

ORBIT TECHNOLOGIES LTD.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2025

U.S. DOLLARS IN THOUSANDS

INDEX

	Page
Consolidated Balance Sheets	3 - 2
Consolidated Statements of Income	4
Consolidated Statements of Comprehensive Income	5
Consolidated Statements of Changes in Equity	6
Consolidated Statements of Cash Flows	8 - 7
Notes to Financial Statements	9

CONSOLIDATED BALANCE SHEETS

	December 31,			
	2025	2024		
	U.S. dollars in thousands			
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	27,882	15,146		
Short term deposit	11,647	19,039		
Accounts receivable	28,566	13,610		
Amounts due for construction contracts	15,327	19,605		
Other accounts receivable	2,140	1,688		
Inventories	<u>16,402</u>	<u>14,520</u>		
	<u>101,964</u>	<u>83,608</u>		
NON-CURRENT ASSETS:				
Long-term other assets	32	10		
Fixed assets	18,545	18,261		
Intangible assets	16,912	16,420		
Goodwill	785	785		
Deferred taxes	<u>302</u>	<u>250</u>		
	<u>36,576</u>	<u>35,726</u>		
	<u><u>138,540</u></u>	<u><u>119,334</u></u>		

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

CONSOLIDATED BALANCE SHEETS

	December 31,			
	2025	2024		
	U.S. dollars in thousands			
LIABILITIES AND EQUITY				
CURRENT LIABILITIES:				
Trade payables	8,053	8,024		
Income taxes payable	2,192	2,503		
Other accounts payable	<u>23,118</u>	<u>17,917</u>		
	<u>33,363</u>	<u>28,444</u>		
NON-CURRENT LIABILITIES:				
Liability for Government grants	664	648		
Employee benefit liability	449	218		
Lease payment liability	10,809	9,289		
Warranty liability	818	917		
Deferred taxes	<u>777</u>	<u>993</u>		
	<u>13,517</u>	<u>12,065</u>		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY:				
Share capital	8,352	8,285		
Paid-in capital	38,091	37,214		
Retained earnings	43,660	31,355		
Reserve for share-based payment	2,036	2,567		
Foreign currency translation adjustments	(350)	(506)		
Reserve for defined benefit plans	738	777		
Treasury shares	<u>(867)</u>	<u>(867)</u>		
<u>Total equity</u>	<u>91,660</u>	<u>78,825</u>		
	<u><u>138,540</u></u>	<u><u>119,334</u></u>		

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

February 15, 2026

Date of approval of the financial statements

Yitzchak Gat
Chairman of the Board

Daniel Eshchar
CEO

Roi Wirth
CFO

CONSOLIDATED STATEMENTS OF INCOME

	Year ended December 31,		
	2025	2024	2023
	U.S. dollars in thousands (except per share data)		
Revenues from sales and construction performed	83,034	70,049	63,011
Cost of sales and construction performed	50,236	43,161	39,331
 Gross profit	 32,798	 26,888	 23,680
Research and development costs, net	3,901	3,600	2,215
Selling and marketing expenses	7,477	6,120	6,597
General and administrative expenses	4,484	4,364	3,467
 Operating income before other expenses	 16,936	 12,804	 11,401
Other expenses	756	-	-
 Operating income after other expenses	 16,180	 12,804	 11,401
Finance income	1,108	1,941	1,420
Finance expenses	2,821	846	1,020
 Profit before taxes on income	 14,467	 13,899	 11,801
Tax expenses	2,162	2,152	1,897
 Net profit	 12,305	 11,747	 9,904
 Net profit per share attributable to equity holders of the Company (in U.S. dollars):			
Basic profit per share	0.490	0.474	0.399
Diluted profit per share	0.484	0.466	0.394

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CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended December 31,		
	2025	2024	2023
	U.S. dollars in thousands		
Net profit	12,305	11,747	9,904
Other comprehensive income (net of tax effect):			
Actuarial profit (loss) from defined benefit plans	(39)	65	(9)
Foreign currency translation adjustments of foreign operation	156	(37)	123
Total other comprehensive income (loss)	117	28	114
Total comprehensive income	<u>12,422</u>	<u>11,775</u>	<u>10,018</u>

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	<u>Share capital</u>	<u>Paid-in capital</u>	<u>Retained earnings</u>	<u>Reserve for share-based payment</u>	<u>Foreign currency translation adjustments</u>	<u>Reserve for defined benefit plans</u>	<u>Treasury shares</u>	<u>Total equity</u>
<u>Balance at January 1, 2023</u>	8,196	36,603	23,373	1,907	(592)	721	(867)	69,341
Net income	-	-	9,904	-	-	-	-	9,904
Other comprehensive income (loss)	-	-	-	-	123	(9)	-	114
Total comprehensive Income	-	-	9,904	-	123	(9)	-	10,018
Exercise of options into shares	5	130	-	(61)	-	-	-	74
Cost of share based-payment	-	-	-	580	-	-	-	580
<u>Balance at December 31, 2023</u>	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>	8,285	37,214	31,355	2,567	(506)	777	(867)	78,825
Net income	-	-	12,305	-	-	-	-	12,305
Other comprehensive income (loss)	-	-	-	-	156	(39)	-	117
Total comprehensive Income	-	-	12,305	-	156	(39)	-	12,422
Forfeiture of options	-	-	-	(32)	-	-	-	(32)
Exercise of options into shares	67	877	-	(934)	-	-	-	10
Cost of share based-payment	-	-	-	435	-	-	-	435
<u>Balance at December 31, 2025</u>	8,352	38,091	43,660	2,036	(350)	738	(867)	91,660

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,		
	2025	2024	2023
	U.S. dollars in thousands		
<u>Cash flows from operating activities:</u>			
Net income	12,305	11,747	9,904
Adjustments to reconcile net income to net cash provided by operating activities:			
Adjustments to the profit or loss items:			
Depreciation and amortization	4,465	3,505	3,432
Capital loss from sale of fixed assets	(6)	(4)	-
Cost of share-based payment	403	624	580
Tax expense	2,162	2,152	1,897
Interest expenses, net	(249)	(967)	(622)
Change in employee benefit assets, net	197	65	(10)
Adjustment to current accounts with foreign operation	(307)	79	(32)
	6,665	5,454	5,245
Changes in assets and liability items:			
Decrease (increase) in trade receivables	(14,955)	1,542	(3,537)
Decrease (increase) in amounts due for construction contracts	4,278	(2,915)	(70)
Decrease (increase) in other accounts receivable	(475)	198	866
Increase in inventories	(2,382)	(1,711)	(3,953)
Increase (decrease) in trade payables	184	(1,699)	(579)
Increase in other accounts payable	5,808	1055	4,128
	(7,542)	(3,530)	(3,145)
<u>Cash paid and received during the year for:</u>			
Interest paid	(859)	(830)	(799)
Interest received	1,297	1,736	1,344
Taxes paid	(1,424)	(1,072)	(656)
	(986)	(166)	(111)
Net cash provided by operating activities	10,442	13,505	11,893

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CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,		
	2025	2024	2023
	U.S. dollars in thousands		
<u>Cash flows from investing activities:</u>			
Purchase of fixed assets	(1,489)	(740)	(3,214)
Capitalization of research and development costs	(1,693)	(2,078)	(3,616)
Purchase of intangible assets	(131)	(87)	(205)
Deposit in banking corporations	<u>7,203</u>	<u>1,690</u>	<u>(6,920)</u>
Net cash used in investing activities	<u>3,890</u>	<u>(1,215)</u>	<u>(13,955)</u>
<u>Cash flows from financing activities:</u>			
Payments for Government grants	(12)	(7)	(4)
Payments of lease liability	(1,903)	(1,608)	(1,649)
Dividend	-	(13,669)	-
Exercise of warrants into shares	<u>10</u>	<u>82</u>	<u>74</u>
Net cash provided by (used in) financing activities	<u>(1,905)</u>	<u>(15,202)</u>	<u>(1,579)</u>
Translation differences on balances of cash and cash equivalents	<u>309</u>	<u>(79)</u>	<u>32</u>
Decrease in cash and cash equivalents	12,736	(2,991)	(3,609)
Cash and cash equivalents at the beginning of the year	<u>15,146</u>	<u>18,137</u>	<u>21,746</u>
Cash and cash equivalents at the end of the year	<u>27,882</u>	<u>15,146</u>	<u>18,137</u>
<u>Significant non-cash transaction:</u>			
Purchase of fixed assets on suppliers credit	6	160	154
Recognition of the right of use against a lease liability	<u>1,579</u>	<u>1,250</u>	<u>426</u>

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

NOTE 1:- OPERATING SEGMENTS AND GEOGRAPHICAL SEGMENTS

a. Operating segments:

The operating segments are identified on the basis of information that is regularly reviewed by the Company's CEO which has been identified as the strategic steering committee to make strategic decisions in the Company (chief operating decision maker, "CODM").

The CODM decided that there is one internally reportable operation segments-development, marketing and manufacturing of superior performance communication equipment solutions.

b. Secondary reporting on geographical segments:

The geographical segments are presented based on the location of customers:

	Year ended December 31,		
	2025	2024	2023
	U.S. dollars in thousands		
Israel	38,614	28,776	15,730
Europe	19,946	19,489	15,442
America	9,971	12,983	12,466
East Asia	14,503	8,801	19,373
	<u>83,034</u>	<u>70,049</u>	<u>63,011</u>

c. Major customers:

Revenues from major customers each of whom amount to 10% or more of total revenues (in percentages):

	Year ended December 31,		
	2025	2024	2023
	%		
Customer A	36	29	9
Customer B	11	7	5
Customer C	8	5	24
