, the Board of Directors of the Company decided to distribute a dividend to the shareholders of the Company in a total amount of NIS 21 million. On July 3, 2025, the dividend was fully paid.
3. On September 22, 2025, the General Meeting of the Company approved, following the approval of the Balance Sheet, Remuneration and Audit Committee as well as the Board of Directors of the Company, a transaction agreement with Utron Ltd., a company held by the controlling shareholders of the Company, to upgrade the software systems and hardware components at Unitronics Logistics Center. The upgrade is estimated to last approximately 15 months, and the cost of the upgrade is NIS 3.338 million plus VAT, which will be paid in five equal quarterly payments.
4. On July 1, 2025, the Company received a loan from a banking corporation in the amount of NIS 14 million for the Company's use in its current operations. The annual interest on the loan is a variable interest rate at an annual rate in the range of prime to prime minus 0.5%, with the loan and interest repayable in five equal quarterly installments starting on October 1, 2025, such that the loan will be repaid in full on September 30, 2026.

Unitronics (1989) (R"G) Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

Note 4 – Material events during and after the reporting period (continued)

5. On July 9, 2025, a special General Meeting of the shareholders of the Company approved the terms of office and employment of the Active Chairman of the Board of Directors of the Company, Mr. Amit Ben Zvi, for a period of three years starting from the end of the approval of his current terms of office and employment. In accordance with the approved terms of employment, Mr. Ben Zvi will be entitled to management fees in the amount of NIS 40 thousand per month plus VAT, linked to the CPI for a position scope of 15%. In addition, the terms of office and employment of the Active Deputy Chairman of the Board of Directors, Mr. Haim Shani, were approved at the aforesaid special general meeting for a period of three years starting from the end of the approval of his current terms of office and employment. In accordance with the amended terms of employment, Mr. Shani will be entitled to salary and related benefits at an annual cost of NIS 1,243 thousand linked to the CPI for a position scope of 60%, and will also be entitled to an annual bonus for each calendar year at a rate of 6% of the profit before tax above NIS 30 million in that year up to a ceiling of NIS 757 thousand, linked to the CPI.
6. On July 27, 2025, the Company received notification from the controlling shareholders regarding the signing of an agreement to sell the shares of the controlling shareholders' to ILJIN Electronics (India) Private Limited (hereinafter: the "Buyer"), and the signing of a shareholder agreement between the Buyer and Mr. Haim Shani, pursuant to which the FIMI Fund will sell to the Buyer all of its shares in the Company, while Mr. Haim Shani will sell to the Buyer 1,239,240 ordinary shares of the Company, constituting approximately 8.87% of the issued and paid-up share capital of the Company (excluding dormant shares). In addition, Mr. Shani signed a shareholders' agreement with the Buyer under which Shani will continue to serve as a Director of the Company and will not sell the remainder of his shares in the Company for a period of 48 months from the date of the closing of the transaction (hereinafter: the "Lock-Up Period"), and will vote with all the shares held thereby at the general meetings of the Company in accordance with the vote of the Buyer (to the extent that the vote does not prejudice the rights thereof). Furthermore, the Buyer granted Mr. Shani the right to sell thereto (PUT option), and Mr. Shani granted the Buyer the right to acquire therefrom (CALL option) the remaining shares in the Company, following the Lock-Up Period. It should also be noted that the closing of the transactions is expected to be carried out within 60 business days from the date of signing the agreements, subject to the fulfillment of conditions precedent.

On October 9, 2025, the Company reported that the transaction has been closed, and that to the best of the knowledge of the Company, the Buyer closed the transaction through a wholly owned subsidiary, ILJIN HOLDING LTD, to which the Share Sale Agreement and the Shareholders' Agreement are assigned in accordance with their terms. Upon completion of the transaction, ILJIN HOLDING LTD holds approximately 40.2% of the issued and paid-up share capital of the company (excluding dormant shares) and has become the controlling shareholder in the Company together with Mr. Haim Shani, who holds approximately 4.89% of the Company share capital (excluding dormant shares). In accordance therewith, the FIMI Fund has ceased to be a controlling shareholder of the Company following the closing of the transaction.

7. On October 18, after approval by the Compensation Committee, the Company's Board of Directors approved the convening of a special general meeting on the agenda: (1) Updating the terms of the employment of Mr. Amit Harari, the Company's CEO, including the allocation of 200,000 options exercisable for 200,000 ordinary shares of the Company at an exercise price of NIS 25.21 and a total value of approximately NIS 1.64 million. The options

Unitronics (1989) (R"G) Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

Note 4 – Material events during and after the reporting period (continued)

will vest over a period of 4 years, starting two years after the date the Board of Directors approved the grant, so that the first tranche will vest at the end of 24 months and then the two additional tranches will vest at the end of 36 and 48 months, respectively. The granting of 100,000 of the total of the aforementioned options is through a reduction in the exercise price and an extension of the vesting period of the options granted in 2024 and is subject to receipt of approval from the Tax Authority. (2) Granting exemption and indemnity to directors Mr. Jasbir Singh, Mr. Iyar Prakash, Mr. Arora Sanjay Kumar and Mr. Sim Hyun Chul on the same terms as those of the other officers of the company for a period of three years from the date of approval of the meeting.

8. On October 18, following approval by the Compensation Committee, the Company's Board of Directors approved the allocation of 390,000 options exercisable for 390,000 common shares of the Company at an exercise price of NIS 25.21 and a total value of approximately NIS 3.2 million. The options will vest over a period of 4 years, starting two years after the date the Board of Directors approved the grant, so that the first tranche will vest at the end of 24 months and then the two additional tranches will vest at the end of 36 and 48 months, respectively. Of the total of the aforementioned options, a total of 190,000 options will be allocated to four officers and 200,000 options will be allocated to additional employees. The granting of 190,000 options to the officers and 90,000 options to the additional employees (non-officers) is through a reduction in the exercise price and an extension of the vesting period of the options granted in 2024 to those officers and those additional employees who are not officers in identical quantities, respectively, and is conditional on receiving approval from the Tax Authority for this.

UNITRONICS (1989) (RG) LTD

Chapter c -

Interim report on the effectiveness of internal control

And Management statements

Interim report on the effectiveness of internal control on the financial reporting and disclosure in accordance with Regulation 37C (a) of the securities Regulations (Periodic and Immediate Reports), 1970, for the period ending on September 30, 2025:

The management of the Company, under the supervision of the Board of Directors of Unitronics (1989) (RG) Ltd. (hereinafter: the "**Company**"), is responsible for establishing and maintaining proper internal control over the financial reporting and disclosure in the Company.

In this regard, the members of the Board of Directors are:

1. Amit Harari, CEO;
2. Itzhak Hai, CFO;
3. Boaz Karmi, VP Sales
4. Ron Alkalai, Chief Operating Officer

The internal control over the financial reporting and the disclosure includes controls and procedures that exist in the Company, which were designed by the General Manager and the most senior officer in the field of finance or under their supervision, or by the person who actually performs the aforesaid duties, under the supervision of the Board of Directors of the Company, which are designed to provide a reasonable degree of security with regard to the reliability of the financial reporting and the preparation of the reports in accordance with the provisions of the law, and to ensure that information that the Company is required to disclose in the reports it publishes, in accordance with the provisions of the law, is collected, processed, summarized and reported on the date and format stipulated by the law.

The internal control includes, among other things, controls and procedures which were designed to ensure that information that the Company is required to disclose, as specified above, is collected and transmitted to the management of the Company, including the General Manager and the Chief Financial Officer or to those who actually perform the aforesaid duties, in order to enable decisions to be made at the appropriate time, with reference to the requirements of disclosure.

Due to its structural limitations, the internal control over the financial reporting and disclosure is not intended to provide absolute assurance that misrepresentation or omission of information in reports will be prevented or discovered.

In the annual report regarding the effectiveness of the Internal control over the financial reporting and the disclosure which was attached to the annual report for the period ended on 31.12.2024 (hereinafter - "the annual report regarding the latest internal control"), the board of directors and management assessed the internal control in the corporation; based on this assessment, the board of directors and management of the corporation concluded that the said internal control, as of December 31, 2024, is effective.

Until the date of the report, no event or matter has been brought to the attention of the board of directors and the management that could change the assessment of the effectiveness of the internal control, as was found in the annual report regarding the last internal control.

As of the date of the report, based on the assessment of the effectiveness of internal control in the most recent annual internal control report, and based on information brought to the attention of the management and the board of directors as mentioned above - the internal control is effective.

Managers Statement

CEO Statement in accordance with Regulation 38 c of the Report Regulations:

I, Amit Harari, declares that:

1. I have examined the Interim Report of Unitronics (1989) (RG) Ltd. (hereinafter: the "**Company**") for the third quarter of 2025 (hereinafter: the "**Reports**");
2. To the best of my knowledge, the reports do not include any misrepresentation of a material fact, and they do not lack a presentation of a necessary material fact so that the representations included therein, in light of the circumstances in which those representations were included, would not be misleading with reference to the period of the reports;
3. To the best of my knowledge, the financial statements and other financial information contained in the reports adequately reflect, in all material respects, the financial position, results of operations and cash flows of the corporation for the dates and periods to which the reports refer;
4. I have disclosed to the auditor of the corporation, the Board of Directors and the Audit Committee of the corporation Directors, based on my most recent assessment of the internal control over financial reporting and disclosure:
 - A. All the significant deficiencies and material weaknesses in the establishment or operation of the internal control over the financial reporting and disclosure that could reasonably have a negative impact on the ability of the corporation to collect, process, summarize or report financial information in a manner which calls into question the reliability of the financial reporting and the preparation of financial statements in accordance with the provisions of the law ; and -
 - B. Any fraud, whether material or not, involving the General Manager or those directly subordinate thereto or involving other employees who have a material role in the internal control of the financial reporting and disclosure;
5. I, alone or jointly with others in the corporation:
 - A. Established controls and procedures, or verified the establishment and existence under my supervision of controls and procedures, designed to ensure that material information relating to the corporation, including its consolidated companies as defined in the Securities Regulations (Annual Financial Statements), 2010, is brought to my attention by others in the Company and the consolidated companies, in particular during the period of preparation of the reports; and -

- B. Established controls and procedures, or verified the establishment and existence under my supervision of controls and procedures, intended to reasonably ensure the reliability of the financial reporting and the preparation of financial statements in accordance with the provisions of the law, including in accordance with accepted accounting rules;
- C. I have not been informed of any event or matter that occurred during the period between the date of the last report (quarterly or periodic, as the case may be) and the date of this report, which has the potential to change the conclusion of the board of directors and management regarding the effectiveness of the internal control over the financial reporting and disclosure of the corporation.

The above does not detract from my responsibility or the responsibility of any other person, in accordance with any law.

Date: November 18, 2025

Amit Harari, CEO

Managers Statement

Statement of the Chief Financial Officer in accordance with Regulation 38c of the Report Regulations:

I, Itzhak Hai, declares that:

1. I have examined the Interim Report and other financial information contained in the Interim report of Unitronics (1989) (RG) Ltd. (hereinafter: the "**Company**") for the third quarter of 2025 (hereinafter: the "**Reports**");
2. To the best of my knowledge, the financial Interim statements and the other financial information contained in the Interim reports do not include any misrepresentation of a material fact and they do not lack a presentation of a necessary material fact so that the presentations included therein, in light of the circumstances in which those presentations were included, would not be misleading with reference to the period of the reports;
3. To the best of my knowledge, the financial Interim statements and other financial information contained in the Interim reports adequately reflect, in all material respects, the financial position, results of operations and cash flows of the Company for the dates and periods to which the reports refer;
4. I have disclosed to the auditor of the Company, the Board of Directors and the Audit Committee of the Company, based on my most recent assessment of the internal control over financial reporting and disclosure:
 - A. All the significant deficiencies and material weaknesses in the establishment or operation of the internal control over the Interim financial reporting and disclosure insofar as it relates to the financial statements and the other financial information contained in the Interim statements, which could reasonably have a negative impact on the ability of the Company to collect, process, summarize or report financial information in a manner which calls into question the reliability of the financial reporting and the preparation of the financial statements in accordance with the provisions of the law; and -
 - B. Any fraud, whether material or not, involving the General Manager or those directly subordinate thereto or involving other employees who have a material role in the internal control of the financial reporting and disclosure;
5. I, alone or jointly with others in the Company:
 - A. Established controls and procedures, or verified the establishment and existence under my supervision of controls and procedures, designed to ensure that material information relating to the Company, including its consolidated companies as defined in the Securities Regulations (Annual Financial Statements), 2010, is brought to my attention by others in

the Company and the consolidated companies, in particular during the period of preparation of the reports; and -

- B. Established controls and procedures, or verified the establishment and existence under my supervision, of controls and procedures intended to reasonably ensure the reliability of the financial reporting and the preparation of financial statements in accordance with the provisions of the law, including in accordance with accepted accounting rules;
- C. I have not been informed of any event or matter that applies to the fund as of the date of the last report (quarterly or periodic, as the case may be) on the date of this report, refer to the Interim financial statements and any other financial information contained in the reports for the Interim period, which has the potential to change, in my opinion, the conclusion of the board of directors. and the management regarding the effectiveness of the internal control over the financial reporting and disclosure of the corporation.

The above does not detract from my responsibility or the responsibility of any other person, in accordance with any law.

Date: November 18, 2025

Itzhak Hai, CFO