



# Periodic report for the year ended December 31, 2025

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This is an English translation of parts of the information in the full Hebrew report of the company, that was published on March 17, 2026 (reference no.: 2026-01-023232) at the ISA reporting website ([magna.isa.gov.il](http://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, 2025**

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, 2025 ("**The Reported period**") and for three months then ended ("**The Quarter**") in accordance with the Securities Regulations (periodic and Immediate Reports) – 1970, as detailed below (The Regulations).

In Chapter C of this periodic report, attached are the Company's consolidated financial statements as of December 31, 2025 ("**The financial statements as of December 31, 2025**" 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 global deployment according to its customers' business needs.

The Company operates in several operating segments: the Israel operation segment, the US operation segment and "Europe" operation segment (which as of this date includes operations in Switzerland, Germany and UK), 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 The Company reports a significant backlog of orders accumulated over the past few months (following the Company's immediate reports on the subject during the last months of 2025), the realization of which is expected to be reflected in gradual revenue growth over the coming quarters.

However, in view of the extension of delivery times caused by the global shortage of memory components and at the same time a significant slowdown in the entry of imported equipment into Israel as a result of the "Lion's Roaring" war, the Company estimates that the improvement in revenues is expected to be reflected only after the first quarter of 2026.

**The Company's estimates regarding the impact of the orders received in recent months and the expected improvement in revenues starting in the second quarter of 2026 are forward-looking information as defined in the Securities Law, -1968. This estimate may not materialize, in whole or in part, or may materialize in a materially different manner than anticipated, among other things, as a result of events that are beyond the Company's control and depend, among other things, on market conditions, the state of the economy and customers.**

- 2.2 For events that occurred from January 1, 2025 until the publication date of the third quarter report for 2025 see section 2 of the Company's board of directors' report for the periodic report for 2024, the Company's Board of Directors' Report for the first quarter of 2025, the Company's Board of Directors' Report for the second quarter of 2025 and the Company's Board of Directors' Report for the third quarter of 2025, which were published on March 16, 2025, May 14, 2025, August 19, 2025 and November 18, 2025 (References No.: 2025-01-017101, 2025-01-033634, 2025-01-061521 and 2025-01-088384 respectively).
- 2.3 On December 31, 2025, a strategic acquisition was completed of Bressner Tech GMBH ("Bressner"), which operates from Munich, Germany and is engaged in the integration and sale of hardware solutions for industrial computing to customers throughout Europe in a consideration of approximately \$ 20 million. The Company expects that the acquisition will enable it to create new business opportunities while leveraging its location, infrastructure, professional capabilities, and customer base as a platform for significant business growth in Europe. For further details, see immediate report dated December 31, 2025 (reference number: 2025-01-105405).
- 2.4 On January 12, 2026, the Company's Board of Directors approved to raise capital in the amount of NIS 85 million by private allocation to 6 institutional entities, 2 classified investors and one private investor in which 3,811,650 ordinary shares of the Company were issued at NIS 22.30 per share and in total of NIS 84,999,795. The proceeds are intended to accelerate the Company's growth, investments and acquisition plans. For further details, see the Company's immediate report dated January 13, 2026 (reference number: 2026-01-005734).
- 2.5 On May 19, 2026, 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), in total amount of \$ 3,272 thousand. For additional details see immediate report regarding the dividend distribution which will be published on or about the date of this report.
- 2.6 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, 2025, amounted to approximately \$ 195,401 thousand and as of December 31, 2024, amounted to approximately \$ 174,995 thousand.

3.2 Below are the key changes in the Group's financial position as of December 31, 2025, compared to the consolidated statement of financial position as of December 31, 2024 (US dollars in thousands):

Item	As of December 31 2025	As of December 31 2024	Company's explanations
<b>Current Assets</b>	148,095	142,444	The main change in the volume of current assets is due to an increase in cash balance of \$ 1,419 thousand, increase in the balance of trade receivables of \$13,475 thousand, increase in the balance of taxes receivable of \$1,636 thousand, increase in the balance of other receivables of \$913 thousand, and on the other hand a decrease in the balance of inventory of \$12,001 thousand.
<b>Non-current Assets</b>	47,306	32,551	The main change in the volume of non-current assets resulted from an increase in goodwill and intangible assets as a result of the acquisition of the companies Sarsen <sup>1</sup> and Bressner, as well as an increase in deferred taxes in the amount of \$1,427 thousand.
<b>Total Assets</b>	<b>195,401</b>	<b>174,995</b>	
<b>Current Liabilities</b>	74,236	67,911	The main change in the volume of current liabilities stems from credit raising of \$ 18,500 thousand to finance the acquisition of Bressner, and which was partially offset as a result of the reduction in the scope of current credit, mainly in the US segment and a decrease in the balance of liabilities for a Put option to non-controlling interests of \$3,695 thousand due to an exercise carried out in the first quarter of 2025 in the US.
<b>Non-current Liabilities</b>	20,971	15,805	The main change in the volume of non-current liabilities resulted from an increase in the balance of long-term loans of \$2,936 thousand and an increase in the balance of deferred tax liabilities of \$1,753 thousand.
<b>Equity</b>	100,194	91,279	The main change in equity is due to the addition of net income amounting to \$ 14,892 thousand, net of the dividend declared in the amount of \$ 5,513 thousand.

<sup>1</sup>On May 30, 2025, the acquisition of 100% of the shares of SARSEN UK in England, which is engaged in the integration and sale of hardware solutions primarily to customers in the security sector in England and Europe ("Sarsen"), was completed.

<b>Total Liabilities and Equity</b>	<b>195,401</b>	<b>174,995</b>	
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#### 4. Operating results

4.1 The following are the condensed consolidated statements of profit or loss for the years ended December 31, 2025 and December 31, 2024 (US dollars in thousands):

Item	For the year ended December 31		Change in %	Company's explanations
	2025	2024		
Revenues	281,123	273,739	2.7%	The increase in revenue is mainly due to organic growth in the scope of activity and also includes the first-time consolidation of the revenue of a company acquired abroad at the beginning of the second quarter.
Gross profit	45,140	47,569	(5.1%)	The decrease in gross profit was affected by a change in the revenue mix as a result of accelerated technological changes that characterized the markets in the past year, including the impact of projects in which transitions to a new generation were made that replaced old, established projects, a process that naturally entails low costs and gross profit margins in the first stages of supplies. In addition, this item also reflected the impact of the revaluation in the NIS/dollar exchange rate, which led to an increase in the dollar value of NIS costs in the Israeli sector (mainly wages, rent and maintenance).
Gross profit rate	16.1%	17.4%		
Selling, general and administrative expenses	24,908	22,781	9.3%	The increase in selling, administrative and general expenses was mainly due to an increase in selling salary costs (as a result of the effect of the revaluation in the NIS/dollar exchange rate on the increase in the dollar value of NIS costs), an increase in advertising costs, and the additional expenses resulting from the consolidation of the company acquired abroad at the beginning of the second quarter of 2025, the costs of professional services to execute the transaction and the costs of amortizing intangible assets in connection therewith.
Other expenses	598	13		The increase derives from extraordinary costs for the Bressner acquisition transaction, which was completed at the end of 2025 (mainly legal costs and other professional services).
Operating income	19,634	24,775	(20.8%)	The decrease in operating profit was due to a decrease in gross profit and the increase in selling, administrative and general expenses, and other expenses as stated above. The Company

				estimates that the effects of the revaluation in the NIS/dollar exchange rate on the dollar value of NIS expenses amounted to a loss of approximately \$2 million in operating profit in 2025.
<b>Operating income rate</b>	7.0%	9.1%		
<b>Financial expenses, net</b>	2,344	3,699	(36.6%)	The decrease in net financing expenses is mainly due to a decrease compared to the expenses recorded in the corresponding year due to the revaluation of financial liabilities, which was partially offset by an increase in financing costs due to the revaluation of NIS liabilities as a result of the appreciation in the NIS exchange rate against the dollar.
<b>Taxes on income</b>	2,398	5,237	(54.2%)	The decrease in tax expenses stems from a decrease in taxable income in the Israel sector due to high shekel financing expenses stemming from the revaluation of the NIS exchange rate against the dollar during the period.
<b>Net income</b>	<b>14,892</b>	<b>15,839</b>	(6.0%)	The decrease in net income stemmed from a decrease in operating profit net of a decrease in net financing expenses and income taxes.

<b>EBITDA (*)</b>	<b>25,206</b>	<b>29,497</b>	(14.5%)	The main change resulted from a decrease in operating income as detailed above, offsetting an increase in depreciation and amortization expenses.
<b>Adjusted EBITDA (**)</b>	<b>25,779</b>	<b>29,497</b>	(12.6%)	The change resulted from a decrease in operating income as detailed above, offsetting the increase in extraordinary expenses for the acquisition of the company in Germany, and the change in depreciation and amortization.

(\*) 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.

(\*\*) Adjusted EBITDA (data is not audited and not reviewed): Operating income excluding depreciation and amortization expenses and excluding one-time expenses related mainly to an acquisition transaction of Bressner of \$ 573 thousand. This figure is included in the report because of the information it provides 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, 2025 and 2024 (US dollars in thousands):

Item	For the period of three months ended December 31		Change in %	Company's explanations
	2025	2024		
<b>Revenues</b>	71,581	64,460	11.0%	The increase in revenues was mainly due to organic growth in customer activity in various sectors.
<b>Gross profit</b>	12,092	11,889	1.7%	The increase in gross profit was due to an increase in revenues, but the gross profit rate was eroded mainly by the increase in the dollar value of NIS costs in the Israel sector due to the sharp revaluation in the dollar exchange rate against the NIS (revaluation of approximately 12% in average exchange rates compared to the corresponding quarter) as well as by an extraordinary transaction in the corresponding quarter, the results of which, due to its unique characteristics, were recorded in net gross profit, and contributed to increase in the profitability rate.
<b>Gross profit rate</b>	<b>16.9%</b>	<b>18.4%</b>		
<b>Selling, general and administrative expenses</b>	7,142	5,689	25.5%	The increase in selling, administrative and general expenses was mainly due to the increase in NIS operating costs in the Israel segment due to sharp revaluation of the dollar exchange rate against the NIS and from the increase in expenses following the first-time consolidation of the results of a company acquired abroad at the beginning of the second quarter of 2025.
<b>Other expenses</b>	589	11		The item includes extraordinary costs for the Bressner acquisition transaction which was completed at the end of 2025 (mainly legal costs and other professional services).
<b>Operating income</b>	<b>4,950</b>	<b>6,200</b>	(20.2%)	The decrease in operating profit was mainly due to the increase in selling, administrative and general expenses and other expenses as stated above. The Company estimates that the effects of the revaluation in the NIS/dollar exchange rate on the dollar value of NIS expenses amounted to a loss of approximately \$ 0.9 million in operating profit for the current quarter compared to the corresponding period.

<b>Operating income rate</b>	<b>6.9%</b>	<b>9.6%</b>		
<b>Financial expenses, net</b>	222	1,217	(81.8%)	The decrease in financial expenses stems mainly from expenses recorded in the corresponding quarter for adjusting the value of an option for PUT option holders, as well as from a decrease in interest expenses during the period as a result of a decrease in the volume of credit.
<b>Taxes on income</b>	752	896	(16.2%)	
<b>Net income</b>	<b>3,976</b>	<b>4,087</b>	(2.7%)	The decrease in net income resulted from the decrease in operating income, which was partially offset by the decrease in net financial expenses and taxes on income.

<b>EBITDA (*)</b>	<b>6,384</b>	<b>7,505</b>	<b>(14.9%)</b>	The decrease mainly resulted from a decrease in operating income as detailed above, offsetting an increase in depreciation and amortization expenses.
<b>(**) Adjusted EBITDA</b>	<b>6,970</b>	<b>7,505</b>	<b>(7.1%)</b>	The change resulted from a decrease in operating income as detailed above, offsetting the increase in extraordinary expenses for the acquisition of the company in Germany, and change in depreciation and amortization.

(\*) 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.

(\*\*) Adjusted EBITDA (data is not audited and not reviewed): Operating income excluding depreciation and amortization expenses and excluding one-time expenses related mainly to the acquisition transaction of Bressner of \$ 586 thousand. This figure is included in the report because of the information it provides 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, 2025 (in thousands of dollars):

Item	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	The year of 2025
Revenues	80,442	62,828	66,272	71,581	281,123
Gross profit	12,592	9,740	10,716	12,092	45,140
Gross profit rate	15.7%	15.5%	16.2%	16.9%	16.1%
Selling, general and administrative expenses	5,931	6,445	5,980	6,552	24,908
Other expenses	1	-	7	590	598
Operating income	6,660	3,295	4,729	4,950	19,634
Operating income rate	8.3%	5.2%	7.1%	6.9%	7.0%
Financial expenses, net	387	1,149	586	222	2,344
Taxes on income	1,602	(845)	889	752	2,398
Net income	4,671	2,991	3,254	3,976	14,892

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, 2025 and 2024 (US dollars in thousands):

Item	For the year ended December 31		Change in %	Company's explanations
	2025	2024		
<b><u>Segment's revenues:</u></b>				
Israel	179,250	166,236	7.8%	The increase in segment revenues stems from increased activity with various customers mainly in the security and semiconductor sectors
US	91,259	99,089	(7.9%)	The decrease stems from delays in receiving orders for the implementation of projects in the US defense sector, as a result of changes made in federal offices since the new administration took office at the beginning of the year (see section 9.4 in Chapter A, Description of the Corporation's Business).
Europe (*)	21,759	16,340	33.2%	The increase in revenues is attributed to the commencement of ongoing deliveries this year in a significant project in Switzerland, alongside the consolidation of the results of the acquired company in this segment starting in the second quarter of 2025.
<b>Adjustments</b>	(11,145)	(7,926)	40.6%	
<b>Total revenues</b>	<b>281,123</b>	<b>273,739</b>	<b>2.7%</b>	
<b><u>Segment's results:</u></b>				
Israel	12,983	15,929	(20.6%)	The decline in profitability was affected by a change in the revenue mix, including the impact of projects in which transitions to a new generation were made that replaced old, established projects, a process that naturally entails low costs and gross profit margins in the first stages of supplies. In addition, there was a significant impact of an increase in the dollar value of NIS costs in the Israel segment, estimated at approximately \$ 2 million, due to the impact of the revaluation of the NIS exchange rate against the dollar in 2025.
US	6,798	8,844	(23.1%)	The decrease in the segment's profit was affected by the decrease in revenues as stated above, as well as an increase in rental and depreciation expenses as a result of the expansion of the production and operating sites in which the company invested in order to enable advanced infrastructure to support future growth in the scope of activity.
Europe (*)	(147)	2		
<b>Total operating income</b>	<b>19,634</b>	<b>24,775</b>	<b>(20.8%)</b>	

(\*) The segment includes the company's operations in Europe (UK, Switzerland and Germany).

4.5 Financial information on business operating segments of the group for the period of three months ended on December 31, 2025 and 2024 (US dollars in thousands):

Item	For the period of three months ended December 31		Change in %	Company's explanations
	2025	2024		
<b><u>Segment's revenues:</u></b>				
Israel	45,628	39,710	14.9%	The increase in segment revenue was due to organic growth in the various sectors mainly in the semiconductor sector.
US	22,895	22,786	0.5%	After 3 quarters, a gradual return to regular activity of federal offices in the US began in the last quarter of 2025 (see also Section 9.4 of Chapter A, Description of the Corporation's Business),
Europe (*)	5,801	4,776	21.5%	The increase is due to the consolidation of the results of the acquired company in this segment starting from the second quarter of 2025.
<b>Adjustments</b>	(2,743)	(2,812)	(2.5%)	
<b>Total revenues</b>	<b>71,581</b>	<b>64,460</b>	<b>11.0%</b>	
<b><u>Segment's results:</u></b>				
Israel	3,630	4,107	(19.7%)	The decrease in profit was due to an increase in the dollar value of NIS costs in the Israel segment in an estimated amount of approximately \$ 0.9 million due to the effect of the revaluation in the dollar exchange rate against the NIS in the fourth quarter of 2025.
US	1,848	1,917	(3.6%)	
Europe (*)	(528)	176	(210.2%)	The change in profit is due to expenses for professional services recorded in this quarter in connection with the acquisition of Bressner in Germany.
<b>Total operating income</b>	<b>4,950</b>	<b>6,200</b>	<b>(20.2%)</b>	

(\*) The segment includes the company's operations in Europe (UK, Switzerland and Germany).

## Liquidity and Cash flows

### 4.6 key figures from the statement of cash flows for the years ended December 31, 2025 and 2024 (dollars in thousands):

The item	For the year ended December 31		Company's explanations
	2025	2024	
<b>Net income</b>	<b>14,892</b>	<b>15,839</b>	
Adjustments to profit or loss items	11,198	13,478	
Changes in asset and liability items	7,231	(6,049)	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	(5,952)	(6,616)	
<b>Net cash provided by operating activities</b>	<b>27,369</b>	<b>16,652</b>	
<b>Net cash used in investing activities</b>	<b>(23,169)</b>	<b>(1,570)</b>	The change is due to investments made during the year to acquire the companies Sarsen and Bressner.
Dividend paid to shareholders	(5,510)	(4,581)	
Cash paid as part of other financing activity	2,648	(14,762)	The increase in cash from other financing activities in the current period was primarily due to the receipt of new short-term and long-term loans to finance the acquisition of the companies Sarsen and Bressner.
<b>Net cash used in financing activities</b>	<b>(2,862)</b>	<b>(19,343)</b>	
<b>Increase (decrease) in cash and cash equivalents</b>	<b>1,338</b>	<b>(4,261)</b>	

4.7 key figures from the statement of cash flows for the period of three months ended December 31, 2025 and 2024 (dollars in thousands):

The item	For the period of three months ended December 31		Company's explanations
	2025	2024	
<b>Net income</b>	<b>3,976</b>	<b>4,087</b>	
Adjustments to profit or loss items	2,995	3,056	
Changes in asset and liability items	4,003	1,216	The main change compared to the corresponding period was due to timing differences - mainly due to increase in other payables
Cash received (paid) as part of operating activities	(872)	(793)	
<b>Net cash provided by (used in) operating activities</b>	<b>10,101</b>	<b>7,566</b>	
<b>Net cash used in investing activities</b>	<b>(20,122)</b>	<b>(304)</b>	
Dividend paid to shareholders	(1,401)	(754)	
Cash received (paid) as part of other financing activity	15,899	(7,810)	The increase was mainly due to receiving credit for the acquisition of Bressner
<b>Net cash provided by (used in) financing activities</b>	<b>14,498</b>	<b>(8,564)</b>	
<b>Increase (decrease) in cash and cash equivalents</b>	<b>4,477</b>	<b>(1,302)</b>	

## **5. Financing Sources**

- 5.1 The working capital of the company as of December 31, 2025 was about \$ 73,859 thousand compared to a total of about \$ 74,533 thousand as of December 31, 2024.
- 5.2 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.
- 5.3 After the balance sheet date, in January 2026, the Company raised a total of approximately \$ 27 million in private allocation from a number of institutional entities in Israel (see also Section 2.4 of this report).
- 5.4 The average amount of short-term credit from banking and other corporations in the year ended December 31, 2025 was about \$ 16,223 thousand and in the year ended December 31, 2024 was about \$ 21,619 thousand.
- 5.5 The average amount of long-term loans in the year ended December 31, 2025 was about \$ 6,502 thousand and in the year ended December 31, 2024 was about \$ 5,432 thousand.
- 5.6 The average amount of credit from suppliers in the year ended December 31, 2025 was about \$ 23,487 thousand and in the year ended December 31, 2024 it was about \$ 27,201 thousand.
- 5.7 The average amount of credit to customers in the year ended December 31, 2025 was about \$ 62,511 thousand and in the year ended December 31, 2024 it was about \$ 51,461 thousand.

## **6. Effects of inflation and interest**

In 2025, the consumer price index increased by approximately 2.6%, compared to an increase of approximately 3.2% last year. According to the Bank of Israel forecast from January 2026, the inflation rate during the four next quarters (ending on the fourth quarter of 2026) is expected to be 1.7% and the inflation rate in 2027 is expected to be 2.0%.

On February 24, 2025, the Bank of Israel decided to leave the Bank of Israel interest rate unchanged at 4.5%. On November 24, 2025, the Bank of Israel reduced the interest rate to 4.25% and on January 5, 2026, after the balance sheet date, the Bank of Israel reduced the interest rate to 4.0%.

In the US, after three interest rate reductions by the Federal Reserve this year, the interest rate is 3.75%. During 2025, the European Central Bank continued to reduce the interest rate and left it at 2.15% at the end of the year.

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.**

**7. 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.

**8. 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.

**9. 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.

**10. The auditor**

10.1 The Company's auditor as of July 2021 is the accounting firm Kost Forer Gabbay & Kassirer (EY) (the "**Auditor**").

10.2 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.

10.3 In 2025 and 2024, the auditor's fee for audit services was NIS 494 and NIS 494 thousand, respectively. Audit-related services and tax services amounted to approximately NIS 311 and 77 thousand, respectively.

**11. Corporate governance aspects**

**11.1 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.

## 11.2 **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.

## 11.3 **Donations**

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

## 11.4 **Disclosure regarding the company's internal auditor**

11.4.1 Auditor's name: Amit Alon.

11.4.2 Term commencement date: May 23, 2022

11.4.3 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.

11.4.4 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.

11.4.5 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.

11.4.6 The audit plan: the internal auditor's audit plan is annual and derived from a multi-annual plan that relates to the company and the subsidiaries in the group. The annual plan for 2025 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.

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

11.4.8 The scope of employment of the internal auditor during 2025 was approximately 220 hours.

- 11.4.9 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.
- 11.4.10 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.
- 11.4.11 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.
- 11.4.12 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	August 5, 2025	August 12, 2025	70
2	November 4, 2025	November 13, 2025	150

- 11.4.13 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.
- 11.4.14 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 2025 amounted to approximately NIS 61 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.**

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

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**Shahaf Shrager**  
**CEO**

Date: March 16, 2026

# **Hiper Global Ltd.**

## **Consolidated Financial Statements**

**As of December 31, 2025**

**US dollars in thousands**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**


---

	<b>December 31,</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$ in thousands</b>	
<b><u>Current Assets</u></b>		
Cash and cash equivalents	9,753	8,334
Trade receivables, net	69,940	56,465
Income receivable	1,931	1,722
Income tax receivable	2,484	848
Other accounts receivable	2,078	1,165
Inventory	61,909	73,910
<b>Total current assets</b>	<b>148,095</b>	<b>142,444</b>
<b><u>Non-Current Assets</u></b>		
Long-term accounts receivable	390	442
Deferred taxes	2,573	1,146
Fixed assets, net	6,006	5,972
Goodwill	14,899	7,325
Intangible assets, net	11,040	5,470
Right of use assets, net	12,398	12,196
<b>Total non-current assets</b>	<b>47,306</b>	<b>32,551</b>
<b>Total assets</b>	<b>195,401</b>	<b>174,995</b>

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

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	December 31,	
	2025	2024
	\$ in thousands	
<b><u>Current Liabilities</u></b>		
Credit from banks and others	25,373	15,550
Current maturities of lease liabilities	3,057	2,126
Liability for PUT option to non-controlling interests	1,283	4,978
Trade payables	26,112	26,555
Prepaid income	4,142	5,359
Income tax payable	583	502
Other accounts payables	13,686	12,841
<b>Total current Liabilities</b>	<b>74,236</b>	<b>67,911</b>
<b><u>Non-Current Liabilities</u></b>		
Long term loans from banks and others	7,439	4,503
Long term lease liabilities	11,151	10,815
Liabilities for employee benefits, net	548	407
Deferred taxes	1,833	80
<b>Total non-current Liabilities</b>	<b>20,971</b>	<b>15,805</b>
<b><u>Equity Attributable to Shareholders of the Parent Company</u></b>		
Share capital	1,487	1,479
Premium on shares	11,694	11,137
Capital reserves	35,611	36,599
Retained earnings	51,402	42,064
<b>Total equity</b>	<b>100,194</b>	<b>91,279</b>
<b>Total liabilities and equity</b>	<b>195,401</b>	<b>174,995</b>

March 16, 2026			
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,		
		2025	2024	2023
		\$ in thousands (except for net earnings per share data)		
Revenues from sales		281,123	273,739	285,567
Cost of sales		235,983	226,170	237,532
Gross profit		45,140	47,569	48,035
Selling and marketing expenses		13,340	11,951	12,735
General and administrative expenses		11,593	10,936	11,367
Other income (income), net		573	(93)	(92)
		25,506	22,794	24,010
Operating income		19,634	24,775	24,025
Financial expenses		2,779	5,257	5,226
Financial income		435	1,558	545
Income before taxes on income		17,290	21,076	19,344
Taxes on income		2,398	5,237	5,037
Net income		14,892	15,839	14,307

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

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

	<u>Year ended December 31,</u>		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
	<u>\$ in thousands (except for net earnings per share data)</u>		
Other comprehensive income (after tax effect):			
<u>Amounts to be reclassified or reclassified to profit or loss upon the occurrence of specific conditions:</u>			
Gain (loss) on cash flow hedging transactions	(1,007)		
Adjustments resulting from the translation of financial statements of foreign operations	135	(52)	(42)
<u>Amounts that will not be reclassified later to profit or loss:</u>			
Gain (loss) from re-measurement of defined benefit plans	(41)	50	(13)
Total other comprehensive income (loss)	(913)	(2)	(55)
Total comprehensive income	<u>13,979</u>	<u>15,837</u>	<u>14,252</u>
<u>Net income attributed to:</u>			
Shareholders of the Company	<u>14,892</u>	<u>15,839</u>	<u>14,307</u>
<u>Comprehensive income attributed:</u>			
Shareholders of the Company	<u>13,979</u>	<u>15,837</u>	<u>14,252</u>
<u>Earnings per share attributed to shareholders of the Company (in Dollar):</u>			
<u>Basic net income</u>			
Net earnings per share	<u>0.315</u>	<u>0.337</u>	<u>0.306</u>
<u>Diluted earnings</u>			
Net earnings per share	<u>0.306</u>	<u>0.326</u>	<u>0.298</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	Capital reserve for hedging transactions	Retained earnings	Total Equity
	\$ in thousands									
<b>For the year ended December 31, 2025</b>										
<u>Balance as of January 1, 2025</u>	1,479	11,137	35,307	(412)	1,897	44	(237)	-	42,064	91,279
Net income for the year	-	-	-	-	-	-	-	-	14,892	14,892
Other comprehensive income (loss) for the year	-	-	-	135	-	-	-	(1,007)	(41)	(913)
Total comprehensive income (loss) for the year	-	-	-	135	-	-	-	(1,007)	14,851	13,979
Share based payment	-	-	-	-	209	1	-	-	-	210
Issuance of shares	8	557	-	-	(326)	-	-	-	-	239
Dividend declared	-	-	-	-	-	-	-	-	(5,513)	(5,513)
<u>Balance as of December 31, 2025</u>	<u>1,487</u>	<u>11,694</u>	<u>35,307</u>	<u>(277)</u>	<u>1,780</u>	<u>45</u>	<u>(237)</u>	<u>(1,007)</u>	<u>51,402</u>	<u>100,194</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								
<b>For the year ended December 31, 2024</b>									
<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								
<b>For the year ended December 31, 2023</b>									
<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 CASH FLOWS

	Year ended December 31,		
	2025	2024	2023
	\$ in thousands		
<b><u>Cash flows from operating activities</u></b>			
Net income	14,892	15,839	14,307
<b><u>Adjustments to reconcile net income to net cash provided by operating activities:</u></b>			
Adjustments to profit and loss:			
Depreciation and amortizations	5,572	4,815	4,785
Taxes on income	2,398	5,237	5,037
Decrease in provision for doubtful accounts	99	(22)	(28)
Increase (decrease) in provision for vacation and recreation	(35)	3	(99)
Value adjustment of financial liabilities	200	754	1,033
Dividend to holders of PUT option	38	606	760
Change in employee benefits, net	88	32	14
Interest and revaluation for short term credit, net	880	1,023	1,457
Interest and revaluation of long-term loans, net	436	371	339
Loss from foreign operations	-	-	40
Other financial income, net	1,298	131	(28)
Capital loss (gains), net	14	-	-
Cost of share-based payment	210	528	951
	11,198	13,478	14,261
<b><u>Changes in asset and liability items:</u></b>			
Increase in trade receivables and income receivable	(9,361)	(3,020)	(758)
Decrease (increase) in other accounts receivable	(315)	1,733	(1,751)
Decrease in inventory	21,201	1,530	11,825
Increase (decrease) in trade payables	(1,683)	(7,632)	1,186
Increase (decrease) in prepaid income	(1,217)	4,239	296
Decrease in other accounts payable	(1,394)	(2,899)	(1,332)
	7,231	(6,049)	9,466
<b><u>Cash paid and received during the period for:</u></b>			
Taxes on income paid	(6,242)	(7,065)	(7,115)
Taxes on income received	290	449	1,078
	(5,952)	(6,616)	(6,037)
Net cash provided by operating activities	27,369	16,652	31,997

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

## CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,		
	2025	2024	2023
	\$ in thousands		
<b><u>Cash flows from investing activities</u></b>			
Purchase of fixed assets	(429)	(1,476)	(675)
Purchase of intangible assets	(357)	(64)	(352)
Proceeds from sale of fixed assets	9	-	-
Net cash from the acquisition of subsidiaries that were consolidated for the first time (Appendix A)	(22,793)	-	-
Interest received	435	290	165
Increase in other investments	(34)	(320)	(88)
Net cash used in investing activities	(23,169)	(1,570)	(950)
<b><u>Cash flows from financing activities</u></b>			
Short term credit from banks and others, net	8,532	(6,015)	(9,971)
Interest paid	(2,076)	(2,006)	(2,236)
Dividend to holders of PUT option	(163)	(583)	(1,226)
Dividend paid	(5,510)	(4,581)	(5,883)
Principal payment of lease liabilities	(2,781)	(2,038)	(1,405)
Exercise of PUT option	(3,895)	-	(907)
Proceeds from the exercise of options granted to employees	239	-	-
Receipt of long-term loans	8,617	-	900
Repayment of long-term loans	(5,825)	(4,120)	(3,811)
Net cash used in financing activities	(2,862)	(19,343)	(24,539)
Increase (decrease) in cash and cash equivalents	1,338	(4,261)	6,508
Exchange rate differences for cash and cash equivalents	81	(26)	52
Balance of cash and cash equivalents at the beginning of the year	8,334	12,621	6,061
Balance of cash and cash equivalents at the end of the year	9,753	8,334	12,621

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

**CONSOLIDATED STATEMENTS OF CASH FLOWS**


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	<b>Year ended December 31,</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
	<b>\$ in thousands</b>		
<b>Appendix A</b>			
Acquisition of subsidiaries that were consolidated for the first time			
Current assets, excluding cash and cash equivalents	(13,879)	-	-
Fixed assets, net	(637)	-	-
Right-of-use assets, net	(1,841)	-	-
Intangible assets	(55)	-	-
Other non-current assets	(9)	-	-
Goodwill and intangible assets created upon acquisition	(14,084)	-	-
Current liabilities	4,065	-	-
Other noncurrent liabilities	3,647	-	-
	<u>(22,793)</u>	<u>-</u>	<u>-</u>
<b>Appendix B</b>			
Significant non-cash activity			
Recognition of right of use assets and lease liabilities	<u>1,209</u>	<u>8,278</u>	<u>2,644</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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**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 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 Veracity 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.

- 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.

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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**NOTE 1 – GENERAL (Cont.)**

In 2024 and 2025, 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%. On November 24, 2025, the Bank of Israel lowered the interest rate by 0.25%, for the first time in two years. In January 2026, 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. The US Government's Tariff Plan

On April 2, 2025, the Trump administration announced the imposition of reciprocal tariffs on imports of goods from many countries around the world to the US. Tariffs were imposed, among other things, on imports of goods originating from Israel. The tariff applies only to goods and does not apply to services, and a list of about a thousand categories of products to which the tariffs will not apply was also published, including computer products. In August 2025, the new US tariff policy officially came into effect, with the final tariff rate on imports from Israel determined at 15%. In addition, a concrete reference was published on the subject of chip and processor imports. According to the announcement, a 100% tariff was set on chip and processor imports in a comprehensive manner, regardless of the country of origin. However, it was determined that certain manufacturers would be eligible for a full exemption from said tariff. In early 2026, the Supreme Court decided to overturn the White House's tariff policy, while President Trump announced that he was imposing 15% tariffs on all countries trading with the US. As of the date of this report, in light of the uncertainty that still exists on the subject and based on the information in its possession as of the date of approval of the financial statements, the new trade policy does not appear to have a material impact on the Company. The Company will continue to monitor economic and regulatory developments in the US market and will adjust its strategy accordingly.

h. The effects of the "Swords of Iron" War , Operation Rising Lion and Operation Lion's Roar

In October 2023, the "Swords of Iron" war ("**The war**") broke out in Israel. The war led to a slowdown in the 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 for a period unknown in advance, as well as the disruption of economic activity in Israel. In June 2025, Operation "Rising Lion", a large-scale military operation by the State of Israel against Iran took place and in October 2025, a ceasefire agreement was signed between the State of Israel and Hamas.

At the end of February 2026, Operation "Lion's Roar", a large-scale military operation by the State of Israel in cooperation with the United States began against Iran. The operation drew Hezbollah in Lebanon to join and the State of Israel began a military operation against it.

Since the outbreak of the war, the Company has continued regular operations at all of its sites in Israel without harming production and product supply while adhering to the Home Front Command guidelines and the safety of its employees. It should be noted that most of the customers to whom sales are made in Israel are exporters, so it appears that the war had little impact on global demand for their products..

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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**NOTE 1 – GENERAL (Cont.)**

As of the report publication date, the State of Israel is in the midst of a campaign against Iran, and there are security tensions on the northern border and it is not yet possible to assess the development of the security situation in the near term.

In the Company's assessment, in the medium and long term, based on the information in its possession as of the approval date of the financial statements, the security situation is not expected to have a material impact on the results of its operations, but in the short term, there has been some damage to the supply chains as a result of a decrease in the ability to import and export equipment from Israel and due to the return to the mobilization of reserve forces, some of which are from the high-tech market and the Company's customers. However, the Company is unable to predict the continuation of the war and the extent of the future effects of the security tensions, if any, on the Company's operations and business results. The Company is continuously monitoring developments, including examining the implications for the Company's operations.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**


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**NOTE 2 – REVENUES**

	<u>Year ended December 31,</u>		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
	<u>\$ in thousands</u>		
<b><u>Geographic information</u></b>			
The revenues reported in the financial statements were generated in Israel and abroad based on the location of the operation as follows:			
Israel	169,304	159,473	193,815
USA	90,096	97,928	81,237
Europe (including Germany, Switzerland and UK)	21,723	16,338	10,515
	<u>281,123</u>	<u>273,739</u>	<u>285,567</u>
<b><u>Revenue from major customers where each is responsible for 10% of total revenue reported in the financial statements:</u></b>			
Customer A - Israel operating segment	49,425	37,154	30,191
Customer B - US operating segment	32,387	27,706	17,620
Customer C - Israel and US operating segment	14,185	32,701	40,628
	<u>95,997</u>	<u>97,561</u>	<u>88,439</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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**NOTE 3 – INFORMATION REGARDING OPERATING SEGMENTS**General

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 chief 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 Europe segment, in which the results of the Company's activities in Western Europe (mainly UK, 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. Europe segment – includes OEM activity in Europe; Through the group's subsidiaries in Germany, UK England and Switzerland.

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 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.

Transfer prices between operating segments are made according to market conditions, similar to transactions with third parties.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 3 – INFORMATION REGARDING OPERATING SEGMENTS (Cont.)

## Year ended December 31, 2025

	Israel	US	Europe	Adjustments	Consolidated
	\$ in thousands				
<u>Information on comprehensive income</u>					
<b>Revenues</b>					
External revenues	169,304	90,096	21,723	-	281,123
Intersegment revenues	9,946	1,163	36	(11,145)	-
Total revenues	<u>179,250</u>	<u>91,259</u>	<u>21,759</u>	<u>(11,145)</u>	<u>281,123</u>
Cost of sales	152,213	77,084	17,831	(11,145)	235,983
<b>Segment results</b>	12,983	6,798	(147)	-	19,634
Financial expenses					2,779
Financial income					<u>435</u>
Income before taxes on income					<u>17,290</u>
<b>Depreciation and amortizations</b>	2,474	2,546	552	-	5,572
<b>Segment Assets</b>	118,023	51,304	46,106	(20,032)	195,401
<b>Segment Liabilities</b>	39,368	30,486	45,385	(20,032)	95,207

## Year ended December 31, 2024

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 3 – INFORMATION REGARDING OPERATING SEGMENTS (Cont.)

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

**NOTE 4 – EVENTS AFTER THE REPORTING PERIOD**

- a. On January 13, 2026, the Company published an immediate report on the Magna system regarding a private offering of shares to institutional entities, when on January 12, 2026, the Company's Board of Directors decided to raise capital in the amount of approximately NIS 85 million (the capital raising is intended to accelerate growth plans, investments and acquisitions) in exchange for the allocation of 3,811,650 ordinary shares of the Company. The consideration for the offered shares is NIS 22.30 per share and a total amount of NIS 84,999,795. The share price of the offered shares is approximately 3.92% lower than the closing price of the Company's share on January 12, 2026 (the closing price on the date of the Company's Board of Directors' decision on the allocation, which is the last trading day before the publication of this report), which was NIS 23.21 per share.
  
- b. On March 16, 2026, the Company's Board of Directors declared a dividend of NIS 0.201 per share and a total amount of approximately \$ 3,271 thousand. The record date is set for March 25, 2026.