GROUP107

Group 107 Ltd

Interim reports for the period of six-months ended June 30, 2025

The company is a "small corporation," as defined in Regulation 5g of the Securities Regulations (Periodic and Immediate Reports), 1970 ("the Reporting Regulations"). Accordingly, on August 25, 2021, and March 29, 2023, the company's board of directors decided to adopt the reliefs listed in Regulation 5d of the Reporting Regulations, including the reporting in a semi-annual reporting format. For further details, see the prospectus for the first public offering which also serves as the shelf prospectus of the company dated August 26, 2021, bearing date August 27, 2021 (Reference No: 2021-01-071470), as well as a supplementary announcement published thereby on August 31, 2021 (Reference No: 2021-01-074950), which validity has been extended until August 26, 2024 (Reference No: 2023-01-091710), and the immediate report of the company from March 29, 2023 (Reference No: 2023-01-034551). The aforementioned references constitute an inclusion by way of reference.

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Chapter A

Report of the Board of Directors on the Company's Affairs for the Six-Month Period Ended on June 30, 2025

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Chapter A - Report of the Board of Directors on the Company's Affairs

For the six-month period ending on June 30, 2025

The company's board of directors is pleased to present the board of directors' report on the company's condition for the six-month period ending on June 30, 2025 ("**the reporting period**" and "**the reporting date**"), in accordance with the Securities Regulations (Periodic and Immediate Reports), 1970 ("**the regulations**").

All data in this report refers to the summary of the company's consolidated interim financial statements as of June 30, 2025 ("**the financial statements**"), unless stated otherwise. The financial data included in this report is stated in NIS, unless stated otherwise.

The board of directors' report includes a brief overview of the matters it addresses. It is clarified that the description included in this board of directors' report includes information that, in the opinion of the company, constitutes only material information and is prepared on the assumption that its readers also have the company's periodic report for the year 2024, which was published on March 31, 2025 (reference number: 2025-01-022825). The mention constitutes an inclusion by reference ("**the periodic report for the year 2024**"). Terms in this report will have the meanings defined for them in the introduction and section A of the periodic report for the year 2024, unless explicitly stated otherwise.

1. Board of Directors' Explanations Regarding the Company's Business Condition, its Operations Results, Shareholders' Equity, and Cash Flows

1.1. Description of the Company and its Business Environment

1.1.1. The company was established and incorporated on May 31, 2020, in accordance with the laws of the State of Israel, as a privately held limited company under the Companies Law, 1999 ("**the Companies Law**"), under its current name. On September 1, 2021, the company completed its initial public offering of the company's securities under the prospectus, where the company's securities were registered for trading on the stock exchange, and accordingly, the company became a public company, as defined in the Companies Law, 1999, as well as a reporting entity, as defined in the Securities Law, 1968.

1.1.2. The company operates under the commercial name "107 GROUP", through subsidiary companies and has approval from the Innovation Authority to be a research and development company, operating in the fields of technology and fintech, specializing in the development of advanced technological solutions (SAAS) based on innovation and artificial intelligence capabilities.

Simultaneously, the company engages in providing identification, recruitment, and management services for technological teams for its clients, adapting to the changing business and technological needs of the organizations with which it operates. The company aims to continue developing innovative solutions in fintech, automation, and digital accessibility, using advanced technologies and adapting its products to global market demands. As of the date of this report, the company provides services through approximately 213 employees and contractors to hundreds of clients in Israel and around the world.

1.1.3. As of the date of this report, the company's operations are divided into two main areas (for further details, see sections 8 and 9 of section A of the periodic report):

A. "The Services Sector" – within this field, the company operates through 3 divisions that provide services, as detailed below:

1. Talents Services – provided by the main company and Ukrainian entities, including the provision of identification, recruitment, training, management, and placement services for employees in the development and media fields for the company’s clients, both for their ongoing needs and for specific technology projects as required by the clients.

2. Tech Solutions Services - provided by the main company and Ukrainian entities, including advisory and support services to companies and organizations in a variety of technological solutions. These services are provided on an hourly rate basis, with the aim that gradually these clients will consume these services in accordance with the company's Talents model.

3. Accessibility Services – provided through Accessibility for All, including internet site accessibility services, document accessibility, QA tests on accessibility for websites and applications, and general solutions in the field of accessibility, integrating among others, technological tools and advanced artificial intelligence (AI), such as the "Accessible Docs" system launched in January 2025, which has served dozens of clients since its launch.

B. "The Fintech Sector" – the activity is conducted through Levant and includes providing advanced technological solutions to financial institutions, with an emphasis on professional consulting, system development, and customized services. Additionally, Levant engages in the development, marketing, sale, and support of the Levant platform, which is a cloud-based technology system for trading and investing in securities in capital markets, and it holds all rights thereto. In addition, the company provides technological support for SUMMA, which developed a SaaS cloud-based system approved by the Israeli Tax Authority and designed for accounting firms and tax advisors. The system integrates AI technologies, machine learning, and performs intelligent automation of control, reporting, and report generation processes.

1.1.4. To expand the range of services offered by the company and in accordance with its plans to increase its customer base and revenue, during the reporting period and thereafter, the company completed several significant agreements, as detailed below:

A. On June 5, 2025, the company entered into an agreement for strategic consulting services ("**the Consulting Services Agreement**") with Mr. Yaron Kopel, an entrepreneur and senior figure in the technology and retail industry, specializing in global strategy, marketing, innovation, and design ("**Mr. Kopel**")[1], aimed at expanding the company's service activities in the markets where it operates and penetrating new markets while increasing its customer base. Under the Consulting Agreement, the parties set growth and expansion targets for a period of 24 months, whereby full compliance would result in a growth of approximately 300 percent in the number of contractors in the company compared to the number that existed at that time in the company (180 contractors) and/or an increase in revenue from service activities amounting to approximately 180 million NIS. In return for providing consulting services, the company granted Mr. Kopel 1,520,136 unregistered options, which shall be exercisable for up to 1,520,136 ordinary shares of the company, subject to a payment of an exercise addition of 0.65 NIS for each option that will be fully vested (in this section only, "**the options**"). The options shall be exercisable subject to meeting the targets and according to the milestones set in the Consulting Agreement.

   The allocation of the options to Mr. Kopel was subject to the approval of the company's board of directors, the approval of the general meeting of the company's shareholders, and the approval of the stock exchange for registering for trading the shares resulting from the exercise of the options. On July 24, 2025, the company allocated the options to Mr. Kopel after receiving all the required approvals as mentioned.

   For further details, see the company's immediate reports from June 8, 2025, June 16, 2025, June 29, 2025, July 22, 2025, and July 24, 2025 (reference numbers: 2025-01-040743, 2025-01-040873, 2025-01-042927, 2025-01-042930, 2025-01-046490, 2025-01-054563, and 2025-01-055197 respectively). The mentions constitute an inclusion by reference.

B. On January 8, 2025, the company entered into a strategic cooperation agreement with SUMMA Technologies Ltd. ("**SUMMA**"), a private company under the control of Mr. Roy Katz, the CFO of the company[2], under which SUMMA allocated to the company shares constituting approximately 19.9% of its issued and paid-up share capital (on a fully diluted basis). It was also determined in the framework of the cooperation that the company would be responsible for the technological aspect of SUMMA's operations and provide it with services.

[1] Through a private company under his full control.

[2] Following the approval of the company's board of directors and the company's audit committee.

On July 8, 2025, SUMMA entered into a binding commercial agreement with one of the largest accounting firms in Israel, thus completing binding engagements with three out of the four largest accounting firms in Israel (Big4), reflecting an annual revenue potential of over 1 million NIS, subject to actual usage volumes.

For further details, see section 9.17.7 of section A of the periodic report for the year 2024 and the company's immediate report from July 9, 2025 (reference number: 2025-01-050533). The mention constitutes an inclusion by reference.

1.1.5. As of the date of the report, the company's revenues totaled approximately 19,267 thousand NIS, reflecting revenue growth of approximately 32% compared to the corresponding period last year, which was mainly due to the acquisition of Accessibility for All and the launch of the "Accessible Docs" system; the gross profit totaled approximately 6,456 thousand NIS and constituted approximately 34% of revenues, reflecting a gross profit growth rate of approximately 80.5% compared to the corresponding period last year; administrative and general expenses totaled during the reporting period to approximately 5,224 thousand NIS, representing a growth rate of approximately 43% compared to the corresponding period last year, all of which stemmed from the inclusion of Accessibility for All in the financial statements.

1.1.6. During the reporting period, the company recorded a negative cash flow from operating activities of 611 thousand NIS. This cash flow was due to an increase in R&D expenses which totaled approximately 1,392 thousand NIS due to the accelerated development of the "Accessible Docs" system as well as development costs relating to SUMMA, as part of the strategic cooperation agreement detailed in section 1.1.4(b) above.

1.1.7. As part of the company's efforts to increase its shareholders' equity and strengthen its financial position, during the reporting period and thereafter, the company performed the following actions:

A. <u>Capital Raising</u>-

1. On July 27, 2025, the company completed a capital raising of approximately 1,600,053 NIS by Messrs. Yaron Kopel, Avi Baum[3], and Sibel Investments Ltd.[4], through a private allocation of 2,461,620 ordinary shares of the company, at a price of 0.65 NIS per share and also 2,461,620 unregistered options, which shall be exercisable for a period of 24 months for up to 2,461,620 ordinary shares of the company, subject to a payment of an exercise addition of 0.95 NIS for each option. For further details, see the company's immediate reports from June 8, 2025, June 16, 2025, June 29,

[3] Through a private company under his full control.
[4] Who have begun to hold interest in the company. For further details, see the company's immediate report from July 27, 2025 (reference number: 2025-01-055769). The mention constitutes an inclusion by reference.

2025, July 22, 2025, and July 27, 2025 (reference numbers: 2025-01-040743, 2025-01-040873, 2025-01-042927, 2025-01-042930, 2025-01-046490, 2025-01-054563, 2025-01-046501, and 2025-01-055768 respectively). The mentions constitute an inclusion by reference. In addition, for further details regarding the allocation of advisory options to Mr. Kopel under the Consulting Services Agreement signed with him, see section 1.1.4(a) above.

B. Obtaining a Credit Facility-

On February 9, 2025, the company entered into an agreement with a banking corporation ("the bank") for obtaining a credit facility, whereby the bank will provide a credit facility of up to approximately 1.4 million NIS ("the credit facility") in order to support the ongoing needs of the company, Levant, and the main company according to the allocation between the companies as determined from time to time by the company's management. The utilized balance of the credit facility will bear an annual interest rate of the prime rate plus an amount between 2% to 3% without linkage to the index or any currency. It should be noted that at the time of entering into the agreement, a credit facility of approximately 130 thousand NIS that existed in the main company was canceled. For further details see section 10.6 of section A of the periodic report for the year 2024.

C. Continuing the Implementation of the Company's Efficiency Program-

During the reporting period and thereafter, the company continues to implement the efficiency program to reduce the company's expenses and strengthen its cash flow, which was adopted by the company's board of directors.

On November 28, 2022, and extended from time to time, and as of the date of this report, it is valid until December 31, 2025. For further details regarding the efficiency program, including salary waivers of some office holders in the company, see section 2.4 of section A of the periodic report for the year 2024, section 8 of section D of the periodic report for the year 2024, as well as the company's immediate reports from June 26, 2025 (reference numbers: 2025-01-045749 and 2025-01-045754, respectively). The mentions constitute an inclusion by reference.

The information above regarding the company's plans, strengthening cash flow, and the company's business plans is forward-looking information, as defined in the Securities Law, based on the existing information in the company as of this date, and may not materialize or may materialize in part or differently than described above due to factors beyond the company's control, including, among others, changes in the company's business environment, and the like. These assessments and forecasts may not materialize, all or in part, or may materialize in a materially different manner than expected.

1.2. Additional Significant Events During the Reporting Period and Thereafter[5]

1.2.1. On April 7, 2025, the company announced a summons for an annual and special general meeting of the shareholders of the company, which will address the following agenda items: (1) presentation and discussion of the financial statements and the company's board of directors' report for the year ended on December 31, 2024; (2) reappointment of KPMG (Somech Chaikin, CPA) as the company's auditor; (3) reappointment of some of the serving directors in the company, who are not external directors, Messrs. Edi Katz, Mivra Dorst, and Liyama Davidovitch (independent director); (4) approval of the grant of an undertaking for exemption and indemnification to Mr. Roy Gabish, former chairman of the company's board of directors[6]; and (5) approval of updating the terms of employment and engagement of Mr. Guy Amer as the company's CTO.

On May 13, 2025, the company announced the results of the annual and special general meeting, in which all the items that were on the special meeting's agenda were approved by the required majority under the law. For further details, see the company's immediate reports from April 7, 2025, and May 13, 2025 (reference numbers: 2025-01-025804, 2025-01-025813, and 2025-01-033526, respectively). The mentions constitute an inclusion by reference.

1.2.2. On June 5, 2025, an addendum ("**the addendum**") to the control group agreement of the company dated August 25, 2024 ("**the control group agreement**") was signed, the main points of which are described in section 9 of section D of the company's periodic report for the year 2024. According to the addendum signed, Mr. Eliezer Ronkin ("**Mr. Ronkin**"), who serves as CEO and director of Accessibility for All Ltd. (a subsidiary under the company's control (51%)), joined the control group agreement and attached to the controlling shares 999,181 ordinary shares of the company strengthened by him ("**Ronkin Shares**"). Accordingly, all provisions of the control group agreement will apply to Mr. Ronkin and Ronkin Shares, including the addendum. It was also determined in the addendum that the validity of the control group agreement will be extended until December 31, 2027. For further details, see the company's immediate report from June 8, 2025 (reference number: 2025-01-040742). The mention constitutes an inclusion by reference.

1.2.3. On July 24, 2025, the company announced the appointment of Mr. Yizhar Shai ("**Mr. Shai**") as chairman of the company's board of directors to replace Mr. Roy Gabish ("**Mr. Gabish**") who concluded his role as chairman of the company's board of directors. For further details, see the company's immediate reports from July 24, 2025 (reference numbers: 2025-01-055059 and 2025-01-055062). The mentions constitute an inclusion by reference.

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[5] And which are not described in the periodic report for the year 2024 and/or this interim report.

[6] For further details, see section 1.2.3 below.

1.2.4. On July 23, 2025, the company's board of directors and the company's compensation committee approved the following transactions:

1.2.4.1 Payment of annual remuneration and participation remuneration to Mr. Shai in the amount of "the fixed amount" stipulated in the Companies Regulations (Rules regarding remuneration and expenses for external directors), 2000 ("**the remuneration regulations**"), according to the company's classification according to the remuneration regulations, as it will be from time to time. In addition, Mr. Shai will be entitled to reimbursement of expenses according to the remuneration regulations. The amounts of annual remuneration and participation remuneration will be paid to Mr. Shai under the conditions and at the times specified in the remuneration regulations.

1.2.4.2 Providing annual remuneration and participation remuneration in meetings to Mr. Gabish for his service as a director in the company from the date of his appointment until the end of his term, in the amount of "the fixed amount" stipulated in the remuneration regulations, according to the company's classification according to the remuneration regulations, in a total sum of 25.7 thousand NIS[7].

1.2.4.3 Giving a release commitment and providing an indemnity commitment to Mr. Shay, in accordance with the existing release letters and indemnity letters of the company, until the date of the next general meeting of the company's shareholders that the company will convene[8].

For more details, see the company's immediate report from July 24, 2023 (Reference No: 2025-01-055083). The mention constitutes an inclusion by way of reference.

1.2.5. Following the in section 1.2.4.3 above, on August 17, 2025, the company's board of directors approved the convening of a special general meeting of the company’s shareholders whose agenda includes the approval of granting a release and indemnity commitment to Mr. Yizhar Shay, the chairman of the company's board of directors. For more details, see the company's immediate report from August 17, 2025 (Reference No: 2025-01-061062); the mention constitutes an inclusion by way of reference.

1.2.6. For additional events during the reporting period and thereafter, see Note No. 22 in Chapter C of the periodic report for the year 2024 and Note No. 5 in Chapter B of this interim report.

1.3. External Impacts on the Company's Business Activity

1.3.1. Iron Swords War

For more details regarding the Iron Swords War, see section 7 in Chapter A of the periodic report for 2024.

The current period is characterized by significant uncertainty regarding the development of the war, its scope, duration, and implications, and therefore at the time of publishing the report, the company is also unable to assess the full extent of the impact of the war on the company's activity, business, and results, both in the short and medium-long term. In the company’s assessment, should

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[7] It should be noted that Mr. Krystal was awarded an indemnity commitment and a release commitment and was also entitled to be included in the company's directors' liability insurance policy. For more details, see the company's immediate reports from December 29, 2024, (Reference No: 2024-01-627781), April 7, 2025, and May 13, 2025 (Reference No: 2025-01-025813 and 2025-01-033526, respectively); the aforementioned references constitute an inclusion by way of reference.

[8] This follows the approval by the Company’s Compensation Committee and Board of Directors that the conditions set forth in Regulation 1B(4) of the Companies Regulations (Relief in Transactions with Interested Parties), 2000, are met. It is emphasized that Mr. Shai will be entitled to be included in the Company’s officers’ and directors’ liability insurance policy, as approved from time to time by the Company’s authorized bodies.

the war continue for an extended period and/or develop into additional fronts, its implications could have significant negative effects on the Israeli economy and thereby severely impact the company's activity. The company continues to monitor developments continuously and will update as necessary regarding any material implications of the continuation of the war on its activity, as they arise. In the company’s assessment, at the time of the report's publication, the war does not have significant implications for the company, and it does not amount to a material impact on the company's business activity, including its revenues, its expenses and profitability.

Furthermore, in the company’s assessment, the war does not have a significant impact on the company’s liquidity and its sources of financing. However, the company estimates that if and as long as the war continues and/or expands to additional fronts, the company may encounter difficulties in raising and locating sources of financing. However, given that the escalation of the war may lead to further harm to the Israeli economy, the company may be affected by the ongoing war in the future.

1.3.2. Russia-Ukraine War

For more details regarding the Russia-Ukraine War, see section 7 in Chapter A of the periodic report for 2024.

Since February 2022, there has been a war between Russia and Ukraine, with the current period characterized by significant uncertainty regarding the continuation of the fighting, and it is impossible to estimate the expected duration of it. During the war, the company has maintained operational continuity both towards customers and contractors. The company is equipped with supplies of equipment, food, and generators for its offices in Ukraine. The company is prepared with local and satellite communication infrastructures just in case. It should be noted that the company has fixed monthly expenses that are not material related to maintaining its readiness and ongoing operational continuity. As a result of the company’s actions mentioned above, at the time of report publication, no damages were incurred to the company’s offices in Ukraine, and no significant disruptions occurred to the electrical grid, internet, and/or cellular communication. As part of the response to the consequences of the war, the company reached agreements with the lessor of its offices in Lviv, Ukraine, whereby starting from the second quarter of 2022, the company pays reduced monthly rent. As of the time of report publication, approximately 10 contractors have been urgently recruited for military service in the Ukrainian army.

In the company’s assessment, the prolongation and/or escalation of the war in Ukraine may affect the company's ability to locate and employ suitable professionals while causing a decrease in demand from customers.

In the company’s assessment, at the time of report publication, the Russia-Ukraine War does not have significant implications for the company, and it does not amount to a material impact on its business activity, including its revenues, expenses, and its profitability. Furthermore, in the company’s assessment, the Russia-Ukraine War does not have a material effect on the company’s liquidity and its sources of financing.

1.3.3. External Macroeconomic Environment in Israel and Ukraine

For more details regarding the macroeconomic environment in Israel and Ukraine, see section 7 in Chapter A of the periodic report for 2024. As mentioned in section 7.6 in Chapter A of the periodic report for 2024, changes in exchange rates affect the company’s revenues and expenses. For more details, see Note No. 12 in Chapter C of the periodic report for the year 2024.

The company’s activity depends, among other things, on macroeconomic trends characterizing the economies of Israel and Ukraine, including growth rates, inflation rates, interest rates, capital market conditions, employment rates, etc.

1.3.3.1 The Economic Situation in Israel

During the reporting period, the Bank of Israel decided to keep the interest rate unchanged, so at the time of report publication, the Bank of Israel interest rate is 94.5%[9].

According to the macroeconomic forecast of the Research Division of the Bank of Israel from July 7, 2025[10], the GDP is expected to grow by 3.3% in 2025 and by 4.6% in 2026. The inflation rate over the next four quarters (ending in the second quarter of 2026) is expected to stand at 2.2%. During 2025 it is expected to stand at 2.6%, and during 2026 at 2.0%. The average interest rate in the second quarter of 2026 is expected to be 3.75%.

The forecast was formulated after a ceasefire was declared following Operation "With All My Heart," assuming it will be maintained. Operation "With All My Heart" has an impact on the forecast, both due to the economic impact it had at the time of its occurrence and concerning the forward-looking forecast. As for the fighting in Gaza, the forecast was formulated under the assumption that the currently discussed agreement for a ceasefire in Gaza will result in no intense fighting in Gaza in the forecast horizon, starting from July 2025. Compared to the macroeconomic forecast of the Research Division of the Bank of Israel from April 2025[11], the current forecast reflects a certain moderation of the estimates regarding the impact of import tariffs announced by the U.S. in April 2025. The forecast is characterized by a particularly high level of uncertainty, with both positive and negative possibilities, in the geopolitical field as well as in the context of the U.S. government's tariff plan. At this stage, there is

also considerable uncertainty regarding government decisions regarding the state budget in the years 2025 and 2026, and the forecast is based on assessments and working assumptions formulated in the Research Division regarding the decisions to be made.

1.3.3.2 The Economic Situation in Ukraine

Ukraine has experienced significant economic fluctuations in recent years. After a period of challenges, the country has begun to see economic growth, but the ongoing war with Russia casts a shadow on its future. The full-scale course of the war remains the main risk to inflation and economic development.

According to the National Bank of Ukraine, as of May 2025, annual inflation peaked at around 15.9%[12], before cooling to 14.3% in June 2025. According to forecasts from the Ukrainian central bank (NBU), inflation is expected to moderate to 9.7% by the end of 2025, fall to 6.6% in 2026, and reach a target of 5% by 2027, if monetary policy remains tight.

[9] https://www.boi.org.il/publications/pressreleases/7-7-25b/
[10] /https://www.boi.org.il/publications/pressreleases/07-07-2025a
[11] /https://www.boi.org.il/publications/pressreleases/7-4-25a
[12] https://www.bis.org/review/r250728a.htm

According to forecasts from the NBU, real GDP is expected to grow by about 2.1% in 2025, reflecting downward adjustments from the relentless war pressures. The base scenario assumes a moderate recovery, with a growth rate ranging from 2.0% to 3.0% during 2026-2027 as the economy gradually returns to normal functioning.

According to estimates from the International Monetary Fund (IMF), the average inflation rate in 2025 is expected to be 12.6%, while real GDP is expected to grow by about 2.0% during that period. It should be noted that the main component of the company's expenses is the wages of employees and contractors; as long as the level of inflation remains high alongside a high-interest environment, these could lead to decreased demand and even negatively impact some of the company's customers, thereby affecting the company's operational results.

In the company's assessment, at the time of report publication, regarding the macroeconomic environment in Israel and Ukraine, including inflation levels and interest rates, there is currently no and is not expected to be a material adverse effect on the company's results and operations, including its revenues, cost structure, profit margins, financing costs, and/or undermining its financial stability.

1.3.4. Trends in the High-Tech Market and Capital Markets

For more details regarding the trends in the high-tech market and capital markets, see section 7 in Chapter A of the periodic report for 2024.

The macroeconomic trends in the world and in the high-tech market, in particular, led during the reporting period to a continued slowdown in demand for dual services, including the company's services, due to difficulties in raising funds in growth companies. However, at the time of the report, the company's revenue has increased by 33% compared to the same period last year.

In the company's assessment, its flexible model, which allows for the rapid onboarding of professionals at lower recruitment and placement costs, may provide an advantage given the trend in the high-tech market and may present an opportunity for the company to expand its customer base and contribute to its continued business growth.

During the reporting period, in the fintech sector, the company continued to provide technological services to the International Bank Group and SUMMA.

In this regard, it should be noted that the forecasts described in section 1.3 above are dynamic and subject to changes dependent on the directives and actions of the State of Israel and other countries in the world, and at this time, the company is unable to assess the full and final impact of these forecasts on its operations.

The company's assessments regarding the potential implications of any of the events and trends described in section 1.3 above on the company's activity constitute forward-looking information, as defined in the Securities Law, based, among other things, on the company's assessments at the time of report publication regarding factors that are not under its control. The company's assessments are based on information currently available to the company, on publications and forecasts, and on directives from authorities and/or relevant bodies, of which there is no certainty that they will materialize, either in whole or in part, and they may materialize in a materially different manner due to factors beyond the company's control.

1.4. The Financial Situation

The following will present sections of the report on the financial condition in accordance with the financial reports and explanations for the main changes that occurred in them (in thousands of NIS):

Section / Area of Activity	As of June 30								As of December 31				Board of Directors' Explanations
	2025 (Unaudited)				2024 (Unaudited)				2024 (Audited)				
	"FinTech Segment"	"Services Segment"	Adjustments and Others	Consolidated	"FinTech Segment"	"Services Segment"	Adjustments and Others	Consolidated	"FinTech Segment"	"Services Segment"	Adjustments and Others	Consolidated	
Total Assets	861	10,351	88	11,300	1,169	9,064	2,135	12,368	718	10,237	364	11,339	The Company's total assets increased significantly compared to the prior year, mainly due to the acquisition of Nagishut L'Kol Ltd.
Total Liabilities	5,056	18,518	(14,567)	9,007	4,783	17,706	(12,287)	10,202	5,008	18,381	(14,345)	9,044	The Company's total liabilities increased mainly due to the acquisition of Nagishut L'Kol Ltd.
Total Equity (Deficit in Equity)	(4,195)	(8,167)	14,655	2,293	(3,614)	(8,642)	14,422	2,166	(4,290)	(8,144)	14,709	2,295	The Company's equity increased as a result of the reduction in the Company's losses, efficiency measures undertaken, and the acquisition of Nagishut L'Kol Ltd.

1.5. Results of Operations

The following will present sections of the reports on profit and loss in accordance with the financial reports, and explanations for the main changes that occurred in them (in thousands of NIS):

Section / Area of Activity	For the six-month period ended June 30								For the year ended December 31				Board of Directors' Explanations
	2025 (Unaudited)				2024 (Unaudited)				2024 (Audited)				
	"FinTech Segment"	"Services Segment"	Adjustments and Others	Consolidated	"FinTech Segment"	"Services Segment"	Adjustments and Others	Consolidated	"FinTech Segment"	"Services Segment"	Adjustments and Others	Consolidated	
Revenues	1,048	18,425	(206)	19,267	1,109	13,849	(342)	14,616	1,730	32,731	(655)	33,806	The Company's revenues increased as a result of the acquisition of Nagishut LaKol and an increase in revenue volumes from existing and new customers
Other expenses	34,225	903	31,202	2,120	15,051	191	13,842	1,018	19,098	385	17,868	845	The Company's expenses were reduced following the implementation of the efficiency plan undertaken by the Company
EBITDA	(419)	(1,558)	1,529	(390)	(435)	(533)	7	91	169	(591)	557	203	The Company transitioned to positive cash-based operating profitability due to growth in revenues and gross profit

Section / Area of Activity	For the six-month period ended June 30								For the year ended December 31				Board of Directors' Explanations
	2025 (Unaudited)				2024 (Unaudited)				2024 (Audited)				
	"FinTech Segment"	"Services Segment"	Adjustments and Others	Consolidated	"FinTech Segment"	"Services Segment"	Adjustments and Others	Consolidated	"FinTech Segment"	"Services Segment"	Adjustments and Others	Consolidated	
% of revenues	19%	3%	N/A	1%	8%	0%	(156%)	(3%)	(23%)	5%	238%	(1.2%)	-
Depreciation and amortization	5	299	-	304	24	121	1	146	43	465	1	509	The Company is not required to make significant investments in new fixed assets; accordingly, depreciation expense is on a continuous downward trend. The acquisition of "Accessibility for All" resulted in depreciation expenses that offset the aforementioned downward trend.
Net finance expenses (interest)	104	339	(326)	117	16	72	(26)	62	191	636	(640)	187	The Company paid interest on operational working capital loans, similar to the prior year, as well as related banking expenses.
Profit (Loss) Before Tax	94	(81)	(265)	(252)	51	(186)	(508)	(643)	(624)	428	(919)	(1,115)	The Company significantly reduced its expenses as a

Section / Area of Activity	For the six-month period ended June 30								For the year ended December 31				Board of Directors' Explanations
	2025 (Unaudited)				2024 (Unaudited)				2024 (Audited)				
	"FinTech Segment"	"Services Segment"	Adjustments and Others	Consolidated	"FinTech Segment"	"Services Segment"	Adjustments and Others	Consolidated	"FinTech Segment"	"Services Segment"	Adjustments and Others	Consolidated	
													result of the efficiency program and the acquisition of Accessibility for All.
Income Tax Expenses	-	62	-	62	-	2	-	2	-	96	-	96	Income tax expenses are relatively immaterial.
Net Profit (Loss)	94	(19)	(265)	(190)	51	(188)	(508)	(645)	(624)	332	(919)	(1,211)	The company presents a significant improvement in its business results due to the efficiency improvement program, the acquisition of the company Negishut LaKol, and growth in revenue volume.

The EBITDA figure is considered an important and accepted metric and is included in the report due to the information it provides on the results of the company's operations, as it neutralizes from the operational profit depreciation and amortization expenses that are not related to cash flows. It should be emphasized that the figure presented is not based on accepted accounting principles and does not replace the information contained in the financial statements. This figure includes the salary waivers of Mr. Edi Katz (CEO and Director) and Guy Amir (CFO and Director), who are controlling shareholders of the company, totaling approximately 23.33%.

1.6. Liquidity and Sources of Financing

1.6.1. Analysis of the Company's Consolidated Statements of Cash Flows:

Below are presented the items of the Company's consolidated statements of cash flows, in accordance with the Company's financial statements, together with explanations of the main changes therein (in thousands of NIS):

	For the six-month period ended June 30		For the year ended December 31	Board of Directors' Explanations
	2025	2024	2024	
	(Unaudited)		(Audited)	
Net cash provided by (used in) operating activities	(611)	57	(436)	This cash flow resulted from an increase in R&D expenses amounting to approximately NIS 1,392 thousand, mainly due to the acceleration of development of the "Accessible Docs" system, as well as development costs related to SUMMA.
Net cash provided by (used in) investing activities	33	879	842	This cash flow mainly resulted from the withdrawal of bank deposits, net of purchases of fixed assets.
Net cash provided by financing activities	(43)	1,161	335	This cash flow mainly resulted from the repayment of loans.

1.6.2. Details of Sources of Financing

During the reporting period and following the financing obtained by the Company from customer revenues, the Company's financing consists of bank credit facilities and non-bank financing. For additional details, see Sections 1.4–1.6 of Chapter A of the Periodic Report for the year 2024, as well as Section 1.1.7 above.

1.6.3. Liquidity

During the reporting period, the Company recorded a loss of NIS 192 thousand. The Company's cash balance as of June 30, 2025 amounted to NIS 858 thousand, and net cash used in operating activities totaled NIS 611 thousand. The Company's management reviews its actual results against the approved budget and is prepared to respond accordingly by reducing its expenses. On November 28, 2022, the Company's Board of Directors adopted a cost-reduction plan aimed at reducing the Company's expenses and strengthening its cash flow. This plan has been extended from time to time and is currently in effect through December 31, 2025. For further details, see Note 1B to Chapter C of the Company's annual report for 2024, as well as Section 1.1.7(c) above.

2. The Corporate Governance Structure

2.1. Policies on Donations and Social Responsibility

The Company does not have a donations policy and has not requested donations in the reporting period. Company management and employees are involved and contribute to charitable activities and to the community within the framework of their voluntary activities.

2.2. Directors with Accounting and Financial Expertise

Pursuant to Section 92(a)(12) of the Companies Law, on August 25, 2021, the Company's board of directors determined the minimum required number of directors with accounting and financial expertise to be two (2) directors. To the best knowledge of the Company, this number of directors with accounting and financial expertise enables the board to properly fulfill its duties in accordance with the law and applicable regulations, particularly with respect to the examination of the Company's financial condition, the assessment of financial reports and approvals. As of the date of this report, the Company has three (3) directors with accounting and financial expertise. For additional details regarding the Company's directors, see Section 26 of Chapter D of the Periodic Report for the year 2024.

2.3. <u>Independent Directors</u>

As of the date of this report, the Company's board of directors consists of three (3) directors, all of whom are classified by the Company as independent directors. It is noted that, in the Company's opinion, there is no difference in the number of independent directors. For additional details regarding the Company's directors, see Section 26 of Chapter D of the Periodic Report for the year 2024.

2.4. <u>Exemption from Audit Committee Appointment in Accordance with the Internal Control Exemption</u>

According to the Company's employee structure, the Company meets the definition of a "small corporation," as defined in Regulation 5 of the Securities Regulations. Accordingly, on August 25, 2021, the Company's board of directors adopted the exemption from appointing an audit committee pursuant to Regulation 5 to the Securities Regulations, subject to compliance with the internal control effectiveness requirements (ISOX), including the requirement to appoint an internal auditor.

3. <u>Equity Assessment</u>

During the reporting period, no equity assessment was conducted for the Company, as the assessment was not deemed material.

4. <u>Disclosure with Respect to the Company's Internal Audit</u>

4.1. <u>Non-Inclusion of Financial Information Separately in the Financial Statements Framework</u>

Accordingly, the Company did not submit a financial information appendix to the financial statements and, pursuant to Regulation 2 of the Securities Regulations, the Company is not required to attach a separate financial information appendix under Regulations 9i and 38d to the Securities Regulations.

4.2. <u>Use of Critical Accounting Estimates</u>

For details, see Section 2(g) of Chapter C of the Periodic Report for the year 2024.

The Company's management and board of directors believe that the internal control systems and procedures implemented for the Company's controllers and employees contribute to and support the Company's operational and financial advancement.

GROUP107

Chapter B

Condensed Interim Consolidated Financial Statements as of June 30

Group 107 Ltd.

Condensed Interim Consolidated Financial Statements As of June 30, 2025

(Unaudited)

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Somach Haikin
Millennium Tower KPMG
17 Ha'arba'a Street, P.O. Box 609
Tel Aviv 6100601
03 684 8000

Review Report of the Auditors to the Shareholders of Group 107 Ltd.

Introduction

We reviewed the accompanying financial information of Group 107 Ltd. and its subsidiaries (hereinafter - the group), including the consolidated condensed financial statements as of June 30, 2025, and the consolidated condensed statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the six-month period ended on that date. The board of directors and management are responsible for the preparation and presentation of the financial information for this interim period in accordance with International Accounting Standard 34 IAS "Interim Financial Reporting," and they are also responsible for the preparation of financial information for this interim period according to Chapter D of the Securities Regulations (Periodic and Immediate Reports), 5730-1970. Our responsibility is to express a conclusion on the financial information for this interim period based on our review.

Scope of the Review

We conducted our review in accordance with the Review Standard (Israel) 2410 of the Institute of Certified Public Accountants in Israel "Review of Interim Financial Information performed by the Independent Auditor of the Entity." A review of interim financial information consists of inquiries, primarily with individuals responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards in Israel and, therefore, does not allow us to obtain assurance that we would become aware of all significant matters that might 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 the aforementioned financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 IAS.

In addition to what is stated in the previous paragraph, based on our review, nothing has come to our attention that causes us to believe that the aforementioned financial information does not comply, in all material respects, with the disclosure requirements according to Chapter D of the Securities

Somach Haikin

Certified Public Accountants

August 17, 2025

	June 30, 2025	June 30, 2024	December 31, 2024
	(Unaudited)	(Unaudited)	(Audited)
	Thousands NIS	Thousands NIS	Thousands NIS
Assets			
Cash and Cash Equivalents	**858**	2,919	1,466
Short-term Deposits	**54**	307	309
Trade Receivables	**3,927**	3,253	3,820
Debtors and Other Receivables	**717**	1,014	764
Total current assets	**5,556**	7,493	6,359
Financial assets measured at fair value through profit or loss	**1,010**	149	93
Property, plant and equipment, net	**699**	756	643
Right-of-use assets, net	**47**	88	67
Intangible assets	**3,988**	3,882	4,157
Total non-current assets	**5,744**	4,875	4,960
Total assets	**11,300**	12,368	111,319
Liabilities			
Loans and credit from financial institutions	**922**	586	478
Current portion of lease liabilities	**41**	41	43
Trade payables and service providers	**871**	714	1,189
Shareholders and related parties	**1,280**	399	1,276
Other payables and credit balances	**4,763**	7,397	4,964
Total current liabilities	**7,877**	9,137	7,950
Long-term lease liabilities	**-**	41	19
Contingent consideration liabilities	**361**	263	336
Employee benefit obligations, net	**402**	288	301
Deferred tax liabilities	**367**	473	438
Total non-current liabilities	**1,130**	1,065	1,094
Total liabilities	**9,007**	10,202	9,044
Equity			
Non-controlling interests	**1,474**	1,642	1,766
Share capital and premium (*)	**25,168**	24,484	25,168
Capital reserves	**1,248**	1,049	1,040
Accumulated loss	**(25,597)**	(25,009)	(25,699)
Total equity attributable to owners of the Company	**819**	524	509
Total equity	**2,293**	2,166	2,275
Total liabilities and equity	**11,300**	12,368	11,319

(*) The share capital is without par value.

Yizhar Shay	Adi Katz	Roi Katz
Chairman of the Board of Directors	Chief Executive Officer and Member of the Board of Directors	Chief Financial Officer (CFO)

Date of Approval of the Financial Statements: August 17, 2025.

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

	For the six-month period ended on		For the year ended on December 31, 2024
	June 30, 2025	June 30, 2024	
	(Unaudited)	(Unaudited)	(Audited)
	Thousands NIS	Thousands NIS	Thousands NIS
Revenues from Rendering of Services	**19,267**	14,616	33,806
Cost of Services	**(12,811)**	(11,039)	(24,964)
Gross Profit	**6,456**	3,577	8,842
Research and Development Expenses, Net	**(1,392)**	(495)	(434)
General and Administrative Expenses	**(5,224)**	(3,631)	(9,060)
Other Income, Net	**-**	13	16
Operating Loss	**(160)**	(536)	(636)
Finance Expenses, Net	**(92)**	(107)	(479)
Loss Before Income Taxes	**(252)**	(643)	(1,115)
Income Taxes	**62**	(2)	(96)
Loss for the Period	**(190)**	(645)	(1,211)
Items of Other Comprehensive Income (Loss) That Will Be Reclassified Subsequently to Profit or Loss			
Foreign Currency Translation Differences Relating to Foreign Operations	**(2)**	31	7
Total Comprehensive Loss for the Period	**(192)**	(614)	(1,204)
Total Profit (Loss) for the Period Attributable to:			
Equity Holders of the Company	**102**	(645)	(1,335)
Non-Controlling Interests	**(292)**	-	124
Total Loss for the Period	**(190)**	(645)	(1,211)
Total Comprehensive Income (Loss) for the Period Attributable to:			
Equity Holders of the Company	**100**	(614)	(1,328)
Non-Controlling Interests	**(292)**	-	124
Total Comprehensive Loss for the Period	**(192)**	(614)	(1,204)
Loss per Share			
Basic and Diluted Loss per Share (in NIS)	**(0.01)**	(0.03)	(0.05)

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

	Equity attributable to the owners of the Company					
	Share Capital (and Share Premium*)	Capital Reserves	Accumulated Loss	Total	Non-Controlling Interests	Total Equity
	Thousands NIS	Thousands NIS	Thousands NIS	Thousands NIS	Thousands NIS	Thousands NIS
For the six-month period ended June 30, 2025 (Unaudited)						
Balance as of January 1, 2025	**25,168**	**1,040**	**(25,699)**	**509**	**1,766**	**2,275**
Waiver of salary by controlling shareholders	**-**	**210**	**-**	**210**	**-**	**210**
Total comprehensive income (loss) for the period	**-**	**(2)**	**102**	**100**	**(292)**	**(192)**
Balance as of June 30, 2025	**25,168**	**1,248**	**(25,597)**	**819**	**1,474**	**2,293**
For the six-month period ended June 30, 2024 (Unaudited)						
Balance as of January 1, 2024	22,358	808	(24,364)	(1,198)	-	(1,198)
Issuance of shares, net of issuance expenses	1,552	-	-	1,552	-	1,552
Issuance of shares as part of a business combination	574	-	-	574	-	574
Non-controlling interests arising from a business combination	-	-	-	-	1,642	1,642
Waiver of salary by controlling shareholders	**-**	210	-	210	-	210
Total comprehensive loss for the period	**-**	31	(645)	(614)	-	(614)
Balance as of June 30, 2024	**24,484**	1,049	(25,009)	524	1,642	2,166

(*) Share capital is without par value.

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

	Equity attributable to the owners of the Company					
	Share Capital (and Share Premium*)	Capital Reserves	Accumulated Loss	Total	Non-Controlling Interests	Total Equity
	Thousands NIS	Thousands NIS	Thousands NIS	Thousands NIS	Thousands NIS	Thousands NIS
For the year ended December 31, 2024 (Audited)						
Balance as of January 1, 2024	22,358	808	(24,364)	(1,198)	-	(1,198)
Issuance of shares, net of issuance expenses	2,041	-	-	2,041	-	2,041
Issuance of shares as part of a business combination	574	-	-	574	-	574
Expiration of options	195	(195)	-	-	-	-
Non-controlling interests arising from a business combination	-	-	-	-	1,642	1,642
Waiver of salary by controlling shareholders	-	420	-	420	-	420
Total comprehensive income (loss) for the year	-	7	(1,335)	(1,328)	124	(1,204)
Balance as of December 31, 2024	**25,168**	1,040	(25,6990	509	1,766	2,275

(*) The share capital has no par value.

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

Cash flows from operating activities	**For the six-month period ended on June 30, 2025**	**June 30, 2024**	**For the year ended on December 31, 2024**
	(Unaudited)	**(Unaudited)**	**(Audited)**
	Thousands NIS	**Thousands NIS**	**Thousands NIS**
Loss for the period	**(190)**	(645)	(1,211)
Adjustments			
Depreciation and amortization	**304**	146	509
Finance expenses, net	**114**	25	243
Non-cash income	**(591)**	-	-
Waiver of remuneration by controlling shareholders	**210**	210	420
Revaluation of contingent consideration liability	**25**	-	73
Revaluation of a financial asset measured at fair value through profit or loss	**(17)**	-	56
	(145)	381	1,301
Decrease (increase) in trade receivables	**(107)**	87	(480)
Decrease (increase) in other receivables and debit balances	**98**	(37)	89
Increase (decrease) in trade payables and service providers	**(318)**	88	315
Increase (decrease) in accrued liabilities and credit balances	**169**	183	(434)
Decrease in deferred tax liabilities	**(71)**	-	(29)
Increase in employee termination benefit liabilities, net	**101**	-	13
	(466)	321	(526)
Net cash generated from (used in) operating activities	**(611)**	57	(436)
Cash flows from investing activities			
Purchase of property, plant and equipment	**(171)**	(28)	(89)
Purchase of intangible assets	**-**	-	(100)
Withdrawal of deposits	**255**	-	-
Loans granted to related parties	**(51)**	-	-
Repayment of loans by related parties	**-**	-	124
Cash received from the acquisition of a subsidiary (Appendix B)	**-**	907	907
Net cash generated from investing activities	**33**	897	842
Cash flows from financing activities			
Issuance of shares, net of issuance costs	**-**	1,552	2,041
Receipt of short-term loans from financial institutions	**500**	-	550
Repayment of short-term loans to financial institutions	**(366)**	-	(223)
Acquisition of a subsidiary on credit	**-(341)**	-	(544)
Repayment of loans from shareholders	**-**	(82)	(487)
Increase (decrease) in loans and credit from financial institutions	**310**	(247)	(682)
Repayment of lease liabilities	**(23)**	-	(23)
Purchase of intangible assets on credit	**-**	-	(102)
Interest paid	**(123)**	(62)	(195)
Net cash generated from (used in) financing activities	**(43)**	1,161	335
Increase (decrease) in cash and cash equivalents	**(621)**	2,097	741
Cash and cash equivalents at the beginning of the period	**1,466**	755	755
Effect of exchange rate fluctuations on cash and cash equivalents	**13**	67	(30)
Cash and cash equivalents at the end of the period	**858**	2,919	1,466

The attached explanations constitute an integral part of the condensed consolidated interim financial statements.

Appendix A – Investing Activities Not Involving Cash

	For the six-month period ended on		For the year ended on December 31, 2024
	June 30, 2025	June 30, 2024	
	(Unaudited)	(Unaudited)	(Audited)
	Thousands NIS	Thousands NIS	Thousands NIS
Acquisition of a Financial Asset in Exchange for Services	**900**	-	-
Acquisition of an Intangible Asset on Credit	**-**	-	(350)
	900	0	(350)

Appendix B – Cash Received from the Acquisition of a Subsidiary

	For the six-month period ended on		For the year ended on December 31, 2024
	June 30, 2025	June 30, 2024	
	(Unaudited)	(Unaudited)	(Audited)
	Thousands NIS	Thousands NIS	Thousands NIS
Prepaid Expenses for Future Service Work	**-**	(200)	(200)
Property, Plant and Equipment, Net	**-**	(135)	(135)
Right-of-Use Asset, Net	**-**	(88)	(88)
Goodwill	**-**	(1,373)	(1,373)
Intangible Assets	**-**	(2,503)	(2,503)
Financial Asset Measured at Fair Value Through Profit or Loss	**-**	(149)	(149)
Working Capital, Net	**-**	859	859
Payables Related to the Acquisition of a Subsidiary	**-**	1,221	1,221
Long-Term Lease Liabilities	**-**	41	41
Liabilities for Employee Termination Benefits, Net	**-**	288	288
Deferred Tax Liabilities	**-**	467	467
Contingent Consideration Liabilities	**-**	263	263
Equity Instruments Issued	**-**	574	574
Non-Controlling Interests	**-**	1,642	1,642
Cash Received from the Acquisition of a Subsidiary	**-**	907	907

The attached explanations constitute an integral part of the condensed consolidated interim financial statements.

Note 1 – General

A. The Reporting Entity

Group 107 Ltd. (hereinafter: "the Company") is a company resident in Israel, which was incorporated in Israel on May 31, 2020. Its official address is: 58 HaRakevet St., Tel Aviv. The condensed consolidated interim financial statements as of June 30, 2025, include those of the Company and its subsidiaries, the main ones being: The Central Company for Innovation and IT Promotion Ltd. (hereinafter: "**the Central Company**"), RD Levant Ltd. (hereinafter: "**Levant**"), and Accessibility for All Ltd. (hereinafter: "**Accessibility for All**") (hereinafter collectively: "**the Group**"). The Group is engaged in the development and marketing of technological products in the field of finance and advanced management tools for companies, as well as providing information technology (IT) and media services on an outsourced basis, and operates in Israel and Ukraine. Additionally, it specializes in making websites and documents accessible and providing general solutions in the accessibility field. The Company's securities are listed for trading on the Tel Aviv Stock Exchange.

B. The Financial Position of the Company

As of June 30, 2025, the Group accumulated losses amounting to 25,597 thousand NIS, and during the six-month period ending on that date, the Group recorded losses amounting to 190 thousand NIS. Furthermore, as of June 30, 2025, the Group has a working capital deficit of 2,321 thousand NIS. The Group's management is reviewing its actual results compared to the approved budget and is prepared to respond accordingly by reducing its expenses, including R&D expenses. On November 28, 2023, the Group's Board of Directors decided to adopt a detailed plan that significantly reduces the Group's expenses by lowering management salaries (see also Explanation 5b'), minimizing Levant's R&D expenses, and making additional cuts. The Board's efficiency plan has been extended until December 31, 2025, and as a result of its practical implementation, the Group's cash burn rate has decreased significantly. The Group continues to implement the plan to achieve budget balance and subsequently move to profitability. Additionally, the Group's management is working to raise funds from existing investors and new investors (see also Explanations 5a and 6a). According to the Group, there is an immediate possibility of raising credit for long-term repayment. The Group's management and Board of Directors estimate that based on the cash balances as of June 30, 2025, and considering the current cash burn rate of the Company and the capital raised after the balance sheet date (see Explanation 6), there are sufficient funding sources for the ongoing business activity in the foreseeable future.

C. Crisis in the High-Tech Market and Capital Markets

The macroeconomic trends globally and in the high-tech market specifically have led during the reporting period to a continued slowdown in demand for IT services, including those of the Company, due to the difficulty in raising funds for growth companies. Nevertheless, as of the reporting date, the Company's revenue level remained stable compared to the corresponding period last year. According to the Company, its flexible model, which allows for rapid hiring of professionals at lower recruitment costs, may provide an advantage given the current trend in the high-tech market and serve as an opportunity for the Company to expand its customer base and contribute to its ongoing business growth.

Note 1 – General - (continued)

During the reporting period, the trends in capital markets and the high-tech market negatively impacted the Company's sales and marketing efforts for the Levant platform among potential customers, due to the fact that most of its potential customers reduced budgets for innovation and focused most of their attention on efficiency processes and cost reductions. Nevertheless, the Group continued to deepen the existing interface and provide additional technological services to the International Bank Group and experienced revenue growth compared to the corresponding period, in part due to the merger with Accessibility for All.

According to the Company, significant marketing budgets are required alongside substantial inputs of quality sales staff to continue marketing the Levant platform among potential customers, in response, the Company is exploring alternative marketing and sales ways to distribute the Levant platform among its potential customers, and as part of the ongoing implementation of the Company's efficiency plan, there is no active marketing being conducted and/or resources allocated for the Levant platform, except concerning the International Bank Group.

D. Inflation Effects and Interest Rate Increases on the Group's Activities

The primary component of the Group's expenses is employee and subcontractor salaries; should the increasing trend in inflation alongside rising interest rates continue to be high and prolonged, leading to a recession and economic slowdown in Israel and/or Ukraine and/or worldwide, these may bring about a reduction in demand and even harm some customers of the Group, and consequently damage the Group's operational results.

According to the Company, as of the date of the report regarding the inflation level and interest rates, there is no adverse material impact on the Group's results and operations, including its revenues, cost structure, profitability rate, financing costs, and/or its financial soundness.

E. The Russia-Ukraine War

Since February 2022, a war has been ongoing between Russia and Ukraine, characterized by significant uncertainty regarding the continuation of hostilities and the expected end date cannot be estimated. During the war, the Company has maintained operational continuity both toward customers and subcontractors. The Company is prepared with supplies of equipment, food, and generators for its offices in Ukraine. The Company has local and satellite communication infrastructures in place just in case. It should be noted that the Company has fixed monthly costs that are not significant related to maintaining its readiness and operational continuity. As a result of the Company's actions as mentioned, as of the date of publishing the report, no damage has occurred to the Company's offices in Ukraine, and there have been no significant disruptions to the electricity grid, internet, and/or mobile communication. As part of coping with the consequences of the war, the Company reached agreements with the lessor of the offices in Lviv, Ukraine, whereby beginning from the second quarter of 2022, the Company pays reduced monthly rent. As of the date of publishing the report, approximately 10 subcontractors have been recruited for emergency reserve service in the Ukrainian army.

According to the Company, the prolongation and/or escalation of the war in Ukraine may affect the Company's ability to locate and employ suitable professionals and may also cause a decrease in demand from customers. The Company estimates that as of the date of the report, the Russia-

Ukraine war has no significant implications for the Company and does not constitute a material impact on its business operations, including its revenues, expenses, and profitability. Furthermore, the Company estimates that the Russia-Ukraine war has no material impact on its liquidity and its sources of financing.

F. The Iron Sword War

According to the Company, as of the date of publishing the report, the war has no significant implications for the Company and does not constitute a material impact on its business operations, including its revenues, expenses, and profitability. Moreover, the Company estimates that the war does not have a significant effect on its liquidity and its sources of financing. However, the Company estimates that if and as long as the war continues and/or expands to additional fronts, the Company may encounter difficulties in raising and locating sources of financing. However, due to the fact that the intensification of the war may lead to further damage to the Israeli economy, the Company may be adversely impacted as a result of the ongoing war. The Company continues to monitor developments continuously and will update as necessary regarding significant implications of the prolongation of the war on the Company's activities, should they arise.

Note 2 – Basis for Preparing the Financial Statements

A. Declaration of Compliance with International Reporting Standards

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, and do not include all the information required in complete annual financial statements. They should be read together with the consolidated financial statements as of December 31, 2024 (hereinafter: "**the Annual Financial Statements**"). Additionally, these statements have been prepared in accordance with the provisions of Chapter D of the Securities Regulations (Periodic and Immediate Reports), 5730 - 1970.

The condensed consolidated interim financial statements were approved for publication by the Group's Board of Directors on August 17, 2025.

B. Use of Estimates in Preparing the Financial Statements

In the preparation of the condensed consolidated interim financial statements in accordance with IFRS, the Group's management is required to use judgment for the purpose of making estimates and assumptions that affect the application of policies and the amounts of assets and liabilities, revenues, and expenses. It is clarified that actual results may differ from these estimates.

The management's judgment, in applying the Group's accounting policies and the key assumptions used in estimates related to uncertainty, is consistent with those used in preparing the annual financial statements.

Note 3 – Significant Accounting Policies

A. The accounting policy of the Group in these condensed consolidated interim financial statements is the same policy applied in the annual financial statements.

B. New Standards, Amendments to Standards, and Interpretations Yet to be Adopted

Standard /Interpretation/ Amendment	**Publication Requirements**	**Commencement and Transition Provisions**	**Implications**
International Financial Reporting Standard IFRS 18, Presentation and Disclosure in Financial Statements.	This standard replaces International Accounting Standard IAS 1 Presentation of Financial Statements. The objective of the standard is to provide an improved structure and content for financial statements, particularly in the income statement. The standard includes new presentation and disclosure requirements as well as requirements carried over from International Accounting Standard IAS 1 Presentation of Financial Statements with minor wording changes. As part of the new disclosure requirements, companies will be required to present two interim summaries in the profit or loss statement: operating profit and profit before finance and tax. Additionally, for most companies, the results in the profit or loss statement will be classified into three categories: operating profit, profit from investments, and profit from finance. In addition to changes in the structure of the profit and loss statements, the standard also includes a requirement for separate disclosure in the financial statements regarding the use of performance metrics defined by management (non-GAAP metrics). Moreover, as part of the amendment, specific guidelines were added for grouping and splitting items in financial statements and notes. The standard will encourage companies to avoid classifying items as 'others' (for example, other expenses), and such classification will entail additional disclosure requirements.	The effective date for the initial implementation of the standard is for annual periods beginning on January 1, 2027, with the option for early adoption starting from January 1, 2025.	The group is examining the implications of the amendment on the financial statements with no intention of early adoption.

Note 4 - Segments of Activity

The basis for segment allocation and the measurement basis of the segment profit and loss are identical to those presented in Note 4, regarding segments of activity in the annual financial statements.

The accounting policies for the segments of activity are the same as those presented in Note 3, regarding the main accounting policies in the annual financial statements.

As of the acquisition date of Accessibility for All, the services segment includes Accessibility for All Ltd. For the six-month period ending June 30, 2024, the "Services" segment does not include the operating results of Accessibility for All Ltd but only includes its assets and liabilities, as the acquisition transaction was completed at the end of the period.

The sector's profits (losses) are measured based on profits (losses) before tax as included in reports that are regularly reviewed by the main operational decision-maker. This metric is used to measure segment results as management believes that this metric is the most relevant for assessing the results of segments compared to other companies operating in the same industries. The sector results reported to the main operational decision-maker include items attributed to the sector on a reasonable basis.

A. Information About Reporting Segments

Information about the activities of the reporting segments is presented in the table below:

	For the six-month period ended June 30, 2025 (Unaudited)					
	"FinTech" Segment	"Services" Segment	Total Segments before Reporting	Other Activities	Adjustments	Total Consolidated
	Thousands NIS	Thousands NIS	Thousands NIS	Thousands NIS	Thousands NIS	Thousands NIS
Total Revenues from External Customers	**1,048**	**18,219**	**19,267**	**-**	**-**	**19,267**
Inter-Segment Sales Revenues	**-**	**206**	**206**	**1,013**	**(1,219)**	**-**
Revenues on a Consolidated Basis	**1,048**	**18,425**	**19,473**	**1,013**	**(1,219)**	**19,267**
Segment Expenses	**639**	**5,057**	**5,696**	**1,604**	**(1,013)**	**6,287**
Cost of Services	**206**	**12,811**	**13,017**	**-**	**(206)**	**12,811**
Depreciation and Amortization	**5**	**299**	**304**	**-**	**-**	**304**
Interest Expenses	**104**	**244**	**448**	**15**	**(340)**	**123**
Interest Income	**-**	**5**	**5**	**341**	**(340)**	**6**
Segment Profit (Loss) Before Tax	**94**	**(81)**	**13**	**(265)**	**-**	**(252)**
Income Tax Expenses	**-**	**62**	**62**	**-**	**-**	**62**
Consolidated Profit (Loss) After Income Taxes	**94**	**(19)**	**(75)**	**(265)**	**-**	**(190)**
Total Consolidated Assets	**861**	**10,351**	**11,212**	**16,799**	**(16,711)**	**11,300**
Total Consolidated Liabilities	**5,056**	18,518	23,574	2,144	(16,711	9,007

Note 4 - Segments of Activity (continued)

A. Information about Reportable Segments (continued)

	For the six-month period ended June 30, 2025 (Unaudited)					
	"FinTech" Segment	"Services" Segment	Total Segments before Reporting	Other Activities	Adjustments	Total Consolidated
	Thousands NIS	Thousands NIS	Thousands NIS	Thousands NIS	Thousands NIS	Thousands NIS
Total Revenues from External Customers	1,109	13,507	14,616	-	-	14,616
Inter-Segment Sales Revenues	-	342	342	1,072	(1,414)	-
Revenues on a Consolidated Basis	1,109	13,849	14,958	1,072	(1,414)	14,616
Segment Expenses	676	2,803	3,479	1,605	(1,072)	4,012
Cost of Services	342	11,039	11,381	-	(342)	11,039
Depreciation and Amortization	24	121	145	1	-	146
Interest Expenses	16	72	88	18	-	106
Interest Income	-	-	-	(44)	-	(44)
Segment Profit (Loss) Before Tax	51	(186)	(135)	(508)	-	(643)
Income Tax Expenses	-	(2)	(2)	-	-	(2)
Consolidated Profit (Loss) After Income Taxes	51	(188)	(137)	(508)	-	(645)
Total Consolidated Assets	1,169	9,064	10,233	17,165	(15,030)	12,368
Total Consolidated Liabilities	4,783	17,706	33,489	2,743	(15,030)	10,202

	For the six-month period ended June 30, 2025 (Unaudited)					
	"FinTech" Segment	"Services" Segment	Total Segments before Reporting	Other Activities	Adjustments	Total Consolidated
	Thousands NIS	Thousands NIS	Thousands NIS	Thousands NIS	Thousands NIS	Thousands NIS
Total Revenues from External Customers	**1,048**	**18,219**	**19,267**	**-**	**-**	**19,267**
Inter-Segment Sales Revenues	**-**	**206**	**206**	**1,013**	**(1,219)**	**-**
Revenues on a Consolidated Basis	**1,048**	**18,425**	**19,473**	**1,013**	**(1,219)**	**19,267**
Segment Expenses	**639**	**5,057**	**5,696**	**1,604**	**(1,013)**	**6,287**
Cost of Services	**206**	**12,811**	**13,017**	**-**	**(206)**	**12,811**
Depreciation and Amortization	**5**	**299**	**304**	**-**	**-**	**304**
Interest Expenses	**104**	**344**	**448**	**15**	**(340)**	**123**
Interest Income	**-**	**5**	**5**	**341**	**(340)**	**6**
Segment Profit (Loss) Before Tax	**94**	**(81)**	**13**	**(265)**	**-**	**(252)**
Income Tax Expenses	**-**	**62**	**62**	**-**	**-**	**62**
Consolidated Profit (Loss) After Income Taxes	**94**	**(19)**	**(75)**	**(265)**	**-**	**(190)**
Total Consolidated Assets	**861**	**10,351**	**11,212**	**16,799**	**(16,711)**	**11,300**
Total Consolidated Liabilities	**5,056**	**18,518**	**23,574**	**2,144**	**(16,711)**	**9,007**

Note 4 - Segments of Activity (continued)

B. Disclosures at the Entity Level

Information based on geographic areas, the country of incorporation of the company is Israel and the group's operations are concentrated mainly in Israel and Ukraine.

In presenting the information on a geographic segment basis, segment revenues are based on the geographical location of the customers. The assets are based on their geographical location.

	For the six-month period ended on		For the year ended on December 31, 2024
	June 30, 2025	June 30, 2024	
	(Unaudited)	(Unaudited)	(Audited)
	Thousands NIS	Thousands NIS	Thousands NIS
External Revenues			
Revenues from Israel	**13,079**	8,520	20,616
Revenues from the United States	**3,811**	3,560	7,864
Others	**2,377**	2,536	5,326
	19,267	14,616	33,806

The revenues from the "Levant" segment are all from Israel. The non-current assets are located in Israel, except for fixed assets belonging to the "Services" segment, amounting to 576 thousand NIS as of June 30, 2025, which is located in Ukraine. (820 thousand NIS as of June 30, 2024, and 678 thousand NIS as of December 31, 2024).

C. Major Customers

The company's revenues from major customers associated with the "Services" segment are presented in the table below.

	For the six-month period ended on		For the year ended on December 31, 2024
	June 30, 2025	June 30, 2024	
	(Unaudited)	(Unaudited)	(Audited)
	Thousands NIS	Thousands NIS	Thousands NIS
Costumer A	**2,644**	2,532	5,585
Costumer B	**-(*)**	1,719	3,496

(*) Represents revenue amount below 10% of consolidated revenues.

Note 5 - Significant Events During the Reporting Period

A. Salary Waivers of Office Holders and Controlling Shareholders

In accordance with the efficiency plan approved by the company's board of directors on November 24, 2022, the controlling shareholders employed by the company, directors, and other office holders agreed to waive a portion of their salaries. Adi Katz, the CEO of the company, and Guy Amir, the CTO, who are both controlling shareholders in the company, agreed to waive a total of 17,500 NIS each per month, starting from December 2022 until December 2025. Additionally, other directors and office holders waived salaries ranging from 20%-30% of their original salary levels.

B. Loan Taken by the Subsidiary Accessibility for All Ltd.

On May 18, 2025, Accessibility for All entered into a loan agreement with a banking corporation to finance its ongoing operations in the amount of 500,000 NIS, bearing an annual interest rate of prime plus 1%, and it is not linked to any index or currency. To secure Accessibility for All's obligation to comply with the terms of the loan agreement, Mr. Eli Ronkin, holding 49% of the share capital of Accessibility for All, provided a personal guarantee.

C. Acquisition of a Stake in SUMMA Technologies Ltd. ("SUMMA")

On January 8, 2025, the company entered into a strategic cooperation agreement with SUMMA Technologies Ltd. ("SUMMA"), a private company controlled by Mr. Roy Katz, the CFO of the company, whereby SUMMA allocated the company shares representing approximately 19.9% of its issued and paid-in capital (on a fully diluted basis). Additionally, it was determined within the cooperation that the company would be responsible for the technological side of SUMMA's operations and provide it with services. The investment is presented on a cost basis, which serves as an indication of its fair value given the proximity of the investment date to the date of publication of the financial information.

Note 6 - Significant Events After the Reporting Period

Capital Raising

On July 27, 2025, the company completed a capital raising of approximately 1,600,053 NIS, through a private placement of 2,461,620 ordinary shares of the company, at a price per share of 0.65 NIS each and also 2,461,620 unregistered options, which will be exercisable for a period of 24 months up to 2,461,620 ordinary shares, each without par value, subject to an additional exercise payment of 0.95 NIS for each option.

GROUP107

Chapter C

Management Statements

GROUP107

Declaration of the General Manager According to Regulation 38C(d)(1) of the Reporting Regulations:

I, Adi Katz, declare that:

1. I have reviewed the interim report of GROUP 107 Ltd. (hereinafter: "the company") for the first half of 2025 (hereinafter: "the reports");
2. To my knowledge, the reports do not contain any misleading representation of material fact, nor do they lack a representation of a material fact necessary so that the representations contained therein, in light of the circumstances under which such representations were made, would not be misleading regarding the reporting period;
3. To my knowledge, the financial statements and other financial information included in the reports properly reflect, in all material respects, the financial position, results of operations, and cash flows of the company for the dates and periods to which the reports relate;
4. I disclosed to the company's external auditor, the board of directors, and the audit and financial report committees any fraud, whether material or immaterial, in which the general manager or someone subordinate to him is directly involved or any other employees who have a significant role in the financial reporting and the disclosure and control thereof;

Nothing in the above shall diminish my responsibility or the responsibility of any other person, according to any law.

Date: August 17, 2025

Adi Katz, CEO

GROUP107

Declaration of the Highest Ranking Officer in Finance According to Regulation 38C(d)(2) of the Reporting Regulations:

I, Roy Katz, declare that:

1. I have reviewed the interim financial statements and other financial information included in the reports of GROUP 107 Ltd. (hereinafter: "the company") for the first half of 2025 (hereinafter: "the reports" or "the interim reports");
2. To my knowledge, the interim financial statements and other financial information included in the interim reports do not contain any misleading representation of a material fact, nor do they lack a representation of a material fact necessary so that the representations contained therein, in light of the circumstances under which such representations were made, would not be misleading regarding the reporting period;
3. To my knowledge, the interim financial statements and other financial information included in the interim reports properly reflect, in all material respects, the financial position, results of operations, and cash flows of the company for the dates and periods to which the reports relate;
4. I disclosed to the company's external auditor, the board of directors, and the audit and financial report committees any fraud, whether material or immaterial, in which the general manager or someone subordinate to him is directly involved or any other employees who have a significant role in the financial reporting and the disclosure and control thereof;

Nothing in the above shall diminish my responsibility or the responsibility of any other person, according to any law.

Date: August 17, 2025

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Roy Katz, CFO