

**ORBIT TECHNOLOGIES LTD.**

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**AS OF DECEMBER 31, 2025**

**U.S. DOLLARS IN THOUSANDS**

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**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	16,402	14,520
	101,964	83,608
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	302	250
	36,576	35,726
	138,540	119,334

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	23,118	17,917
	33,363	28,444
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	777	993
	13,517	12,065
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	(867)	(867)
<u>Total equity</u>	91,660	78,825
	138,540	119,334

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

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

**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	12,422	11,775	10,018

The accompanying note is an integral part of the 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>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	1,055	4,128
	(7,542)	(3,530)	(3,145)
Cash paid and received during the year for:			
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

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

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>Year ended December 31,</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
	<b>U.S. dollars in thousands</b>		
<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	7,203	1,690	(6,920)
Net cash used in investing activities	3,890	(1,215)	(13,955)
<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	10	82	74
Net cash provided by (used in) financing activities	(1,905)	(15,202)	(1,579)
Translation differences on balances of cash and cash equivalents	309	(79)	32
Decrease in cash and cash equivalents	12,736	(2,991)	(3,609)
Cash and cash equivalents at the beginning of the year	15,146	18,137	21,746
Cash and cash equivalents at the end of the year	27,882	15,146	18,137
<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	1,579	1,250	426

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



## NOTES TO 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

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