

IMAGESAT INTERNATIONAL (I.S.I) LTD

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2025

UNAUDITED

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- These Financial Statements are a translation of the Hebrew Financial Statements reported on November 24, 2025. In the event of any conflicts between the English and the Hebrew version, the Hebrew version shall supersede.



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with confidence

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Auditors' Review

To the Shareholders of

IMAGESAT INTERNATIONAL (I.S.I.) LTD.

Introduction

We have reviewed the accompanying financial information of ImageSat International (I.S.I) Ltd. ("the Company"), which includes the condensed consolidated statement of financial position as of September 30, 2025 and the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity, and cash flow for the nine and three month period then ended. The board of directors and management are responsible for the preparation and presentation of the financial information for these interim periods in accordance with International Accounting Standard IAS 34, Interim Financial Reporting, and are also responsible for the preparation of this interim financial information in accordance with Chapter D of the Israel Securities Regulations (Periodic and Immediate Reports), 1970. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of the review

We conducted our review in accordance with Israel Review Standard 2410 of the Institute of Certified Public Accountants in Israel, Review of Interim Financial Information by the Independent Auditor of the Entity. A review of interim financial information consists of making enquiries, primarily persons responsible for financial and accounting matters, and applying analytic and other review procedures. A review is substantially more limited in scope than an audit conducted in accordance with generally accepted auditing standards in Israel and consequently does not enable us to be certain that we are aware of all of the significant matters that could be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that this financial information has not been prepared, in all material respects, in accordance with IAS 34.

In addition to that stated in the paragraph above, based on our review, nothing has come to our attention that causes us to believe that the financial information does not comply, in all material respects, with the disclosure requirements of Chapter D of the Israel Securities Regulations (Periodic and Immediate Reports), 1970.

Tel Aviv
November 24, 2025

Kost Forer Gabbay & Kasierer
KOST FORER GABBAY & KASIERER
Certified Public Accountants

IMAGESAT INTERNATIONAL (I.S.I.) LTD.**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	<u>As of September 30,</u>		<u>As of</u>
	<u>2025</u>	<u>2024</u>	<u>December 31,</u>
	<u>Unaudited</u>		<u>Audited</u>
	<u>USD in thousands</u>		
<u>CURRENT ASSETS:</u>			
Cash and cash equivalents	18,334	12,724	14,481
Restricted cash	98	96	96
Trade receivables	28,529	21,109	24,365
Other account receivables	14,288	11,589	7,413
Inventories	978	1,091	1,069
	<u>62,227</u>	<u>46,609</u>	<u>47,424</u>
<u>NON-CURRENT ASSETS:</u>			
Property and equipment	152,067	180,377	173,946
Advances on account of property and equipment	4,008	2,741	3,245
Right-of-use assets	7,111	7,531	7,226
Intangible assets	400	505	479
Deferred taxes	-	50	-
	<u>163,586</u>	<u>191,204</u>	<u>184,896</u>
	<u>225,813</u>	<u>237,813</u>	<u>232,320</u>

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

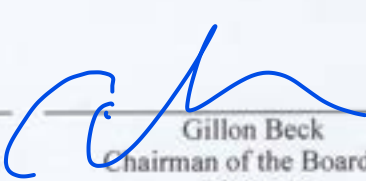
IMAGESAT INTERNATIONAL (I.S.I.) LTD.


CONSOLIDATED STATEMENTS OF FINANCIAL POSITION


	As of September 30,		As of
	2025	2024	December 31,
	Unaudited		Audited
USD in thousands			
CURRENT LIABILITIES:			
Current maturities of lease liabilities	1,431	1,090	1,105
Current maturities of loan from a related party	22,281	10,764	21,711
Loans from banks	20,000	-	-
Trade payables	928	479	579
Advances and deferred revenues	34	12,791	6,189
Other account payables	8,978	5,546	6,934
	<u>53,652</u>	<u>30,670</u>	<u>36,518</u>
NON-CURRENT LIABILITIES:			
Lease liabilities	5,509	5,266	5,186
Other liabilities	-	193	193
Employee benefit liabilities	70	62	68
Loans from banks	-	20,000	20,000
Loan from a related party	11,366	21,424	10,831
	<u>16,945</u>	<u>46,945</u>	<u>36,278</u>
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY:			
Share capital	-	-	-
Share premium and capital reserves	206,316	206,040	206,067
Share-based payments reserve	3,385	3,345	3,462
Accumulated deficit	(54,485)	(49,187)	(50,005)
	<u>155,216</u>	<u>160,198</u>	<u>159,524</u>
	<u>225,813</u>	<u>237,813</u>	<u>232,320</u>

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

November 24, 2025
 Date of approval of the financial statements


 Gillon Beck
 Chairman of the Board of Directors


 Noam Segal
 CEO


 Yuval Sipper
 CFO

IMAGESAT INTERNATIONAL (I.S.I.) LTD.
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	For the nine months ended September 30		For the three months ended September 30		For the Year ended December 31
	2025	2024	2025	2024	2024
	Unaudited				Audited
	USD in thousands				
Revenues	42,352	36,056	15,721	15,024	58,003
Costs of revenues	21,671	19,050	5,899	6,268	29,859
Depreciation and amortization	22,435	14,738	7,311	5,885	21,764
Gross profit (loss)	(1,754)	2,268	2,511	2,871	6,380
Selling and marketing expenses	2,359	2,582	621	780	3,477
General and administrative expenses	4,309	3,526	1,687	1,229	5,017
Research and development expenses	3,063	2,960	1,096	1,027	4,112
Other income	(9,510)	-	(9,510)	-	-
Operating income (loss)	(1,975)	(6,800)	8,617	(165)	(6,226)
Finance income	1,426	585	164	79	538
Finance expenses	3,393	1,990	1,052	654	3,499
Income (loss) before taxes on income	(3,942)	(8,205)	7,729	(740)	(9,187)
Taxes on income (tax benefit)	538	(695)	14	204	(878)
Net income (loss)	(4,480)	(7,510)	7,715	(944)	(8,309)
<u>Other comprehensive loss (net of taxes):</u>					
income from remeasurement of defined benefit plans	-	-	-	-	(19)
Total other comprehensive loss	-	-	-	-	(19)
Total comprehensive income (loss)	(4,480)	(7,510)	7,715	(944)	(8,328)
<u>Net earnings (loss) per share attributable to equity holders of the Company (USD):</u>					
Basic and diluted net earnings (loss)	(0.07)	(0.12)	0.13	(0.02)	(0.14)

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

IMAGESAT INTERNATIONAL (I.S.I.) LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Share premium and capital reserves	Share-based payments reserve	Accumulated deficit	Total Equity
Unaudited					
USD in thousands					
Balance as of December 31, 2024 (Audited)	-	206,067	3,462	(50,005)	159,524
Loss	-	-	-	(4,480)	(4,480)
Options exercise	-	177	(177)	-	-
Expiration of options	-	72	(72)	-	-
Share-based payment	-	-	172	-	172
Balance as of September 30, 2025	-	206,316	3,385	(54,485)	155,216

	Share capital	Share premium and capital reserves	Share-based payments reserve	Accumulated deficit	Total Equity
Unaudited					
USD in thousands					
Balance as of December 31, 2023 (Audited)	-	206,040	2,898	(41,677)	167,261
Loss	-	-	-	(7,510)	(7,510)
Share-based payment	-	-	447	-	447
Balance as of September 30, 2024	-	206,040	3,345	(49,187)	160,198

	Share capital	Share premium and capital reserves	Share-based payments reserve	Accumulated deficit	Total Equity
Unaudited					
USD in thousands					
Balance as of June 30, 2025	-	206,080	3,579	(62,200)	147,459
Net income	-	-	-	7,715	7,715
Options exercise	-	177	(177)	-	-
Expiration of options	-	59	(59)	-	-
Share-based payment	-	-	42	-	42
Balance as of September 30, 2025	-	206,316	3,385	(54,485)	155,216

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

IMAGESAT INTERNATIONAL (I.S.I.) LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Share premium and capital reserves	Share-based payments reserve	Accumulated deficit	Total Equity
Unaudited					
USD in thousands					
Balance as of June 30, 2024	-	206,040	3,240	(48,243)	161,037
Loss	-	-	-	(944)	(944)
Share-based payment	-	-	105	-	105
Balance as of September 30, 2024	-	206,040	3,345	(49,187)	160,198
	Share capital	Share premium and capital reserves	Share-based payments reserve	Accumulated deficit	Total Equity
Audited					
USD in thousands					
Balance as of December 31, 2023	-	206,040	2,898	(41,677)	167,261
Loss	-	-	-	(8,309)	(8,309)
Expiration of options	-	27	(27)	-	-
Share-based payment	-	-	591	-	591
Other comprehensive loss	-	-	-	(19)	(19)
Balance as of December 31, 2024	-	206,067	3,462	(50,005)	159,524

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

IMAGESAT INTERNATIONAL (I.S.I.) LTD.

CONSOLIDATED STATEMENTS OF CASH FLOW

	For the nine months ended September 30		For the three months ended September 30		For the Year ended December 31
	2025	2024	2025	2024	2024
	Unaudited				Audited
	USD in thousands				
<u>Cash flows from operating activities:</u>					
Net income (loss)	(4,480)	(7,510)	7,715	(944)	(8,309)
Adjustments to reconcile loss to net cash used in operating activities:					
Adjustments to profit or loss:					
Depreciation	22,356	14,660	7,285	5,859	21,660
Amortization of an intangible asset	79	78	26	26	104
Depreciation of right-of-use asset	956	878	346	295	1,177
Share-based payment	172	447	42	105	591
Finance Expenses, net	2,884	1,493	884	1,003	2,484
Taxes on income (tax benefit)	538	(695)	14	204	(878)
Change in employee's liabilities, net	2	(10)	1	-	(4)
	<u>26,987</u>	<u>16,851</u>	<u>8,598</u>	<u>7,492</u>	<u>25,134</u>
Changes in assets and liabilities:					
Increase in trade receivables	(4,164)	(9,455)	(11,264)	(10,030)	(12,711)
Decrease (increase) in other account receivables	(6,875)	1,438	(5,051)	1,554	5,620
Decrease (increase) in inventories	-	(27)	-	127	(27)
Increase (decrease) in trade payables	349	(568)	512	(3,857)	(468)
Increase (decrease) in advances and deferred revenues	(6,155)	3,033	(1,392)	4,199	(3,569)
Increase (decrease) in other account payables	1,262	(3,737)	(1,712)	(99)	(2,099)
	<u>(15,583)</u>	<u>(9,316)</u>	<u>(18,907)</u>	<u>(8,106)</u>	<u>(13,254)</u>
Cash paid or received in the period for:					
Interest received	506	525	176	131	586
Interest paid	(1,675)	(3,020)	(585)	(675)	(3,640)
Tax paid	(37)	(31)	(15)	(11)	(43)
Tax received	98	355	-	-	355
	<u>(1,108)</u>	<u>(2,171)</u>	<u>(424)</u>	<u>(555)</u>	<u>(2,742)</u>
Net cash provided by (used in) operating activities	<u>5,816</u>	<u>(2,146)</u>	<u>(3,018)</u>	<u>(2,113)</u>	<u>829</u>

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

IMAGESAT INTERNATIONAL (I.S.I.) LTD.

CONSOLIDATED STATEMENTS OF CASH FLOW

	For the nine months ended September 30		For the three months ended September 30		For the Year ended December 31
	2025	2024	2025	2024	2024
	Unaudited				Audited
	USD in thousands				
<u>Cash flow from investing activities:</u>					
Purchase of property equipment	(386)	(32,484)	(101)	(31,583)	(33,031)
Advances on account of assets under construction	(763)	(475)	(172)	(177)	(982)
Withdrawal of bank deposits	-	10,864	-	-	10,864
Investment in bank deposits	-	(10,864)	-	-	(10,864)
Net cash used in investing activities	<u>(1,149)</u>	<u>(32,959)</u>	<u>(273)</u>	<u>(31,760)</u>	<u>(34,013)</u>
<u>Cash flow from financing activities:</u>					
Repayment of lease liabilities	(814)	(749)	(345)	(301)	(913)
Repayment of a loan to a related party	-	(8,529)	-	-	(8,529)
Proceeds from bank loans	-	20,000	-	-	20,000
Net cash provided by (used in) financing activities	<u>(814)</u>	<u>10,722</u>	<u>(345)</u>	<u>(301)</u>	<u>10,558</u>
<u>Increase (decrease) in cash and cash equivalents</u>	3,853	(24,383)	(3,636)	(34,174)	(22,626)
<u>Cash and cash equivalents at the beginning of the period:</u>	<u>14,481</u>	<u>37,107</u>	<u>21,970</u>	<u>46,898</u>	<u>37,107</u>
<u>Cash and cash equivalents at the end of the period</u>	<u>18,334</u>	<u>12,724</u>	<u>18,334</u>	<u>12,724</u>	<u>14,481</u>

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

NOTE 1:- GENERAL

A. General description of the Company and its activity

ImageSat International (I.S.I) Ltd (“Imagesat” or “the Company”) and its subsidiaries (“the Group”) specialize in providing space-based intelligence solutions, very-very high-resolution satellite imagery and data analytics specifically tailored for homeland defense markets and civilian markets, in Israel and worldwide. The Company was incorporated in Israel on January 26, 1999 as a limited private company. On September 7, 2000, the Company changed its name to Imagesat Israel Ltd. (previously West Indian Space Israel Ltd.) and, on September 2, 2021, the Company changed its name to Imagesat International (I.S.I) Ltd. In February 2022, the Company made an initial public offering of its shares. For further details, see Note 1(C) on the 2024 annual financial statements.

In 2020, the EROS C2 satellite, owned by a third party, was launched. This is a very very high-resolution electro-optical satellite with capabilities similar to those of EROS C3, except for the color imaging capabilities that are available only on the EROS C3 satellite. According to an agreement signed in September 2019 between the Company and the third party (hereinafter: “Mutual Use Agreement No. 1”), the Company was granted the exclusive right to use the EROS C2 satellite owned by the third party.

Under Mutual Use Agreement No. 1, the Company received the right to sell all products not used by the third party from the EROS C2 satellite (which constitute the majority of this satellite’s overall capacity) in exchange for granting the third party the right to use the EROS C3 satellite in pre-agreed time slots throughout the satellite’s lifespan.

On December 30, 2022, the company launched the EROS C3 satellite, which is an electro-optical satellite with very very high resolution and capable of color photography (Multi-Spectrali). On June 26, 2023, a series of in-orbit acceptance tests was completed and the EROS C3 satellite entered commercial activity and began operating as part of the Company's EROS NG constellation. For more details see Note 24e (4).

On June 13, 2023, the Company launched the RUNNER satellite (“Runner”), which is an electro-optical satellite with very high resolution and the ability of color video photography. On July 1, 2024, the Runner satellite was reclassified from Property and equipment under construction to Property and equipment and depreciation commenced. Runner is a satellite from the New Space family and is part of the Company's Global-Eye constellation and constitutes a part of the space-based intelligence infrastructure product line of the company.

B. These financial statements have been prepared in condensed format as of September 30, 2025, and for the three and nine months then ended (“the Interim Consolidated Financial Statements”). The financial statements should be read in the context of the Company’s annual financial statements as of December 31, 2024, for the year then ended, and their accompanying notes (“the Consolidated Annual Financial Statements”).

C. Financing

As of the report date, the Company has current maturities totaling approximately \$22.3 million due to Israel Aerospace Industries (“IAI”), a material shareholder (see Note 16b for details of the related party relationship and the loan agreement).

On March 31, 2024, the Company entered into agreements with banking corporations for the establishment of credit lines. The total credit line amount signed with the banking

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1:- GENERAL (CONT.)

corporations is \$20 million. The Company drew down the full credit line at the end of June 2024, with repayment scheduled for June 2026. In February 2025, the Company signed an additional credit line agreement in the amount of \$5 million with a banking corporation, valid until February 2026. As of the reporting date, this additional credit line has not yet been utilized.

The company anticipates continued growth in its business activities in accordance with its business plans and, as a result, an increase in cash flow from its ongoing operations. In light of the aforementioned, according to the company's management assessment, based on its plans, the company will meet its obligations in the foreseeable future.

D. The "Swords of iron" war

Further to the description in Note 1(e) to the annual consolidated financial statements regarding the implications of the "Iron Swords" (hereinafter: the "War"), In October 2023, a war broke out in the State of Israel, which as of the date of this report has come to an end.

On October 9, 2025, the government of Israel approved a ceasefire agreement, which included a full ceasefire, the withdrawal of IDF forces from the Gaza Strip, and the return of all hostages held by Hamas. The agreement entered into effect on October 10, 2025, and brought about the official end of the fighting after two years of protracted conflict. International monitoring mechanisms began operating in the Gaza Strip with the goal of ensuring the implementation of the mutual commitments, including logistical coordination for continued humanitarian aid and planning for rehabilitation processes.

As stated above, the war has broad implications for the Israeli economy, the scope and future ramifications of which are not yet measurable.

It should be noted that since the outbreak of the war, the Company has maintained its ongoing operational and business activities and is regularly monitoring developments. Like the economy as a whole, the war has created a number of challenges, including the mobilization of employees to the reserves, which affects the progress of development activities and system readiness; negative geopolitical effects in some of the Company's target markets; new regulatory requirements, such as export permits from countries mainly in Western Europe where some of the Company's suppliers operate and more.

The Company monitors these impacts, and in its assessment, as of the date of this report, it has no indication of any material impact of the War on its business; however, there is no certainty that this will remain the case if and to the extent that the War is renewed with greater intensity.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES

Format of preparation of the Interim Consolidated Financial Statements

The Interim Consolidated Financial Statements have been prepared in accordance with International Accounting Standard 34 interim financial reporting, and in accordance with Chapter D of the Securities Regulations (Periodic and Immediate Reports) 1970.

IMAGESAT INTERNATIONAL (I.S.I.) LTD.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (CONT.)

The accounting policy applied in the preparation of these Interim Consolidated Financial Statements is consistent with the policy applied in the preparation of the annual consolidated financial statements.

NOTE 3: - REVENUES

A. Revenue breakdown based on the geographic location of customers:

	For the nine months ended		For the three months ended		For the Year ended December 31 2024 Audited
	September 30		September 30		
	2025	2025	2025	2024	
	Unaudited				
	USD in thousands				
Asia	29,187	22,434	12,213	13,200	37,606
America	11,540	12,022	1,928	1,524	18,012
Africa	-	561	-	134	716
Europe	197	827	153	151	827
Israel	1,428	212	1,427	15	842
	<u>42,352</u>	<u>36,056</u>	<u>15,721</u>	<u>15,024</u>	<u>58,003</u>

B. Revenues reported in the financial statements for each group of similar products and services:

	For the nine months ended		For the three months ended		For the Year ended December 31 2024 Audited
	September 30		September 30		
	2025	2024	2025	2024	
	Unaudited				
	USD in thousands				
Satellite Services	17,304	18,372	9,155	5,615	* 23,257
Intelligence as a Service	12,545	2,559	4,848	2,559	6,755
Satellite Solutions and Supporting Infrastructure	12,503	15,125	1,718	6,850	* 27,991
	<u>42,352</u>	<u>36,056</u>	<u>15,721</u>	<u>15,024</u>	<u>58,003</u>

*Reclassified

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4:- SIGNIFICANT EVENTS DURING AND AFTER THE REPORTING PERIOD

- A. On August 28, 2025, the Company was informed that funds of approximately USD 9.5 million from two lead insurers within the full syndicate of insurers of the EROS C3 satellite, representing approximately 8.8% of the total insurance coverage in respect of a damage claim submitted to the syndicate for anomaly events that occurred in the satellite during September and November 2024, have been transferred to its bank account. The company classified the mentioned proceeds as other income in the company's operations. The Company continues to pursue and conduct negotiations with the remaining satellite insurers for the realization of the outstanding claimed insurance coverage. As of the date of this report, the Company is unable to assess the outcome of these negotiations.

- B. On November 4, 2025, an agreement came into effect between the Company and an unrelated third party (not affiliated with the Company or its controlling shareholder) for a period of two years (hereinafter: the "Agreement Period"). Under the agreement, services will be provided to a customer in Asia using the EROS C2 and/or EROS C3 satellites, for a total consideration of approximately USD 9.1 million, payable in six equal installments every four months over the Agreement Period.
