

CONSOLIDATED STATEMENTS OF OPERATIONS

U.S. dollars in thousands

	Three months ended		Year ended
	March 31,		December 31,
	2021	2020	2020
	(Unaudited)		(Audited)
Revenues	\$ 7,328	\$ 7,468	\$ 33,551
Cost of revenues	5,648	5,784	27,433
Gross profit	1,680	1,684	6,118
Operating costs and expenses:			
Research and development	60	18	112
Sales and marketing	952	1,107	3,922
General and administrative	434	449	1,747
Impairment of Goodwill and intangible assets	-	-	988
Total operating costs and expenses	1,446	1,574	6,769
Operating Income (loss)	234	110	(651)
Financial expenses, net	(111)	(56)	(348)
Other income, net	-	-	39
Net income (loss)	\$ 123	\$ 54	\$ (960)
Basic and diluted net income (loss) per share	\$ 0.02	\$ 0.01	\$ (0.22)
Weighted average number of shares used in computing basic net income (loss) per share	5,157	4,258	4,298
Weighted average number of shares used in computing diluted net income (loss) per share	5,185	4,258	4,298

CONSOLIDATED BALANCE SHEETS

(U.S. dollars in thousands)

	March 31, 2021	December 31, 2020
	<u>(Unaudited)</u>	<u>(Audited)</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,662	\$ 1,036
Restricted bank deposits	136	140
Trade receivables	8,961	9,172
Other accounts receivable and prepaid expenses	1,173	1,311
Inventories	5,841	4,871
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Total current assets	17,772	16,530
	<hr/>	<hr/>
LONG-TERM ASSETS	62	59
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PROPERTY AND EQUIPMENT, NET	949	956
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OPERATING LEASE RIGHT-OF-USE ASSETS, NET	985	767
	<hr/>	<hr/>
OTHER INTANGIBLE ASSETS, NET	35	40
	<hr/>	<hr/>
GOODWILL	4,676	4,676
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<u>Total assets</u>	<u>\$ 24,479</u>	<u>\$ 23,028</u>

CONSOLIDATED BALANCE SHEETS

(U.S. dollars in thousands)

	March 31, 2021	December 31, 2020
	(Unaudited)	(Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current maturities of long term loans	\$ 786	\$ 815
Operating lease liabilities, current	459	557
Trade payables	5,327	5,492
Employees and payroll accruals	805	985
Deferred revenues	739	601
Advances net of inventory in process	230	68
Accrued expenses and other liabilities	111	391
<u>Total current liabilities</u>	8,457	8,909
LONG-TERM LIABILITIES:		
Long-term loans, net of current maturities	984	1,216
Operating lease liabilities, non-current	652	367
Long term deferred revenues	197	303
Accrued severance pay	335	364
<u>Total long-term liabilities</u>	2,168	2,250
TOTAL SHAREHOLDERS' EQUITY	13,854	11,869
<u>Total liabilities and shareholders' equity</u>	\$ 24,479	\$ 23,028

CONDENSED CONSOLIDATED EBITDA

(U.S. dollars in thousands)

	Three months ended March 31,		Year ended December 31,
	2021	2020	2020
Operating income (loss)	\$ 234	\$ 110	\$ (651)
Add:			
Impairment of Goodwill and other intangible assets	-	-	988
Amortization of intangible assets	5	26	40
Stock-based compensation	15	21	65
Depreciation	54	71	270
EBITDA	<u>\$ 308</u>	<u>\$ 228</u>	<u>\$ 712</u>

SEGMENT INFORMATION

(U.S. dollars in thousands)

	RFID	Supply Chain Solutions	Intelligent Robotics	Intercompany	Consolidated
	Three months ended March 31, 2021				
Revenues	\$ 2,948	\$ 3,954	\$ 454	\$ (28)	\$ 7,328
Gross profit	\$ 848	\$ 648	\$ 184	\$ -	\$ 1,680
Operating income (loss)	\$ 247	\$ 57	\$ (70)	\$ -	\$ 234

	RFID	Supply Chain Solutions	Intelligent Robotics	Intercompany	Consolidated
	Three months ended March 31, 2020				
Revenues	\$ 3,305	\$ 4,081	\$ 104	\$ (22)	\$ 7,468
Gross profit (loss)	\$ 940	\$ 858	\$ (114)	\$ -	\$ 1,684
Operating income (loss)	\$ 321	\$ 184	\$ (395)	\$ -	\$ 110

	RFID	Supply Chain Solutions	Intelligent Robotics	Intercompany	Consolidated
	Year ended December 31, 2020				
Revenues	\$ 12,455	\$ 18,594	\$ 2,502	\$ -	\$ 33,551
Gross profit (loss)	\$ 3,265	\$ 3,724	\$ (871)	\$ -	\$ 6,118
Impairment of goodwill and intangible assets	-		\$ (988)	-	(988)
Operating income (loss)	\$ 941	\$ 1,130	\$ (2,722)	\$ -	\$ (651)