Unofficial Translation from Hebrew

Maytronics Ltd.

Board of Directors' Report on the State of the Company's Affairs For the Period Ended June 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. And 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 65% of its sales in 2024, and most of its income were generated 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, the change in the nature of demand and competition has 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 second-quarter sales previously reflected most of the pool season sales in North America and Europe. However, the implementation of the strategic pillar of the transition to direct-to-end consumer (DTC) sales leads to a certain change in the sales mix between the quarters, so that a more significant portion of pool season sales in the Northern Hemisphere than in the past, with an emphasis on the North American market, occurs in the third quarter.

The Company's revenues in the second quarter amounted to NIS 514.8 million, below the forecast range given on May 20, 2025 for revenues of NIS 530-600 million. Quarterly revenues reflect a 15.2% decrease compared to the corresponding period last year. This decline, and the gap against the forecast are mainly due to ongoing operational challenges in the establishment and operation of logistics centers in North America, with an emphasis on the MTUS's transition project from using logistics sites through third parties to a new logistics center operated by the Company. These challenges led to an inability to fulfill orders from the new logistics center and enable availability for online sales, which affected the Company's sales in the territory. The Company estimates that the loss of revenue for the quarter amounted to USD 14 million, some of which will be diverted to sales in the third quarter.

<u>Q2 and H1 2025 summary in the major territories compared to the corresponding period last year:</u>

Second quarter and first half of 2025 sales in North America declined by 18% and 27%, respectively, compared to the corresponding period, decline reflecting operational challenges as mentioned above, more conservative credit risk management with some of the Company's customers in North America, and a continued increase in the cost and rate of online marketing expenses in light of the investments of Chinese competitors in this area. The decline in the volume of business activity in the territory during the second quarter reflects a lack of performance in relation to work plans and forecasts, and the expectation is that some of the orders received from business customers that were not fulfilled for sales in the second quarter will be reflected in sales in the third quarter.

Europe sales in the second quarter and first half of 2025 declined by 18% and 15%, respectively, reflecting the challenges of the pool market in the macroeconomic environment in the territory in general and in the French market in particular, as well as the increasing competition. Second quarter and first half of 2025 sales in Oceania grew by 34% and 30%, respectively, reflecting continued good performance by MTAU and the consolidation of Focus.

broken-down to reportable segments, revenues from sales of robotic cleaners for private pools declined by 16% in the second quarter and by 23% in first half of 2025, revenues from sales of public pool robots declined by 13% in the second quarter and by 6% in first half of 2025, and sales of safety products and other related pool products declined by 14% in the second quarter and by 6% in first half of 2025.

During 2025 the Company continues to promote the implementation of the strategic pillar of addressing the structure of production costs, operational efficiency and addressing the structure of the Company's direct and fixed costs. In 2024, reductions in the direct cost of robot production were achieved at a rate of 7%, and the Company determined a target for 2025 of a further reduction of 5%-6%.

The efficiency measures include inter alia, a process of optimization and gradual consolidation of the robot assembly and assembly production 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 reduced by 30% to 50% over a period of up to three years, and second, development of a significant and groundbreaking generation of robots that will enable the consolidation of previous product lines, which is expected to launched during 2026. It should be noted that the above processes have the potential to make a positive contribution to gross profitability in robot manufacturing, both in terms of direct savings in the cost structure and in terms of purchasing efficiency, raw material inventory, production efficiency, supply capacity, and more.

Additionally, from the second quarter of 2024 through to the date of this report, the Company executed a cross-organizational process to align the structure and reduce the scope of OpEx. This initiative yielded a decrease in the operating expenses of approximately NIS 12 million in the second quarter and of approximately NIS 25 million in the first half of 2025 compared to the corresponding periods last year.

The Company expects that in the third quarter of 2025, its revenue will be within a range of NIS 320 million to NIS 350 million.

This information provided in section 2.1 regarding expected developments in the coming year (on the revenues, investments, inventories, and financial and profitability ratios) 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 are based on its planned course of action at the present time, the results of its actions so far, on its plans for the foreseeable future and its estimates of a possible shift between the quarters, is based on the existing order backlog and its estimates and experience in the area.

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, the repercussions of the Swords of Iron War, difficulties in implementing the Company's optimization plan, unexpected disruptions in the operation of the group's various production, storage and marketing systems, the repercussions 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 second quarter (three months): The Euro, which accounted for 26% of the Company's sales, strengthened by an average of 0.9% against the Shekel; the US Dollar, which accounted for 64% of the Company's sales, weakened on average by 4.7% against the Shekel; and the Australian Dollar, which accounted for 8% of the Company's sales, weakened on average by 6.9% against the Shekel.
The effect of changes in exchange rates on sales, gross profit and operating profit compared to the corresponding quarter last year amounted to a decline of NIS 18.1 million in quarterly sales, a decline of NIS 8.1 million in gross profit, and a decline of NIS 3.7 million in operating profit respectively.

Changes in the exchange rates of the major currencies in the first half (six months): The Euro, which accounted for 31% of the Company's sales, weakened by an average of 1% against the Shekel; the US Dollar, which accounted for 56% of the Company's sales, weakened by an average of 3.4% against the Shekel; and the Australian Dollar, which accounted for 11% of the Company's sales, weakened by an average of 5.8%.
The effect of changes in exchange rates on sales, gross profit and operating profit compared to the corresponding half last year amounted to a decrease of NIS 25.5 million in sales, and a decrease of NIS 12.1 million in gross profit and of NIS 6.1 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 Approval of the Company's warrants plan (including its update) and approval of warrants grants to managers. On August 19, 2025, after the date of the report, the Board of Directors of the Company (following the approval of its remuneration committee dated August 17, 2025) decided to approve the granting of 5,945,238 warrants to the Company's officers (reporting to the CEO who are not directors) as well as some of the Company's employees and other managers, exercisable for up to 5,945,238 ordinary shares of the Company of NIS 0.1 par value each, as well as updating the warrants plan in such a way that the life of the warrants in the aforementioned grant will be 7 years (instead of 5 years in the existing warrants plan and with respect to grants that began on the date of the change and thereafter), in alignment with the provisions of the Company's Remuneration policy. The grants of warrants is subject to publication of an outline and receiving the Stock Exchange's approval for the listing of shares resulting from the exercise of the warrants, as well as the approval of the Tax Authority for updating this warrants plan.

2.6 On June 30, 2025, the Company's **order backlog** which is intended for sale in 2025, amounted to NIS 101.9 million, compared to a backlog of NIS 75.8 million on June 30, 2024, reflecting a decrease of 34% in the backlog for the Company's products compared to last year.
The decrease in the backlog mainly attributed to orders that were intended for delivery in the second quarter and were not delivered due to operational challenges of logistics centers in North America, as detailed above.

2.7 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

2.8 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.

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 the Israeli economy, among other things, due to the closure of factories in the south and north of the country, damage to infrastructure, the call-up of reservists for an unknown period, and the disruption of economic activity in Israel. The prolongation of the war could have extensive repercussions on many sectoral spheres and different geographical regions in Israel.

For more information, see Notes 1J and 27F to the Annual Financial Statements as of December 31, 2024.

The Company submitted a request to the Property Tax for compensation due to the security situation for indirect damages that were caused to it. So far, the Company has recognized an asset receivable for a grant in the amount of NIS 10 million, half of which was received as an advance in 2024.

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. The rating companies Fitch and Moody's have left Israel's credit rating unchanged at "Baa1" and "A" respectively, with a negative outlook.

The Company continues to maintain regular 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.

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.

2.9 **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.

2.10 U.S. Government Tariff Program

Further to the aforesaid in section 1.6.11 in the Description of the Corporation's Business for 2024, On April 2, 2025, the US government published a tariff plan according to which a basic tariff of 10% was imposed on imports of goods into the United States starting on April 5, 2025, in addition to a higher tariff on most US trading partners, including Israel (which will bear tariffs of an additional 7%, for a total of 17%) and China (on which imports will be subject to a tariff of 145%). A week later, On April 9, 2025, it was announced that the U.S. government had decided to postpone the implementation of the imposition of tariffs on most countries by 90 days, except for imports from China. China, for its part, imposed tariffs on imports of goods from the United States at a rate of 124%. It was later 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 both parties will 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 will remain unchanged (a total of 30%). During the aforementioned freeze period, the parties will continue negotiations to reach a compromise that will put an endthe trade war between them

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.

Additionally, on August 11, 2025, the United States and China agreed to freeze the increase of mutual tariffs for an additional 90 days. It should be noted that these tariffs are in addition to the 25% tariff on the Robot category imported from China.

Tariffs on Chinese products in the US have a direct impact mainly on the Company's products manufactured under the Niya brand, which were designed to expand the Company's value proposition.

Regarding tariffs on products from Israel, the Company decided on a price adjustment whose purpose is to offset the impact of the tariffs as they were known at the time, this increase went into effect in July 2025. It should be noted that during the reporting period, there was a negative impact on profitability due to the timing of the price adjustment. In addition, the price adjustments amount was based on a 10% tariff, when in practice, as stated, the U.S. government decided to increase the tariff rate to 15%.

The Company continues to examine ways of dealing with the changing tariff policy on its operations in the markets in which it operates, with an emphasis on the US market, which constitutes approximately 57% of the Company's revenues (as of 2024), and closely monitors the frequent developments on the subject.
For additional information on the Company's revenues by geographic location, see Note 29 of the Annual Financial Statements of 2024

2.11 Events after the reporting period

The CEO termination of office

After the reporting date, 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. For further details, see the immediate report published concurrently with these financial statements."

Plastic injection supplier legal claim:

On August 19, 2025, after the date of the statement of financial position, The Company was served with a claim from Zriha Hlavin Industries Ltd., one of the Company's plastic injection suppliers (hereinafter – Zriha), In which the Company was sued to pay a total of NIS 90 million in compensation for the damages caused to Zriha, according to them, this was due to the company's alleged breach of obligations towards them for ordering production of plastic injections. The Company will study the claim and at this stage is unable to assess its chances of being accepted.

3. Financial position

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

Item	June 30		December 31	Explanations by the Company – balances as of June 30, 2025 compared to June 30, 2024
	2025	2024	2024	
	NIS thousands			
Cash and cash equivalents and short-term investments	106,956	135,175	104,675	A decline in cash and cash equivalents as part of working capital management and a reduction in interest-bearing credit
Trade accounts receivables	274,762	349,061	218,827	A decline of NIS 74.3 million (21%) in the trade receivables balance in light of revenue decline compared to the corresponding quarter last year.
Other receivables	109,005	108,429	100,115	No material change.
Inventory	707,827	894,665	837,796	A decline of NIS 186.8 million (21%) in the balance of inventory as a result of the following: 1. 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 117 million. 2. The inventory level related to the safety and other related pool products segment, decreased by NIS 15 million, Despite the effect of Focus consolidation and the recording of additional inventory of NIS 9 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 54 million in the inventory balance The Company continues to adjust the volume of inventory to the volume of demand and its production capacity, and works closely to continue lowering inventory volumes.
Total current assets	**1,198,550**	**1,489,330**	**1,261,413**	

Item	**June 30**		**December 31**	**Explanations by the Company – balances as of June 30, 2025 compared to June 30, 2024**
	2025	**2024**	**2024**	
	NIS thousands			
Long-term debit balances	1,794	1,998	1,840	No material change.
Fixed assets	229,299	237,466	237,676	The decline is the result of an addition to assets of NIS 34 million and on the other hand, recording an amortization of NIS 39 million as well as foreign currency effects.
Right-of-use assets	182,576	144,463	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 a liability.
Intangible assets	364,948	336,227	366,477	Intangible assets increased, mainly as a result of the recognition of intangible assets at an amount of NIS 52 million following the business combination arising from the acquisition of Focus by MTAU, as well as additional development costs that were capitalized between the periods, less amortization and less depreciation recognized by the Company in the forth quarter of 2024.
Deferred taxes	45,060	28,879	46,446	The tax asset is the result of timing differences in the Company and of cumulative losses for tax purposes in the French subsidiary, use of which is expected to be permitted in the future against taxable income. Also, an increase in the US tax asset in light of the acquisition of the minority share in ECCXI.
Total non-current assets	**823,677**	**749,033**	**825,550**	
Total assets	**2,022,227**	**2,238,363**	**2,086,963**	

Item	June 30		December 31	Explanations by the Company – balances as of June 30, 2025 compared to June 30, 2024
	2025	2024	2024	
	NIS thousands			
Bank credit	539,479	514,067	609,206	Short-term credit increase by NIS 25.4 million; short-term credit mainly serves to finance the Group's working capital requirements.
Trade payables	111,976	190,740	76,905	Trade payables declined by NIS 78.8 million, mainly in light of lower procurement volumes.
Other accounts payable	130,173	183,248	149,245	Other accounts payable declined by NIS 53.1 million, largely due to a decrease in the lability to purchasing organizations.
Other current liabilities	72,117	46,428	74,378	An increase in deferred and contingent liability of NIS 23 million in light of the acquisition of Focus by MTAU.
Non-current liabilities	437,992	444,476	462,878	Most of the increase is attributed to ROU recognition countered by a decline in long-term bank loans (NIS 46.6 million).
Total liabilities	**1,291,737**	**1,378,959**	**1,372,612**	
Equity attributable to shareholders of the Company	675,912	804,258	660,963	The decline in equity is mainly the result of recording a net loss in the amount of NIS 89 million in the reporting period, a dividend paid of NIS 20 million in the reporting period and the impact of a translation differences reserve amounting to approximately NIS 30 million."
Non-controlling interests	54,578	55,146	53,388	Non-controlling interests represent the non-controlling interests in MTFR and MTAU.
Total equity	**730,490**	**859,404**	**714,351**	
Total liabilities and equity	**2,022,227**	**2,238,363**	**2,086,963**	

3.1 Liquidity ratios

	June 30, 2025	June 30, 2024
Working capital (NIS thousands)	344,805	554,847
Current ratio	1.40	1.59
Quick ratio	0.57	0.64

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

4. Operating results in NIS thousands

Following are the condensed income statements for the first half and the second quarter of 2024-2025:

Item	January-June 2025	January- June 2024	April-June 2025	April-June 2024
Sales revenues	861,425	1,063,132	514,803	607,170
Gross profit **Gross margin**	309,908 36.0%	424,928 40.0%	181,398 35.2%	247,577 40.8%
Operating profit **Operating margin**	64,768 7.5%	133,512 12.6%	31,278 6.1%	73,304 12.1%
Net profit (loss) **Net margin**	26,503 3.1%	82,960 7.8%	12,253 2.4%	43,277 7.1%

Following is an analysis of revenue and gross profit, according to quarterly segment reporting

1. **Segment revenues:**	For the three months ended June 30 2025 NIS thousands	% of total revenues	For the three months ended June 30 2024 NIS thousands	% of total revenues	% change	Explanations
Residential pool cleaners	369,980	71.9%	439,339	72.4%	-15.8%	The decline in revenue in the private pool robotic cleaner segment is largely due to the challenges of the competitive environment in the main markets in Europe and North America and a number of operational challenges in North America led to loss of revenues.
Public pool cleaners	28,579	5.6%	32,788	5.4%	-12.8%	The decline in revenue in this segment is attributed mainly to the operational challenges in North America as stated above.
Safety products and related pool products	116,244	22.5%	135,043	22.2%	-13.9%	This segment's operation volume was affected by the decline in cover sales in MTFR 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	**514,803**	**100.0%**	**607,170**	**100.0%**	**-15.2%**	
2. **Segment results:**	**NIS thousands**	**Gross margin**	**NIS thousands**	**Gross margin**	**% change**	
Residential pool cleaners	134,199	36.3%	188,269	42.9%	-28.7%	The decline in gross profit is attributed to a decline in revenues. The gross profit rate was mostly affected by a sharp decrease in units of robots sold compared to the reduction in fixed costs in production in Israel and in subsidiaries, the impact of tariffs and one-time costs related to logistics challenges in the US , and the impact of changes in currency rates, By contrast, an improvement in gross profitability as a result of the successful realization of direct cost reductions for robot production.
Public pool cleaners	14,218	49.7%	18,427	56.2%	-22.8%	The decrease in gross profit is attributed to a decrease in revenues. Gross profit margin was largely affected by a sharp decrease of units of robots sold compared to the reduction in fixed costs in production in Israel and in subsidiaries.
Safety products and related pool products	32,981	28.4%	40,881	30.3%	-19.3%	The decrease in gross profit is attributable to the decline in revenues. The reduction in the gross margin is mainly due to lower profitability in the covers business in France as a result of decreased sales. This erosion was partially offset by an improvement in the gross profitability of ECCXI and by the consolidation of Focus, which contributed above-average gross profitability in the segment.
Gross profit	**181,398**	**35.2%**	**247,577**	**40.8%**	**-26.7%**	

Following is an analysis of revenue and gross profit, according to half-yearly segment reporting

	For the six months ended June 30		For the six months ended June 30			
	2025		2024			
1. Segment revenues:	**NIS thousands**	**% of total revenues**	**NIS thousands**	**% of total revenues**	**% change**	**Explanations**
Residential pool cleaners	618,835	71.8%	804,554	75.7%	-23.1%	The decline in revenue in the private pool robotic cleaner segment is largely due to the challenges of the competitive environment, the impact of the change in the Company's sales mix between quarters as a result of the implementation os the strategic pillar of transitioning to direct to consumer (DTC) sales. In addition, the half year's revenue was affected by the continuation of conservative pre season stocking in North America and Europe, and several operational challenges in North America that led to a loss of revenue in an estimated total amount of NIS 50 million in the second quarter as stated above.
Public pool cleaners	54,808	6.4%	58,228	5.5%	-5.9%	The decline in revenue in this segment is attributed mainly to the operational challenges in North America as stated above.
Safety products and related pool products	187,782	21.8%	200,350	18.8%	-6.3%	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	**861,425**	**100.0%**	**1,063,132**	**100.0%**	**-19.0%**	
2. Segment results:	**NIS thousands**	**Gross margin**	**NIS thousands**	**Gross margin**	**% change**	
Residential pool cleaners	225,124	36.4%	333,188	41.4%	-32,4%	The decline in gross profit is attributed to a decline in revenues. The gross profit rate was mostly affected by a sharp decrease in units of robots sold compared to the reduction in fixed costs in production in Israel and in subsidiaries, the impact of tariffs and one-time costs related to logistics challenges in the US , and the impact of changes in currency rates, By contrast, an improvement in gross profitability as a result of the successful realization of direct cost reductions for robot production.
Public pool cleaners	28,004	51.1%	31,772	54.6%	-11.9%	The decrease in gross profit is attributed to a decrease in revenues. Gross profit margin was largely affected by a sharp decrease of units of robots sold compared to the reduction in fixed costs in production in Israel and in subsidiaries.
Safety products and related pool products	56,780	30.2%	59,968	29.9%	-5.3%	The decrease in gross profit is attributable to the decline in revenues. The gross margin remained relatively stable, reflecting offsetting effects: a decrease in the profitability of the covers business in France due to lower sales, partially offset by an improvement in gross profitability at ECCXI and by the consolidation of Focus, which contributed above-average gross profitability in the segment.
Gross profit	**309,908**	**36.0%**	**424,928**	**40.0%**	**-27.1%**	

Unofficial Translation from Hebrew

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

Item	For the three months ended June 30, 2025	For the three months ended June 30, 2024	% change	Main explanations
Research and development expenses	11,159	11,925	-6.4%	The decline in development costs is mainly attributed to downsizing in the scope of manpower which is reflected in a 26% 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 costs for these activities in the reporting period amounted to NIS 0.7 million, compared to NIS 1.4 million last year. It should be noted that the effects of the reduction were offset by lower capitalization. The level of development expenses in the robotic segment remained similar between periods as part of the Company's strategy to maintain its position as technological leader in this segment, especially in view of the launch of a new robot generation in the coming years will affect a similar level of development costs in this segment.
Selling and marketing expenses	105,549	124,721	-15.4%	A decline of NIS 5.4 million (21%) in the cost of wages and accompanying benefits as a result of efficiency enhancement, a decrease in shipping costs and a decrease in the expenses of online sales, marketing and promotional campaigns, mostly in ECCXI. By contrast, an increase of NIS 1.2 million was recorded due to the consolidation of Focus.
General and administrative expenses	33,423	37,578	-11.1%	The decline is largely the result of a decrease of NIS 3.1 million (19%) in the cost of wages and accompanying benefits and a decrease in consultants expenses and a decrease in the provision for doubtful debts. On the other hand, there was an increase in information systems expenses due to a lower capitalization volume, amortization expenses and additional expenses in the amount of NIS 1.3 million due to the consolidation of Focus.
Other expenses (income), net	-11	49	-	-
Operating profit	**31,278**	**73,304**	**-57.3%**	A decrease in revenue and gross profit in the quarter is partially offset by a decrease in operating expenses.
Finance expenses, net	15,326	18,744	-18.2%	The decrease in net finance expenses is mainly due to the effect of hedging transactions minus the valuation of foreign currency balances countered by an increase in interest expenses.
Income before taxes	**15,952**	**54,560**	**-70.8%**	
Taxes on income	3,699	11,283	-67.2%	Tax expenses decreased due to the decrease in income before tax.
Net profit	**12,253**	**43,277**	**-71.7%**	

Unofficial Translation from Hebrew

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

Item	**For the six months ended June 30, 2025**	**For the six months ended June 30, 2024**	**% change**	**Main explanations**
Research and development expenses	21,351	24,298	-12.1%	The decline in development costs is mainly attributed to downsizing in the scope of manpower which is reflected in a 19% 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 costs for these activities in the reporting period amounted to NIS 1.7 million, compared to NIS 4 million last year. Development expenses in the segment decreased by 5.9%.but the Company continues to invest in this 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. It should be noted that the company's total R&D expenses in Israel, including the capitalization of development costs, amounted to NIS 19.2 million, a decrease of 15%.
Selling and marketing expenses	157,347	193,910	-18.9%	A decline of NIS 7.9 million (16%) in the cost of wages and accompanying benefits as a result of efficiency enhancement, a decrease in shipping costs and a decrease in the expenses of online sales, marketing and promotional campaigns, mostly in ECCXI. By contrast, an increase of NIS 2 million was recorded due to the consolidation of Focus.
General and administrative expenses	66,617	73,058	-8.8%	The decline is largely the result of a decrease of NIS 5.3 million (16%) in the cost of wages and accompanying benefits and a decrease in consultants expenses and a decrease in the provision for doubtful debts. On the other hand, there was an increase of NIS 1.1 million as a result of recording salary expenses due to a contingent liability related to the acquisition of the minority interest in ECCXI, additional expense in the amount of NIS 2.7 million due to the consolidation of Focus as well as amortization expenses.
Other expenses (income)	-175	150	-	
Operating profit	**64,768**	**133,512**	**-51.5%**	A decrease in revenue and gross profit in the quarter is partially offset by a decrease in operating expenses.
Finance expenses, net	31,515	29,032	8.6%	The increase in net finance expenses is due to the increase in interest expenses.
Income before taxes	**33,253**	**104,480**	**-68.2%**	
Taxes on income	6,570	21,520	-68.6%	Tax expenses decreased due to the decrease in income before taxes.
Net income	**26,503**	**82,960**	**-68.1%**	

Unofficial Translation from Hebrew

5. Cash flows

Item	For the six months ended June 30		For the three months ended June 30		Explanations
	2025	2024	2025	2024	
	NIS thousands		NIS thousands		
Cash flows provided by operating activities	148,915	156,144	182,362	225,466	H1 – A decrease of NIS 7 million in cash flow from operating activities compared to the corresponding period last year resulting from a decrease in net income. On the other hand, improvements in operating working capital management in the group. Q2 - A decrease of NIS 43 million, mainly due to the decrease in profit..
Cash flows used in investing activities	-38,683	-64,407	-25,308	-42,108	The decrease in cash flow used for investing activities (both in the H1 and in Q2) is due to lower investment in fixed assets mainly in buildings at the Company's sites, as well as a lower scope of capitalization of intangible assets in the area of monitoring, control and treatment of pool water.
Cash flows used in financing activities	-114,587	-101,981	-218,109	-151,658	H1 - A decrease of NIS 97 million in credit compared to NIS 51 million last year and by contrast, a dividend payment of NIS 36 million last year with no dividend paid for current half. Q2 - A decrease of NIS 210 million in credit compared to NIS 111 million last year and by contrast, a dividend payment of NIS 33 million last year with no dividend paid for current quarter.
Exchange rate differences related to cash and cash equivalents	3,721	-1,593	-3,421	921	-
Translation differences related to cash of foreign operation	2,245	-180	6,839	-1,092	-
Change in cash and cash equivalents	**1,341**	**-12,017**	**-57,637**	**31,529**	-
Cash and cash equivalents at end of period	**85,780**	**118,027**	**85,780**	**118,027**	-

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. 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 risk 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.

Unofficial Translation from Hebrew

Statement of financial position according to linkage bases as of June 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	19,735	43,624	18,484	-	3,937	-	85,780
Short-term investments	235	-	-	8,561	12,380	-	21,176
Trade receivables, net	99,787	122,626	44,207	-	8,142	-	274,762
Other accounts receivable	11,124	11,257	6,737	-	79,887	-	109,005
Inventory	-	-	-	-	-	707,827	707,827
Long-term deposits and debit balances	-	739	1,055	-	-	-	1,794
Fixed assets, net	-	-	-	-	-	229,299	229,299
Right-of-use assets, net	-	-	-	-	-	182,576	182,576
Intangible assets, net	-	-	-	-	-	364,948	364,948
Deferred taxes, net	-	-	-	-	-	45,060	45,060
Total assets	**130,881**	**178,246**	**70,483**	**8, 561**	**104,346**	**1,529,710**	**2,022,227**
Liabilities							
Short-term credit	165,430	3,453	21,503	-	349,093	-	539,479
Trade payables	42,429	11,462	2,343	-	55,742	-	111,976
Other accounts payable	20,307	27,606	11,783	-	78,143	-	137,839
Lease liabilities	-	-	-	-	-	194,785	194,785
Deferred liability in respect for purchase of shares of a subsidiary	29,606	-	28,842	-	-	-	58,448
Deferred taxes	-	-	-	-	-	5,037	5,037
Employee benefits liability, net	3,733	577	-	-	-	2,735	7,045
Contingent liability in respect for purchase of shares of a subsidiary	-	-	1,188	-	-	-	1,188
Other liabilities	30,061	3,812	14,184	-	187,883		235,940
Total liabilities	**291,566**	**46,910**	**79,843**	**-**	**670,861**	**202,557**	**1,291,737**
Net balance	**(160,685)**	**131,336**	**(9,360)**	**8,561**	**(566,515)**	**1,327,153**	**730,490**

Unofficial Translation from Hebrew

<u>Statement of financial position according to linkage bases as of June 30, 2024</u>

	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	123,986	3,373	14,757	-	371,951	-	514,067
Trade payables	102,217	17,905	4,994	-	65,624	-	190,740
Other accounts payable	22,670	33,395	8,337	-	129,067	-	193,469
Lease liabilities	-	-	-	-	-	153,970	153,970
Deferred liability for purchase of shares of a subsidiary	39,184	-	-	-	-	-	39,184
Deferred taxes	-	-	-	-	-	2,109	2,109
Liabilities in respect of employee benefits, net	583	-	-	-	-	3,216	3,799
Other liabilities	46,842	7,380	833	-	226,566	-	281,621
Total liabilities	**335,482**	**62,053**	**28,921**	**-**	**793,208**	**159,295**	**1,378,959**
Net balance	**(104,026)**	**149,784**	**21,086**	**7,752**	**(697,597**	**1,482,405**	**859,404**

		August 19, 2025
Dov Ofer	Sharon Goldenberg	Date of approval of the Board
Chairman of the Board	Chief Executive Officer	of Directors' Report

Maytronics Ltd.

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

-

Unofficial Translation from Hebrew

Maytronics Ltd.

Interim Consolidated Financial Statements as of June 30, 2025

Unaudited

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Kost Forer Gabbay and Kasierer
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Auditors' Review Report to the Shareholders of Maytronics Ltd.

Introduction

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 June 30, 2025, as well as the condensed consolidated statements of income and other comprehensive income, changes in equity and cash flows, for the six-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 1.5% of total consolidated assets as of June 30, 2025, and whose revenue as included in the consolidation constitutes approximately 2.3% and 2.4%, respectively, of total consolidated revenue for the six-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,
August 19, 2025

Kost Forer Gabbay & Kasierer
A Member of Ernst & Young Global

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

Consolidated Statements of Financial Position

	June 30		December 31
	2025	2024	2024
	Unaudited		Audited
	NIS thousands		
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	85,780	118,027	84,439
Short-term investments	21,176	19,148	20,236
Trade receivables, net	274,762	349,061	218,827
Other accounts receivable	109,005	108,429	100,115
Inventory	707,827	894,665	837,796
	1,198,550	1,489,330	1,261,413
NON-CURRENT ASSETS:			
Long-term receivables	1,794	1,998	1,840
Fixed assets, net	229,299	237,466	237,676
Right-of-use assets, net	182,576	144,463	173,111
Intangible assets, net	364,948	336,227	366,477
Deferred taxes, net	45,060	28,879	46,446
	823,677	749,033	825,550
	2,022,227	2,238,363	2,086,963

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

Consolidated Statements of Financial Position

	June 30		December 31
	2025	2024	2024
	Unaudited		Audited
	NIS thousands		
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Credit from banks	539,479	514,067	609,206
Current maturities of lease liability	32,845	27,618	30,047
Current maturities of deferred liability related to acquired subsidiary	31,075	8,589	29,742
Contingent liability related to acquired subsidiary	531	-	1,451
Trade payables	111,976	190,740	76,905
Income tax payable	1,282	1,388	1,674
Other accounts payable	130,173	183,248	149,245
Provisions	6,384	8,833	11,464
	853,745	934,483	909,734
NON-CURRENT LIABILITIES:			
Loans from banks	228,808	275,385	255,821
Lease liability	161,940	126,352	152,454
Contingent liability related to acquired subsidiary	657	-	1,073
Deferred liability related to acquired subsidiary	27,373	30,595	42,362
Employee benefit liabilities, net	7,045	3,799	5,247
Other long-term liabilities	7,132	6,236	5,513
Deferred taxes	5,037	2,109	408
	437,992	444,476	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	554,341	665,116	530,280
Capital reserve from share-based payment transactions	40,248	35,582	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	(31,521)	(1,401)	(20,057)
	675,912	804,258	660,963
Non-controlling interests	54,578	55,146	53,388
Total equity	730,490	859,404	714,351
	2,022,227	2,238,363	2,086,963

August 19, 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

	Six months ended June 30		Three months ended June 30		Year ended December 31
	2025	2024	2025	2024	2024
	Unaudited		Unaudited		Audited
	NIS thousands				
Sales revenue	861,425	1,063,132	514,803	607,170	1,626,453
Cost of sales	551,517	638,204	333,405	359,593	1,040,292
Gross profit	309,908	424,928	181,398	247,577	586,161
Research and development expenses	21,351	24,298	11,159	11,925	47,430
Selling and marketing expenses	157,347	193,910	105,549	124,721	330,402
General and administrative expenses	66,617	73,058	33,423	37,578	150,076
Other expenses (income), net	(175)	150	(11)	49	21,011
Operating income	64,768	133,512	31,278	73,304	37,242
Financial income	17,402	23,785	26,044	23,058	13,811
Financial expenses	(48,917)	(52,817)	(41,370)	(41,802)	(64,783)
Income (loss) before taxes	33,253	104,480	15,952	54,560	(13,730)
Taxes on income	6,750	21,520	3,699	11,283	15,737
Net income (loss)	26,503	82,960	12,253	43,277	(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	(10,914)	9,398	(19,336)	7,119	(14,039)
Amounts that will not subsequently be reclassified to profit or loss:					
Remeasurement gain on defined benefit plans	-	-	-	-	87
Total other comprehensive income (loss)	(10,914)	9,398	(19,336)	7,119	(13,952)
Total comprehensive income (loss)	15,589	92,358	(7,083)	50,396	(43,419)
Net income (loss) attributable to:					
Equity holders of the Company	24,061	80,688	11,637	42,108	(34,148)
Non-controlling interests	2,442	2,272	616	1,169	4,681
	26,503	82,960	12,253	43,277	(29,467)
Total comprehensive income attributable to:					
Equity holders of the Company	12,597	89,252	(6,361)	47,610	(44,153)
Non-controlling interests	2,992	3,106	(722)	2,786	734
	15,589	92,358	(7,083)	50,396	(43,419)
Net basic earnings (loss) per share attributable to equity holders of the Company (in NIS):	0.22	0.74	0.11	0.38	(0.31)
Net diluted earnings(loss) per share attributable to equity holders of the Company (in NIS):	0.22	0.74	0.11	0.38	(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 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, 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	-	-	-	24,061	-	-	-	-	-	-	24,061	2,442	26,503
Other comprehensive income - adjustments arising from translation of financial statements of foreign operations	-	-	-	-	-	-	(11,464)	-	-	-	(11,464)	550	(10,914)
Total comprehensive income (loss)	-	-	-	24,061	-	-	(11,464)	-	-	-	12,597	2,992	15,589
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(1,802)	(1,802)
Cost of share-based payment	-	-	-	-	2,352	-	-	-	-	-	2,352	-	2,352
Balance as of June 30, 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

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, 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	-	-	-	80,688	-	-	-	-	-	-	80,688	2,272	82,960
Other comprehensive income - adjustments arising from translation of financial statements of foreign operations	-	-	-	-	-	-	8,564	-	-	-	8,564	834	9,398
Total comprehensive income	-	-	-	80,688	-	-	8,564	-	-	-	89,252	3,106	92,358
Exercise of share warrants	3	379	-	-	(379)	-	-	-	-	-	3	-	3
Dividend paid	-	-	-	(25,000)	-	-	-	-	-	-	(25,000)	-	(25,000)
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	-	-	-	-	5,186	-	-	-	-	-	5,186	-	5,186
Balance as of June 30, 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

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

Consolidated Statements of Changes in Equity

	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
	Attributable to Equity Holders of the Company												
	Unaudited												
	NIS thousands												
Balance as of April 1, 2025	11,260	119,397	(500)	542,704	39,389	164	(13,523)	1,125	2,147	(20,749)	681,414	55,300	736,714
Net income	-	-	-	11,637	-	-	-	-	-	-	11,637	616	12,253
Other comprehensive income (loss) - adjustments arising from translation of financial statements of foreign operations	-	-	-	-	-	-	(17,998)	-	-	-	(17,998)	(1,338)	(19,336)
Total comprehensive income (loss)	-	-	-	11,637	-	-	(17,998)	-	-	-	(6,361)	(722)	(7,083)
Cost of share-based payment	-	-	-	-	859	-	-	-	-	-	859	-	859
Balance as of June 30, 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

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 April 1, 2024	11,259	119,397	(500)	623,008	32,931	164	(5,146)	1,038	2,147	(6,895)	777,403	75,911	853,314
Net income	-	-	-	42,108	-	-	-	-	-	-	42,108	1,169	43,277
Other comprehensive income - adjustments arising from translation of financial statements of foreign operations	-	-	-	-	-	-	5,502	-	-	-	5,502	1,617	7,119
Total comprehensive income	-	-	-	42,108	-	-	5,502	-	-	-	47,610	2,786	50,396
Exercise of share warrants	1	-	-	-	-	-	-	-	-	-	1	-	1
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(8,434)	(8,434)
Acquisition of non-controlling interest	-	-	-	-	-	-	(1,757)	-	-	(21,650)	(23,407)	(15,117)	(38,524)
Cost of share-based payment	-	-	-	-	2,651	-	-	-	-	-	2,651	-	2,651
Balance as of June 30, 2024	11,260	119,397	(500)	655,116	35,582	164	(1,401)	1,038	2,147	(28,545)	804,258	55,146	859,404

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
	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
Dividend declared	-	-	-	(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.

Consolidated Statements of Cash Flows

	Six months ended June 30		Three months ended June 30		Year ended December 31
	2025	2024	2025	2024	2024
	Unaudited		Unaudited		Audited
	NIS thousands				
Cash flows from operating activities:					
Net income (loss)	26,503	82,960	12,253	43,277	(29,467)
Adjustments to reconcile net income to net cash provided by (used in) operating activities:					
Adjustments to profit or loss items:					
Taxes on income	3,861	17,654	5,045	13,175	26,587
Deferred taxes, net	(280)	13,380	2,576	5,757	(541)
Financial expenses, net	32,815	31,332	17,512	15,589	60,336
Depreciation and amortization	53,114	45,999	26,889	22,544	93,968
Impairment of an intangible asset	-	-	-	-	20,741
Cost of share-based payment	2,352	5,186	859	2,651	7,500
Revaluation of options to Kibbutz members	(8)	(192)	-	(80)	(211)
Increase (decrease) in employee benefits liabilities, net	2,079	798	1,072	692	2,384
Interest accrued on long-term deposit and exchange differences related to investments	45	(606)	47	(605)	(583)
Capital loss (gain) on sale of fixed assets, net	(134)	124	(24)	8	263
Revaluation of securities measured at fair value through profit or loss, net	(774)	(254)	(757)	68	(1,126)
Revaluation of derivatives, net	2,256	9,576	(15,841)	11,860	(8,970)
Change in contingent liability related to acquisition of a subsidiary	123	-	97	-	-
Change in deferred liability related to acquisition of a subsidiary	312	-	(700)	-	(1,004)
Exchange differences on cash and cash equivalents	(3,721)	1,593	3,421	(921)	(5,802)
	92,040	124,590	40,196	70,738	193,542
Changes in asset and liability items:					
Decrease (increase) in trade receivables	(64,909)	(109,912)	62,954	145,558	21,838
Increase in other accounts receivable (including long-term)	(11,885)	(32,561)	26,859	(12,137)	3,933
Decrease in inventories	101,297	96,738	74,896	91,449	137,311
Decrease in trade payables	59,317	(7,626)	14,835	(106,649)	(108,888)
Increase (decrease) in other accounts payable, provisions and taxes payable	(21,504)	49,029	(31,518)	20,282	2,507
Increase in other liabilities	4,732	1,912	4,444	1,712	(4,315)
	67,048	(2,420)	152,470	140,215	52,386
Cash paid and received during the period for:					
Interest and dividend received	210	180	101	98	375
Interest paid	(33,025)	(31,512)	(17,613)	(15,687)	(60,711)
Taxes received	6,238	-	1,388	-	-
Taxes paid	(10,099)	(17,654)	(6,433)	(13,175)	(26,587)
	(36,676)	(48,986)	(22,557)	(28,764)	(86,923)
Net cash provided by operating activities	148,915	156,144	182,362	225,466	129,538

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

Consolidated Statements of Cash Flows

	Six months ended June 30		Three months ended June 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	(18,219)	(28,648)	(8,702)	(15,931)	(49,908)
Purchase of fixed assets	(11,771)	(24,239)	(7,856)	(14,522)	(43,237)
Proceeds from disposal of fixed assets	145	421	27	193	717
Acquisition of initially consolidated subsidiary (B)	-	-	-	-	(24,604)
Payment of contingent liability related to acquired subsidiary	-	(11,767)	-	(11,767)	(11,767)
Payment of deferred liability related to acquired subsidiary	(8,672)	-	(8,672)	-	-
Purchase of securities measured at fair value through profit or loss, net	(166)	(174)	(105)	(81)	(390)
Net cash used in investing activities	(38,683)	(64,407)	(25,308)	(42,108)	(129,189)
Cash flows from financing activities:					
Proceeds from the exercise of warrants	-	3	-	1	3
Receipt of short-term credit, net	(63,757)	(161,249)	(186,166)	(194,869)	(56,168)
Receipt of long-term loan	35,000	149,225	-	104,225	179,872
Repayment of long-term loans	(68,344)	(39,419)	(23,947)	(21,137)	(88,774)
Dividend paid to shareholders of the Company	-	(25,000)	-	(25,000)	(45,000)
Dividend paid to non-controlling interests	(1,802)	(11,501)	-	(8,434)	(10,887)
Repayment of lease liability	(15,954)	(14,040)	(7,996)	(6,444)	(28,837)
Net cash used in financing activities	(114,857)	(101,981)	(218,109)	(151,658)	(49,791)
Exchange differences on cash and cash equivalent balances	3,721	(1,593)	(3,421)	921	5,802
Translation differences from cash balances of foreign operations	2,245	(180)	6,839	(1,092)	(1,965)
Increase (decrease) in cash and cash equivalents	1,341	(12,017)	(57,637)	31,529	(45,605)
Cash and cash equivalents at the beginning of the period	84,439	130,044	143,417	86,498	130,044
Cash and cash equivalents at the end of the period	85,780	118,027	85,780	118,027	84,439
(A) Significant non-cash transactions:					
Purchase of fixed assets and intangible assets on credit	501	2,341	501	2,341	2,290
Recognition of right-of-use asset against lease liability	30,917	7,577	9,009	6,393	50,895
Deferred liability for the acquisition of the subsidiary	-	-	-	-	35,163
Acquisition of non-controlling interest against deferred liability	-	38,524	-	38,524	30,728

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

(B) Acquisition of initially 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)

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

Note 1 - General

A. These financial statements were prepared in a condensed format as of June 30, 2025, and for the six-month and three-month periods then ended (hereinafter – the 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

After the date of the statement of financial position, 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. Additionally, on August 11, 2025, the United States and China agreed to freeze the increase of mutual tariffs (from 30% to 54%) for an additional 90 days. It should be noted that these tariffs are in addition to the 25% tariff on the Robot category imported from China.

The Company is examining the effects of the aforementioned tariff plan on its operations in the markets in which it operates, with an emphasis on the US market, which constitutes approximately 57% of the Company's revenues (as of 2024), and closely monitors the frequent developments on the subject.

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, and to the disruption of economic activity in the Israel. 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 regular 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.

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.

It is noted that the Company submitted a request for compensation for indirect damage as a result of the security situation to the Property Tax Authority and the Compensation Fund. Company management estimates that there is reasonable assurance that the Company will be awarded NIS 10 million in compensation, and said amount was included within other expenses in 2023. In 2024, NIS 5 million were received.

Note 1 - General (cont'd)

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.

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.

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 the same as or proximate to their fair value.

Credit from banks at floating interest rates is consistent with or proximate to its fair value.

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

	June 30		December 31
	2025	2024	2024
	Unaudited		Audited
	NIS thousands		
Long-term credit from banks at fixed interest			
Carrying amount	131,555	176,453	154,601
Fair value	126,321	165,967	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 prevailing market interest rate on the measurement date.

Financial assets and liabilities measured at fair value

	June 30, 2025			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	Thousands of NIS			
Financial assets:				
Short term investments	21,176	-	-	21,176
Hedging transactions	-	14,149	-	14,149
Financial liabilities:				
Contingent liability in respect for purchase of shares of a subsidiary	-	-	1,188	1,188

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

Note 4 - Financial Instruments for Disclosure Purposes Only (cont'd)

Financial assets and liabilities measured at fair value (cont'd)

	June 30, 2024			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	Thousands of NIS			
Financial assets:				
Short term investments	19,148	-	-	19,148
Financial liabilities:				
Hedging transactions	-	1,241	-	1,241

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
	Unaudited			
	Thousands of NIS			
Financial assets:				
Short term investments	20,236	-	-	20,236
Hedging transactions	-	16,405	-	16,405
Financial liabilities:				
Contingent liability in respect for purchase of shares of a 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.

Note 5 - Operating Segments (cont'd)

A. General (cont'd)

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

Segment performance is assessed on the basis of gross profit. A portion of the research and development (R&D) expenses, as well as direct selling and marketing expenses, are allocated to the operating segments. The remaining R&D expenses, selling and marketing expenses, general and administrative expenses, other expenses and financing activities for the Group (including finance expenses and finance income) are managed at the Group level and are not allocated to the operating segments.

Focus, which has been consolidated since November 1, 2024, is included in the pool safety products and related pool products segment.

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 six-month period ended June 30, 2025				
Total revenues from externals	618,835	54,808	187,782	861,425
Total segmental income	225,124	28,004	56,780	309,908
R&D expenses and direct selling and marketing expenses	(52,402)	(856)	(26,559)	(79,817)
Unallocated shared expenses				(165,323)
Financial expenses, net				(31,515)
Income before taxes				33,253

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 six-month period ended June 30, 2024				
Total revenues from externals (*)	804,554	58,228	200,350	1,063,132
Total segmental income (*)	333,188	31,772	59,968	424,928
R&D expenses and direct selling and marketing expenses	(63,405)	(900)	(28,120)	(92,425)
Unallocated shared expenses				(198,991)
Financial expenses, net				(29,032)
Income before taxes				104,480

(*) Reclassified in immaterial amounts

	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 June 30, 2025				
Total revenues from externals	369,980	28,579	116,244	514,803
Total segmental income	134,199	14,218	32,981	181,398
R&D expenses and direct selling and marketing expenses	(39,085)	(640)	(17,893)	(57,618)
Unallocated shared expenses				(92,502)
Financial expenses, net				(15,326)
Income before taxes				15,952

	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 June 30, 2024				
Total revenues from externals (*)	439,339	32,788	135,043	607,170
Total segmental income (*)	188,269	18,427	40,881	247,577
R&D expenses and direct selling and marketing expenses	(46,401)	(710)	(19,740)	(66,851)
Unallocated shared expenses				(107,422)
Financial expenses, net				(18,744)
Income before taxes				54,560

(*) Reclassified in immaterial amounts

	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
R&D expenses and direct selling and marketing expenses	(100,412)	(1,517)	(46,809)	(148,738)
Unallocated shared expenses				(400,181)
Financial expenses, net				(50,972)
Income before taxes				(13,730)

(*) Reclassified in immaterial amounts

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

C. Geographical information

Sales according to geographical market (by customer location):

	For the six months ended June 30		For the three months ended June 30		For the year ended December 31
	2025	2024	2025	2024	2024
	Unaudited		Unaudited		Audited
	NIS thousands				
Europe	284,640	335,350	144,096	176,570	445,125
North America	454,894	625,922	312,495	381,874	930,952
Oceania	87,820	67,549	36,053	27,003	187,086
Rest of World	34,071	34,311	22,159	21,723	63,290
	861,425	1,063,132	514,803	607,170	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. After the reporting date, the Company's management decided to close most of the operations at the Dalton site. The company is examining the effects inherent in the process.

D. Further to Note 5 to the Company's Consolidated Annual Financial Statements as of December 31, 2024, and for the year ended on the same date, regarding the acquisition of the Australian company Focus Products PTY, the Company made a final purchase price allocation during the reporting period in amounts that are not material to the Company.

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

E. On August 19, 2025, after the date of the statement of financial position, the Board of Directors of the Company (following the approval of its remuneration committee dated August 17, 2025) decided to approve the granting of 5,945,238 warrants to some of the Company's employees exercisable for ordinary shares of the Company of NIS 0.1 par value each, as well as updating the warrants plan in such a way that the life of the warrants in the aforementioned grant will be 7 years (instead of 5 years in the existing warrants plan and with respect to grants that began on the date of the change and thereafter), in accordance with the provisions of the Company's Remuneration policy. The grants of warrants is subject to publication of an outline and receiving the Stock Exchange's approval for the listing of shares resulting from the exercise of the warrants, as well as the approval of the Tax Authority for updating this warrants plan.

F. On August 19, 2025, after the date of the statement of financial position, The Company was served with a claim from Zriha Hlavin Industries Ltd., one of the Company's plastic injection suppliers (hereinafter – Zriha), In which the Company was sued to pay a total of NIS 90 million in compensation for the damages caused to Zriha, according to them, this was due to the company's alleged breach of obligations towards them for ordering production of plastic injections. The Company will study the claim and at this stage is unable to assess its chances of being accepted.

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