

CONSOLIDATED STATEMENTS OF OPERATIONS

U.S. dollars in thousands

	Year ended December 31,		Three months ended December 31,	
	2020 (Unaudited)	2019* (Audited)	2020 (Unaudited)	2019 (Unaudited)
Revenues	\$ 33,551	\$ 33,817	\$ 10,426	\$ 9,354
Cost of revenues	27,433	27,159	8,528	7,466
Gross profit	6,118	6,658	1,898	1,888
Operating costs and expenses:				
Research and development	112	-	41	-
Sales and marketing	3,922	4,064	989	1,141
General and administrative	1,747	2,255	496	623
Impairment of intangible assets	517	356	-	356
Impairment of Goodwill	471	614	-	-
Total operating costs and expenses	6,769	7,289	1,526	2,120
Operating (loss) income	(651)	(631)	372	(232)
Financial expenses, net	(348)	(330)	(113)	(90)
Other income, net	39	-	(11)	-
Income before taxes on income (loss)	(960)	(961)	248	(322)
Taxes on income (Tax benefit)	-	(48)	-	13
Net income (loss)	\$ (960)	\$ (913)	\$ 248	\$ (335)
Basic and diluted net income (loss) per share	\$ (0.22)	\$ (0.23)	\$ 0.06	\$ (0.08)
Weighted average number of shares used in computing basic net income (loss) per share	4,298	4,053	4,346	4,258
Weighted average number of shares used in computing diluted net income (loss) per share	4,298	4,059	4,350	4,258
Number of outstanding shares as of December 31, 2020 and 2019, respectively	4,391	4,258	4,396	4,258

(*)The Intelligent Robotics division has been consolidated since June 1, 2019

CONSOLIDATED BALANCE SHEETS

(U.S. dollars in thousands)

	December 31, 2020	December 31, 2019
	<u>(Unaudited)</u>	<u>(Audited)</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,036	\$ 339
Restricted cash deposits	140	240
Trade receivables	9,172	10,063
Other accounts receivable and prepaid expenses	1,311	1,273
Inventories	4,871	5,407
<u>Total current assets</u>	<u>16,530</u>	<u>17,322</u>
LONG-TERM ASSETS	<u>59</u>	<u>155</u>
PROPERTY AND EQUIPMENT, NET	<u>956</u>	<u>1,257</u>
OPERATING LEASE RIGHT-OF-USE ASSETS, NET	<u>767</u>	<u>720</u>
OTHER INTANGIBLE ASSETS, NET	<u>40</u>	<u>598</u>
GOODWILL	<u>4,676</u>	<u>5,147</u>
<u>Total assets</u>	<u>\$23,028</u>	<u>\$25,199</u>

CONSOLIDATED BALANCE SHEETS

(U.S. dollars in thousands)

	December 31, 2020 (Unaudited)	December 31, 2019 (Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current maturities of long term loans	\$ 815	\$ 664
Operating lease liabilities, current	557	551
Trade payables	5,492	6,503
Employees and payroll accruals	985	1,007
Deferred revenues	601	517
Advances, net of inventory in process	68	29
Accrued expenses and other liabilities	391	419
<u>Total current liabilities</u>	8,909	9,690
LONG-TERM LIABILITIES:		
Long-term loans, net of current maturities	1,216	2,041
Operating lease liabilities, non-current	367	289
Long term deferred revenues	303	319
Accrued severance pay	364	303
<u>Total long-term liabilities</u>	2,250	2,952
SHAREHOLDERS' EQUITY	11,869	12,557
<u>Total liabilities and shareholders' equity</u>	\$ 23,028	\$ 25,199

CONDENSED CONSOLIDATED EBITDA - Unaudited

(U.S. dollars in thousands)

	Year ended		Three months ended	
	December 31,		December 31,	
	2020	2019	2020	2019
Operating income (loss)	\$ (651)	\$ (631)	\$ 372	\$ (232)
Add:				
Impairment of goodwill and other intangible assets	988	970	-	356
Amortization of intangible assets	40	79	4	27
Stock based compensation	65	81	8	22
Depreciation	270	277	62	72
EBITDA	<u>\$ 712</u>	<u>\$ 776</u>	<u>\$ 446</u>	<u>\$ 245</u>

SEGMENT INFORMATION

(U.S. dollars in thousands)

	<u>Supply Chain Solutions</u>	<u>RFID</u>	<u>Intelligent Robotics</u>	<u>Consolidated</u>	<u>Supply Chain Solutions</u>	<u>RFID</u>	<u>Intelligent Robotics</u>	<u>Consolidated</u>
	<u>Year ended December 31, 2020 (Unaudited)</u>				<u>Year ended December 31, 2019 (Audited)</u>			
Revenues	\$ 18,594	\$ 12,455	\$ 2,502*	\$ 33,551	\$ 19,750	\$ 13,241	\$ 826	\$ 33,817
Gross profit (loss)	\$ 3,724	\$ 3,265	\$ (871)	\$ 6,118	\$ 3,750	\$ 2,906	\$ 2	\$ 6,658
Impairment of goodwill and intangible assets	\$ -	\$ -	\$ (988)	\$ (988)	\$ -	\$ -	\$ (970)	\$ (970)
Operating Income (loss)	\$ 1,130	\$ 941	\$ (2,722)	\$ (651)	\$ 1,137	\$ (126)	\$ (1,642)	\$ (631)
Balance of other intangible assets related to segment	\$ -	\$ 40	\$ -	\$ 40	\$ -	\$ 60	\$ 538	\$ 598
Balance of Goodwill related to segment	\$ -	\$ 4,676	\$ -	\$ 4,676	\$ -	\$ 4,676	\$ 471	\$ 5,147

(*) The Intelligent Robotics division has been consolidated since June 1, 2019.

SEGMENT INFORMATION
(U.S. dollars in thousands)

	Three months ended December 31, 2020 (Unaudited)				Three months ended December 31, 2019 (Unaudited)			
	<u>Supply Chain Solutions</u>	<u>RFID</u>	<u>Intelligent Robotics</u>	<u>Consolidated</u>	<u>Supply Chain Solutions</u>	<u>RFID</u>	<u>Intelligent Robotics</u>	<u>Consolidated</u>
Revenues	\$ 4,769	\$ 3,522	\$ 2,135	\$ 10,426	\$ 5,499	\$ 3,615	\$ 240	\$ 9,354
Gross profit (loss)	\$ 842	\$ 1,042	\$ 14	\$ 1,898	\$ 980	\$ 945	\$ (37)	\$ 1,888
Impairment of goodwill and intangible assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (356)	\$ (356)
Operating Income (loss)	\$ 134	\$ 398	\$ (160)	\$ 372	\$ 279	\$ 156	\$ (667)	\$ (232)
Balance of other intangible assets related to segment	\$ -	\$ 40	\$ -	\$ 40	\$ -	\$ 60	\$ 538	\$ 598
Balance of goodwill related to segment	\$ -	\$ 4,676	\$ -	\$ 4,676	\$ -	\$ 4,676	\$ 471	\$ 5,147