



Periodic report for the year ended December 31, 2024

Table of Contents

Chapter A -

Board of Directors' Report on the State of the Corporations' Affairs

Chapter B-

Consolidated Financial Statements as of December 31, 2024

This is an English translation of parts of the information in the full Hebrew report of the company, that was published on March 16, 2025 (reference no.: 2025-01-017101) at the ISA reporting website (magna.isa.gov.il) (hereafter: "**The Hebrew Version**"). This English version is voluntary and only for convenience purposes. This is not an official translation and has no binding force. The translation in any case cannot perfectly reflect the Hebrew Version. In the event of any discrepancy between the Hebrew Version and this translation, the Hebrew Version shall prevail.

Board of Directors' Report on the Corporation's

State of Affairs for the period ended December 31, 2024

The Board of Directors of Hiper Global Ltd. ("**The Company**") hereby submits the Board of Directors' report on the state of affairs of the Company ("**The Report**") for the year ended December 31, 2024 ("**The Reported period**") and during three months then ended ("**The Quarter**") in accordance with the Securities Regulations (periodic and Immediate Reports) – 1970, as detailed below.

In Chapter B of this periodic report, attached are the Company's consolidated financial statements as of December 31, 2024 ("**The financial statements as of December 31, 2024**" or "**The Financial Statements**").

It should be emphasized that the description in this periodic report includes forward-looking information as defined in the Securities Law, -1968. Forward-looking information is uncertain information regarding the future, including a forecast, assessment, estimate or other information relating to a future event or matter whose realization is uncertain or not within the control of the Company. The forward-looking information contained in this periodic report below is based on information or estimates available to the Company, as of the date of publication of this periodic report. It should be emphasized that actual results may differ materially from the results estimated or implied by this information, inter alia, due to the risk factors detailed in Section 26 of Chapter A of the Hebrew version. In certain cases, forward-looking information can be identified, inter alia, due to the fact that it includes the words "in the Company's estimation", "in the Company's intention", etc. However, forward-looking information may also appear in other versions.

The Company was incorporated on October 14, 2021, as a private company limited by shares pursuant to the Israeli Companies Law, -1999 ("**The Companies Law**") for the purpose of splitting the OEM activity (as defined below) from Emet Computing Ltd. ("**Emet Computing**"). From the split completion date on March 8, 2022, the Company is engaged directly and through subsidiaries under its control in the characterization, planning and assembly of custom-made computing systems (the "**Products**" or the "**Company's products**") which are integrated (OEM - Original Equipment Manufacturer) into the products of its customers they are selling to their end customers. This kind of activity includes the development of the products, including the definition of appropriate infrastructures (hardware and software), the execution of planning and development processes for mechanical solutions, electronics and thermal analyzes of the product, management and documentation of the engineering information - including building the product portfolios, management of production processes and planning and execution of quality inspection processes of the products. In addition, the activity includes a service of full management of production and logistics supply processes, including management of the supply chain of assembled systems according to the customer's definitions ("**OEM activity**").

For the offering of the securities according to the split prospectus and registration for trading on the Tel Aviv Stock Exchange Ltd. (the "**Stock Exchange**"), see immediate report dated February 27, 2022 (reference no.: 2022-01-023794) is the first offering of securities to the public by the Company. On March 8, 2022, the Company's shares were listed for trading on the stock exchange for the first time and the Company became a public company as defined in the Companies Law.

1. Description of the Company and its business environment

The Company, by itself and through subsidiaries and related companies in Israel and abroad ("**The Group**") specializes in creating computer-based solutions and enables technology companies that develop software products to realize their idea into a tangible product. The Company consults its customers from the planning stage to the stage of the final product available for sale. The Company operates in Israel, US and Europe and provides solutions with global deployment. The Company's activities include co-working with its customers R&D groups and tailoring complex technological solutions according to their needs. In the following stages, the Company manufactures and delivers the systems it has designed in a global deployment according to its customers' business needs.

The Company operates and reports several operating segments: the Israel operation segment, the US operation segment and "other" operation segment (which as of this date includes Europe operation), which are characterized by a very high technological complexity. Due to the positioning of the Israeli high-tech market at the forefront of global technology, the Company has developed extensive expertise and knowledge and has gained an immense wide broad experience, which is applied in the international operation segment with global customers operating mainly from the United States and the UK, with the aim of expanding and deepening the penetration of foreign markets. The Company operates in a wide number of sectors including: semiconductor industries, the field of artificial intelligence (AI), the defense industries, companies in the cyber field, media, data storage, printing and medical equipment.

2. Events in the corporation's activity during the reported period and up to the date of its publication

2.1 For events that occurred from January 1, 2024 until the publication date of the third quarter report for 2024 see section 2 of the Company's board of directors' report for the periodic report for 2023, the Company's Board of Directors' Report for the first quarter of 2024, the Company's Board of Directors' Report for the second quarter of 2024 and the Company's Board of Directors' Report for the third quarter of 2024, which were published on March 12, 2024, May 16, 2024, August 14, 2024 and November 14, 2024 (Reference No.: 2024-01-021304, 2024-01-050415, 2024-01-082062 and 2024-01-615736, respectively).

2.2 On March 13, 2025, the Company's Board of Directors approved the distribution of a dividend to the Company's shareholders (which meets the distribution tests set forth in the Companies Law), at a rate of 14 Agorot per share, and a total amount of NIS 6,597 thousand.

For further details, see an immediate report regarding the distribution of a dividend that will be published on or about the publication date of this report.

2.3 On March 13, 2025, the Company's Board of Directors decided to convene a special general meeting of shareholders, the agenda of which will include the following resolutions: Re-appointment of Amir Keren and Ron Alroy as external directors of the Company. For further details, see an immediate report of the Company that will be published on or about the publication date of the Hebrew version.

2.4 Regarding material events after the reporting period date, see Note 4 to chapter B- the financial statements.

3. **Financial position**

- 3.1 The Group's total assets according to the financial statements as of December 31, 2024, amounted to approximately \$ 174,995 thousand and as of December 31, 2023, amounted to approximately \$ 173,049 thousand.
- 3.2 Below are the key changes in the Group's financial position as of December 31, 2024, compared to the consolidated statement of financial position as of December 31, 2023 (US dollars in thousands):

Item	As of December 31 2024	As of December 31 2023	Company's explanations
Current Assets	142,444	146,262	The main change in the volume of current assets is due to a decrease in cash balance of \$4,287 thousand, a decrease in inventory balance of \$1,544 thousand and a decrease in other receivables' balance of \$1,297 thousand and on the other hand an increase in trade receivables' balance of \$ 3,240 thousand.
Non-current Assets	32,551	26,787	The main increase in the volume of non-current assets is due to an increase in right-of-use assets due to new long term lease agreements of the subsidiaries in the UK and US.
Total Assets	174,995	173,049	
Current Liabilities	67,911	80,471	The main change in the volume of current liabilities stems from a decrease in short term credit balance of \$8,321 thousand, decrease in the trade payables balance of \$ 7,744 thousand, and on the other hand an increase in the balance of prepaid income of \$ 4,239 thousand.
Non-current Liabilities	15,805	13,083	The main change in the volume of long-term liabilities stems from an increase in lease liabilities due to new lease agreements in the UK and US subsidiaries of \$ 6,107 thousand, against a decrease in long term loans from current repayments of \$ 1,952 thousand and decrease in liabilities for contingent consideration of \$ 1,374 thousand.
Equity	91,279	79,495	The main change in equity is due to the addition of net income amounting to \$ 15,839 thousand, net of the dividend declared in the amount of \$ 4,581 thousand.
Total Liabilities and Equity	174,995	173,049	

4. Operating results

4.1 The following are the condensed consolidated statements of profit or loss for the years ended December 31, 2024 and December 31, 2023 (US dollars in thousands):

Item	For the year ended December 31		Change in %	Company's explanations
	2024	2023		
Revenues	273,739	285,567	(4.1%)	In 2023, as reported, revenue was recognized from a significant project in the amount of approximately \$ 35 million.
Gross profit	47,569	48,035	(1.0%)	The decrease in gross profit is due to the above mentioned revenues decrease, which was mostly offset by a higher profitable revenue mix.
Gross profit rate	17.4%	16.8%		
Selling, general and administrative and other expenses	22,794	24,010	(5.1%)	The decrease in selling and administrative and other expenses results from a decrease in amortizations of intangible assets and a decrease in expenses attributed to option plans.
Operating income	24,775	24,025	3.1%	The increase in operating income is mainly due to the decrease in selling, administrative and other expenses that was partly offset due to the decrease in gross profit.
Operating income rate	9.1%	8.4%		
Financial expenses, net	3,699	4,681	(21.0%)	The decrease in financial expenses, net, is mainly from a decrease in expenses for exchange rate differences, and a decrease in interest expenses resulting from lower credit volumes of the group.
Taxes on income	5,237	5,037	4.0%	
Net income	15,839	14,307	10.7%	The increase in income was due to the increase in operating profit alongside the decrease in net financial expenses.
EBITDA (*)	29,497	28,718	2.7%	The increase – according to the increase in operating income, see above.

(*) EBITDA (data is not audited and not reviewed): Operating income excluding other expenses/income and excluding depreciation and amortization expenses. This figure is included in the report as it provides information on profit from current operations, excluding expenses that do not involve cash flows.

4.2 The following are the condensed consolidated statements of profit or loss for the three months ended on December 31, 2024 and 2023 (US dollars in thousands):

Item	For the period of three months ended December 31		Change in %	Company's explanations
	2024	2023		
Revenues	64,460	71,633	(10.0%)	The decrease in revenues was mainly due to the recording in the current quarter of a transaction with special characteristics, the results of which were recorded in gross profit (net) only, instead of recording revenue and cost of sales (gross).
Gross profit	11,889	13,658	(13.0%)	The decrease in gross profit was due to a change in revenue mix compared to the corresponding period in which a number of transactions were carried out at higher than usual profitability rates.
Gross profit rate	18.4%	19.1%		
Selling, general and administrative and other expenses	5,689	5,983	(4.9%)	The decrease in selling, administrative and other expenses is mainly attributable to the decrease in salary expenses and expenses for option plans.
Operating income	6,200	7,675	(19.2%)	The decrease in operating profit and its rate was mainly due to the decrease in gross profit, which was partially offset by the decrease in selling and administrative expenses as above mentioned.
Operating income rate	9.6%	10.7%		
Financial expenses, net	1,217	1,844	(34.0%)	The main decrease in financial expenses, net, was due to a decrease in expenses for exchange rate differences compared to the corresponding period.
Taxes on income	896	833	7.6%	
Net income	4,087	4,998	(18.2%)	The decrease in net income resulted from the decrease in operating income, which was partially offset by the decrease in net financial expenses.
EBITDA (*)	7,506	8,738	(14.1%)	The decrease – according to the decrease in operating income, see above net of the change in depreciation expenses.

(*) EBITDA (data is not audited and not reviewed): Operating income excluding other expenses/income and excluding depreciation and amortization expenses. This figure is included in the report as it provides information on profit from current operations, excluding expenses that do not involve cash flows.

4.3 Summary of consolidated profit or loss statement data by reporting periods for the year ended December 31, 2024 (in thousands of dollars):

Item	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	The year of 2024
Revenues	85,842	61,060	62,377	64,460	273,739
Gross profit	13,822	10,324	11,534	11,889	47,569
Gross profit rate	16.1%	16.9%	18.5%	18.4%	17.4%
Selling, general and administrative and other expenses	6,047	5,210	5,848	5,689	22,794
Operating income	7,775	5,114	5,686	6,200	24,775
Operating income rate	9.1%	8.4%	9.1%	9.6%	9.1%
Financial expenses, net	778	871	833	1,217	3,699
Taxes on income	1,972	1,360	1,009	896	5,237
Net income	5,025	2,883	3,844	4,087	15,839

4.3.1 According to the experience of the Group's management, there is no significant seasonality across the quarters of the year.

4.4 Financial information on business operating segments of the group for the years ended December 31, 2024 and 2023 (US dollars in thousands):

Item	For the year ended December 31		Change in %	Company's explanations
	2024	2023		
<u>Segment's revenues:</u>				
Israel	166,236	195,465	(15.0%)	The decrease in the segment's revenue was due to a significant project of approximately \$35 million, which was delivered in 2023.
US	99,089	82,288	20.4%	The increase in the segment's revenues results from organic growth of the US activity.
Other	16,340	12,587	29.8%	The increase in segment revenue was mainly due to the start of equipment supplies for the Company's long-term project in Switzerland and growth in activity in Germany.
Adjustments	(7,926)	(4,773)		
Total revenues	273,739	285,567	(4.1%)	
<u>Segment's results:</u>				
Israel	15,929	17,010	(6.4%)	The decrease in operating income was due to decrease in revenues as mentioned, which was partially offset by a higher profitable revenue mix.
US	8,844	6,926	27.7%	The increase in operating income was mainly due to the increase in the segment's revenue and gross profit, alongside a decrease in amortization expenses of intangible asset compared to the corresponding period.
Other	2	89	(97.8%)	
Total operating income	24,775	24,025	3.1%	

4.5 Financial information on business operating segments of the group for the period of three months ended on December 31, 2024 and 2023 (US dollars in thousands):

Item	For the period of three months ended December 31		Change in %	Company's explanations
	2024	2023		
<u>Segment's revenues:</u>				
Israel	39,710	48,440	(18.0)%	The decrease in revenue was largely due to the recording in the current quarter of a transaction with special characteristics, the results of which were recorded in gross profit (net) only, instead of recording revenue and cost of sales (gross) and from revenues of the significant project that was completed in the corresponding period last year.
US	22,786	20,901	9.0%	The increase in segment revenues is due to the continued organic expansion of the activity.
Other	4,776	4,368	9.3%	The increase in segment revenue was mainly due to growth in activity in Germany.
Adjustments	(2,812)	(2,076)		
Total revenues	64,460	71,633	(10.0)%	
<u>Segment's results:</u>				
Israel	4,107	5,313	(22.7)%	The decrease in operating income was due to the decrease in revenue and a change in the mix compared to the corresponding quarter, in which a number of transactions were carried out at higher than usual profitability rates.
US	1,917	2,190	(12.5)%	The decrease in income was due to a decrease in gross profit as a result of a change in the revenue mix compared to the corresponding quarter.
Other	176	172	2.3%	
Total operating income	6,200	7,675	(19.2)%	

5. Liquidity and Cash flows

5.1 key figures from the statement of cash flows for the years ended December 31, 2024 and 2023
(dollars in thousands):

The item	For the year ended December 31		Company's explanations
	2024	2023	
Net income	15,839	14,307	
Adjustments to profit or loss items	13,478	14,261	
Changes in asset and liability items	(6,049)	9,466	The change was due to timing differences in the working capital items, mainly due to a significant decrease in the inventory balance recorded in the corresponding period, and a decrease in the suppliers' balance in the current period compared to an increase in the corresponding period.
Cash paid as part of operating activities	(6,616)	(6,037)	
Net cash provided by operating activities	16,652	31,997	
Net cash used in investing activities	(1,570)	(950)	The majority of cash for investing activities was used to purchase fixed assets.
Dividend paid to shareholders	(4,581)	(5,883)	
Cash paid as part of other financing activity	(14,762)	(18,656)	The use of cash from financing activities in the current period was mainly due to repayments of short-term credit and current repayment of long-term credit.
Net cash used in financing activities	(19,343)	(24,539)	
Increase (decrease) in cash and cash equivalents	(4,261)	6,508	

5.2 key figures from the statement of cash flows for the period of three months ended December 31, 2024 and 2023 (dollars in thousands):

The item	For the period of three months ended December 31		Company's explanations
	2024	2023	
Net income	4,087	4,998	
Adjustments to profit or loss items	3,056	3,518	
Changes in asset and liability items	1,216	(33,827)	The main change compared to the corresponding period was due to timing differences - mainly due to a significant decrease in trade payables and trade receivables in the corresponding period.
Cash paid as part of operating activities	(793)	156	
Net cash provided by (used in) operating activities	7,566	(25,155)	
Net cash used in investing activities	(304)	(4)	
Dividend paid to shareholders	(754)	(1,758)	
Cash received (paid) as part of other financing activity	(7,810)	17,057	The main change resulted from short-term credit repayments made in the current period compared to receiving short-term credit in high amounts in the corresponding period.
Net cash used in financing activities	(8,564)	15,299	
Increase (decrease) in cash and cash equivalents	(1,302)	(9,860)	

6. Financing Sources

- 6.1 The working capital of the company as of December 31, 2024 was about \$ 74,533 thousand compared to a total of about \$ 65,791 thousand as of December 31, 2023.
- 6.2 The group companies finance their business activities from independent means (equity), suppliers' credit, bank credit and credit from institutional entities. Purchases of companies are usually financed from own sources in combination with long-term bank/institutional credit. For more details regarding the financing sources, see Section 17.9 in Chapter A attached to the Hebrew version.
- 6.3 The average amount of short-term credit from banking and other corporations in the year ended December 31, 2024 was about \$ 21,619 thousand and, in the year, ended December 31, 2023 was about \$ 22,911 thousand.
- 6.4 The average amount of long-term loans in the year ended December 31, 2024 was about \$ 5,432 thousand and, in the year, ended December 31, 2023 was about \$ 8,033 thousand.
- 6.5 The average amount of credit from suppliers in the year ended December 31, 2024 was about \$ 27,201 thousand and, in the year, ended December 31, 2023 it was about \$ 35,621 thousand.
- 6.6 The average amount of credit to customers in the year ended December 31, 2024 was about \$ 51,461 thousand and, in the year, ended December 31, 2023 it was about \$ 47,570 thousand.

7. Effects of inflation and interest

In 2024, the consumer price index increased by approximately 3.2%, compared to an increase of approximately 3% in the last year. According to the Bank of Israel forecast from January 2025, the inflation rate during the four next quarters (ending on the fourth quarter of 2025) is expected to be 2.6% and the inflation rate in 2026 is expected to be 2.3%.

On February 24, 2025, the Bank of Israel decided to leave the Bank of Israel interest rate unchanged at 4.5%. In January 2025, the US Federal Reserve maintained the interest rate at 4.5% (after several reductions made throughout 2024). In January 2025, the European Central Bank announced a further reduction in the interest rate, and as of the date of the report, the interest rate in the European Union is 2.65%.

The Company estimates that the effect of inflation on the results of its operations is not expected to be material, among other things, since the Company's obligations to banks are not linked to the CPI. However, the high-interest rate environment may have a negative impact on the Company's results due to an increase in financing expenses for the current credit lines (in Israel and abroad) that are subject to variable interest rates.

For additional details regarding the effects of inflation and interest rates, see Section 6.2.2 in Chapter A attached to the Hebrew version.

The company's assessment regarding the effect of changes in interest rates and inflation on its financial position, the results of its operations, its financing expenses and its cash flows, is based on forward-looking information as defined in the Securities Law, 1968. This assessment may not be realized, in whole or in part, or may be realized in a materially different way than expected, among other things, as a result of events that are beyond the company's control.

8. Disclosure regarding the consequences of the war and the security situation in Israel

For details regarding the impact of the "Iron Swords" War, see Section 6.2.5 in Chapter A attached to the Hebrew version.

9. Critical accounting estimates

For description of the critical accounting estimates used in the preparation of the financial statements, see Note 2 to the financial statements at the Hebrew version.

10. Goodwill and Intangible Assets

In accordance with generally accepted accounting principles, the Company reviews at least annually the need for impairment of goodwill and intangible assets. For the purpose of this review, the Company's management estimates the value in use of cash-generating units to which the other property and goodwill have been allocated. For the purpose of calculating the value in use, the Company calculates the estimate of expected future cash flows, as well as the appropriate discount rate to calculate the present value. These estimates are based, among other things, on the Group's professional advisors in this regard.

11. The auditor

- 11.1 The Company's auditor as of July 2021 is the accounting firm Kost Forer Gabbay & Kassirer (EY) (the "**Auditor**").
- 11.2 The fee is determined by negotiations between the Company's management and the auditor, depending on the scope of the work, the nature of the work, past experience and market conditions. The authority that approves the auditor's fee is the Company's board of directors.
- 11.3 In 2024 and 2023, the auditor's fee for audit services, audit-related services and tax services amounted to approximately NIS 571 and 533 thousand, respectively.

12. Corporate governance aspects

12.1 Disclosure in relation to directors with accounting and financial skills

The Company has determined that the appropriate minimum number of directors with accounting and financial expertise will be one (1), in light of the scope of the Company's activities, the nature and characteristics of its activities and the number of members of its Board of Directors.

For details regarding directors with accounting and financial expertise, see Regulation 26 in Chapter D attached to the Hebrew version.

12.2 Independent directors

As of the date of this report, the Company has not adopted provisions in the articles of association regarding the proportion of independent directors, as defined in section 1 of the first supplement to the Companies Law.

12.3 Donations

As of the date of this report, the Company does not have donation policy.

12.4 **Disclosure regarding the company's internal auditor**

12.4.1 Auditor's name: Amit Alon.

12.4.2 Term commencement date: May 23, 2022

12.4.3 To the best of the Company's knowledge, the internal auditor complies with the provisions of Section 146(b) of the Companies Law and the provisions of Sections 3(a) and 8 of the Internal Audit Law, - 1999 (the "**Internal Audit Law**"), and, to the best of the Company's knowledge, the internal auditor does not hold securities of the Company or an entity related to it and has no business relationship with the Company or an entity related to the Company.

12.4.4 Method of Appointment: In May 2022, the Company's Board of Directors approved the appointment of the internal auditor, in accordance with the recommendation of the Audit Committee. The reasons for approving the appointment were, mainly, due to the internal auditor's experience, professionalism, and the reasonableness of the terms of his proposal, and considering, among other things, the type of company, its size, scope of activity and complexity.

12.4.5 The organizational supervisor of the auditor: The Chairman of the Company's Board of Directors was determined to be the organizational supervisor of the auditor.

12.4.6 The audit plan: the internal auditor's audit plan is annual and derived from a multi-year plan that relates to the company and the subsidiaries in the group. The annual plan for 2024 as well as updates to the annual plan were discussed and approved by the Audit Committee. The work plan does not allow the internal auditor to deviate from it, except with the approval of the Audit Committee. The main considerations in determining the annual audit plan were based on proposals from the members of the Audit Committee based, among other things, on a risk survey conducted by the internal auditor, internal audit topics conducted in previous years and topics discussed at regular meetings of the Audit Committee and the Company's Board of Directors, risks inherent in the Company's activities, the size of the group, its organizational structure, the nature of the various activities, risk centers to which the Company is exposed and the probability of the existence of deficiencies.

12.4.7 Audit of investee corporations: the internal auditor's work plan also applies to corporations held by the Company.

12.4.8 The scope of employment of the internal auditor during 2024 was approximately 220 hours.

12.4.9 In the opinion of the Board of Directors, this scope is appropriate for the activity reviewed by the internal auditor as of the date of the report. In addition, the scope of employment of the internal auditor will be determined each year upon approval of the work plan for that year, inter alia, considering the risk survey, the scope of the work plan for the relevant year, the complexity of the work plan and the sensitivity of the issues examined in that year. In the opinion of the Company's Board of Directors, the current scope of work of the Company's internal auditor and his current work plan are reasonable considering the date of his appointment, the size of the Company, its organizational structure, the nature and scope of its business activities, and are capable of achieving the objectives of the Company's internal audit.

- 12.4.10 Professional standards: the internal auditor, according to his statement, which was approved by the Audit Committee, conducts the internal audit in accordance with the accepted professional standards as stated in Section 4(b) of the Internal Audit Law, and meets the requirements of the professional standards. In the opinion of the Board of Directors, the internal auditor meets the requirements set forth in the above standards, considering the internal auditor's professionalism, qualifications and period of employment by the Company.
- 12.4.11 Access to information: the internal auditor has free access as stated in Section 9 of the Internal Audit Law, including constant and direct access to the Company's information system, including financial data.
- 12.4.12 Audit report submission dates: the following is a breakdown of the dates on which a written report on the internal auditor's findings, regarding the reporting period, was submitted to the Chairman of the Audit Committee and the dates on which the Audit Committee discussed the internal auditor's findings, as well as the number of hours invested in the internal audit:

Number	Report submission date	Date of discussion of the report by the audit committee	Number of work hours
1	October 17, 2024	November 10, 2024	200
2	January 14, 2025	March 10, 2025	20

- 12.4.13 The Board of Directors' assessment of the internal auditor's activities: The Board of Directors believes that the scope, nature and continuity of the internal auditor's activities and work plan are reasonable under the circumstances and are sufficient to achieve the internal audit objectives of the corporation.
- 12.4.14 Remuneration: the manner and scope of the remuneration is derived from the audit hours determined in the annual audit plan by the Company's Board of Directors. The internal auditor's salary in 2024 amounted to approximately NIS 56 thousand plus VAT as required by law. In the opinion of the Company's Board of Directors, the scope and nature of the internal auditor's activities are sufficient to achieve the Company's internal audit objectives, and that the effect of the remuneration to which the internal auditor is entitled on the exercise of his professional judgment is negligible, given the fact that the remuneration does not depend on the results of the audit.

The board of directors is grateful for the company's managers and employees for their dedicated work and the efforts they invested during the reporting period.

Yoav Weinberg
Gillon Back
Co-chairmen of the Board of Directors

Shahaf Shrager
CEO

Date: March 13, 2025

Hiper Global Ltd.

Consolidated Financial Statements

As of December 31, 2024

US dollars in thousands

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31,	
	2024	2023
	\$ in thousands	
<u>Current Assets</u>		
Cash and cash equivalents	8,334	12,621
Trade receivables, net	56,465	53,225
Income receivable	1,722	1,936
Income tax receivable	848	564
Other accounts receivable	1,165	2,462
Inventory	73,910	75,454
Total current assets	142,444	146,262
<u>Non-Current Assets</u>		
Long-term accounts receivable	442	214
Deferred taxes	1,146	561
Fixed assets, net	5,972	5,589
Goodwill	7,325	7,340
Intangible assets, net	5,470	6,765
Right of use assets, net	12,196	6,318
Total non-current assets	32,551	26,787
Total assets	174,995	173,049

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31,	
	2024	2023
	\$ in thousands	
<u>Current Liabilities</u>		
Credit from banks and others	15,550	23,871
Current maturities of lease liabilities	2,126	1,970
Liability for PUT option to non-controlling interests	4,978	2,850
Trade payables	26,555	34,299
Prepaid income	5,359	1,120
Income tax payable	502	626
Other accounts payables	12,841	15,735
Total current Liabilities	67,911	80,471
<u>Non-Current Liabilities</u>		
Long term loans from banks and others	4,503	6,455
Contingent consideration in business combination	-	1,374
Long term lease liabilities	10,815	4,708
Liabilities for employee benefits, net	407	440
Deferred taxes	80	106
Total non-current Liabilities	15,805	13,083
<u>Equity Attributable to Shareholders of the Parent Company</u>		
Share capital	1,479	1,472
Premium on shares	11,137	10,722
Capital reserves	36,599	36,545
Retained earnings	42,064	30,756
Total equity	91,279	79,495
Total liabilities and equity	174,995	173,049

March 13, 2025			
Date of approval of the financial statements	Yoav Weinberg Gillon Beck Co-chairmen of the Board of Directors	Shahaf Shrager CEO	Yossi Yaniv CFO

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (LOSS)

	Note	Year ended December 31,		
		2024	2023	2022
		\$ in thousands (except for net earnings per share data)		
Revenues	(2)	273,739	285,567	300,583
Cost of revenues		226,170	237,532	251,631
Gross profit		47,569	48,035	48,952
Selling and marketing expenses		11,951	12,735	13,306
General and administrative expenses		10,936	11,367	12,756
Other income, net		(93)	(92)	(43)
		22,794	24,010	26,019
Operating income		24,775	24,025	22,933
Financial expenses		5,257	5,226	4,021
Financial income		1,558	545	2,015
Income before taxes on income		21,076	19,344	20,927
Taxes on income		5,237	5,037	5,963
Income from continued operations		15,839	14,307	14,964
Net income from discontinued operations		-	-	587
Net income		15,839	14,307	15,551

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (LOSS)

	Year ended December 31,		
	2024	2023	2022
	\$ in thousands (except for net earnings per share data)		
Other comprehensive income (after tax effect):			
<u>Amounts to be reclassified or reclassified to profit or loss upon the occurrence of specific conditions:</u>			
Adjustments from translation of financial statements of foreign operations	(52)	(42)	(1,173)
<u>Amounts that will not be reclassified later to profit or loss:</u>			
Gain (loss) from re-measurement of defined benefit plans	50	(13)	157
Total other comprehensive income (loss) from continued operations	(2)	(55)	(1,016)
Total other comprehensive income (loss) from discontinued operations, net	-	-	(647)
	(2)	(55)	(1,663)
Total comprehensive income	15,837	14,252	13,888
<u>Net income attributed to:</u>			
Shareholders of the Company	15,839	14,307	15,551
<u>Comprehensive income attributed:</u>			
Shareholders of the Company	15,837	14,252	13,888
<u>Basic earnings attributed to shareholders of the Company (in Dollar):</u>			
<u>Basic net income</u>			
Income from continued operations	0.337	0.306	0.331
Earnings per share from discontinued operations	-	-	0.013
Net earnings per share	0.337	0.306	0.344
<u>Diluted earnings</u>			
Income from continued operations	0.326	0.298	0.328
Earnings per share from discontinued operations	-	-	0.013
Net earnings per share	0.326	0.298	0.341

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share Capital	Premium on Shares	Capital reserve in respect of split transaction	Capital reserve for translations of financial statements of foreign operations	Share-based payment capital reserve	Capital reserve for transaction with controlling shareholder	Capital reserve for transactions with non- controlling interests	Retained earnings	Total Equity
	\$ in thousands								
For the year ended December 31, 2024									
<u>Balance as of January 1, 2024</u>	1,472	10,722	35,307	(360)	1,799	36	(237)	30,756	79,495
Net income for the year	-	-	-	-	-	-	-	15,839	15,839
Other comprehensive loss for the year	-	-	-	(52)	-	-	-	50	(2)
Total comprehensive income (loss) for the year	-	-	-	(52)	-	-	-	15,889	15,837
Share based payment	-	-	-	-	520	8	-	-	528
Issuance of shares	7	415	-	-	(422)	-	-	-	-
Dividend declared	-	-	-	-	-	-	-	(4,581)	(4,581)
<u>Balance as of December 31, 2024</u>	<u>1,479</u>	<u>11,137</u>	<u>35,307</u>	<u>(412)</u>	<u>1,897</u>	<u>44</u>	<u>(237)</u>	<u>42,064</u>	<u>91,279</u>

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share Capital	Premium on Shares	Capital reserve in respect of split transaction	Capital reserve for translations of financial statements of foreign operations	Share-based payment capital reserve	Capital reserve for transaction with controlling shareholder	Capital reserve for transactions with non- controlling interests	Retained earnings	Total Equity
	\$ in thousands								
For the year ended December 31, 2023									
<u>Balance as of January 1, 2023</u>	1,471	10,694	35,307	(318)	893	20	(237)	22,345	70,175
Net income for the year	-	-	-	-	-	-	-	14,307	14,307
Other comprehensive loss for the year	-	-	-	(42)	-	-	-	(13)	(55)
Total comprehensive income (loss) for the year	-	-	-	(42)	-	-	-	14,294	14,252
Share based payment	-	-	-	-	935	16	-	-	951
Issuance of shares	1	28	-	-	(29)	-	-	-	-
Dividend declared	-	-	-	-	-	-	-	(5,883)	(5,883)
				-					
<u>Balance as of December 31, 2023</u>	<u>1,472</u>	<u>10,722</u>	<u>35,307</u>	<u>(360)</u>	<u>1,799</u>	<u>36</u>	<u>(237)</u>	<u>30,756</u>	<u>79,495</u>

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share Capital	Premium on Shares	Capital reserve in respect of split transaction	Capital reserve for translations of financial statements of foreign operations	Share-based payment capital reserve	Capital reserve for transaction with controlling shareholder	Capital reserve for transactions with non-controlling interests	Retained earnings	Total Equity
\$ in thousands									
For the year ended December 31, 2022 *									
<u>Balance as of January 1, 2022 according to Carve Out reports</u>	-	-	32,413	1,502	-	-	(237)	14,667	48,345
Net income for the period from January 1, 2022 to March 31, 2022 (eve of the split transaction)	-	-	-	-	-	-	-	3,554	3,554
Other comprehensive income for the period from January 1, 2022 to March 31, 2022 (eve of the split transaction)	-	-	-	(877)	-	-	-	-	(877)
Total comprehensive income for the period from January 1, 2022 to March 31, 2022 (eve of the split transaction)	-	-	-	(877)	-	-	-	3,554	2,677
Transfers from Emet (to Emet)	-	-	2,894	-	-	-	-	(806)	2,088
Deconsolidation due to split of operations	-	-	-	-	-	-	-	(3,725)	(3,725)
Issuance of shares (net of issuance expenses)	1,471	10,694	-	-	-	-	-	-	12,165
Net income for the period from April 1, 2022, the date of the split, to December 31, 2022	-	-	-	-	-	-	-	11,997	11,997
Other comprehensive income (loss) for the period from April 1, 2022, (date of the split) to December 31, 2022	-	-	-	(940)	(3)	-	-	157	(786)
Total comprehensive income for the period from April 1, 2022, (the date of the split) to December 31, 2022	-	-	-	(940)	(3)	-	-	12,154	11,211
Share based payment	-	-	-	(3)	896	20	-	-	913
Dividend paid	-	-	-	-	-	-	-	(3,499)	(3,499)
<u>Balance as of December 31, 2022</u>	<u>1,471</u>	<u>10,694</u>	<u>35,307</u>	<u>(318)</u>	<u>893</u>	<u>20</u>	<u>(237)</u>	<u>22,345</u>	<u>70,175</u>

(*) see Note 1c regarding financial data until March 2022 proforma carve out data.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,		
	2024	2023	2022
	\$ in thousands		
<u>Cash flows from operating activities</u>	15,839	14,307	15,551
Net income			
<u>Adjustments to reconcile net income to net cash provided by operating activities:</u>			
Adjustments to profit and loss:			
Depreciation and amortizations	4,815	4,785	5,441
Taxes on income	5,237	5,037	5,991
Decrease in provision for doubtful accounts	(22)	(28)	(151)
Increase (decrease) in provision for vacation and recreation	3	(99)	(95)
Value adjustment of financial liabilities	754	1,033	329
Dividend to holders of PUT option	606	760	1,075
Change in employee benefits, net	32	14	(41)
Interest and revaluation for short term credit, net	1,023	1,457	1,349
Interest and revaluation of long-term loans, net	371	339	(527)
Loss from foreign operations	-	40	61
Other financial income, net	131	(28)	(79)
Realization of capital reserve for translation of discontinued operations	-	-	(568)
Cost of share-based payment	528	951	916
	<u>13,478</u>	<u>14,261</u>	<u>13,701</u>
<u>Changes in asset and liability items:</u>			
Decrease (increase) in trade receivables and income receivable	(3,020)	(758)	(12,165)
Decrease (increase) in other accounts receivable	1,733	(1,751)	65
Decrease (increase) in inventory	1,530	11,825	(36,281)
Increase (decrease) in trade payables	(7,632)	1,186	2,205
Increase (decrease) in prepaid income	4,239	296	123
Increase (decrease) in other accounts payable	(2,899)	(1,332)	7,190
	<u>(6,049)</u>	<u>9,466</u>	<u>(38,863)</u>
<u>Cash paid and received during the period for:</u>			
Taxes on income paid	(7,065)	(7,115)	(4,009)
Taxes on income received	449	1,078	-
	<u>(6,616)</u>	<u>(6,037)</u>	<u>(4,009)</u>
Net cash provided by (used in) operating activities	<u>16,652</u>	<u>31,997</u>	<u>(13,620)</u>

The accompanying notes are an integral part of the consolidated financial statements

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,		
	2024	2023	2022
	\$ in thousands		
<u>Cash flows from investing activities</u>			
Purchase of fixed assets	(1,476)	(675)	(1,705)
Purchase of intangible assets	(64)	(352)	(80)
Net cash from the acquisition of subsidiaries that were consolidated for the first time (Appendix A)	-	-	(10,972)
Interest received	290	165	6
Increase in other investments	(320)	(88)	(122)
Net cash used in investing activities	(1,570)	(950)	(12,873)
<u>Cash flows from financing activities</u>			
Short term credit from banks and others, net	(6,015)	(9,971)	10,777
Interest paid	(2,006)	(2,236)	(1,655)
Cash from operations and companies that were previously consolidated and deconsolidated following the split (Appendix B)	-	-	(717)
Transfers from Emet (to Emet), net	-	-	2,088
Dividend to holders of PUT option	(583)	(1,226)	(570)
Dividend paid	(4,581)	(5,883)	(3,499)
Principal payment of lease liabilities	(2,038)	(1,405)	(1,830)
Exercise of PUT option	-	(907)	(185)
Issuance of share capital (net of issuance expenses)	-	-	12,165
Receipt of long-term loans	-	900	8,500
Repayment of long-term loans	(4,120)	(3,811)	(3,797)
Net cash provided by (used in) financing activities	(19,343)	(24,539)	21,277
Increase (decrease) in cash and cash equivalents	(4,261)	6,508	(5,216)
Exchange rate differences for cash and cash equivalents	(26)	52	(319)
Balance of cash and cash equivalents at the beginning of the year	12,621	6,061	11,596
Balance of cash and cash equivalents at the end of the year	8,334	12,621	6,061

The accompanying notes are an integral part of the consolidated financial statements

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,		
	2024	2023	2022
	\$ in thousands		
<u>Appendix A</u>			
<u>Acquisition of subsidiaries that were consolidated for the first time</u>			
Current assets, excluding cash and cash equivalents	-	-	(3,723)
Fixed assets, net	-	-	(64)
Right-of-use assets, net	-	-	(337)
Other non-current assets	-	-	(16)
Intangible assets	-	-	(7,699)
Goodwill created upon acquisition	-	-	(2,384)
Current liabilities	-	-	1,328
Liability to purchase investments and contingent consideration	-	-	1,381
Other noncurrent liabilities	-	-	542
	-	-	(10,972)

Appendix B
Cash from operations and companies that were previously consolidated and deconsolidated following the split

Current assets, excluding cash and cash equivalents	-	-	7,473
Fixed assets, net	-	-	182
Other non-current assets	-	-	187
Intangible assets	-	-	858
Goodwill created upon acquisition	-	-	1,853
Current liabilities	-	-	(7,534)
Other noncurrent liabilities	-	-	(11)
Net assets of operations transferred to Emet	-	-	(3,725)
	-	-	(717)

Appendix C

Significant non-cash activity

Recognition of right of use assets and lease liabilities	8,278	2,644	2,602
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – GENERAL

- a. Hiper Global Ltd. was incorporated and registered in Israel on October 14, 2021. The Company is defined as a resident of Israel. The Company's address is 8-10 Hamelacha Street, Rosh Ha'ayin ("the Company").

The Company was established by N.B.A. Trusts Ltd. as a trust for the shareholders of Emet Computing Ltd. ("Emet"). Emet, which is a sister company to the Company, was incorporated on November 25, 1984 and its shares were listed for trading on the Tel Aviv Stock Exchange in January 1993.

The Company was established in order to receive the OEM activity (as defined below) of Emet, including the holdings in its subsidiaries engaged in OEM activity, in accordance with the structure change agreement approved by the Company's board of directors on February 27, 2022 (the "structure change agreement" or "the Split Agreement").

The Company's operation is OEM (Original Equipment Manufacturer) computing - in which the Company is engaged in the characterization, planning and assembly of customized computerized systems that will be integrated into its customers' products. This activity includes analysis and technical characterization services of the appropriate computing platform, product planning, defining the appropriate infrastructures (hardware and software), performing planning and development processes for mechanical solutions, electricity, electronics and thermal analyzes of the product, management and documentation of the engineering information - including building product portfolios, management of production processes and planning and execution of product quality testing processes. In addition, the activity includes a service of full management of the logistics production and supply processes, among other things, management of the supply chain of assembled systems according to the customer's definitions. (the "OEM field", or the "OEM activity", or "OEM").

Furthermore, on March 9, 2022, the Company's shares were listed for trading on the Tel Aviv Stock Exchange.

- b. On December 28, 2021, Emet's Board of Directors resolved to consider a split of its OEM activity, as defined above (the "Split"), through a split prospectus and listing for trading on the Tel Aviv Stock Exchange Ltd. (the "Prospectus" and the "Stock Exchange", respectively), such that Emet would transfer to the Company its OEM activity, including its holdings in the subsidiaries Mediatech Ltd., Adecco Technologies (1993) Ltd., Emet-Elendav Components Ltd., Emet Technologies Inc., and ECA Services Ltd., which operate in this field.

On February 27, 2022, after the approval of the Board of Directors of Emet to carry out the aforementioned split, a split agreement was signed between the Company and Emet, which details the terms for the split of the activity specified above. A services agreement was also signed between the parties, which details the relations that will apply between the parties after the split date. For additional information regarding the services agreement, see Note 23 of the Hebrew version.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – GENERAL (Cont.)

Furthermore, on January 9, 2022, Emet received a tax ruling from the Tax Authority (the “Tax Ruling”), as part of which the transfer of the activity described above, including its holdings in the shares of its subsidiaries engaged in the OEM activity, will be transferred at no consideration and tax-exempt, under the limitations and conditions set forth in the tax ruling.

In accordance with the tax ruling, immediately after the completion of the aforementioned split, Emet-Elandav Components Ltd. (a subsidiary of Emet whose shares were transferred from Emet to the Company as part of the split) transferred its entire holdings in the shares of Versity Ltd., which holds the entire share capital of Midlink Computing Ltd., at no consideration, to Emet, in accordance with the provisions of Section 104C of the Income Tax Ordinance (New Version), -1961. For additional information, see Note 16A of the Hebrew version.

In addition, on February 27, 2022, the Company received a permit from the Securities Authority to publish a split prospectus, subject to additional approvals required by law. On March 8, 2022, the Company received approval for listing of its securities from the Tel Aviv Stock Exchange Ltd. and trading of its shares began on March 9, 2022.

In March 2022, the split was completed, in which the Company’s shares held by the trustee were transferred to the shareholders of Emet. Until the completion date of the split, the statements of financial position, statements of profit or loss and other comprehensive income or loss, statements of changes in equity and statements of cash flows are statements based on a carve-out of the OEM activity.

Transfers from Emet (to Emet) represent the cash flows provided by or used in, respectively, by the OEM activity during the reporting periods as reflected in the statement of cash flows. As of the completion date of the split, statements of financial position, statements of profit or loss and other comprehensive income or loss, statements of changes in equity and statements of cash flows are the Company's financial statements that reflect the actual results of the OEM's activity.

The statement of profit or loss and other comprehensive income and the statement of cash flows for the year ended December 31, 2022 are statements that incorporate the results of the OEM's activity for the period, so that up to the date of the split, the results are on a carve-out basis and starting from the date of the split, the results are in accordance with the actual results of the OEM's activity.

Retained earnings in the statement of changes in equity reflects the profit accumulated in the investee companies from the date of their acquisition and the profit accumulated in the parent company from the completion date of the split, until December 31, 2022.

- c. On September 30, 2023, Hiper Global CM Ltd. (a wholly owned company) was merged with and into the Company, in accordance with the provisions of Section 103 of the Income Tax Ordinance.
- d. On September 30, 2024, approval was received from the Registrar of Companies for the merger of Hiper Global Enterprise Ltd. (a wholly owned company) with and into the Company, in accordance with the provisions of Section 103 of the Income Tax Ordinance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – GENERAL (Cont.)

e. Definitions:

The Company -	Hiper Global Ltd.
The Group -	The Company and its subsidiaries (as defined below)
Subsidiaries-	Companies over which the Company has control (as defined in IAS 27), directly or indirectly, whose financial statements are fully consolidated with the Company's statements.
Related parties -	As defined in IAS 24
Interested parties -	As defined in the Securities Law -1968 including its regulations
Controlling shareholders -	As defined in the Securities Regulations (annual financial statements) -2010

f. The effects of inflation and interest rate increase -

Following macroeconomic developments around the world that occurred during 2022, there was an increase in inflation rates in Israel and around the world. As part of the steps taken to curb the rise in prices, the world's central banks, including the Bank of Israel, raised interest rates continuously in several phases during 2022 and 2023, until inflation levels were curbed. In 2024, the Federal Reserve in the US and the European Central Bank reduced interest rates in several phases, and in Israel, in 2024, the Bank of Israel lowered the interest rate by 0.25%.

The aforementioned changes did not have a material impact on the Company's business, since it is not exposed to material liabilities linked to the consumer price index. In addition, the Company was not materially affected by fluctuations in interest rates.

g. "Swords of Iron" War

In October 2023, the "Swords of Iron" war ("**The war**") broke out in Israel. In the third quarter of 2024, the war intensified in the northern border which as of the date of this report, was concluded with cease fire agreement at the end of 2024. The continuation of the war (until this date) led to a slowdown in business activity in the Israeli economy due to, among other things, the closing of factories in the south and north of the country, damage to infrastructure, the recruitment of reservists, as well as the disruption of economic activity in Israel. The continuation of the war for a long period of time could have far-reaching consequences for many sectors and various geographical areas in the country. During 2024, international credit rating agencies announced the downgrading of the State of Israel's credit ratings with a negative outlook. Since the outbreak of war, the Company has continued ordinary operations in Israel at all of its sites without any disruption to production and product supply.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – GENERAL (Cont.)

As of the date of this report, the Company estimates at this stage, based on the information it has as of the date of approval of the financial statements, that the war in its current configuration is not expected to have a material effect on the results of its operations.

NOTE 2 – REVENUES

Year ended December 31,		
2024	2023	2022
\$ in thousands		

Geographic information

The revenues reported in the financial statements were generated in Israel and abroad based on the location of the operation as follows:

Israel	159,473	193,815	183,311
USA	97,928	81,237	103,615
Other (including Germany, Switzerland and UK)	16,338	10,515	13,657
	<u>273,739</u>	<u>285,567</u>	<u>300,583</u>

Revenue from major customers where each is responsible for 10% of total revenue reported in the financial statements:

Customer A - Israel operating segment	23,954	40,628	1,651
Customer A - US operating segment	8,747	-	-
Customer B - Israel operating segment	37,154	30,191	47,196
Customer C - US operating segment	27,706	17,620	61,919
	<u>97,561</u>	<u>88,439</u>	<u>110,766</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 – INFORMATION REGARDING OPERATING SEGMENTSGeneral

In accordance with international financial reporting standard number 8 - Operating segments (IFRS 8), the group presents the segment information in the same way that the group's main operational decision maker ("CODM") uses it for the purpose of evaluating performance and for making the group's operational decisions.

During the reporting period, the Company re-examined the manner of segment reporting. In previous periods, the Company grouped the results of the UK segment together with the US segment. In view of the Company's latest work plans and the profitability forecasts of the Company's International activities, the Company concluded that the reporting of the UK segment should be separated from the results of the US segment and the grouping should be discontinued. As of the date of this report, the Company includes the results of the UK segment within the framework of other segment, in which the results of the Company's activities in Western Europe (mainly Germany and Switzerland) will also be presented.

The group operates and manages its business mainly on the basis of the geographical location of its activities and accordingly measures and presents three reportable activity segments, as follows:

1. Israel segment – includes OEM activity in Israel.
2. US segment - includes OEM activity in US
3. Other segment – includes OEM activity in Europe; Through the group's subsidiaries in England and Switzerland, as well as additional activity carried out in Germany.

The accounting policy of the aforementioned operating segments is the same as that presented in note 2 in regarding the accounting policy at the Hebrew version.

The results of the segments are measured on the basis of operating income, as included in the reports which are regularly reviewed by the CODM. Also, the segment profits reported to the CODM include items directly attributable to the segment and items that can be attributed on a reasonable basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 – INFORMATION REGARDING OPERATING SEGMENTS (Cont.)

	Year ended December 31, 2024				
	Israel	US	Other	Adjustments	Consolidated
	\$ in thousands				
<u>Information on comprehensive income</u>					
Revenues					
External revenues	159,473	97,928	16,338	-	273,739
Intersegment revenues	6,763	1,161	2	(7,926)	-
Total revenues	166,236	99,089	16,340	(7,926)	273,739
Cost of sales	138,038	82,666	13,392	(7,926)	226,170
Segment results	15,929	8,844	2	-	24,775
Financial expenses					5,257
Financial income					1,558
Income before taxes on income					21,076
Depreciation and amortizations	2,556	2,045	214	-	4,815
Segment Assets	109,155	75,479	9,279	(18,918)	174,995
Segment Liabilities	38,076	58,340	6,218	(18,918)	83,716

	Year ended December 31, 2023				
	Israel	US	Other	Adjustments	Consolidated
	\$ in thousands				
<u>Information on comprehensive income</u>					
Revenues					
External revenues	191,743	81,296	12,528	-	285,567
Intersegment revenues	3,722	992	59	(4,773)	-
Total revenues	195,465	82,288	12,587	(4,773)	285,567
Cost of sales	164,942	67,587	9,776	(4,773)	237,532
Segment results	17,010	6,926	89	-	24,025
Financial expenses					5,226
Financial income					545
Income before taxes on income					19,344
Depreciation and amortizations	2,404	2,300	81	-	4,785
Segment Assets	110,936	62,921	7,360	(8,168)	173,049
Segment Liabilities	47,483	49,873	4,366	(8,168)	93,554

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**NOTE 3 – INFORMATION REGARDING OPERATING SEGMENTS (Cont.)**

	Year ended December 31, 2022				
	Israel	US	Other	Adjustments	Consolidated
	\$ in thousands				
<u>Information on comprehensive income</u>					
Revenues					
External revenues	183,311	103,615	13,657	-	300,583
Intersegment revenues	253	840	-	(1,093)	-
Total revenues	<u>183,564</u>	<u>104,455</u>	<u>13,657</u>	<u>(1,093)</u>	<u>300,583</u>
Cost of sales	153,884	88,115	10,725	(1,093)	251,631
Segment results	13,883	8,191	859	-	22,933
Financial expenses					4,021
Financial income					<u>2,015</u>
Income before taxes on income					<u>20,927</u>
Depreciation and amortizations	2,518	2,727	148	-	5,393
Segment Assets	117,216	57,963	7,737	(5,925)	176,991
Segment Liabilities	60,616	46,351	5,774	(5,925)	106,816

NOTE 4 – EVENTS AFTER THE REPORTING PERIOD

- A. On March 13, 2025, the Company's board of directors declared a dividend of NIS 0.14 per share and a total amount of approximately \$1,814 thousand. The effective date was set for March 23, 2025.
- B. In January 2025, after the reporting period, most of the put option in the subsidiary Hiper Global US LLC was exercised, which increased the holding in the Company to 98.2%.