

**CONSOLIDATED STATEMENTS OF OPERATIONS**

U.S. dollars in thousands

	Year ended December 31,		Three months ended December 31,	
	2021	2020	2021	2020
	(Unaudited)		(Unaudited)	
Revenues	\$ 33,634	\$ 33,551	\$ 9,079	\$ 10,426
Cost of revenues	<u>27,048</u>	<u>27,433</u>	<u>7,351</u>	<u>8,528</u>
Gross profit	<u>6,586</u>	<u>6,118</u>	<u>1,728</u>	<u>1,898</u>
Operating costs and expenses:				
Research and development	208	112	54	41
Sales and marketing	3,955	3,922	1,053	989
General and administrative	1,906	1,747	563	496
Impairment of intangible assets	-	517	-	-
Impairment of Goodwill	<u>-</u>	<u>471</u>	<u>-</u>	<u>-</u>
Total operating costs and expenses	<u>6,069</u>	<u>6,769</u>	<u>1,670</u>	<u>1,526</u>
Operating income (loss)	517	(651)	58	372
Financial income (expenses), net	(105)	(348)	2	(113)
Other income, net	<u>-</u>	<u>39</u>	<u>-</u>	<u>(11)</u>
Income before taxes on income (loss)	412	(960)	60	248
Taxes on income	<u>39</u>	<u>-</u>	<u>40</u>	<u>-</u>
Net income (loss)	<u>451</u>	<u>\$ (960)</u>	<u>\$ 100</u>	<u>\$ 248</u>
Basic net income (loss) per share	<u>\$ 0.09</u>	<u>\$ (0.22)</u>	<u>\$ 0.02</u>	<u>\$ 0.06</u>
Diluted net income (loss) per share	<u>\$ 0.08</u>	<u>\$ (0.22)</u>	<u>\$ 0.02</u>	<u>\$ 0.06</u>
Weighted average number of shares used in computing basic net income per share	<u>5,212</u>	<u>4,298</u>	<u>5,301</u>	<u>4,346</u>
Weighted average number of shares used in computing diluted net income per share	<u>5,424</u>	<u>4,298</u>	<u>5,438</u>	<u>4,350</u>
Number of outstanding shares as of December 31, 2021 and 2020	<u>5,251</u>	<u>4,391</u>	<u>5,251</u>	<u>4,396</u>

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**CONSOLIDATED BALANCE SHEETS**

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(U.S. dollars in thousands)

	<b>December 31, 2021</b>	<b>December 31, 2020</b>
	<b><u>(Unaudited)</u></b>	<b><u>(Audited)</u></b>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,875	\$ 1,036
Restricted cash deposits	242	140
Trade receivables	9,209	9,172
Other accounts receivable and prepaid expenses	977	1,311
Inventories	<u>5,567</u>	<u>4,871</u>
Total current assets	<u>17,870</u>	<u>16,530</u>
LONG-TERM ASSETS	<u>150</u>	<u>59</u>
PROPERTY AND EQUIPMENT, NET	<u>1,097</u>	<u>956</u>
OPERATING LEASE RIGHT-OF-USE ASSETS, NET	<u>944</u>	<u>767</u>
OTHER INTANGIBLE ASSETS, NET	<u>20</u>	<u>40</u>
GOODWILL	<u>4,676</u>	<u>4,676</u>
<u>Total assets</u>	<u>\$ 24,757</u>	<u>\$ 23,028</u>

## CONSOLIDATED BALANCE SHEETS

(U.S. dollars in thousands)

	December 31, 2021	December 31, 2020
	<u>(Unaudited)</u>	<u>(Audited)</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current maturities of long term loans	\$ 740	\$ 815
Operating lease liabilities, current	538	557
Trade payables	5,200	5,492
Employees and payroll accruals	996	985
Deferred revenues	917	601
Advances net of inventory in process	249	68
Accrued expenses and other liabilities	<u>112</u>	<u>391</u>
<u>Total current liabilities</u>	<u>8,752</u>	<u>8,909</u>
LONG-TERM LIABILITIES:		
Long-term loans, net of current maturities	681	1,216
Operating lease liabilities, non-current	565	367
Long term deferred revenues	132	303
Accrued severance pay	<u>280</u>	<u>364</u>
<u>Total long-term liabilities</u>	<u>1,658</u>	<u>2,250</u>
TOTAL SHAREHOLDERS' EQUITY	<u>14,347</u>	<u>11,869</u>
<u>Total liabilities and shareholders' equity</u>	<u>\$ 24,757</u>	<u>\$ 23,028</u>

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**CONDENSED CONSOLIDATED EBITDA**

(U.S. dollars in thousands)

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	Year ended December 31,		Three months ended December 31,	
	2021	2020	2021	2020
Operating income (loss)	\$ 517	\$ (651)	\$ 58	\$ 372
Add:				
Impairment of Goodwill and other intangible assets	-	988	-	-
Amortization of intangible assets	20	40	5	4
Stock-based compensation	67	65	23	8
Depreciation	238	270	63	62
EBITDA	<u>\$ 842</u>	<u>\$ 712</u>	<u>\$ 149</u>	<u>\$ 446</u>

## SEGMENT INFORMATION

(U.S. dollars in thousands)

	RFID	Supply Chain Solutions	Intelligent Robotics	Intercompany	Consolidated
	Year ended December 31, 2021				
Revenues	\$ 13,192	\$ 19,008	1,576	\$ (142)	\$ 33,634
Gross profit	3,338	3,708	(460)	-	6,586
Allocated operating expenses	2,300	2,497	573	-	5,370
Unallocated operating expenses*	-	-	-		699
Income (loss) from operations	<u>\$ 1,038</u>	<u>\$ 1,211</u>	<u>\$ (1,033)</u>	-	<u>517</u>
Financial expenses and tax on income					(105) 39
Net income					<u>\$ 451</u>

	RFID	Supply Chain Solutions	Intelligent Robotics	Intercompany	Consolidated
	Year ended December 31, 2020				
Revenues	\$ 12,523	\$ 18,594	\$ 2,502	\$ (68)	\$ 33,551
Gross profit (loss)	3,265	3,724	(871)	-	6,118
Allocated operating expenses	2,099	2,373	641	-	5,113
Impairment of goodwill and intangible assets	-	-	988	-	988
Unallocated operating expenses*	-	-	-		668
Income (loss) from operations	<u>\$ 1,166</u>	<u>\$ 1,351</u>	<u>\$ (2,500)</u>	-	<u>(651)</u>
Financial expenses Other income					(348) 39
Net loss					<u>\$ (960)</u>

## SEGMENT INFORMATION

(U.S. dollars in thousands)

	RFID	Supply Chain Solutions	Intelligent Robotics	Intercompany	Consolidated
	Three months ended December 31,				
	2021				
Revenues	\$ 3,999	\$ 4,840	\$ 236	\$ 4	\$ 9,079
Gross profit (loss)	1,126	1,025	(423)	-	1,728
Allocated operating expenses	659	709	121	-	1,489
Unallocated operating expenses*					181
Income (loss) from operations	<u>\$ 467</u>	<u>\$ 316</u>	<u>\$ (544)</u>	-	58
Financial income					2
Tax on income					40
Net income					<u>100</u>

	RFID	Supply Chain Solutions	Intelligent Robotics	Intercompany	Consolidated
	Three months ended December 31,				
	2020				
Revenues	\$ 3,547	\$ 4,769	\$ 2,135	\$ (25)	\$ 10,426
Gross profit (loss)	1,042	842	14	-	1,898
Allocated operating expenses	575	643	137	-	1,355
Impairment of goodwill and intangible assets	-	-	-	-	-
Unallocated operating expenses*					201
Income (loss) from operations	<u>\$ 467</u>	<u>197</u>	<u>\$ (91)</u>	-	372
Financial expenses					(113)
Tax on income					(11)
Net loss					<u>\$ 248</u>

\* Unallocated operating expenses include costs not specific to a particular segment but are general to the group, such as expenses incurred for insurance of directors and officers, directors fees, public company fees, legal fees, and other similar corporate costs.