Maytronics Ltd.

Board of Directors' Report on the State of the Company's Affairs For the Period Ended September 30, 2025

A. Explanations by the Board of Directors regarding the state of the Company's business affairs, operating results, equity and cash flows

1. Principal information from the description of the corporation's business

Maytronics Ltd. and its subsidiaries (the "**Company**") specialize in the development, manufacture, marketing, distribution, sale and technical support of equipment for swimming pools, including robotic cleaners for residential and public swimming pools, automatic swimming pool covers, and drowning detection systems. The Company's production operations are carried out mainly in Israel and Europe. Additionally, the Company has a retail operation for the sale of other supplementary products for swimming pools. The Company's business is export-based, and 98% of the Company's revenues are generated from sales and services outside of Israel. Sales of the Company's products worldwide are mostly carried out by external distributors, by subsidiaries as well as online eCommerce channels:

1. In the United States, distribution is carried out by the subsidiary Maytronics US, based in Atlanta, Georgia ("**MTUS**"), and by ECCXI ("**ECCXI**"), an MTUS subsidiary, as well as external distributors.

2. In France, by the subsidiary Maytronics France ("**MTFR**") and by external distributors.

3. In Australia, through the subsidiary Maytronics Australia ("**MTAU**"), and by **Focus**, an MTAU subsidiary that was acquired in October 2024.

4. In Germany, through the subsidiary Bünger & Frese ("**BF**") and by external distributors.

5. In several European countries by ECCXI Europe ("**ECCXI Europe**"), which operates an eCommerce sales platform on the continent.

The Company is affected by seasonality, and approximately 65% of its sales in 2024, and most of its income concentrated in the first half of the year. This seasonality arises from the fact that most of the Company's sales are made in the Northern Hemisphere, where, in a "typical" pool season in terms of the weather, use of home pools begins around April-May-June (depending on the geographic location) and ends around September.

The Company's customers are distributors, store owners (dealers), and end users (pool owners) who buy directly online on eCommerce platforms where the Company sells its products. Distributors and store owners in Europe and North America generally stock up on most products from December/January to June/July, and generally sell most of the products from March/April/May until the season closes at summer's end, whereas end users make most of their purchases during the pool season, i.e., from the start of the season (as described above) through August.

However, robotic cleaners for private pools are manufactured continuously throughout the year (but not at an equal pace), with production in the second half primarily focused on inventory buildup for the upcoming season.

The Company is a global leader in its main operating segment, robotic cleaners for private pools, and according to its estimates, which are based on the summary of 2024, the Company is the market leader and holds the largest share of the robotic cleaner's market (as defined in section 1.2 of **Description of the Corporation's Business for 2024**, reference no. 2025-01-020447). However, changes in demand characteristics and competitive dynamics have eroded its market share. The Company invests in the development and improvement of its products to retain its technological leadership and to penetrate new market segments.

2. Major events in and after the reporting period

2.1 The Company's position and the swimming pool market:

The Company's third-quarter sales primarily reflects pool season sales in North America and Europe, as well as early-season sales in Australia and other Southern Hemisphere markets. Third-quarter sales for 2025 totaled approximately NIS 339 million, representing an increase of 5.7% compared to the corresponding quarter last year. Excluding currency effects, sales grew by 15.5% to approximately NIS 370 million versus the same period last year. Quarterly revenue is in line with the forecasted range of NIS 320–350 million.

Summary of the third quarter and nine-month period in the major territories compared to the corresponding period last year:

The Company sales in North America grew by 12% in the third quarter (24% in USD), while declining by 19% over the nine-month period (14% in USD). The increase in third-quarter sales reflects, among other factors, the successful fulfillment of orders originally scheduled for delivery in the second quarter and growth in online activity. Sales in Europe decreased by 9% in the third quarter (5% in EUR) and by 14% over the nine-month period (12% in EUR), reflecting challenges in the pool market amid the macroeconomic environment and intensified competition across the territory, particularly in the French market..

Sales in Oceania grew by 6% in the third quarter (20% in AUD) and by 20% over the nine-month period (31% in AUD), reflecting continued strong performance of MTAU despite intensified competition and the contribution from the consolidation of Focus, acquired in the fourth quarter of last year.By reported segments, revenues from sales of robotic cleaners for private pools increased by 3% in the third quarter and declined by 17.6% over nine months, revenues from sales of public pool robots grew by 26.1% in the third quarter and by 3.1% over nine months, and revenue fromsafety products and other related pool products rose by 7.3% in the third quarter and decreased by 2.3% over the nine-month period.

Compared to the corresponding period last year, the Company reduced inventory by approximately NIS 240 million (around 26%). In addition, compared to the first nine months of 2025, inventory was reduced by approximately NIS 161.1 million (around 19.2%). This was driven by a significant focus on selling finished goods inventory and implementing measures to improve inventory management efficiency across the Group.

The reduction in inventory contributed to a significant improvement in operating cash flow, which totaled a positive NIS 295.4 million for the first nine months of 2025. Together with a decrease in investment levels, this enabled a reduction of NIS 180.2 million in credit exposure and an improvement of NIS 218.5 million in net financial liabilities. The Company continues to align inventory levels with demand and production capacity and estimates that the inventory reduction in 2025 will be in line with its forecast, a decrease of approximately NIS 80–100 million in inventory balance compared to December 31, 2024.

During 2025 the Company continues to promote the implementation of the strategic pillar of focused on optimizing the production cost structure, operational efficiency and addressing the structure of the Company's direct and fixed costs. As part of this effort, efficiency measures were undertaken, including, among others, a gradual optimization and consolidation of robotic assembly and component manufacturing activities in Dalton and Yizre'el under one roof at the Yizre'el site. . This measure joins two strategic processes, one, the implementation of consolidation of product lines, a process in which the variety of manufactured SKUs is expected to decrease by approximately 30% to 50% over a period of up to three years, and second, the maturation of a breakthrough next-generation robotic development, which will enable the consolidation of previous product lines, which is expected to be gradually introduced to the market starting in 2026. It should be noted that the above processes have the potential to make a positive contribution to gross profitability in robotic production, both in terms of direct savings in the cost structure and in terms of purchasing efficiency, raw material inventory, production efficiency, supply capability, and more. In the third quarter, as a result of initiating the consolidation of production sites, the Company recorded an expense of approximately NIS 9.5 million, attributable to the reduction of a right-of-use asset and leasehold improvements at the Dalton production site.

Additionally, from the second quarter of 2024 through to the date of this report, the Company implemented organization-wide measures to adjust operating expenses. Refinement of these measures is expected to reduce fixed operating expenses by approximately NIS 40 million in 2025. During the first nine months of 2025, these actions resulted in a reduction of about NIS 35 million in expenses compared to the corresponding period last year.

The Company expects that in the forth quarter of 2025, its revenue will be within a range of NIS 200 million to NIS 240 million.

This information provided in section 2.1 regarding expected developments in the last quarter of 2025 and in 2026 (on revenues, costs, inventories, financial ratios, profitability and operational/logistical changes) is forward-looking information, and as such is uncertain and may not materialize, in whole or in part, or may materialize differently than anticipated.

This information is based on the information provided in sections 2.1.1, 2.1.2, 2.2.2 and 2.3.1 in the Description of the Corporation's Business for 2024 and in this report, on the current economic situation in the territories in which the Company operates, on the conduct of its customers and distributors in general and as a result of the economic situation, on the Company's experience in its traditional markets, on its intentions and plans in their respect, on its experience in the successful penetration of the Company's new products, and on the customer public's response and willingness to buy those new products. Furthermore, the Company's estimations regarding cost reduction and savings, as well as operational and logistical developments, are based on its current activity framework, the results achieved to date, and its plans for the foreseeable future.

This information may not materialize or may materialize only in part should any of the Company's competitors launch a rival product in the pool cleaner segment with similar or superior capabilities and/or at a preferable price, should rivals from the Far East grow stronger (a point discussed by the Company in said sections), due to geopolitical changes and changes in the global and local economy, global climate change, implications of the security situation, difficulties in implementing the Company's optimization plan, unforeseen disruptions in the operation of the Group's production, storage, and distribution systems, implications of its activities through other third-party platforms and due to the other risk factors specified in section 3.19 in the Description of the Corporation's Business for 2024 which is incorporated by reference.

2.2 Foreign currency effects compared to the corresponding period last year:

Exchange rate changes in the major currencies in the third quarter (three months): The Euro, which accounted for 19% of the Company's sales, strengthened by an average of 3.5% against the Shekel; the US Dollar, which accounted for 66% of the Company's sales, weakened on average by 9.4% against the Shekel; and the Australian Dollar, which accounted for 13% of the Company's sales, weakened on average by 11.8% against the Shekel.

These changes in exchange rates resulted in a reduction of approximately NIS 31.4 million in sales. Excluding the impact of currency fluctuations, quarterly revenue growth reached about 15.5%.

The effect of exchange rate fluctuations compared to the corresponding quarter last year amounted to a decline of NIS 13 million in gross profit, and a decline of NIS 10.2 million in operating profit.

Exchange rate fluctuations of major currencies over the nine-month period: The Euro, which accounted for 28% of the Company's sales, weakened by an average of 1.5% against the Shekel; the US Dollar, which accounted for 59% of the Company's sales, weakened by an average of 5.4% against the Shekel; and the Australian Dollar, which accounted for 12% of the Company's sales, weakened by an average of 7.8% against the Shekel.
The effect of exchange rate fluctuations on sales compared to the corresponding period last year amounted to a decrease of NIS 56.8 million. The effect of exchange rate fluctuations compared to the corresponding period last year also includes a decrease of NIS 25.2 million in gross profit and of NIS 16.3 million in operating profit.

2.3 **Change of Chairman of the Board of Directors:** On February 10, 2025, the incumbent Chairman of the Board, Mr. Ron Cohen, announced that he would like to end his position after the approval of the annual reports for 2024, on March 25, 2025. Further to the foregoing, on May 6, 2025, the General Meeting approved the appointment of Mr. Dov Ofer (his appointment having been recommended to the General Meeting by the Board of Directors and was appointed as a director of the Company on April 1, 2025), to the Chairman of the Board of Directors as Mr. Cohen' successor, as well as the terms of his remuneration. For further details, see Immediate Reports of March 26, 2025, April 30, 2025, and May 7, 2025 (References no. 2025-01-020611, 2025-01-030614 and 2025-01-031846), which are incorporated by reference.

2.4 **Approval of the allotment of warrants to the Chairman of the Board of Directors**: Further to the approval of the terms of remuneration of the Chairman of the Board of Directors by the Company's General Meeting as stated in Section 2.3 above, and to the approval of the Remuneration Committee of May 18, 2025 and their implementation, the Company's Board of Directors, in its resolution of May 20, 2025, approved an allotment of 577,555 warrants, exercisable for ordinary shares of the Company of NIS 0.1 par value each, to the Chairman of the Board of Directors in a cashless exercise. Said allotment is within the framework of the Company's employee stock ownership plan (ESOP), which was adopted by the Board of Directors (with the approval of the Remuneration Committee) at the end of 2017. For further information, see the Immediate Reports of May 28,2025 and June 26, 2025 (reference no. 2025-01-138417 and 2025-01-15761, respectively), which are incorporated by reference.

2.5 **CEO Transition at the Company:** On August 19, 2025, Mr. Sharon Goldenberg, who serves as the Company's CEO, announced his intention to conclude his tenure during his fifth year in office. Mr. Goldenberg has served the Company for approximately 10 years in senior management roles, including as Executive Vice President of the Business Division and Chief Revenue Officer from 2015 to 2021, prior to his appointment as CEO. Throughout his various roles, Mr. Goldenberg led the Company to impressive growth and successfully navigated significant changes in the business environment. During his tenure as CEO, he spearheaded strategic, business, and structural transformations that laid the foundation for Maytronics' continued leadership. These achievements form a solid infrastructure upon which Maytronics will continue to build for years to come.
Subsequent to the balance sheet date, on November 16, 2025, the Company's Board of Directors approved the appointment of Mr. Rafi Ben Ami as CEO to succeed Mr. Goldenberg. Mr. Ben Ami's appointment marks another step in advancing the turnaround process in which the Company is engaged. He is expected to assume the role of CEO on February 15, 2026, following a transition period.
For further details, see the immediate report dated August 19, 2025, and November 17, 2025 (reference no. 2025-01-061815, 2025-01-087974, 2025-01-0870975, and 2025-01-087985), which are incorporated herein by reference.

2.6 **Approval of the grant of Company options (including its update) and approval for the allocation of options to executives, subsidiary managers, Company employees, and employees of subsidiaries:** On August 19, 2025, the Board of Directors of the Company (following the approval of its remuneration committee dated August 17, 2025) resolved to approve the grant of 5,945,238 options to office holders (excluding directors reporting to the CEO) and to certain other employees and executives of the Company, as well as to a number of employees and executives of its subsidiaries. These options are exercisable for up to 5,945,238 ordinary shares of the Company of NIS 0.1 par value each, through a cashless exercise mechanism. In addition, it was resolved to amend the option plan so that the term of the options granted under this resolution shall be seven years (instead of five years under the existing plan, applicable to grants made from the date of the amendment onward), in alignment with the Company's Remuneration policy. For further details, see the Outline published on September 18, 2025, and the amended Outline published on November 12, 2025 (reference no. 2025-01-07053 and 2025-01-086634, respectively), incorporated herein by reference.

2.7 **Plastic Injection Supplier lawsuit:** On August 19, 2025, the Company received a lawsuit from Zriha Hlavin Industries Ltd., one of the Company's plastic injection suppliers (hereinafter – Zriha), claiming compensation of approximately NIS 90 million for damages allegedly caused by the Company's breach of its commitments to order plastic injection production. On September 17, 2025, the Company entered into a new supply agreement with Zriha, and the lawsuit was dismissed by mutual consent.

2.8 On September 30, 2025, the Company's **order backlog** which is intended for sale in the last quarter of 2025, amounted to NIS 34 million, compared to a backlog of NIS 50 million on September 30, 2024, reflecting a decrease of 32% in the backlog for the Company's products compared to last year.
The decrease in the backlog mainly attributed to the timing of receiving Early-Buy orders for the 2026 season.

2.9 **Effects of the pandemic and the global supply chain crisis on the Company:** For information, see sections 1.6.4 and 1.6.5 in Part A, Description of the Corporation's Business for 2024.

2.10 **Effects of the Swords of Iron War on the Company's business:** For information, see sections 1.6.6 in Part A, Description of the Corporation's Business for 2024.

The war impacted the Company's operations primarily through extensive mobilization of employees for reserve duty, along with delays in the supply chain and indirect effects on new product launches. These factors resulted in reduced production output and a moderate increase in operating costs.
In addition, during June 2025, Operation "Rising Lion" took place, during which the economy was partially shut down for a period of 12 days due to the missile attack from Iran on Israel. The effect of the operation on the Company's activity was reflected in delays in shipping products to the market, so shipments that were supposed to be sent to customers in June were postponed and sent during the month of July. Additionally, Company employees were drafted into reserve service.

Further to Notes 1(i) and 27 to the annual financial statements for 2023 and Notes 1(j) and 27 to the annual financial statements for 2024, and following prolonged negotiations between the Company and the Israeli Tax Authority (Administrator of Property Tax and Compensation Fund), a settlement agreement was signed on September 4, 2025. Under the agreement, the Company will receive a total amount of approximately NIS 45 million from the Compensation Fund (after deduction of expenses incurred by the Company in connection with managing the compensation claim) for indirect damages sustained as a result of the "Swords of Iron" war during the period from October 2023 through February 2025. On September 17, 2025, a cash inflow of NIS 40 million was received.
In its financial statements as of September 30, 2025, the Company recognized income of approximately NIS 34.6 million under Other expenses, net, in respect of the grant, reflecting the settlement agreement

and including the amount of NIS 10 million previously recognized in its financial statements as of December 31, 2023.

Subsequent to the balance sheet date, on October 9, 2025, an agreement was signed for a ceasefire in Gaza and the return of the hostages.

Subsequent to the balance sheet date, on November 24, 2025, the Bank of Israel reduced the interest rate by 0.25%, from 4.50% to 4.25%.

The rating agencies Fitch and Moody's maintained Israel's credit rating unchanged at "Baa1" and "A" respectively, with a negative outlook. On November 7, 2025, subsequent to the reporting date, S&P announced that it is maintaining Israel’s credit rating at “A” but revised the outlook from negative to stable.

The State of Israel remains in a situation of security uncertainty; therefore, it is not possible to assess the implications of potential future security scenarios.
The Company continues to maintain regular operations, to the greatest extent possible, in alignment with its work plans, while monitoring any possible impact of renewed hostilities, as well as of the ceasefire, on its business activities in Israel and abroad.

2.11 Transaction in the global pool market: On April 1, 2025, Fluidra S.A. (hereinafter – "Fluidra") announced its intention to invest, in two phases in Aiper Inc (hereinafter – "Aiper"), initially in by purchasing 27% of the shares and later, subject to certain conditions, to increase its holdings to the point of acquiring control of it.
The acquisition is subject to the completion of acceptable commercial terms, including antitrust approvals, and Fluiddra has announced that it expects it to be completed in the second half of 2025.

As stated in the Company's periodic report for 2024, Fluidra and Aiper are among the five main companies that manufacture electronic cleaners for private pools. The Company has taken into account the possibility of such a business combination or another in the industry in which it operates in its risk factors and work scenarios. The Company does not anticipate an immediate impact on its business and continues to monitor the possible implications and developments of this business combination.

For more information, see the Company's immediate report dated April 2, 2025 (reference no. 2025-01-024072), which is incorporated by reference.

The information regarding the expected immediate impact of Fluidra's investment in Aiper on the Company's business, constitutes **forward-looking information**, and as such is uncertain and may not materialize, in whole or in part, or may materialize differently than expected. This knowledge is based on Fluidra's announcement regarding the engagement and regarding the approvals required for the transaction and the expectation of its closure, and the Company's assessment of the benefits that will derive to Fluidra and Aiper from the transaction and their mutual impact on each other, and on the Company's status in the relevant markets as it can be assessed at this time. The estimates presented above may not materialize or may materialize differently insofar as the Company's assessment of the impact of the transaction on the combined position and capabilities of Fluidra and Aiper in the market turns out to be different from what is currently anticipated due to the implications of macroeconomic developments and due to other risk factors as stated in section 3.19 in the Description of the Corporation’s Business for 2024, which is incorporated by reference.

2.12 U.S. Government Tariff Program

Further to section 1.6.11 in the Description of the Corporation’s Business for 2024, in April 2025, the Trump administration announced its intention to impose retaliatory tariffs on imports of goods from numerous countries into the United States. Imports from Israel were subject to a total tariff of 17%, while imports from China were subject to a total tariff of 145%, in addition to certain sector-specific levies. The tariffs apply to goods only and do not apply to services. On April 9, 2025, President Trump announced a 90-day suspension of the tariff program (except for imports from China) and, concurrently, stated that the tariff rate on imports from Israel would be set at 10%. Subsequently, it was reported that the U.S. was negotiating with countries affected by the tariffs. On May 12, 2025, the United States reached agreements with China, according to which both parties would reduce the reciprocal tariffs to 10% for a period of 3 months, while a separate tariff of 20% imposed by the United States on China would remain unchanged (a total of 30%).

On August 11, 2025, the freeze on reciprocal tariff increases was extended, keeping the tariff rate at 30%. In November 2025, the U.S. announced the continuation of discussions with China and a further extension of the freeze on reciprocal tariff measures. It should be noted that these tariffs are in addition to a 25% tariff on the category of robots imported from China.
On July 31, 2025, the U.S. Government decided to increase tariffs on products imported from Israel from 10% to 15%, which took effect on August 7, 2025. As of the reporting date, this rate remains in effect without change.

As of the reporting date, there is uncertainty regarding the continuation of the policy, subject to ongoing international negotiations. The tariffs on Chinese products in the U.S. have a direct impact primarily on the Company's products manufactured under the Niya brand, which were intended to expand the Company's value proposition.

During the reporting period, tariffs had an adverse impact on gross profitability. The Company continues to examine ways to mitigate with the changing tariff policies on its operations in the markets in which it operates, with particular emphasis on the US market, which constitutes approximately 57% of the Company's revenues in 2024, and closely monitors the frequent developments on the subject.
Given the frequent changes in U.S. tariff policy, the Company is unable to assess the long-term impact of such tariff policy on its financial results

For additional information on the Company's revenues by geographic location, see Note 29 of the Annual Financial Statements of 2024

2.13 **Launch of new products:** As part of the Company's strategic pillar focused on establishing and strengthening the Company's leadership in the robotics segment, the Company has invested in recent years in several initiatives aimed at expanding its product range and integrating solutions that provide a more comprehensive response to customers' pool-cleaning needs. In this context, during 2026, the Company is expected to launch several new product lines, which have already been showcased at various trade exhibitions.

Dolphin EON

The Company's flagship platform for the coming years is entering the initial stage of mass production in preparation for the launch of two new models, EON 100 and EON 120d, which combine advanced technological innovation, smart capabilities, meticulous engineering, and exceptional design.
The platform as a whole is expected to provide comprehensive coverage of the pool and significantly reduce the required treatment time, while maintaining, and even enhancing, the product quality that characterizes the Dolphin brand. The two models scheduled for launch in 2026 will feature advanced capabilities for cleaning pool surfaces, including steps and lounging areas in shallow water up to 20 cm deep (to the best of the company's knowledge, this is currently the only robot on the market capable of performing this task efficiently).

In addition, the Company estimates that these models deliver water filtration capacity four times greater than existing market alternatives and feature a Smart Mode that automatically detects the pool's shape and adjusts the cleaning pattern accordingly.
The platform incorporates a unique patented development that enables directional water flow adjustment to perform a backwash at the end of each operating cycle. This innovation extends the robot's continuous operating time in the pool and reduces the need for frequent removal and manual filter cleaning.
All these features translate into a more advanced, efficient, and high-quality cleaning experience for customers. The Company also expects to launch additional models in the EON product family during 2027–2028.

Dolphin Skimmi
Floating Skimmers - robotic devices designed for cleaning pool surfaces, a category characterized by strong and accelerating demand. The Company's next-generation development in this category is based on an innovative design, enhancements to key features, and advanced, optimized mass-production capabilities.
The robots scheduled for launch in 2026, the Skimmi 200 and Skimmi 300 models, address the evolving market needs and deliver an upgraded user experience for customers.

S-Facelift
The S Series, which has served as the Company's growth engine for many years, will receive a refresh in 2026 featuring upgraded functionalities and an innovative design. The series includes three models: S1000, S2000, and S3000, each retaining all the advantages of the S Series while introducing a new level of quality and innovation, delivering one of the most advanced cleaning experiences in the market.

Aquasweep
The Company introduces a solution in the Handheld category, specifically designed for DIY customers and suitable for use in hot tubs. This category, characterized by rapid growth, will see the full launch of two models aimed at addressing the needs of various sales channels, including online and professional segments.

The information regarding the Company's plans for launching the new products listed in Section 2.13 above, and the anticipated benefits to the Company, constitutes forward-looking information. As such, it is uncertain and may not materialize, in whole or in part, or may materialize differently than expected. This information is based on the Company's current plans, its knowledge of the markets in which it operates, and its understanding of customer needs and preferences. The estimates presented above may not materialize or may materialize differently if the Company's assessment of product launches encounters unforeseen difficulties in implementing its plans for these products and their unique features, or due to changes in customer preferences, the Company's competitive environment, unexpected macroeconomic developments, or other risk factors as described in section 3.19 in the Description of the Corporation's Business for 2024 Business Description, incorporated herein by reference.

2.14 **Impairment of ECCXI goodwill:** In accordance with International Financial Reporting Standards (IFRS), specifically IAS 36, the Company assessed the carrying amount of goodwill recorded in the subsidiary's books arising from the acquisition of ECCXI's operations. The impairment test was performed by Beta Finance T.Y.S Ltd.
During the reporting period, a goodwill impairment of NIS 8.4 million was recognized, reflecting the necessary adjustments to provide a faithful representation of the asset's condition, including the impact of changes in trading conditions in the U.S. market and shifts in online channel dynamics, particularly in marketplaces that constitute ECCXI's primary online sales channel. It should be noted that this impairment does not affect ongoing operations or operating cash flows, as it relates solely to an

accounting component arising from a past business combination. The Company will continue to monitor and review goodwill units on an ongoing basis and reassess market conditions and the subsidiary's business activity as needed. The impairment was recorded under Other Expenses in the Statement of Profit or Loss. For further details regarding the valuation underlying the impairment, see Note 6.8 to the Financial Statements.

2.15 **Amortization of Intangible Asset:** During the third quarter of 2025, following the Company's decision to focus development activities on the robotics segment, the Company resolved to discontinue the development of several hardware and software components related to water-sensing technologies and chemical balancing solutions for pools. Consequently, the Company recognized an impairment loss of NIS 28.2 million, recorded under Other Expenses, net in the Statement of Profit or Loss. In 2023 and 2024, the Company recognized an aggregate impairment loss of NIS 26.3 million. The remaining carrying amount of the intangible asset associated with technological development in this area as of September 30, 2025, is NIS 23 million.

Events After the Reporting Date

2.16 **Convening a Special General Meeting:** After the reporting date, on November 16, 2025, the Company's Board of Directors resolved to convene a Special General Meeting, the agenda of which includes approval of the renewal of the terms of office for the incumbent external directors, granting indemnity letters to the Company's office holders, and approval of an adaptation grant for the outgoing CEO, Mr. Sharon Goldenberg. For further details, see the Notice of Meeting Report dated November 17, 2025 (reference no. 2025-01-088267), incorporated herein by reference.

3. Financial position

Following is a description of major developments occurring in the line items in the statement of financial position as of September 30, 2025, compared to the statement of financial position as of September 30, 2024 and compared to the statement of financial position as of December 31, 2024 (in NIS thousands).

Item	**September 30**		**December 31**	**Explanations by the Company – balances as of September 30, 2025 compared to September 30, 2024**
	2025	**2024**	**2024**	
	NIS thousands			
Cash and cash equivalents and short-term investments	142,888	115,073	104,675	An increase in cash and cash equivalents resulting from a significant improvement in operating cash flows, a reduction in investments and a reduction in interest-bearing credit
Trade accounts receivables	189,768	222,827	218,827	A decline of NIS 33 million (15%) in trade receivables balance primarily due to collections and the sales mix across channels in North America.
Other receivables	94,537	98,343	100,115	No material change.
Inventory	676,689	917,094	837,796	A decline of NIS 240 million (26%) in the balance of inventory as a result of the following: 1. Inventory levels of finished goods, raw material and work in process inventory in the robot category: the Company's steps taken to adjust the volume of this inventory led to a decline of NIS 221 million. 2. The inventory level related to the safety and other related pool products segment, decreased by NIS 19 million, despite the effect of Focus consolidation, which included the recording of additional inventory of NIS 11 million. 3. The effect of the strengthening of the shekel, mainly against the US dollar and the Australian dollar compared to the corresponding period last year, led to a decline of NIS 61 million in the inventory balance The Company continues to work to adjust the inventory levels in line with demand and its production capabilities.
Total current assets	**1,103,882**	**1,353,337**	**1,261,413**	

Item	September 30		December 31	Explanations by the Company – balances as of September 30, 2025 compared to September 30, 2024
	2025	2024	2024	
	NIS thousands			
Long-term debit balances	2,053	2,077	1,840	No material change.
Fixed assets	217,186	237,774	237,676	The decline is the result of high depreciation on investments due to a reduction in investment volume and foreign exchange rate effects, as well as recognition of an impairment loss of NIS 4.6 million arising from the consolidation of production sites.
Right-of-use assets	146,676	145,937	173,111	The increase in ROU assets is due to an addition to the Company’s lease agreements, which mainly include buildings and vehicles, against the recording of an impairment loss of NIS 4.9 million resulting from the consolidation of production sites.
Intangible assets	326,103	341,361	366,477	During the reporting period, impairment losses totaling NIS 28.2 million were recognized in respect of the investment in pool water monitoring and control activities, and goodwill impairment related to ECCXI amounting to NIS 8.4 million. These were partially offset by the recognition of intangible assets of approximately NIS 44.4 million resulting from a business combination following MTAU’s acquisition of Focus, as well as by the capitalization of development costs between periods, net of depreciation .
Deferred taxes	41,841	32,220	46,446	The increase in deferred taxes originates fromtiming differences in the U.S. subsidiary in light of the acquisition of the minority share in ECCXI.
Total non-current assets	**733,859**	**759,369**	**825,550**	
Total assets	**1,837,741**	**2,112,706**	**2,086,963**	

Item	September 30		December 31	Explanations by the Company – balances as of September 30, 2025 compared to September 30, 2024
	2025	2024	2024	
	NIS thousands			
Bank credit	471,524	535,149	609,206	Short-term credit decreased by NIS 63.6 million; short-term credit mainly serves to finance the Group's working capital requirements, mainly as a result of lower inventory levels and investment valuation.
Trade payables	116,073	91,064	76,905	Trade payables increased by NIS 25 million, mainly due to improved payment terms with suppliers.
Other accounts payable	104,352	171,831	149,245	Other accounts payable declined by NIS 67.5 million, largely due to a decrease in the lability to purchasing organizations.
Other current liabilities	69,721	67,166	74,378	An increase in deferred and contingent liability of NIS 17.9 million in light of the acquisition of Focus and NIS 4.2 million for deferred liability in the acquisition of ECCXI, which was offset against a dividend payable of NIS 20 million in the corresponding period.
Non-current liabilities	393,280	418,906	462,878	A decrease of NIS 25.6 million, primarily attributable to a reduction of NIS 33.8 million in long term loans.
Total liabilities	**1,154,950**	**1,284,116**	**1,372,612**	
Equity attributable to shareholders of the Company	628,910	770,344	660,963	The decline in equity is attributable to a loss in the amount of NIS 112 million recognized in the reporting period, a dividend paid of NIS 20 million in the reporting period as well as the impact of the foreign currency translation reserve of NIS 42 million..
Non-controlling interests	53,881	58,246	53,388	Non-controlling interests represent the non-controlling interests in MTFR and MTAU.
Total equity	**682,791**	**828,590**	**714,351**	
Total liabilities and equity	**1,837,741**	**2,112,706**	**2,086,963**	

3.1 Liquidity ratios

	September 30, 2025	September 30, 2024
Working capital (NIS thousands)	342,212	488,127
Current ratio	1.45	1.56
Quick ratio	0.56	0.50

The decrease in the Company's working capital and current ratio compared to September 30, 2024 is attributed to a reduction in inventory and a decline in trade receivables and by an increase in trade payables.

4. Operating results in NIS thousands

Following are the condensed income statements for the nine-month period and the third quarter of 2024-2025:

Item	January-September 2025	January-September 2024	July-September 2025	July-September 2024
Sales revenues	1,200,477	1,383,830	339,052	320,698
Gross profit **Gross margin**	412,902 34.4%	546,794 39.5%	102,994 30.4%	121,866 38.0%
Operating profit **Operating margin**	40,561 3.4%	129,342 9.3%	(24,207) (7.1%)	(4,170) (1.3%)
Net profit (loss) **Net margin**	(13,705) (1.1%)	64,755 4.7%	(40,208) (11.9%)	(18,205) (5.7%)

Following is an analysis of revenue and gross profit, according to quarterly segment reporting						
	For the three months ended September 30		**For the three months ended September 30**			
	2025		**2024**			
1. Segment revenues:	**NIS thousands**	**% of total revenues**	**NIS thousands**	**% of total revenues**	**% change**	**Explanations**
Residential pool cleaners	220,696	65.1%	214,333	66.8%	3.0%	Quarterly revenues reflect a significant increase in robot sales in North America, partly due to the timing of order deliveries, alongside continued impacts of competitive market challenges across all major regions and a material adverse effect from key exchange rates against the shekel.
Public pool cleaners	28,545	8.4%	22,633	7.1%	26.1%	Sales increased across all key territories, with part of the growth in North America attributable to the delivery of orders deferred from the second quarter.
Safety products and related pool products	89,811	26.5%	83,732	26.1%	7.3%	This segment's operation volume was affected by the decline in cover sales as a result of the continued negative trend in the construction of new pools in the French market, a decline in related pool products sales in ECCXI partly as a result of a process of focusing on sales of products with a high profit margin and a decrease in sales of products imported from China as a result of the impact of tariffs. This decrease was partially offset by an increase in sales of pool related products at the subsidiary MTAU as a result of the consolidation of Focus.
Total revenues	**339,052**	**100.0%**	**320,698**	**100.0%**	**5.7%**	**Excluding the impact of currency fluctuations, quarterly revenue growth reached approximately 15.5%**
2. Segment results:	**NIS thousands**	**Gross margin**	**NIS thousands**	**Gross margin**	**% change**	
Residential pool cleaners	61,342	27.8%	88,809	41.4%	(30.9%)	The gross profit margin was mainly impacted by currency fluctuations, an increase in indirect costs due to lower production volumes, the effect of tariffs, and inventory write-down measures.
Public pool cleaners	16,114	56.5%	12,578	55.6%	28.1%	The increase in gross profit and its margin is attributable to the sales mix.
Safety products and related pool products	25,538	28.4%	20,479	24.4%	24.7%	The increase in gross profit is attributable to higher revenues and an improvement in gross margin, primarily driven by continued enhancement of profitability in product sales at ECCXI, improved cover profitability, and the contribution from the consolidation of Focus, which has a gross margin above the segment average.
Gross profit	**102,994**	**30.4%**	**121,866**	**38.0%**	**(15.4%)**	

Following is an analysis of revenue and gross profit by segment reporting for the nine-month period

	For the nine months ended September 30 2025		For the nine months ended September 30 2024			
1. Segment revenues:	**NIS thousands**	**% of total revenues**	**NIS thousands**	**% of total revenues**	**% change**	**Explanations**
Residential pool cleaners	839,531	70.0%	1,018,887	73.6%	(17.6%)	The decline in revenue in the private pool robotic cleaner segment is largely due to the challenges of the competitive environment, macroeconomic conditions, the impact of tariff policies in the U.S. market, and foreign exchange effects.
Public pool cleaners	83,353	6.9%	80,861	5.9%	3.1%	Increase in sales due to higher quantities sold
Safety products and related pool products	277,593	23.1%	284,082	20.5%	(2.3%)	This segment's operation volume was affected by the decline in cover sales as a result of the continued negative trend in the construction of new pools in the French market, a decline in related pool products sales in ECCXI partly as a result of a process of focusing on sales of products with a high profit margin and a decrease in sales of products imported from China as a result of the impact of tariffs. This decrease was partially offset by an increase in sales of pool related products at the subsidiary MTAU as a result of the consolidation of Focus.
Total revenues	**1,200,477**	**100.0%**	**1,383,830**	**100.0%**	**(13.2%)**	**Excluding the impact of currency fluctuations, the decrease in sales for the period amounted to 9.1%**
2. Segment results:	**NIS thousands**	**Gross margin**	**NIS thousands**	**Gross margin**	**% change**	
Residential pool cleaners	286,466	34.1%	421,997	41.4%	(32,1%)	The decline in gross profit is attributed lower sales, while the decline in gross profit rate was mostly affected by higher indirect costs due to reduced production volumes, the impact of tariffs, one-time costs related to logistics challenges in the US, currency fluctuations, and inventory write-down measures
Public pool cleaners	44,118	52.9%	44,350	54.8%	(0.5%)	
Safety products and related pool products	82,318	29.7%	80,447	28.3%	(2.3%)	The increase in gross profit is attributed to higher revenues and an improvement in gross profit rate primarily driven by the contribution from the consolidation of Focus, which contributed to a higher than average gross profit margin in the segment.
Gross profit	**412,902**	**34.4%**	**546,794**	**39.5%**	**(24.5%)**	

Further explanations regarding other income statement items (NIS thousands):

Item	For the three months ended September 30, 2025	For the three months ended September 30, 2024	% change	Main explanations
Research and development expenses	8,923	11,991	(25.6%)	The decline in development costs is mainly attributed to downsizing in the scope of manpower which is reflected in a 16% decrease in salary expenses and to a decline in expenses related to the development activity in the pool water monitoring, control and treatment segment in light of focused development efforts in the segment. Development in the robotics segment decreased due to the completion of certain projects that were in the development stage.
Selling and marketing expenses	75,108	79,020	(5.0%)	A decrease is mainly due to a reduction in the cost of wages and accompanying benefits of NIS 3.1 million (around 14%) as a result of efficiency measures implemented by the Company, as well as lower commissions from online marketplace sales and a decrease in marketing and promotional campaigns, mostly in ECCXI. By contrast, an increase of NIS 1 million was recorded due to the consolidation of Focus.
General and administrative expenses	31,626	34,926	(9.4%)	The decline is largely the result of a decrease of NIS 1.6 million (9%) in the cost of wages and accompanying benefits, as well as lower IT system expenses due to efficiency measures. These decreases were partially offset by additional expenses in the amount of NIS 1 million due to the consolidation of Focus.
Other expenses (income), net	11,544	99	-	Expenses for the period are mainly attributable to an impairment of development activities in the pool water monitoring and control segment amounting to NIS 28.2 million, a goodwill amortization related to ECCXI of NIS 8.4 million, and a write-off of right-of-use assets and leasehold improvements at the Dalton production site due to the consolidation of production sites totaling NIS 9.5 million. These were partially offset by income from a grant received in connection with the "Swords of Iron" war, for which NIS 34.5 million was recognized.
Operating loss	**(24,207)**	**(4,170)**	**480.5%**	The increase in operating loss for the quarter is mainly attributable to a decline in gross profit and higher net other expenses, partially offset by a decrease in operating expenses.
Finance expenses, net	14,399	17,810	(19.2%)	The decrease in net finance expenses is mainly due to the effect of hedging transactions, net of the valuation of foreign currency balances.
Loss before taxes	**(38,606)**	**(21,980)**	**75.6%**	
Taxes on income	1,602	(3,775)	-	Tax expenses decreased due to the decrease in income before tax, as well as the profit mix between the companies in the Group.
Net loss	**(40,208)**	**(18,205)**	**120.9%**	

Further explanations regarding other income statement items (NIS thousands):

Item	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024	% change	Main explanations
Research and development expenses	30,274	36,289	(16.6%)	The decline in development costs is mainly attributed to downsizing in the scope of manpower which is reflected in a 18% decrease in salary expenses and to a decline in expenses related to the development activity in the pool water monitoring, control and treatment segment. The Company continues to invest in the robotics segment as part of its strategy to maintain its position as technological leader in this segment and in view of the launch of a new robot generation in the coming years.
Selling and marketing expenses	232,455	272,930	(14.8%)	A decline of NIS 11.8 million (16%) in the cost of wages and accompanying benefits as a result of efficiency enhancement implemented by the Company, a decrease in shipping costs as well as lower commissions from online marketplace sales and a decrease in marketing and promotional campaigns, mostly in ECCXI. By contrast, an increase of NIS 2.9 million was recorded due to the consolidation of Focus.
General and administrative expenses	98,243	107,984	(9.0%)	The decline is largely the result of a decrease of NIS 6.3 million (12%) in the cost of wages and accompanying benefits, a decrease in IT system expenses and a decrease in the provision for doubtful debts. On the other hand, there was an increase of NIS 1.2 million as a result of recording salary expenses due to a contingent liability related to the acquisition of the minority interest in ECCXI and additional expense in the amount of NIS 3.8 million due to the consolidation of Focus.
Other expenses (income)	11,369	249	-	Expenses for the period are mainly attributable to an impairment of development activities in the pool water monitoring and control segment amounting to NIS 28.2 million, a goodwill amortization related to ECCXI of NIS 8.4 million, and a write-off of right-of-use assets and leasehold improvements at the Dalton production site due to the consolidation of production sites totaling NIS 9.5 million. These were partially offset by income from a grant received in connection with the "Swords of Iron" war, for which NIS 34.5 million was recognized.
Operating profit (loss)	**40,561**	**129,342**	**(68.7%)**	The decrease in profit is mainly due to a decline in revenues and gross profit, partially offset by a decrease in operating expenses.
Finance expenses, net	45,914	46,842	(2.0%)	The decrease in net finance expenses is mainly due to the effect of hedging transactions, net of the valuation of foreign currency balances, partially offset by an increase in interest expenses.
Income before taxes	**(5,353)**	**82,500**	**(106.5%)**	
Taxes on income	8,352	17,745	(52.9%)	Tax expenses decreased due to the decrease in income before tax, as well as the profit mix between the companies in the Group.
Net income (loss)	**(13,705)**	**64,755**	**(121.2%)**	

5. Cash flows

Item	For the nine months ended September 30		For the three months ended September 30		Explanations
	2025	**2024**	**2025**	**2024**	
	NIS thousands		**NIS thousands**		
Cash flows provided by operating activities	295,431	161,068	146,516	4,924	An increase in operating cash flow of NIS 134.4 million for the nine-month period and NIS 141.6 million for the quarter, mainly driven by an improvement in the Group's operating working capital, primarily due to proactive inventory reduction measures.
Cash flows used in investing activities	(50,456)	(81,559)	(11,773)	(17,152)	The decrease in cash used for investing activities (both for the nine-month period and the quarter) is mainly due to lower investment in fixed assets, primarily in Company site buildings, as well as a reduced capitalization of intangible assets related to monitoring, control, and pool water treatment activities.
Cash flows used in financing activities	(214,209)	(117,416)	(99,352)	(15,435)	For the nine-month period - A decrease of NIS 186 million in credit compared to NIS 60 million last year and by contrast, a dividend payment of NIS 36 million last year with no dividend paid in the current period. Q3 - A decrease of NIS 89 million in credit compared to NIS 8 million last year.
Exchange rate differences related to cash and cash equivalents	2,921	1,380	(800)	2,973	-
Translation differences related to cash of foreign operation	3,181	2,037	936	2,217	-
Change in cash and cash equivalents	**36,868**	**(34,490)**	**35,527**	**(22,473)**	**-**
Cash and cash equivalents at end of period	**121,307**	**95,554**	**121,307**	**95,554**	**-**

B. Market risk exposure and risk management

1. The Company's Market Risk Manager:
The Chief Executive Officer, Mr. Sharon Goldenberg, and Chief Financial Officer, Mr. Amit Magen, CPA, are responsible for the management of market risks in the Company (for information on said managers, see Regulation 26A in Chapter D of the 2024 Periodic Report and Immediate Report of May 20, 2025, References no 2025-01-035556).

2. Material market risks to which the Company is exposed:

2.1 **Currency risk:** Changes in the US Dollar, Euro and Australian Dollar exchange rates affect the Company's results. In 2024, around 98% of the Company's sales and 50% of its inputs are in foreign currency. Most of the Company's exposure is due to the revaluation of the Shekel against the Euro, against the US Dollar and against the Australian Dollar.

The Company has two types of currency exposure:
Balance sheet exposure, due to the revaluation of assets versus liabilities in those currencies, and cash flow exposure, which is due to net surplus revenues in said currencies.

2.2 **Fair value risk in respect of interest rate changes:** The Company has investments in bonds. Changes in market interest rates change the value of the bonds.

2.3 **Price risk**: Applies to changes in the prices of securities in the Company's investment portfolio.

3. The corporation's policy regarding management of the above market risks:
It is the Company's practice to hedge against currency risks arising from changes in foreign currency rates against the Shekel, based on the assessments of Company management. The Company's practice is to estimate the exposure to exchange rates (both cash flow and balance sheet exposure) on an ongoing basis, and to hedge a material part of this exposure, generally for six months to one year ahead.
As a rule, the hedges used by the Company are forwards and the purchase of put options. To fund the purchase of put options, the Company also sells call options (cylinder options). Furthermore, to hedge its balance sheet exposure, the Company also occasionally purchases call options.

4. Oversight of the market risk management policy and realization of the policy:
The Board of Directors, according to the Balance Sheet Committee's recommendations, sets policy from time to time, among other things with respect to market risks and their management, with emphasis on currency risk as well as on the financial investments of the reserves. Additionally, the Balance Sheet Committee reports to the Board of Directors from time to time on the implementation of the risk management policy defined by the Board of Directors.

Statement of financial position according to linkage bases as of September 30, 2025

	USD-linked	EUR-linked	AUD-linked	CPI-linked	Unlinked and other	Non-financial instru-ment	Total
	NIS thousands						
Assets							
Cash and cash equivalents	16,197	83,490	19,405	-	2,215	-	121,307
Short-term investments	235	-	-	8,495	12,851	-	21,581
Trade receivables, net	64,267	49,994	61,092	-	14,415	-	189,768
Other accounts receivable	14,563	11,233	7,678	-	61,063	-	94,537
Inventory	-	-	-	-	-	676,689	676,689
Long-term deposits and debit balances	-	707	1,346	-	-	-	2,053
Fixed assets, net	-	-	-	-	-	217,186	217,186
Right-of-use assets, net	-	-	-	-	-	146,676	146,676
Intangible assets, net	-	-	-	-	-	326,103	326,103
Deferred taxes, net	-	-	-	-	-	41,841	41,841
Total assets	**95,262**	**145,424**	**89,521**	**8,495**	**90,544**	**1,408,495**	**1,837,741**
Liabilities							
Short-term credit	111,702	3,423	26,238	-	330,161	-	471,524
Trade payables	60,772	13,031	6,499	-	35,771	-	116,073
Other accounts payable	18,772	21,112	11,790	-	59,644	-	111,318
Lease liabilities	-	-	-	-	-	163,860	163,860
Deferred liability in respect for purchase of shares of a subsidiary	29,589	-	29,025	-	-	-	58,614
Deferred taxes	-	-	-	-	-	4,706	4,706
Employee benefits liability, net	4,529	567	-	-	-	2,739	7,835
Contingent liability in respect for purchase of shares of a subsidiary	-	-	1,184	-	-	-	1,184
Other liabilities	25,205	2,877	21,635	-	170,119	-	219,836
Total liabilities	**250,569**	**41,010**	**96,371**	**-**	**595,695**	**171,305**	**1,154,950**
Net balance	**(155,307)**	**104,414**	**(6,850)**	**8,495**	**(505,151)**	**1,237,190**	**682,791**

Statement of financial position according to linkage bases as of September 30, 2024

	USD-linked	EUR-linked	AUD-linked	CPI-linked	Unlinked and other	Non-financial instru-ment	Total
	NIS thousands						
Assets							
Cash and cash equivalents	57,619	43,388	15,168	-	1,852	-	118,027
Short-term investments	256	-	-	7,752	11,140	-	19,148
Trade receivables, net	148,539	157,530	25,916	-	17,076	-	349,061
Other accounts receivable	25,042	10,187	7,657	-	65,543	-	108,429
Inventory	-	-	-	-	-	894,665	894,665
Long-term deposits and debit balances	-	732	1,266	-	-	-	1,998
Fixed assets, net	-	-	-	-	-	237,466	237,466
Right-of-use assets, net	-	-	-	-	-	144,463	144,463
Intangible assets, net	-	-	-	-	-	336,227	336,227
Deferred taxes, net	-	-	-	-	-	28,879	28,879
Total assets	**231,456**	**211,837**	**50,007**	**7,752**	**95,611**	**1,641,700**	**2,238,363**
Liabilities							
Short-term credit	277,432	3,517	23,669	-	230,531	-	535,149
Trade payables	41,401	11,503	8,106	-	30,054	-	91,064
Dividend payable	-	-	-	-	20,000	-	20,000
Other accounts payable	17,296	21,731	7,308	-	135,050	-	181,385
Lease liabilities	-	-	-	-	-	155,960	155,960
Deferred liability for purchase of shares of a subsidiary	39,422	-	-	-	-	-	39,422
Deferred taxes	-	-	-	-	-	3,194	3,194
Liabilities in respect of employee benefits, net	1,447	623	-	-	-	2,727	4,797
Other liabilities	46,849	6,727	890	-	198,679	-	253,145
Total liabilities	**423,847**	**44,101**	**39,973**	**-**	**614,314**	**161,881**	**1,284,116**
Net balance	**(290,891)**	**87,550**	**29,901**	**7,979**	**(518,454)**	**1,512,505**	**828,590**

Dov Ofer Chairman of the Board	Sharon Goldenberg Chief Executive Officer	November 30, 2025 Date of approval of the Board of Directors' Report

Maytronics Ltd.

Interim Consolidated Financial Statements
(Unaudited)
As of September 30, 2025

Maytronics Ltd.

Interim Consolidated Financial Statements as of September 30, 2025

Unaudited

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Building a better working world

Auditors' Review Report to the Shareholders of Maytronics Ltd.

We reviewed the accompanying financial information of Maytronics Ltd. and its subsidiaries (hereinafter: the "Group"), including the condensed consolidated statements of financial position as of September 30, 2025, as well as the condensed consolidated statements of income and other comprehensive income, changes in equity and cash flows, for the nine-month and three-month periods then ended. The board of directors and management are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34, "Interim Financial Reporting", and are also responsible for compiling this interim financial information in accordance with Chapter D of the Securities Regulations (Periodic and Immediate Reports) 1970. Our responsibility is to express a conclusion regarding the financial information for these interim periods, based on our review.

We have not reviewed the condensed interim financial information of consolidated companies, whose assets as included in the consolidation constitute approximately 2% of total consolidated assets as of September 30, 2025, and whose revenue as included in the consolidation constitutes approximately 2.3% and 2.3%, respectively, of total consolidated revenue for the nine-month and three-month periods then ended. The interim condensed financial information of those companies was reviewed by other auditors, whose review report was furnished to us, and our conclusion, insofar as it refers to the financial information in respect of those companies, is based on the review report of the other auditors.

Scope of the review

We conducted our review in accordance with Review Standard (Israel) 2410 of the Institute of Certified Public Accountants in Israel, "Review of Interim Financial Information by the Entity's Auditor." A review of interim financial information consists of making inquiries, mainly with the persons responsible for financial and accounting matters, and of the application of analytical and other review procedures. A review is significantly limited in scope compared to an audit which has been conducted according to generally accepted auditing standards in Israel, and therefore does not allow us to obtain assurance that we have become aware of all material matters which may have been identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review and on the review report of other auditors, nothing has come to our attention that would cause us to believe that the financial information referred to above was not prepared, in all material respects, in accordance with IAS 34.

In addition to that stated in the previous paragraph, based on our review and on the review report of other auditors, nothing has come to our attention that would cause us to believe that the financial information referred to above does not satisfy, in all material respects, the disclosure provisions set forth in Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970.

Haifa,
November 30, 2025

Kost Forer Gabbay & Kasierer
Certified Public Accountants

Consolidated Statements of Financial Position

	September 30		December 31
	2025	2024	2024
	Unaudited		Audited
	NIS thousands		
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	121,307	95,554	84,439
Short-term investments	21,581	19,519	20,236
Trade receivables, net	189,768	222,827	218,827
Other accounts receivable	94,537	98,343	100,115
Inventory	676,689	917,094	837,796
	1,103,882	1,353,337	1,261,413
NON-CURRENT ASSETS:			
Long-term receivables	2,053	2,077	1,840
Fixed assets, net	217,186	237,774	237,676
Right-of-use assets, net	146,676	145,937	173,111
Intangible assets, net	326,103	341,361	366,477
Deferred taxes, net	41,841	32,220	46,446
	733,859	759,369	825,550
	1,837,741	2,112,706	2,086,963

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

Maytronics Ltd.

Consolidated Statements of Financial Position

	September 30		December 31
	2025	2024	2024
	Unaudited		Audited
	NIS thousands		
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Credit from banks and current maturities of long-term loans	471,524	535,149	609,206
Current maturities of lease liabilities	32,010	28,968	30,047
Current maturities of deferred liability related to acquired subsidiary	30,216	8,644	29,742
Contingent liability related to acquired subsidiary	529	-	1,451
Trade payables	116,073	91,064	76,905
Income tax payable	1,024	134	1,674
Dividend payable	-	20,000	-
Other accounts payable	104,352	171,831	149,245
Provisions	5,942	9,420	11,464
	761,670	865,210	909,734
NON-CURRENT LIABILITIES:			
Loans from banks	213,247	247,055	255,821
Lease liabilities	131,850	126,992	152,454
Contingent liability related to acquired subsidiary	655	-	1,073
Deferred liability related to acquired subsidiary	28,398	30,778	42,362
Employee benefit liabilities, net	7,835	4,797	5,247
Other long-term liabilities	6,589	6,090	5,513
Deferred taxes	4,706	3,194	408
	393,280	418,906	462,878
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY:			
Share capital	11,260	11,260	11,260
Share premium	119,397	119,397	119,397
Treasury shares	(500)	(500)	(500)
Retained earnings	514,042	625,702	530,280
Capital reserve from share-based payment transactions	41,407	37,078	37,896
Capital reserve from transactions with controlling shareholder	164	164	164
Capital reserve from remeasurement of defined benefit plans	1,125	1,038	1,125
Revaluation surplus	2,147	2,147	2,147
Capital reserve from transactions with non-controlling interests	(20,749)	(28,545)	(20,749)
Adjustments arising from translation of financial statements of foreign operations	(39,383)	2,603	(20,057)
	628,910	770,344	660,963
Non-controlling interests	53,881	58,246	53,388
Total equity	682,791	828,590	714,351
	1,837,741	2,112,706	2,086,963

November 30, 2025			
Date of approval of the financial statements	Dov Ofer Chairman of the Board	Sharon Goldenberg Chief Executive Officer	Amit Magen Chief Financial Officer

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

Consolidated Statements of Profit or Loss and Other Comprehensive Income

	Nine months ended September 30		Three months ended September 30		Year ended December 31
	2025	2024	2025	2024	2024
	Unaudited		Unaudited		Audited
	NIS thousands				
Sales revenues	1,200,477	1,383,830	339,052	320,698	1,626,453
Cost of sales	787,575	837,036	236,058	198,832	1,040,292
Gross income	412,902	546,794	102,994	121,866	586,161
Research and development expenses	30,274	36,289	8,923	11,991	47,430
Selling and marketing expenses	232,455	272,930	75,108	79,020	330,402
General and administrative expenses	98,243	107,984	31,626	34,926	150,076
Other expenses (income), net	11,369	249	11,544	99	21,011
Operating income (loss)	40,561	129,342	(24,207)	(4,170)	37,242
Financial income	21,910	36,891	6,765	13,396	13,811
Financial expenses	(67,824)	(83,733)	(21,164)	(31,206)	(64,783)
Income (loss) before taxes	(5,353)	82,500	(38,606)	(21,980)	(13,730)
Taxes on income (tax benefit)	8,352	17,745	1,602	(3,775)	15,737
Net income (loss)	(13,705)	64,755	(40,208)	(18,205)	(29,467)
Other comprehensive income (loss):					
Amounts that will be reclassified to profit or loss upon satisfaction of specific conditions:					
Adjustments arising from translation of financial statements of foreign operations	(19,004)	15,293	(8,090)	5,895	(14,039)
Amounts that will not subsequently be reclassified to profit or loss:					
Remeasurement gain on defined benefit plans	-	-	-	-	87
Total other comprehensive income	(19,004)	15,293	(8,090)	5,895	(13,952)
Total comprehensive income (loss)	(32,709)	80,048	(48,298)	(12,310)	(43,419)
Net income (loss) attributable to:					
Equity holders of the Company	(16,238)	61,274	(40,299)	(19,414)	(34,148)
Non-controlling interests	2,533	3,481	91	1,209	4,681
	(13,705)	64,755	(40,208)	(18,205)	(29,467)
Total comprehensive income (loss) attributable to:					
Equity holders of the Company	(35,564)	73,842	(48,161)	(15,410)	(44,153)
Non-controlling interests	2,855	6,206	(137)	3,100	734
	(32,709)	80,048	(48,298)	(12,310)	(43,419)
Net basic earnings (loss) per share attributable to equity holders of the Company (in NIS):	(0.15)	0.56	(0.37)	(0.18)	(0.31)
Net diluted earnings (loss) per share attributable to equity holders of the Company (in NIS):	(0.15)	0.56	(0.37)	(0.18)	(0.31)

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

Consolidated Statements of Changes in Equity

	Attributable to Equity Holders of the Company												
	Share capital	Share premium	Treasury shares	Retained earnings	Capital reserve from share-based payment transactions	Capital reserve from transactions with controlling shareholder	Adjustments arising from translation of financial statements of foreign operations	Capital reserve from remeasurement of defined benefit plans	Revaluation surplus	Capital reserve from transactions with non-controlling interests	Total	Non-controlling interests	Total equity
	Unaudited												
	NIS thousands												
Balance as of January 1, 2025 (audited)	11,260	119,397	(500)	530,280	37,896	164	(20,057)	1,125	2,147	(20,749)	660,963	53,388	714,351
Net income (loss)	-	-	-	(16,238)	-	-	-	-	-	-	(16,238)	2,533	(13,705)
Other comprehensive income (loss) - adjustments arising from translation of financial statements of foreign operations	-	-	-	-	-	-	-	-	-	-	(19,326)	322	(19,004)
Total comprehensive income (loss)	-	-	-	(16,238)	-	-	(19,326)	-	-	-	(35,564)	2,855	(32,709)
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(2,362)	(2,362)
Cost of share-based payment	-	-	-	-	3,511	-	-	-	-	-	3,511	-	3,511
Balance as of September 30, 2025	11,260	119,397	(500)	514,042	41,407	164	(39,383)	1,125	2,147	(20,749)	628,910	58,881	682,791

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

Consolidated Statements of Changes in Equity

	Attributable to Equity Holders of the Company												
	Share capital	Share premium	Treasury shares	Retained earnings	Capital reserve from share-based payment transactions	Capital reserve from transactions with controlling shareholder	Adjustments arising from translation of financial statements of foreign operations	Capital reserve from remeasure-ment of defined benefit plans	Revaluation surplus	Capital reserve from transactions with non-controlling interests	Total	Non-controlling interests	Total equity
	Unaudited												
	NIS thousands												
Balance as of January 1, 2024 (audited)	11,257	119,018	(500)	609,428	30,775	164	(8,208)	1,038	2,147	(6,895)	758,224	78,658	836,882
Net income	-	-	-	61,274	-	-	-	-	-	-	61,274	3,481	64,755
Other comprehensive income - adjustments arising from translation of financial statements of foreign operations	-	-	-	-	-	-	12,568	-	-	-	12,568	2,725	15,293
Total comprehensive income	-	-	-	61,274	-	-	12,568	-	-	-	73,842	6,206	80,048
Exercise of share warrants	3	379	-	-	(379)	-	-	-	-	-	3	-	3
Dividend paid	-	-	-	(25,000)	-	-	-	-	-	-	(25,000)	-	(25,000)
Dividend declared	-	-	-	(20,000)	-	-	-	-	-	-	(20,000)	-	(20,000)
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(11,501)	(11,501)
Acquisition of non-controlling interest	-	-	-	-	-	-	(1,757)	-	-	(21,650)	(23,407)	(15,117)	(38,524)
Cost of share-based payment	-	-	-	-	6,682	-	-	-	-	-	6,682	-	6,682
Balance as of September 30, 2024	11,260	119,397	(500)	625,702	37,078	164	2,603	1,038	2,147	(28,545)	770,344	58,246	828,590

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

Consolidated Statements of Changes in Equity

	Attributable to Equity Holders of the Company												
	Share capital	Share premium	Treasury shares	Retained earnings	Capital reserve from share-based payment transactions	Capital reserve from transactions with controlling shareholder	Adjustments arising from translation of financial statements of foreign operations	Capital reserve from remeasure-ment of defined benefit plans	Revaluation surplus	Capital reserve from transactions with non-controlling interests	Total	Non-controlling interests	Total equity
	Unaudited												
	NIS thousands												
Balance as of July 1, 2025	11,260	119,397	(500)	554,341	40,248	164	(31,521)	1,125	2,147	(20,749)	675,912	54,578	730,490
Net income (loss)	-	-	-	(40,299)	-	-	-	-	-	-	(40,299)	91	(40,208)
Other comprehensive income (loss) - adjustments arising from translation of financial statements of foreign operations	-	-	-	-	-	-	(7,862)	-	-	-	(7,862)	(228)	(8,090)
Total comprehensive loss	-	-	-	(40,299)	-	-	(7,862)	-	-	-	(48,161)	(137)	(48,298)
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(560)	(560)
Cost of share-based payment	-	-	-	-	1,159	-	-	-	-	-	1,159	-	1,159
Balance as of September 30, 2025	11,260	119,397	(500)	514,042	41,407	164	(39,383)	1,125	2,147	(20,749)	628,910	53,881	682,791

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

Consolidated Statements of Changes in Equity

	Attributable to Equity Holders of the Company												
	Share capital	Share premium	Treasury shares	Retained earnings	Capital reserve from share-based payment transactions	Capital reserve from transactions with controlling shareholder	Adjustments arising from translation of financial statements of foreign operations	Capital reserve from remeasure-ment of defined benefit plans	Revaluation surplus	Capital reserve from transactions with non-controlling interests	Total	Non-controlling interests	Total equity
	Unaudited												
	NIS thousands												
Balance as of July 1, 2024	11,260	119,397	(500)	665,116	35,582	164	(1,401)	1,038	2,147	(28,545)	804,258	55,146	859,404
Net income (loss)	-	-	-	(19,414)	-	-	-	-	-	-	(19,414)	1,209	(18,205)
Other comprehensive income - adjustments arising from translation of financial statements of foreign operations	-	-	-	-	-	-	4,004	-	-	-	4,004	1,891	5,895
Total comprehensive income (loss)	-	-	-	(19,414)	-	-	4,004	-	-	-	(15,410)	3,100	(12,310)
Dividend declared	-	-	-	(20,000)	-	-	-	-	-	-	(20,000)	-	(20,000)
Cost of share-based payment	-	-	-	-	1,496	-	-	-	-	-	1,496	-	1,496
Balance as of September 30, 2024	11,260	119,397	(500)	625,702	37,078	164	2,603	1,038	2,147	(28,545)	770,344	58,246	828,590

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

Consolidated Statements of Changes in Equity

	Attributable to Equity Holders of the Company												
	Share capital	Share premium	Treasury shares	Retained earnings	Capital reserve from share-based payment transactions	Capital reserve from transactions with controlling shareholder	Adjustments arising from translation of financial statements of foreign operations	Capital reserve from remeasure-ment of defined benefit plans	Revaluation surplus	Capital reserve from transactions with non-controlling interests	Total	Non-controlling interests	Total equity
	Audited												
	NIS thousands												
Balance as of January 1, 2024	11,257	119,018	(500)	609,428	30,775	164	(8,208)	1,038	2,147	(6,895)	758,224	78,658	836,882
Net income (loss)	-	-	-	(34,148)	-	-	-	-	-	-	(34,148)	4,681	(29,467)
Other comprehensive income (loss) - adjustments arising from translation of financial statements of foreign operations	-	-	-	-	-	-	(10,092)	-	-	-	(10,092)	(3,947)	(14,039)
Income from remeasurement of defined benefit plans	-	-	-	-	-	-	-	87	-	-	87	-	87
Total comprehensive income (loss)	-	-	-	(34,148)	-	-	(10,092)	87	-	-	(44,153)	734	(43,419)
Exercise of share warrants	3	379	-	-	(379)	-	-	-	-	-	3	-	3
Declared dividend	-	-	-	(45,000)	-	-	-	-	-	-	(45,000)	-	(45,000)
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(10,887)	(10,887)
Acquisition of non-controlling interest	-	-	-	-	-	-	(1,757)	-	-	(13,854)	(15,611)	(15,117)	(30,728)
Cost of share-based payment	-	-	-	-	7,500	-	-	-	-	-	7,500	-	7,500
Balance as of December 31, 2024	11,260	119,397	(500)	530,280	37,896	164	(20,057)	1,125	2,147	(20,749)	660,963	53,388	714,351

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

Maytronics Ltd.

Consolidated Statements of Cash Flows

	Nine months ended September 30		Three months ended September 30		Year ended December 31
	2025	2024	2025	2024	2024
	Unaudited		Unaudited		Audited
	NIS thousands				
Cash flows from operating activities:					
Net income (loss)	(13,705)	64,755	(40,208)	(18,205)	(29,467)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:					
Adjustments to profit or loss items:					
Taxes on income	6,791	21,644	2,930	3,990	26,587
Deferred taxes, net	2,056	11,153	2,336	(2,227)	(541)
Financial expenses, net	46,488	45,833	13,673	14,501	60,336
Depreciation and amortization	79,254	69,503	26,140	23,504	93,968
Impairment of an intangible asset	28,254	-	28,254	-	20,741
Write-off of right-of-use assets and leasehold improvements	9,514	-	9,514	-	-
Goodwill impairment	8,424	-	8,424	-	-
Cost of share-based payment	3,511	6,682	1,159	1,496	7,500
Revaluation of options to Kibbutz members	(8)	(213)	-	(21)	(211)
Increase (decrease) in employee benefit liabilities, net	2,966	1,803	887	1,005	2,384
Interest accrued on long-term deposit and exchange differences on investments	(245)	(632)	(290)	(26)	(583)
Capital loss (gain) from sale of fixed assets, net	(98)	193	36	69	263
Revaluation of securities measured at fair value through profit or loss, net	(1,225)	(678)	(451)	(424)	(1,126)
Revaluation of derivatives, net	12,153	16,958	9,897	7,382	(8,970)
Change in contingent consideration related to the acquisition of a subsidiary	144	-	21	-	-
Change in deferred contingent consideration related to acquired subsidiary	1,529	807	1,217	807	(1,004)
Exchange differences on cash and cash equivalents	(2,921)	(1,380)	800	(2,973)	(5,802)
	196,587	171,673	104,547	47,083	193,542
Changes in asset and liability items:					
Decrease in trade receivables, net	19,310	17,359	84,219	127,271	21,838
Decrease (increase) in other accounts receivable (including long-term)	(8,141)	(22,438)	3,744	10,123	3,933
Decrease (increase) in inventories	124,460	73,412	23,163	(23,326)	137,311
Increase (decrease) in trade payables	66,209	(106,190)	6,892	(98,564)	(108,888)
Increase (decrease) in other accounts payable, provisions and taxes payable	(47,738)	28,884	(26,234)	(20,145)	2,507
Increase (decrease) in other liabilities	11,728	1,090	6,996	(822)	(4,315)
	165,828	(7,883)	98,780	(5,463)	52,386
Cash paid and received during the period for:					
Interest and dividends received	293	254	83	74	375
Interest paid	(46,781)	(46,087)	(13,756)	(14,575)	(60,711)
Taxes received	6,238		-		-
Taxes paid	(13,029)	(21,644)	(2,930)	(3,990)	(26,587)
	(53,279)	(67,477)	(16,603)	(18,491)	(86,923)
Net cash provided by (used in) operating activities	295,431	161,068	146,516	4,924	129,538

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

	Nine months ended September 30		Three months ended September 30		Year ended December 31
	2025	2024	2025	2024	2024
	Unaudited		Unaudited		Audited
	NIS thousands				
Cash flows from investing activities:					
Purchase and capitalization of intangible assets	(26,741)	(39,286)	(8,522)	(10,638)	(49,908)
Purchase of fixed assets	(15,144)	(30,934)	(3,373)	(6,695)	(43,237)
Proceeds from sale of fixed assets	221	549	76	128	717
Acquisition of first-time consolidated subsidiary (B)	-	-	-	-	(24,604)
Payment of contingent consideration related to acquired subsidiary	(8,672)	(11,767)	-	-	(11,767)
Proceeds from sale (purchase) of securities measured at fair value through profit or loss, net	(120)	(121)	46	53	(390)
Net cash used in investing activities	(50,456)	(81,559)	(11,773)	(17,152)	(129,189)
Cash flows from financing activities:					
Exercise of warrants	-	3	-	-	3
Short-term credit, net	(131,298)	(144,591)	(67,541)	16,658	(56,168)
Receipt of long-term loan	35,000	149,225	-	-	179,872
Repayment of long-term loans	(90,043)	(64,119)	(21,699)	(24,700)	(88,774)
Dividend paid to equity holders of the Company	-	(25,000)	-	-	(45,000)
Dividend paid to non-controlling interests	(2,362)	(11,501)	(560)	-	(10,887)
Repayment of lease liabilities	(25,506)	(21,433)	(9,552)	(7,393)	(28,837)
Net cash used in financing activities	(214,209)	(117,416)	(99,352)	(15,435)	(49,791)
Exchange differences on cash and cash equivalent balances	2,921	1,380	(800)	2,973	5,802
Translation differences on cash balances of foreign operations	3,181	2,037	936	2,217	(1,965)
Increase (decrease) in cash and cash equivalents	36,868	(34,490)	35,527	(22,473)	(45,605)
Cash and cash equivalents at beginning of period	84,439	130,044	85,780	118,027	130,044
Cash and cash equivalents at end of period	121,307	95,554	121,307	95,554	84,439
(A) Significant non-cash transactions:					
Purchase of fixed assets and intangible assets on credit	667	5,202	667	5,202	2,290
Recognition of right-of-use asset against lease liability	35,562	16,886	4,645	9,309	50,895
Adjustment of lease liability against right-of-use asset	(28,313)	-	(28,313)	-	-
Deferred liability for the acquisition of the subsidiary	-	-	-	-	35,163
Dividend declared and not yet paid	-	20,000	-	20,000	20,000
Acquisition of non-controlling interest against deferred liability	-	38,524	-	38,524	30,728

Consolidated Statements of Cash Flows

(B) Acquisition of first-time consolidated subsidiary:

Working capital (excluding cash and cash equivalents)	-	-	-	-	(10,691)
Fixed assets	-	-	-	-	(2,277)
Right-of-use assets	-	-	-	-	(2,815)
Intangible assets	-	-	-	-	(26,676)
Goodwill	-	-	-	-	(25,283)
Lease liability	-	-	-	-	2,499
Deferred liability	-	-	-	-	35,163
Contingent payment	-	-	-	-	2,723
Loans	-	-	-	-	688
Deferred tax liability	-	-	-	-	2,065
Non-controlling interests	-	-	-	-	-
					(24,604)

Note 1 - General

A. These financial statements were prepared in a condensed format as of September 30, 2025, for the nine-month and three-month periods then ended (hereinafter: “Interim Consolidated Financial Statements”). These financial statements should be analyzed in the context of the Company’s annual financial statements as of December 31, 2024 and for the year then ended, as well as the accompanying notes (hereinafter: the “Consolidated Annual Financial Statements”).

B. Trump's U.S. Tariff Program

In April 2025, the Trump administration announced the imposition of reciprocal tariffs on imports of goods from many countries around the world to the United States, with a total tariff of 17% imposed on imports from Israel and a total tariff on imports from China to the United States at a rate of 145%, in addition to certain industry levies. The tariff applies only to goods and does not apply to services. On April 9, 2025, President Trump announced a 90-day pause on the tariff plan (except on imports from China), while at the same time announced that the tariff rate on Israel would be set at 10%. Later, it was learned that the United States was negotiating with countries whose imports had been subject to tariffs, and on May 12, 2025, the United States reached agreements with China, according to which the both parties would reduce the mutual tariffs to 10% for a period of 3 months, while a separate tariff of 20% imposed by the United States on China would remain unchanged (a total of 30%).

On July 31, 2025, the U.S. Government decided to increase tariffs on products imported from Israel from 10% to 15%, which took effect on August 7, 2025. As of the date of this report, this rate remains unchanged. Regarding China, on August 11, 2025, the freeze on reciprocal tariff increases was extended, keeping the tariff rate at 30%. In November 2025 the U.S. announced the continuation of negotiations with China and an additional extension of the freeze on reciprocal tariff measures. It should be noted that these tariffs are in addition to the 25% tariff on the Robot category imported from China.

As of the date of this report, there is uncertainty regarding the continuation of the policy, subject to the ongoing negotiations between the parties.

During the reporting period, there was a negative impact on gross profitability. The Company continues to evaluate ways to address the changing tariff policies affecting its operations in the markets where it operates, with particular emphasis on the U.S. market, which accounted for approximately 57% of the Company’s revenue in 2024, and is closely monitoring ongoing developments on this matte

C. Effects of the Swords of Iron War

In October 2023, the Swords of Iron War (hereinafter – the War) broke out in Israel. The continuation of the War led to a slowdown in business activity in Israel, among other things as a result of the closure of manufacturing sites in Southern and Northern Israel, damage to infrastructure, the call-up of reservists for an indefinite period, the disruption of economic activity in the country. The prolongation of the War could have extensive repercussions on many sectoral spheres and different geographical regions in Israel.

For the repercussions of the Swords of Iron War on the Company's business activities, see Note 1 to the Consolidated Annual Financial Statements for 2024.

The Company continues to maintain normal operations to the greatest extent possible, in alignment with its work plans and monitors all further possible consequences of the War on its businesses in Israel and abroad.

Note 1 - General (cont'd)

At the present stage, the development of the War and its scale are uncertain, and the full scope of its impact on the Company and on its results in the medium and long term cannot be estimated.

On September 17, 2025, the Company received compensation of NIS 41.5 million for war-related damages, in addition to the compensation of NIS 5 million received in 2024. For this compensation, the Company recognized an amount of NIS 34.7 million during the reporting period, which was included under other expenses, net.

D. "Rising Lion" Operation

During June 2025, Operation "Rising Lion" took place, A large-scale military operation by the State of Israel against Iran (hereinafter - the Operation). The operation included targeted attacks on nuclear facilities and other targets in Iran. In response, Iran launched a counterattack on the Israel that included hundreds of ballistic missiles and drones, which caused many casualties and significant damage to infrastructure and property. The operation led to a slowdown in business activity in the Israeli economy, among other things due to the call-up of reservists, as well as to the disruption of economic activity in Israel.

The effect of the operation on the Company's activity was reflected in delays in shipping products to the market, so shipments that were supposed to be sent to customers in June were postponed and sent during the month of July. Additionally, Company employees were drafted into reserve service. It should be noted that these are only isolated impacts.

Note 2 - Significant Accounting Policies

Framework for preparation of the Interim Consolidated Financial Statements

The Interim Consolidated Financial Statements were prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, and in accordance with the disclosure requirements set forth in Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970.

The accounting policy which was applied in the preparation of the Interim Consolidated Financial Statements is consistent with the accounting policy applied in the preparation of the Consolidated Annual Financial Statements, other than as stated below.

Note 3 - Seasonality

The Company's revenues are affected by seasonality of operations, which is usually reflected in greater sales during the first and second quarters of the year. The reported operating results should be analyzed taking this seasonality into consideration.

Note 4 - Financial Instruments for Disclosure Purposes Only

The carrying amount of certain financial assets and liabilities, including cash and cash equivalents, trade receivables, other accounts receivable, short-term loans and credit, trade payables and other accounts payable, is equal to or approximately the same as their fair value.

Floating-rate credit from banks is equal to or approximately the same as its fair value.

Note 4 - Financial Instruments for Disclosure Purposes Only

The fair value of other financial liabilities and carrying amounts presented on the statement of financial position are as follows:

	September 30		December 31
	2025	2024	2024
	Unaudited		Audited
	NIS thousands		
Long-term credit from banks at fixed interest			
Carrying amount	120,846	165,582	154,601
Fair value	116,392	155,017	145,955

The fair value of long-term bank credit was estimated by discounting future cash flows in respect of principal and interest using the market interest rate in effect on the measurement date.

Financial assets measured at fair value:

	September 30, 2025			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS thousands			
Financial assets:				
Short-term investments	21,581	-	-	21,581
Hedging transactions	-	4,252	-	4,252
Financial liabilities:				
Contingent liability related to acquired subsidiary	-	-	1,184	1,184

	September 30, 2024			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	NIS thousands			
Financial assets:				
Short-term investments	19,519	-	-	19,519
Financial liabilities:				
Hedging transactions	-	9,523	-	9,523

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
	Audited			
	NIS thousands			
Financial assets:				
Short-term investments	20,236	-	-	20,236
Hedging transactions	-	16,405	-	16,405
Financial liabilities:				
Contingent liability related to acquired subsidiary	-	-	2,524	2,524

Note 5 - Operating Segments

A. General

As stated in the Consolidated Annual Financial Statements, the Group is active in the following operating segments:

Manufacture of residential pool robotic cleaners	- These appliances are intended for consumers who own private swimming pools.
Manufacture of public pool robotic cleaners	- These appliances are intended for sale to hotels, sport centers, and for Olympic size swimming pools.
Safety products and related pool products	- In this segment, the Company manufactures and markets home pool alarms, drowning detection and prevention systems for residential and public pools, and is engaged in the manufacture and marketing of covers for residential swimming pools. Related products include supplementary products for swimming pools made by various manufacturers, such as solar heating systems, glass filtration media and water heaters.

Management monitors the operating results of its business units separately for decision making regarding resource allocation and for performance assessment.

Segment performance is assessed based on gross profit. Certain research and development and direct sales and marketing expenses are allocated to the operating segments. The remaining research and development, sales and marketing, general and administrative expenses, other expenses and financing for the Group (including financial expenses and financial income) are managed on the Group as a whole and are not attributed to operating segments.

The company Focus, consolidated as of November 1, 2024, is included in the safety products and related pool products segment.

Note 5 - Operating Segments (cont'd)

B. Report on operating segments

	Manufacture of residential pool robotic cleaners	Manufacture of public pool robotic cleaners	Safety products and related pool products	Total
	Unaudited			
	NIS thousands			
For the nine-month period ended September 30, 2025				
Total revenues from externals	839,531	83,353	277,593	1,200,477
Total segment profit	286,466	44,118	82,318	412,902
Direct research and development and sales and marketing expenses	(78,094)	(1,225)	(39,071)	(118,390)
Unallocated shared expenses				(253,951)
Financial expenses, net				(45,914)
Loss before taxes				(5,353)

	Manufacture of residential pool robotic cleaners	Manufacture of public pool robotic cleaners	Safety products and related pool products	Total
	Unaudited			
	NIS thousands			
For the nine-month period ended September 30, 2024				
Total revenues from externals (*)	1,018,887	80,861	284,082	1,383,830
Total segment profit (*)	421,997	44,350	80,447	546,794
Direct research and development and sales and marketing expenses	(87,997)	(1,289)	(39,978)	(129,264)
Unallocated shared expenses				(288,188)
Financial expenses, net				(46,842)
Income before taxes				82,500

(*) Reclassified in immaterial amounts

Note 5 - Operating Segments (cont'd)

B. Report on operating segments (cont'd)

	Manufacture of residential pool robotic cleaners	Manufacture of public pool robotic cleaners	Safety products and related pool products	Total
	Unaudited			
	NIS thousands			
For the three-month period ended September 30, 2024				
Total revenues from externals	220,696	28,545	89,811	339,052
Total segment profit	61,342	16,114	25,538	102,994
Direct research and development and sales and marketing expenses	(25,692)	(369)	(12,512)	(38,573)
Unallocated shared expenses				(88,628)
Financial expenses, net				(14,399)
Loss before taxes				(38,606)

	Manufacture of residential pool robotic cleaners	Manufacture of public pool robotic cleaners	Safety products and related pool products	Total
	Unaudited			
	NIS thousands			
For the three-month period ended September 30, 2024				
Total revenues from externals	214,333	22,633	83,732	320,698
Total segment profit	88,809	12,578	20,479	121,866
Direct research and development and sales and marketing expenses	(24,592)	(389)	(11,858)	(36,839)
Unallocated shared expenses				(89,197)
Financial expenses, net				(17,810)
Loss before taxes				(21,980)

Note 5 - Operating Segments (cont'd)

B. Report on operating segments (cont'd)

	Manufacture of residential pool robotic cleaners	Manufacture of public pool robotic cleaners	Safety products and related pool products	Total
	Audited			
	NIS thousands			
For the year ended December 31, 2024				
Total revenues from externals	1,178,027	102,489	345,937	1,626,453
Total segmental income	431,837	56,645	97,679	586,161
Direct research and development and sales and marketing expenses	(100,412)	(1,517)	(46,809)	(148,738)
Unallocated shared expenses				(400,181)
Financial expenses, net				(50,972)
Loss before taxes				(13,730)

C. Geographical information

Sales according to geographical markets (by customer location):

	Nine months ended September 30		Three months ended September 30		Year ended December 31
	2025	2024	2025	2024	2024
	Unaudited		Unaudited		Audited
	NIS thousands				
Europe	353,005	410,299	68,365	74,949	445,125
North America	653,166	802,295	198,272	176,373	930,952
Oceania	141,026	117,828	53,206	50,279	187,086
Rest of World	53,280	53,408	19,209	19,097	63,290
	1,200,477	1,383,830	339,052	320,698	1,626,453

Note 6 - Events During and After the Reporting Period

A. On May 6, 2025, the General Meeting approved the appointment of Mr. Dov Ofer as Chairman of the Board of Directors and the terms of his remuneration, which include a monthly payment for his services for 40% of the position in the amount of NIS 50,000 per month, an annual bonus of up to 6 monthly payments in accordance with and subject to compliance with the provisions of the remuneration policy, reimbursement of expenses according to the Company's policy, as well as equity remuneration as detailed below.

B. On May 20, 2025, the Company's Board of Directors approved the grant of 577,555 warrants to the Chairman of the Board of Directors. The allotment is in accordance with the Company's ESOP and by virtue of an outline published by the Company on February 24, 2022. The warrants are convertible into the Company's common shares of 0.1 par value each, with an exercise price of NIS 4.08. The vesting conditions of the warrants granted are: 25% after one year, 25% after two years, 25% after three years and 25% after four years. The estimated fair value of the warrants granted as of the date of approval by the Board of Directors was determined to be approximately NIS 1,000 thousand. The following are the data used to measure the fair value of the warrants on the grant date according to the Black&Scholes model with respect to the above plan: share price - NIS 3.98, volatility - 51.7%, expected life of the warrants - four years, risk-free interest rate - 4.01%, forfeiture rate - 10%.

C. During the reporting period, the Company's management decided to initiate the process of closing operations at the Dalton site and vacating two out of five buildings to sublease them. Consequently, the Company recognized an impairment of right-of-use assets and leasehold improvements in the amount of NIS 9.5 million, which was included under other expenses, net.

D. Further to Note 5 to the company's consolidated annual financial statements as of December 31, 2024 and for the year then ended, regarding the acquisition of the Australian company Focus Products PTY, the Company performed final purchase price allocation during the reporting period in amounts that are not material to the Company.

E. On August 19, 2025, the Board of Directors of the Company (following approval by its Remuneration Committee on August 17, 2025) approved the grant of 5,945,238 options to certain executives and employees of the Company in Israel and its subsidiaries. These options are convertible into ordinary shares of the Company with a nominal value of NIS 0.1 each, at an exercise price of NIS 4.67 per share. The Board also approved an update to the option plan, extending the option term to 7 years (instead of 5 years under the existing plan), in accordance with the Company's Remuneration policy. The vesting conditions for the granted options are: 25% after one year, 25% after two years, 25% after three years, and 25% after four years.
The estimated fair value of the granted options at the Board approval date was approximately NIS 15 million. The following assumptions were used in measuring the fair value of the options at the grant date under the Black & Scholes model: share price - NIS 4.67, volatility - 47.6%, expected life - 7 years, risk-free interest rate - 4.11%, forfeiture rate: 10%.

F. On August 19, 2025, the Company received a lawsuit from Zriha Hlavin Industries Ltd., one of the Company's plastic injection suppliers (hereinafter – Zriha), claiming compensation of approximately NIS 90 million for damages allegedly caused by the Company's breach of its commitments to order plastic injection production. During the reporting period, the Company entered into a new supply agreement with Zriha, and the lawsuit was dismissed by mutual consent.

G. During the third quarter of 2025, following the Company's decision to focus development activities on the robotics segment, the Company decided to discontinue development of several hardware and software components related to water sensing and chemical balancing solutions for pools. Accordingly, the Company recognized an impairment of NIS 28.2 million, recorded under Other expenses, net in the statement of profit or loss. The remaining carrying amount of the intangible asset related to technological development in this area as of September 30, 2025, is NIS 23 million.

Note 6 - Events During and After the Reporting Period (cont'd)

H. As of September 30, 2025, based on indications arising from the results of ECCXI cash-generating unit, the Company engaged an independent external appraiser to assess the need for an impairment provision for ECCXI cash-generating unit. The goodwill attributed to ECCXI acquisition amounts to approximately NIS 34.9 million, and other intangible assets attributed to the acquisition amount to approximately NIS 24.2 million.
The recoverable amount of ECCXI cash-generating unit was determined based on value in use, calculated using estimated future cash flows derived from the ECCXI unit's forecast for 2026 and projections for 2027–2030. The WACC rate used to discount the cash flows was 16.02%. Cash flow projections beyond five years were estimated using a constant growth rate of 1.5%, reflecting expected inflation and long-term national output growth.

As of September 30, 2025, the value of the operating assets of the ECCXI cash-generating unit in the Company's books totaled approximately NIS 165.8 million. The valuation expert estimated the recoverable amount of ECCXI cash-generating unit at approximately NIS 157.4 million. Accordingly, the Company recognized an impairment loss of NIS 8.4 million, which was included in Other expenses, net.

I. In light of impairment indicators identified, the Company assessed the recoverable amount of the fixed assets belonging to the cash-generating unit for robot manufacturing and concluded that the recoverable amount exceeds its book value.

J. On August 19, 2025, the Company's CEO, Mr. Sharon Goldenberg, announced his intention to step down from his position. Mr. Goldenberg has served in senior management roles at the Company for approximately 10 years, including as Executive Vice President of the Business Division and Chief Revenue Officer from 2015 to 2021, prior to his appointment as CEO.
Subsequent to the balance sheet date, on November 16, 2025, the Company's Board of Directors approved the appointment of Mr. Rafi Ben Ami as CEO to succeed Mr. Goldenberg. Mr. Ben Ami is expected to assume the role of CEO on February 15, 2026, following a transition period

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