



Periodic report for the nine months ended September 30, 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 November 18, 2025 (reference no.: 2025-01-088384) 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 September 30, 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**") which reviews the main changes in the Company's operations for the nine months ended September 30, 2025 until the date of this report ("**The Reported period**") and for the period of three months then ended ("**the Quarter**") in accordance with the Reports' Regulations, as detailed below.

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 analysis and technical characterization of the appropriate platform, development of the products, definition of the appropriate infrastructures (hardware and software), 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.

This report was prepared considering that the latest periodic report for 2024 is before the readers, including the Board of Directors' Report, a chapter describing the corporation's business, the financial statements, and a chapter providing additional details regarding the corporation that includes (immediate report dated March 16, 2025, reference no.: 2025-01-017101) (the "**Periodic Report for 2024**"). In addition, the Company's consolidated financial statements as of September 30, 2025 (hereinafter: the "**Financial Statements**") are attached to this report.

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 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, 2025 until the publication date of the report for the second quarter of 2025 published on August 19, 2025 (Reference No.: 2025-01-061521) (hereinafter: "**The Board of Directors' Report for the Second Quarter of 2025**"), see Section 2 of the Company's Board of Directors' report for the periodic report for 2024 and Section 2 of the Company's Board of Directors' report for the first quarter of 2025 published on May 14, 2025 (Reference No.: 2025-01-033634) and Section 2 of the Company's Board of Directors' Report for the Second Quarter of 2025.
- 2.2 On October 22, 2025, the Company published an immediate report in the Magna system that the subsidiary had completed the commercial and technical conditions that would allow it to realize a win in a tender conducted by a large existing customer in the United States for the supply of computing systems for a new generation of its products. Following the aforementioned win, the subsidiary received a binding order for the supply of an initial quantity of computing systems for which the Company will perform integration activities and adjustments to the customer's needs in the amount of approximately \$11 million. The Company estimates that the supplies of computing systems are expected to begin in the second quarter of 2026 and will continue for a period of approximately 3 to 5 years.
- 2.3 On November 16, 2025, the Company published an immediate report in the Magna system that from September 2025 until the reporting date, the Company received from an existing customer in Israel, a third party not related to the Company, new cumulative orders in the amount of approximately \$23.5 million, for ongoing supplies of advanced computing systems for projects in the field of AI, a volume significantly higher than the representative order rate for these lines of activity in recent years. The orders as stated above included orders in the amount of approximately \$10 million for a new product line that the Company won. The Company estimates that these orders will be delivered in the coming year.

2.4 On November 17, 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), in a total amount of approximately NIS 4,497 thousand. For further details, see an immediate report regarding the distribution of a dividend, which will be published on or about the publication date of this report.

2.5 On November 17, 2025, the Company's Board of Directors decided to convene an annual general meeting of the Company's shareholders, the agenda of which will include the following issues and resolutions: (a) Discussion of the Company's financial statements and the Board of Directors' report for the year ended December 31, 2024; (b) Re-appointment of the CPA firm of Kost Forer Gabbay et Kassirer (EY), for an additional term as the Company's auditor until the end of the next annual general meeting; (c) Re-appointment of the directors serving in the Company who are not external directors, Mr. Gilon Beck (Joint Chairman of the Board of Directors), Yoav Weinberg (Active Chairman of the Board of Directors), Amit Ben Zvi, Ehud Lavie, Ofer Shelah and Talia Levin (independent director), who will serve as directors in the Company until the end of the next annual general meeting. For further details, see the meeting summons notice that will be published on or about the publication date of this report.

3. **Financial position**

3.1 The Group's total assets according to the financial statements as of September 30, 2025, amounted to approximately \$ 165,530 thousand and as of September 30, 2024, amounted to approximately \$ 176,769 thousand.

3.2 Below are the key changes in the Group's financial position as of September 30, 2025, compared to the consolidated statement of financial position as of December 31, 2024 (US dollars in thousands):

Item	As of September 30, 2025	As of December 31, 2024	Company's explanations
Current Assets	130,308	142,443	The main change in the volume of current assets is due to a decrease in cash balance of \$ 3,056 thousand and a decrease in inventory balance of \$ 15,822 thousand and on the other hand, an increase in the trade receivables of \$3,461 thousand and in income tax receivable of \$2,113 thousand.
Non- Current Assets	35,222	32,551	The main change in non-current assets is due to an increase in goodwill and intangible assets and deferred taxes as a result of a business combination of a company acquired by an overseas subsidiary in the second quarter of 2025, the operating results of which are reported under the "Other" segment.
Total Assets	165,530	174,994	
Current Liabilities	48,618	67,911	The main decrease in the volume of current liabilities is due to a decrease in short-term credit and others of \$ 8,964 thousand, a decrease in the liability for a PUT option to minority of \$ 3,835 thousand due to exercise

			carried out in the first quarter of 2025 in the US subsidiary, and a decrease in the balances of trade payables and other payables of \$ 2,360 thousand and \$ 2,702 thousand, respectively.
Non-current Liabilities	19,029	15,805	The main change in the volume of non-current liabilities resulted from taking long-term credit for financing the acquisition of a foreign company.
Equity	97,883	91,278	The main change in equity is due to the addition of net income in the period amounting to \$ 10,916 thousand, net of the dividend in the amount of \$ 4,123 thousand.
Total Liabilities and Equity	165,530	174,994	

4. Operating results

4.1 The following are the condensed consolidated statements of profit or loss for the nine months ended September 30, 2025 and 2024 (US dollars in thousands):

Item	For the nine months ended September 30		Change in %	Company's explanations
	2025	2024		
Revenues	209,542	209,279	0.1%	
Gross profit	33,048	35,680	(7.4%)	The decrease in gross profit in the period was effected from: • Slowdown and delays in receiving orders for executing projects in the defense sector in the US. • Change in the mix of revenues, 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 at the beginning of their journey. • Increase in costs in the Israel segment due to the impact of the revaluation in the NIS/dollar exchange rate.
Gross profit rate	15.8%	17.0%		
Selling, general and administrative and other expenses	18,364	17,105	7.4%	The increase in selling, administrative and general expenses is mainly due to an increase in selling salary costs (including the effect of the revaluation in the NIS/dollar exchange rate on the increase in the dollar value of NIS costs in Israel segment) and advertising costs, along with increased expenses as a result of 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 amortization costs of intangible assets in connection therewith.
Operating income	14,686	18,575	(20.9%)	The decrease in operating income is mainly due to the decrease in gross profit and increase in selling, administrative and general expenses.
Operating income rate	7%	8.9%		
Financial expenses, net	2,122	2,482	(14.5%)	The decrease in net financial expenses is mainly due to a decrease in expenses recorded in the corresponding period due to revaluation of financial liabilities which was partly offset by increase in financial costs due to the revaluation of NIS liabilities

				due to the revaluation of the NIS exchange rate against the dollar.
Taxes on income	1,646	4,340	(62.1%)	The decrease in tax expenses is mainly due to a decrease in taxable income in Israel segment due to high financial expenses in NIS originating from revaluation of the NIS/dollar exchange rate.
Net income	10,916	11,753	(7.1%)	

EBITDA (*)	18,809	21,991	(14.5%)	The change mainly derived from a decrease in operating income, as stated above, net of an increase in depreciation expenses.
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(*) 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 September 30, 2025 and 2024 (US dollars in thousands):

Item	For the three months ended September 30		Change in %	Company's explanations
	2025	2024		
Revenues	66,272	62,377	6.24%	The increase in revenues is due to organic increase in the activity with customers in various sectors
Gross profit	10,716	11,534	(7.1%)	The decrease in gross profit was affected by an extreme slowdown and delays in receiving orders for the implementation of projects in the US defense sector, and from an increase in costs in the Israel segment due to the effect of the revaluation in the NIS/dollar exchange rate.
Gross profit rate	16.2%	18.5%		
Selling, general and administrative and other expenses	5,987	5,848	2.38%	The increase in selling, administrative and general expenses is mainly due to an increase in operating costs in NIS in Israel segment from the revaluation in the NIS/dollar exchange rate in the third quarter of 2025 and from the added amortization of intangible assets following the initial consolidation of the results of the company that was acquired abroad at the beginning of the second quarter.
Operating income	4,729	5,686	(16.8%)	The decrease in operating income is mainly due to the decrease in gross profit and increase in selling, administrative and general expenses.

Operating income rate	7.1%	9.1%		
Financial expenses, net	586	833	(29.7%)	The decrease in financial expenses is mainly due to expenses recorded in the corresponding quarter for dividends to Put option holders, as well as a decrease in interest expenses as a result of a decrease in the volume of credit.
Taxes on income	889	1,009	(11.9%)	The decrease in taxable income in the Israel segment is due to high NIS financial expenses stemming from the revaluation of the NIS/Dollar exchange rate in the current quarter, and from recording deferred taxes due to differences in measurement basis between the dollar statements and the NIS statements of the Israeli companies.
Net income	3,254	3,844	(15.4%)	

EBITDA (*)	6,147	6,876	(10.6%)	The change mainly derived from a decrease in operating income, as stated above, net of an increase in depreciation expenses.
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(*) 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 Financial information on business operating segments of the group for the nine months ended September 30, 2025 and 2024 (US dollars in thousands):

Item	For the nine months ended September 30		Change in %	Company's explanations
	2025	2024		
<u>Segment's revenues:</u>				
Israel	133,622	126,526	5.6%	The increase in the segment's revenues resulted from a growth in activity with customers in various sectors and particularly in the defense sector.
US	68,364	76,303	(10.4%)	The change stems from a slowdown and delays in receiving orders for projects in the US defense sector, as a result of changes that were carried out in the federal agencies since the new administration took office at the beginning of the year. This phenomenon was partially offset by a significant increase in activity with other sectors in new projects and the expansion of existing projects.
Other (*)	15,958	11,564	38%	The increase in segment revenues is mainly due to the start of equipment supplies for the Company's significant in Switzerland and from the consolidation of a company acquired in this segment at the beginning of the second quarter of 2025.
Adjustments	(8,402)	(5,114)		
Total revenues	209,542	209,279	0.1%	
<u>Segment's results:</u>				
Israel	9,353	11,822	(20.9%)	The decline in operating income 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 at the beginning of their journey. In addition, there was a significant impact of an increase in NIS costs in the Israel segment in an estimated amount of approximately \$ 1.1 million due to the impact of the revaluation in the NIS/dollar exchange rate in the second and third quarters of 2025.
US	4,950	6,927	(28.5%)	The decrease in the segment's income was affected by the decrease in revenue as stated above, as well as by an increase in rental and depreciation expenses as a result of the expansion of the areas and production and operating sites in which the company invested

				in order to enable advanced infrastructure to support future growth in the volumes of activity.
Other (*)	381	(174)	(319%)	
Total operating income	14,684	18,575	(20.9%)	

(*) The segment includes the Company's activity in Europe (UK, Switzerland and Germany)

4.4 Financial information on business operating segments of the group for the three months ended September 30, 2025 and 2024 (US dollars in thousands):

Item	For the three months ended September 30		Change in %	Company's explanations
	2025	2024		
<u>Segment's revenues:</u>				
Israel	40,886	35,454	15.3%	The increase in the segment's revenues was due to organic growth in the activity of existing and new customers in various sectors, including a increase in the volume of orders and activity in the defense sector.
US	21,189	22,050	(3.9%)	The change stems from a slowdown and delays in receiving orders for projects in the US defense sector, as a result of changes that were carried out in federal agencies after the new administration took office at the beginning of the year. This decrease was offset by a significant increase in the scopes of activity with customers in other sectors.
Other (*)	6,154	5,929	3.8%	
Adjustments	(1,957)	(1,056)		
Total revenues	66,272	62,377	6.2%	
<u>Segment's results:</u>				
Israel	3,110	3,594	(13.5%)	The decline in operating income was affected by an increase in NIS costs in the Israel segment in an estimated amount of approximately \$ 700 thousand due to the impact of the revaluation in the NIS/dollar exchange rate in the third quarter of 2025.
US	1,387	1,759	(21.1%)	The decrease in the segment's income was affected by the decrease in revenue as well as by the increase in rental and depreciation expenses as a result of the expansion of the areas and production and operating sites in which the company invested in order to enable advanced infrastructure to support future growth in the volumes of activity.
Other (*)	232	333	(30.3%)	
Total operating income	4,729	5,686	(16.8%)	

(*) The segment includes the Company's activity in Europe (UK, Switzerland and Germany)

5. Liquidity and Cash flows

5.1 key figures from the statement of cash flows for the nine months ended September 30, 2025 and 2024 (dollars in thousands):

The item	For the nine months ended September 30		Company's explanations
	2025	2024	
Net cash provided by operating activities	17,268	9,086	The change was mainly due to timing differences in working capital items, mainly due to a decrease in inventory relative to the corresponding period
Net cash used in investing activities	(3,047)	(1,266)	The majority of the cash used for investing activities was used to acquire the company abroad in the second quarter of 2025.
Net cash used in financing activities	(17,360)	(10,779)	The majority of the cash used for financing activities was used to repay short-term credit, to exercise a PUT option by shareholders in the US subsidiary in the first quarter, and to pay a dividend to shareholders, repayment of long-term loans, while on the other hand, there was an increase in long-term loans for the purpose of acquiring the company abroad.
Decrease in cash and cash equivalents	(3,139)	(2,959)	

5.2 key figures from the statement of cash flows for the three months ended September 30, 2025 and 2024 (dollars in thousands):

The item	For the three months ended September 30		Company's explanations
	2025	2024	
Net cash provided by operating activities	3,935	4,934	The change in cash from operating activities was mainly due to timing differences in working capital items, in addition to higher income taxes paid compared to the corresponding period.
Net cash used in investing activities	(158)	(439)	Decrease in cash used to acquire fixed assets and other investments relative to the corresponding period.
Net cash used in financing activities	(6,448)	(6,850)	The change is mainly due to a decrease in interest payments, partially offset by the repayment of short-term credit from banking and other corporations.
Decrease in cash and cash equivalents	(2,671)	(2,355)	

6. Financing Sources

- 6.1 The working capital of the Company as of September 30, 2025 was about \$ 81,690 thousand compared to a total of about \$ 71,774 thousand as of September 30, 2024.
- 6.2 The group companies finance their business activities from independent means (equity), suppliers' credit and bank credit. 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 of the Hebrew Version of the periodic report for 2024.
- 6.3 The following is the average amount of the Company's credit/loans for the nine-month period ended September 30, 2025 and 2024 (in thousands of dollars):

The item	The average amount for the nine months ended September 30	
	2025	2024
The average amount of short-term credit from banking and other corporations	13,935	23,137
The average amount of long-term loans	6,268	5,664
The average amount of credit from suppliers	23,581	27,789
The average amount of credit to customers	60,654	50,211

7. Effects of inflation and interest

In the first nine months of 2025, the Consumer Price Index increased by approximately 2.6%, compared to an increase of approximately 3.4% in the corresponding period last year. According to the forecast of the Bank of Israel Research Division published in September 2025, the inflation rate in the next four quarters (ending in the third quarter of 2026) is expected to be 2.4%. During 2025, it is expected to be 3.0% and during 2026, 2.2%.

According to the same forecast, the economic growth forecast for 2025 was set at 2.5% and the forecast for 2026 at 4.7%.

On September 29, 2025, the Bank of Israel decided to leave the Bank of Israel interest rate unchanged at 4.5%. In October 2025, the US Federal Reserve announced a reduction of interest rates, following a series of interest rate reductions since July 2024, and as of the date of the report, the US interest rate is 4.00%.

In Europe, in July 2025, the European Central Bank maintained the interest rate at 2.15%, after a series of interest rate reductions since July 2024.

The Company estimates that the impact of inflation on its operating results is not expected to be significant, among other things, because the Company's liabilities to banks are not linked to CPI. However, the high-interest rate environment may negatively affect the results of the Company and its subsidiaries due to an increase in financial expenses for current credit lines (domestic and international) that are subject to variable interest rates.

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. Effects of changes in exchange rates

During the third quarter of 2025, the erosion trend in the dollar exchange rate against the NIS continued, with revaluation of approximately 2% (compared to a weakening of the dollar exchange rate against the NIS in the corresponding quarter of approximately 1.3%). As of the beginning of 2025, the revaluation rate has been 10.2% (compared to inflation of 2.5% in the corresponding period last year). For additional details regarding the effects of inflation, interest rates, and changes in exchange rates, see Sections 6.2.2 and 6.2.3 in Chapter A and Section 7 in Chapter B attached to the Periodic Report for 2024 and Section 8 of the Board of Directors' report for the second quarter of 2025.

9. Development of shortages in computing components (memory)

In recent months, a global trend of shortages and delays in the production and supply of memory components has been developing among leading chip manufacturers. It is estimated that the main cause of the phenomenon is not due to a limitation in production capabilities, but rather as a result of changes in manufacturers' priorities and the diversion of production resources towards advanced memory chips for data centers and AI infrastructures, where profitability is higher. The aforementioned shortage is affecting the increase in component purchase prices and a change in the time constants of orders and supplies. According to forecasts by industry professionals, the issue is not expected to stabilize in the coming quarters, and the market will continue to be characterized by shortages and high volatility.

In the Company's assessment, the effects of this trend will also be reflected in its ongoing activities and dealings with customers and suppliers, and therefore the Company has already taken proactive actions to deal with the issue. The Company is unable to estimate the extent of the effects at this stage.

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

Further to what is described in Section 6.2.5 of Chapter A of the Hebrew Version attached to the Periodic Report for 2024, as of the publication date of this report, the State of Israel is still at war in Gaza and under high security tensions on additional fronts such as Judea and Samaria, Syria, Lebanon, Iran and Yemen (above and below: "**the War**").

On October 9, 2025, an agreement was signed between the State of Israel and the terrorist organization Hamas to cease fighting in Gaza and return the hostages, after more than two years of war. Following the signing of the agreement, Hamas released all the living hostages and returned some of the deceased hostages to be buried in Israel, while the State of Israel released security prisoners, ceased fighting in the Gaza Strip and withdrew to agreed borders within the Strip.

As of the approval date of these financial statements, the effects of the war and its end on the Company's results of operations are not material, since most of the customers to whom sales are made in Israel are exporters, so the war had little impact on global demand for their products.

However, given the fact that this is a dynamic event characterized by great uncertainty, the extent of the impact of various security scenarios, such as a violation of the ceasefire agreement and the resumption of fighting in Gaza, escalation in Judea and Samaria, and any renewed escalation with Iran, on the future activities of the Company and its customers is unknown. In the Company's assessment, if the war were to resume and/or escalate on other fronts, its consequences could have significant negative effects on the Israeli economy and global sentiment towards it.

For further details regarding the war and its impact, including its impact on the Company, see Section 6.2.5 in Chapter A attached to the 2024 Periodic Report.

The foregoing, including the Company's assessments regarding the impact of the war on its operations, is forward-looking information, as defined in the Securities Law, -1968, which may not materialize or may materialize in a materially different manner, due, among other things, to the uncertainty surrounding the war, its scope, duration and impact on the Israeli economy in general and the Company's activities in particular.

11. Critical accounting estimates

There were no material changes with respect to the details regarding significant accounting estimates and judgments in Note 2 to the consolidated financial statements attached to the Hebrew Version of the periodic report for 2024.

12. Corporate governance aspects

12.1 Disclosure in relation to directors with accounting and financial skills

There were no changes to the Board of Directors' determination regarding the minimum required number of directors with accounting and financial expertise, as detailed in the Board of Directors' report attached to the Periodic Report for 2024. For details regarding directors with accounting and financial expertise, see Regulation 26 in Chapter D of the Hebrew Version, Additional Details in the Periodic Report for 2024.

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

The Company does not have a donations policy and during the third quarter of 2025, there were no changes in relation to the disclosure provided on this subject, as reflected in the Board of Directors' report attached to the periodic report for 2024.

13. Disclosure regarding the Company's internal auditor

During the quarter, there was no material change in relation to the data regarding the company's internal auditor as detailed in the Board of Directors report attached to the annual report for 2024.

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 Beck
Co-chairmen of the Board of Directors

Shahaf Shrager
CEO

Date: November 17, 2025

Hiper Global Ltd.

Interim Condensed Consolidated Financial Statements

As of September 30, 2025

US dollars in thousands

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As of September 30,		As of
	2025	2024	December 31,
	Unaudited		Audited
	\$ in thousands		
<u>Current Assets</u>			
Cash and cash equivalents	5,278	9,703	8,334
Trade receivables, net	59,926	50,224	56,465
Income receivable	1,745	1,091	1,722
Income tax receivable	3,001	1,227	848
Other accounts receivable	2,270	2,408	1,165
Inventory	58,088	78,677	73,910
Total current assets	130,308	143,330	142,444
<u>Non-Current Assets</u>			
Other long-term accounts receivable	418	471	442
Deferred taxes	2,245	764	1,146
Fixed assets, net	5,541	5,940	5,972
Goodwill	9,910	7,392	7,325
Intangible assets, net	6,215	5,810	5,470
Right of use assets, net	10,893	13,062	12,196
Total non-current assets	35,222	33,439	32,551
Total assets	165,530	176,769	174,995

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

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As of September 30,		As of
	2025	2024	December 31,
	Unaudited		Audited
	\$ in thousands		
<u>Current liabilities</u>			
Credit from banks and others	6,586	21,999	15,550
Current maturities of lease liabilities	2,378	2,161	2,126
Liability for PUT option to non-controlling interests	1,143	4,381	4,978
Trade payables	24,195	24,642	26,555
Prepaid income	3,890	5,231	5,359
Income tax payable	287	666	502
Other accounts payables	10,139	12,476	12,841
Total current liabilities	48,618	71,556	67,911
<u>Non-Current Liabilities</u>			
Long term loans from banks and others	8,043	4,874	4,503
Contingent consideration in business combination	-	374	-
Long term lease liabilities	10,055	11,415	10,815
Liabilities for employee benefits, net	477	454	407
Deferred taxes	454	91	80
Total non-current liabilities	19,029	17,208	15,805
<u>Equity Attributable to Shareholders of the Parent</u>			
<u>Company</u>			
Share capital	1,486	1,479	1,479
Premium on shares	11,665	11,137	11,137
Capital reserves	35,875	36,708	36,599
Retained earnings	48,857	38,681	42,064
Total equity	97,883	88,005	91,279
Total liabilities and equity	165,530	176,769	174,995

November 17, 2025	Yoav Weinberg		
	Gillon Beck		
Date of approval of the financial statements	Co-chairmen of the Board of Directors	Shahaf Shrager CEO	Yossi Yaniv CFO

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

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

	For the period of nine months ended on September 30		For the period of three months ended on September 30		For the year ended on December 31
	2025	2024	2025	2024	2024
	Unaudited				Audited
	\$ in thousands (except for net earnings per share data)				
Revenues	209,542	209,279	66,272	62,377	273,739
Cost of revenues	176,494	173,599	55,556	50,843	226,170
Gross profit	33,048	35,680	10,716	11,534	47,569
Selling and marketing expenses	9,965	9,099	3,269	3,161	11,951
General and administrative expenses	8,412	8,100	2,713	2,690	10,936
Other income, net	(13)	(94)	5	(3)	(93)
	18,364	17,105	5,987	5,848	22,794
Operating income	14,684	18,575	4,729	5,686	24,775
Financial expenses	2,492	3,869	692	890	5,257
Financial income	370	1,387	106	57	1,558
Income before taxes on income	12,562	16,093	4,143	4,853	21,076
Taxes on income	1,646	4,341	889	1,009	5,237
Net income	10,916	11,752	3,254	3,844	15,839

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

	For the period of nine months ended on September 30		For the period of three months ended on September 30		For the year ended on December 31
	2025	2024	2025	2024	2024
	Unaudited				Audited
	\$ in thousands (except for net earnings per share data)				
Other comprehensive income (after tax):					
<u>Amounts to be reclassified or reclassified to profit or loss upon the occurrence of specific conditions:</u>					
Income (loss) on cash flow hedging transactions	(735)	-	(175)	-	-
Adjustments from translation of financial statements of foreign operations	135	145	(38)	183	(52)
<u>Amounts that will not be reclassified later to profit or loss:</u>					
Income from re-measurement of defined benefit plans	-	-	-	-	50
Total other comprehensive income (loss)	(600)	145	(213)	183	(2)
Total comprehensive income	10,316	11,897	3,041	4,027	15,837
<u>Net income attributed to:</u>					
Shareholders of the Company	10,916	11,752	3,254	3,844	15,839
<u>Comprehensive income attributed:</u>					
Shareholders of the Company	10,316	11,897	3,041	4,027	15,837
<u>Earnings per share attributed to shareholders of the Company (in Dollar):</u>					
Basic earnings per share	0.231	0.250	0.069	0.082	0.337
Diluted earnings per share	0.224	0.242	0.067	0.079	0.326

he accompanying notes are an integral part of the interim condensed consolidated financial statements.

INTERIM CONDENSED 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
	Unaudited									
	\$ in thousands									
For the period of nine months ended September 30, 2025										
<u>Balance as of January 1, 2025 (audited)</u>	1,479	11,137	35,307	(412)	1,897	44	(237)	-	42,064	91,279
Net income for the period	-	-	-	-	-	-	-	-	10,916	10,916
Other comprehensive income (loss) for the period	-	-	-	135	-	-	-	(735)	-	(600)
Total comprehensive income (loss) for the period	-	-	-	135	-	-	-	(735)	10,916	10,316
Share based payment	-	-	-	-	172	1	-	-	-	173
Issuance of shares	7	528	-	-	(297)	-	-	-	-	238
Dividend declared	-	-	-	-	-	-	-	-	(4,123)	(4,123)
<u>Balance as of September 30, 2025</u>	<u>1,486</u>	<u>11,665</u>	<u>35,307</u>	<u>(277)</u>	<u>1,772</u>	<u>45</u>	<u>(237)</u>	<u>(735)</u>	<u>48,857</u>	<u>97,883</u>

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

INTERIM CONDENSED 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
	Unaudited								
	\$ in thousands								
For the period of nine months ended September 30, 2024									
<u>Balance as of January 1, 2024</u> (audited)	1,472	10,722	35,307	(360)	1,799	36	(237)	30,756	79,495
Net income for the period	-	-	-	-	-	-	-	11,752	11,752
Other comprehensive income for the period	-	-	-	145	-	-	-	-	145
Total comprehensive income for the period	-	-	-	145	-	-	-	11,752	11,897
Share based payment	-	-	-	-	434	6	-	-	440
Issuance of shares	7	415	-	-	(422)	-	-	-	-
Dividend declared	-	-	-	-	-	-	-	(3,827)	(3,827)
<u>Balance as of September 30, 2024</u>	<u>1,479</u>	<u>11,137</u>	<u>35,307</u>	<u>(215)</u>	<u>1,811</u>	<u>42</u>	<u>(237)</u>	<u>38,681</u>	<u>88,005</u>

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

INTERIM CONDENSED 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
	Unaudited									
	\$ in thousands									
For the period of three months ended September 30, 2025										
<u>Balance as of July 1, 2025</u>	1,483	11,528	35,307	(239)	1,876	45	(237)	(560)	46,512	95,715
Net income for the period	-	-	-	-	-	-	-	-	3,254	3,254
Other comprehensive loss for the period	-	-	-	(38)	-	-	-	(175)	-	(213)
Total comprehensive income (loss) for the period	-	-	-	(38)	-	-	-	(175)	3,254	3,041
Share based payment	-	-	-	-	36	-	-	-	-	36
Issuance of shares	3	137	-	-	(140)	-	-	-	-	-
Dividend declared	-	-	-	-	-	-	-	-	(909)	(909)
<u>Balance as of September 30, 2025</u>	<u>1,486</u>	<u>11,665</u>	<u>35,307</u>	<u>(277)</u>	<u>1,772</u>	<u>45</u>	<u>(237)</u>	<u>(735)</u>	<u>48,857</u>	<u>97,883</u>

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

INTERIM CONDENSED 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
	Unaudited								
	\$ in thousands								
For the period of three months ended September 30, 2024									
<u>Balance as of July 1, 2024</u>	1,479	11,137	35,307	(398)	1,706	41	(237)	35,711	84,746
Net income for the period	-	-	-	-	-	-	-	3,844	3,844
Other comprehensive income for the period	-	-	-	183	-	-	-	-	183
Total comprehensive income for the period	-	-	-	183	-	-	-	3,844	4,027
Share based payment									
Issuance of shares	-	-	-	-	105	1	-	-	106
Dividend declared	-	-	-	-	-	-	-	(874)	(874)
<u>Balance as of September 30, 2024</u>	<u>1,479</u>	<u>11,137</u>	<u>35,307</u>	<u>(215)</u>	<u>1,811</u>	<u>42</u>	<u>(237)</u>	<u>38,681</u>	<u>88,005</u>

INTERIM CONDENSED 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								
	Audited								
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 interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the period of nine months ended on September 30		For the period of three months ended on September 30		For the year ended on December 31
	2025	2024	2025	2024	2024
	Unaudited				Audited
	\$ in thousands				
<u>Cash flows from operating activities</u>					
Net income	10,916	11,752	3,254	3,844	15,839
<u>Adjustments to reconcile net income to net cash provided by operating activities:</u>					
Adjustments to profit and loss:					
Depreciation and amortizations	4,138	3,510	1,413	1,193	4,815
Taxes on income	1,645	4,341	888	1,009	5,237
Change in provision for doubtful accounts, net	(6)	(21)	-	10	(22)
Change in provision for vacation and recreation, net	35	69	(143)	(200)	3
Value adjustment of financial liabilities	60	531	(18)	51	754
Dividend to holders of PUT option	32	474	5	198	606
Change in employee benefits, net	70	14	19	14	32
Interest and revaluation for short term credit, net	802	769	343	341	1,023
Interest and revaluation of long-term loans, net	352	323	65	160	371
Other financial expenses, net	897	(28)	330	104	131
Capital gains, net	5	-	10	-	-
Cost of share-based payment	173	440	36	106	528
	8,203	10,422	2,948	2,986	13,478
<u>Changes in asset and liability items:</u>					
Decrease (increase) in trade receivables and income receivable	(3,035)	4,065	(4,529)	(1,933)	(3,020)
Decrease (increase) in other accounts receivable	(1,068)	762	865	(856)	1,733
Decrease (increase) in inventory	15,931	(3,127)	5,276	2,089	1,530
Increase (decrease) in trade payables	(2,602)	(9,798)	(369)	(1,392)	(7,632)
Increase (decrease) in prepaid income	(1,469)	4,111	(663)	1,272	4,239
Increase (decrease) in other accounts payable	(4,528)	(3,278)	(552)	1,040	(2,899)
	3,229	(7,265)	28	220	(6,049)
<u>Cash paid and received during the period for:</u>					
Taxes on income paid	(5,255)	(5,988)	(2,310)	(2,116)	(7,065)
Taxes on income received	175	165	15	-	449
	(5,080)	(5,823)	(2,295)	(2,116)	(6,616)
Net cash provided by operating activities	17,268	9,086	3,935	4,934	16,652

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

HIPER GLOBAL LTD

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the period of nine months ended on September 30		For the period of three months ended on September 30		For the year ended on December 31
	2025	2024	2025	2024	2024
	Unaudited				Audited
	\$ in thousands				
Cash flows from investing activities					
Purchase of fixed assets	(321)	(1,135)	(189)	(280)	(1,476)
Purchase of intangible assets	(164)	(57)	(66)	(13)	(64)
Proceeds from sale of fixed assets	9		4	-	-
Interest received	370	230	106	57	290
Acquisition of an initially consolidated subsidiary (Appendix B)	(2,912)	-	-	-	-
Increase in other investments	(29)	(304)	(13)	(203)	(320)
Net cash used in investing activities	(3,047)	(1,266)	(158)	(439)	(1,570)
Cash flows from financing activities					
Short term credit from banks and others, net	(8,679)	(276)	(4,064)	(3,886)	(6,015)
Interest paid	(1,761)	(1,550)	(244)	(602)	(2,006)
Dividend paid	(4,109)	(3,827)	(895)	(874)	(4,581)
Dividend to holders of PUT option	(164)	(583)	(5)	(198)	(583)
Principal payment of lease liabilities	(2,042)	(1,515)	(688)	(526)	(2,038)
Exercise of PUT option	(3,895)	-	-	-	-
Proceeds from exercise of employee options	238	-	-	-	-
Receipt of long-term loans	8,617	-	-	-	-
Repayment of long-term loans	(5,565)	(3,028)	(552)	(764)	(4,120)
Net cash used in financing activities	(17,360)	(10,779)	(6,448)	(6,850)	(19,343)
Decrease in cash and cash equivalents	(3,139)	(2,959)	(2,671)	(2,355)	(4,261)
Exchange rate differences for cash and cash equivalents	83	41	(45)	44	(26)
Balance of cash and cash equivalents at the beginning of the period	8,334	12,621	7,994	12,014	12,621
Balance of cash and cash equivalents at the end of the period	5,278	9,703	5,278	9,703	8,334
Appendix A					
Significant non-cash activity					
Recognition of right of use assets and lease liabilities	749	8,352	279	6,428	8,278

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the period of nine months ended on September 30		For the period of three months ended on September 30		For the year ended on December 31
	2025	2024	2025	2024	2024
	Unaudited				Audited
	\$ in thousands				
Appendix B					
Acquisition of an initially consolidated subsidiary					
Current assets excluding cash and cash equivalents	(550)	-	-	-	-
Fixed assets	(15)	-	-	-	-
Right of use assets	(41)	-	-	-	-
Goodwill and intangible assets created upon acquisition	(4,098)	-	-	-	-
Liability for additional consideration not yet paid	888	-	-	-	-
Current liabilities	461	-	-	-	-
Provision for tax	423	-	-	-	-
Non-current liabilities	20	-	-	-	-
Net cash for acquiring the initially consolidated subsidiary	(2,912)	-	-	-	-

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

NOTES TO THE INTERIM CONDENSED 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 of 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. 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 IFRS 10), 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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – GENERAL (Cont.)c. "Swords of Iron" War

Further to what is described in Section 6.2.5 of Chapter A of the Hebrew Version attached to the Periodic Report for 2024, the State of Israel is still at war in Gaza and under high security tensions on additional fronts such as Judea and Samaria, Syria, Lebanon, Iran and Yemen (above and below: "**the War**").

On October 9, 2025, an agreement was signed between the State of Israel and the terrorist organization Hamas to cease fighting in Gaza and return the hostages, after more than two years of war. Following the signing of the agreement, Hamas released all the living hostages and returned some of the deceased hostages to be buried in Israel, while the State of Israel released security prisoners, ceased fighting in the Gaza Strip and withdrew to agreed borders within the Strip.

As of the approval date of these financial statements, the effects of the war and its end on the Company's results of operations are not material, since most of the customers to whom sales are made in Israel are exporters, so the war had little impact on global demand for their products.

However, given the fact that this is a dynamic event characterized by great uncertainty, the extent of the impact of various security scenarios, such as a violation of the ceasefire agreement and the resumption of fighting in Gaza, escalation in Judea and Samaria, and any renewed escalation with Iran, on the future activities of the Company and its customers is unknown. In the Company's assessment, if the war were to resume and/or escalate on other fronts, its consequences could have significant negative effects on the Israeli economy and global sentiment towards it.

d. The Tariff Program of the US Government

On April 2, 2025, the Trump administration announced the imposition of reciprocal tariffs on the import of goods from many countries around the world to the United States. The tariff applies only to goods and does not apply to services, and a list of about a thousand categories of products that will not be subject to tariffs was also published, including computer products. In August 2025, the new tariff policy in the US officially entered into force, with the final tariff rate on imports from Israel set at 15%. In addition, a concrete reference was published on the subject of imports of chips and processors. According to the announcement, a tariff of 100% was set on imports of chips and processors, in a comprehensive manner regardless of the country of origin. However, it was determined that certain manufacturers will be entitled to a full exemption from said tariff. 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 approval date 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES**a. Basis for preparing financial statements

These financial statements were prepared in a condensed format as of September 30, 2025 and for the nine-month and three-month periods ended on that date (hereinafter – interim consolidated financial statements). These statements should be read in conjunction with the Company's annual consolidated financial statements as of December 31, 2024 and for the year ended on that date and the accompanying notes (hereinafter – the "annual consolidated financial statements").

The interim consolidated financial statements are prepared in accordance with International Accounting Standard IAS 34 Interim Financial Reporting, and in accordance with the disclosure provisions pursuant to Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970.

The accounting policies applied in the preparation of the interim condensed consolidated financial statements are consistent with those applied in the preparation of the annual consolidated financial statements.

b. Operating cycle period

The Group's operating cycle period is 12 months.

c. Below is data on the exchange rates of the NIS and the pound sterling during the reporting periods compared to the US dollar:

	<u>As of September 30,</u>		<u>As of</u>
	<u>2025</u>	<u>2024</u>	<u>December 31,</u>
			<u>2024</u>
Representative exchange rate of 1 NIS	0.302	0.269	0.274
Representative exchange rate of 1 Pound Sterling	1.343	1.341	1.254

Rate of change in percentage:

	<u>For the period of nine</u>		<u>For the period of three</u>		<u>For the year</u>
	<u>months ended on</u>		<u>months ended on</u>		<u>ended on</u>
	<u>September 30</u>		<u>September 30</u>		<u>December 31</u>
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2024</u>
Representative exchange rate of 1 NIS	10.22	(2.54)	1.68	1.13	(0.72)
Representative exchange rate of 1 Pound Sterling	7.1	5.25	(2.03)	6.10	(1.55)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 – REVENUES

	For the period of nine months ended on September 30		For the period of three months ended on September 30		For the year ended on December 31
	2025	2024	2025	2024	2024
	\$ in thousands				
<u>Geographic information</u>					
The revenues reported in the financial statements were generated in Israel and abroad based on the location of the operation as follows:					
Israel	126,119	126,446	39,145	36,776	159,473
USA	67,475	75,451	20,977	21,767	97,928
Other (including Germany, Switzerland and UK)	15,948	7,382	6,149	3,834	16,338
	209,542	209,279	66,272	62,377	273,739

NOTE 4 – 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 main operational decision maker ("CODM") uses it for the purpose of evaluating performance and for making the group's operational decisions.

Further to Note 26 to the annual financial statements of the Hebrew Version (Note 3 in the English Version), during 2024 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 light of the Company's latest work plans and the profitability forecasts of the Company's foreign activities, the Company concluded that the reporting of the UK segment should be separated from the results of the US segment and grouping should be discontinued. Effective with the annual reports for 2024, the Company includes the results of the UK segment within 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**NOTE 4 – INFORMATION REGARDING OPERATING SEGMENTS (Cont.)**

The accounting policy of the aforementioned operating segments is the same as that presented in note 2 in the consolidated financial statements as of December 31, 2024, 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.

	For the period of nine months ended on September 30, 2025				
	Israel	US	Other (*)	Adjustments	Consolidated
	\$ in thousands				
	Unaudited				
<u>Information on comprehensive income</u>					
Revenues					
External revenues	126,119	67,475	15,948	-	209,542
Intersegment revenues	7,503	889	10	(8,402)	-
Total revenues	<u>133,622</u>	<u>68,364</u>	<u>15,958</u>	<u>(8,402)</u>	<u>209,542</u>
Segment results	9,353	4,950	381	-	14,684
Financial expenses					2,492
Financial income					<u>370</u>
Income before taxes on income					<u>12,562</u>
Segment Assets	<u>110,477</u>	<u>54,519</u>	<u>18,205</u>	<u>(17,671)</u>	<u>165,530</u>
Segment Liabilities	<u>35,321</u>	<u>34,612</u>	<u>15,385</u>	<u>(17,671)</u>	<u>67,647</u>

(*) The segment includes the Company's activity in Europe (UK, Switzerland and Germany)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**NOTE 4 – INFORMATION REGARDING OPERATING SEGMENTS (Cont.)****For the period of nine months ended on September 30, 2024**

	Israel	US	Other (*)	Adjustments	Consolidated
	\$ in thousands				
	Unaudited				
<u>Information on comprehensive income</u>					
Revenues					
External revenues	122,266	75,449	11,564	-	209,279
Intersegment revenues	4,260	854	-	(5,114)	-
Total revenues	<u>126,526</u>	<u>76,303</u>	<u>11,564</u>	<u>(5,114)</u>	<u>209,279</u>
Segment results	11,822	6,927	(174)	-	18,575
Financial expenses					3,869
Financial income					<u>1,387</u>
Income before taxes on income					<u>16,093</u>
Segment Assets	<u>102,734</u>	<u>70,641</u>	<u>14,438</u>	<u>(11,044)</u>	<u>176,769</u>
Segment Liabilities	<u>35,551</u>	<u>54,113</u>	<u>10,144</u>	<u>(11,044)</u>	<u>88,764</u>

For the period of three months ended on September 30 2025

	Israel	US	Other (*)	Adjustments	Consolidated
	\$ in thousands				
	Unaudited				
<u>Information on comprehensive income</u>					
Revenues					
External revenues	39,145	20,977	6,150	-	66,272
Intersegment revenues	1,741	212	4	(1,957)	-
Total revenues	<u>40,886</u>	<u>21,189</u>	<u>6,154</u>	<u>(1,957)</u>	<u>66,272</u>
Segment results	3,110	1,387	232	-	4,729
Financial expenses					692
Financial income					<u>106</u>
Income before taxes on income					<u>4,143</u>
Segment Assets	<u>110,477</u>	<u>54,519</u>	<u>18,205</u>	<u>(17,671)</u>	<u>165,530</u>
Segment Liabilities	<u>35,321</u>	<u>34,612</u>	<u>15,385</u>	<u>(17,671)</u>	<u>67,647</u>

(*) The segment includes the Company's activity in Europe (UK, Switzerland and Germany)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**NOTE 4 – INFORMATION REGARDING OPERATING SEGMENTS (Cont.)**

	For the period of three months ended on September 30 2024				
	Israel	US	Other (*)	Adjustments	Consolidated
	\$ in thousands				
	Unaudited				
<u>Information on comprehensive income</u>					
Revenues					
External revenues	34,683	21,765	5,929	-	62,377
Intersegment revenues	771	285	-	(1,056)	-
Total revenues	<u>35,454</u>	<u>22,050</u>	<u>5,929</u>	<u>(1,056)</u>	<u>62,377</u>
Segment results	3,594	1,759	333	-	5,686
Financial expenses					890
Financial income					<u>57</u>
Income before taxes on income					<u>4,853</u>
Segment Assets	<u>102,734</u>	<u>70,641</u>	<u>14,438</u>	<u>(11,044)</u>	<u>176,769</u>
Segment Liabilities	<u>35,551</u>	<u>54,113</u>	<u>10,144</u>	<u>(11,044)</u>	<u>88,764</u>
	For the year ended on December 31, 2024				
	Israel	US	Other (*)	Adjustments	Consolidated
	\$ in thousands				
	Audited				
<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	<u>166,236</u>	<u>99,089</u>	<u>16,340</u>	<u>(7,926)</u>	<u>273,739</u>
Segment results	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>
Segment Assets	<u>109,155</u>	<u>75,479</u>	<u>9,279</u>	<u>(18,918)</u>	<u>174,995</u>
Segment Liabilities	<u>38,076</u>	<u>58,340</u>	<u>6,218</u>	<u>(18,918)</u>	<u>83,716</u>

(*) The segment includes the Company's activity in Europe (UK, Switzerland and Germany)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5 – EVENTS DURING AND AFTER THE REPORTING PERIOD

- A. In January 2025, most of the minority shareholders in the subsidiary Hiper Global US LLC exercised their put option. Following the exercise, the holding in the company increased to 98.2%.
- B. 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.
- C. On April 1, 2025, a foreign subsidiary entered into an agreement to acquire 100% of the issued and paid-up share capital of a foreign company engaged in areas of activity similar to those of the group companies, with global customers abroad. According to the agreement, the Company paid the sellers a total of approximately \$ 3.9 million and additional balance of \$ 0.9 million will be paid in August 2025. Furthermore, additional future consideration was determined subject to the fulfillment of conditions defined in the agreement related to the business results of the acquired company, which may be paid over the next two years. The acquisition was financed through a long-term loan that will be repaid after 7 years on April 30, 2032, by quarterly repayment of principal and interest, when the first interest payments commencing on July 30, 2025 and the first principal payment due on July 30, 2026. The loan bears variable annual interest at the base interest in foreign currency plus a margin of 2.9% per annum.

The results of the acquired company's operations will be reflected starting from the consolidated report for the second quarter of 2025 and will be reported under the "Other" segment in the note regarding operating segments.

As of the publication date of the financial statements, the work of allocating the acquisition cost by an independent external appraiser of the acquisition cost to assets and liabilities has not yet been completed and a provisional allocation was made by an independent external appraiser of the acquisition cost to assets and liabilities.

The acquisition consideration and the fair value of identifiable assets acquired and liabilities assumed are adjustable up to 12 months from the date of acquisition. At the final measurement date, the adjustments are made by restating the comparative figures previously reported according to the interim measurement.

The cost of the business combination as aforesaid amounted to approximately \$ 4.8 million. As of the acquisition date, the fair value of the contingent consideration was estimated at zero. A weighted discount rate of approximately 16.8% was used in calculating the fair value.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**NOTE 5 – EVENTS DURING AND AFTER THE REPORTING PERIOD (Cont.)**

The following are details regarding the amounts recognized at the acquisition date for each group of assets acquired and liabilities assumed:

	Acquisition date April 1, 2025
	<u>\$ in thousands</u>
Cash and cash equivalents	969
Trade and other receivables	523
Inventory	27
Goodwill and intangible assets created upon acquisition	4,098
Fixed assets and right-of-use assets, net	56
Trade and other payables	(461)
Long-term liabilities	(443)
Total cost of business combination	<u>4,769</u>
 <u>Cash provided by/used in the acquisition</u>	 <u>\$ in thousands</u>
Cash and cash equivalents in the acquired company at the date of acquisition	969
Cash paid for the acquisition	(3,881)
Cash, net	<u>(2,912)</u>

- D. On May 13, 2025, the Company's Board of Directors declared a dividend of NIS 0.105 per share and a total amount of approximately \$1,400 thousand. The record date was set for May 27, 2025.
- E. On August 18, 2025, the Company's Board of Directors declared a dividend of NIS 0.065 per share and a total amount of approximately \$ 910 thousand. The record date was set for August 25, 2025.
- F. On October 22, 2025, the Company published an immediate report in the Magna system that a subsidiary company had completed the commercial and technical conditions that would allow it to realize a win in a tender conducted by a large existing customer in the United States to supply computing systems for a new generation of its products. Following the aforementioned win, the subsidiary received a binding order to supply an initial quantity of computing systems for which the Company will perform integration activities and adjustments to the customer's needs in the amount of approximately \$11 million.

The supplies of computing systems are expected to begin in the second quarter of 2026 and will continue for a period of approximately 3 to 5 years.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

- G. On November 16, 2025, the Company published an immediate report in the Magna system that from September 2025 until the reporting date, the Company received from an existing customer in Israel, a third party not related to the Company, new cumulative orders in the amount of approximately \$23.5 million, for ongoing supplies of advanced computing systems for projects in the field of AI, a volume significantly higher than the representative order rate for these lines of activity in recent years. The orders as stated above included orders in the amount of approximately \$10 million for a new product line that the Company won. The Company estimates that these orders will be delivered in the coming year.
- H. On November 17, 2025, the Company's board of directors declared a dividend distribution at a rate of NIS 0.095 per share and a total amount of approximately \$ 1,390 thousand. The record date was set for November 25, 2025.