

AMIAD WATER SYSTEMS LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2022	2021
	\$ in thousands	
Assets		
Current Assets:		
Cash and cash equivalents	13,581	26,773
Financial assets at fair value through profit or loss - derivatives	51	225
Trade and other receivables:		
Trade	25,737	30,458
Other	2,696	5,266
Inventories	44,089	37,504
Current income tax receivables	168	531
Total Current Assets	86,322	100,757
Non-Current Assets:		
Severance pay fund, net	-	301
Long-term receivables	193	262
Property, plant and equipment	14,728	12,469
Intangible assets	11,621	10,376
Right-of-use assets	15,597	15,542
Deferred tax assets	2,973	3,487
Total Non-Current Assets	45,112	42,437
Total Assets	131,434	143,194

Yariv Avisar
Chairman of the Board

Dori Ivzori
Chief executive officer

Relly Shimko
Chief Financial officer

Date of approval of financial statements by the board of directors: March 22, 2023.

AMIAD WATER SYSTEMS LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2022	2021
	\$ in thousands	
Liabilities And Equity		
Current Liabilities:		
Short term of borrowings from banks	2,018	1,432
Derivative financial instruments	646	40
Trade and other payables:		
Trade	11,902	*19,130
Other	11,705	*17,343
Lease liabilities	2,924	2,639
Current tax liability	492	261
Total Current Liabilities	29,687	40,845
Non-Current Liabilities:		
Borrowings from banks (net of current maturities)	-	21
Employee benefit obligations, net	429	375
Lease liabilities	14,627	16,434
Deferred tax liabilities	-	21
Total Non-Current Liabilities	15,056	16,851
Total Liabilities	44,743	57,696
Equity:		
Capital and reserves attributable to owners:		
Share capital	3,921	3,907
Capital reserves	49,294	48,948
Capital reserves in respect to transactions with non-controlling interests	(416)	(416)
Capital reserves from translation differences	(7,673)	(9,524)
Retained earnings	38,145	40,434
	83,271	83,349
Non-controlling interests	3,420	2,149
Total Equity	86,691	85,498
Total Liabilities and Equity	131,434	143,194

AMIAD WATER SYSTEMS LTD.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	Year ended December 31	
	2022	2021
	\$ in thousands except per share data	
Revenue	121,243	115,299
Cost of revenue	71,497	67,267
Gross Profit	49,746	48,032
Research and development expenses, net	2,830	2,971
Selling and marketing expenses	26,816	25,820
General and administrative expenses	10,051	10,682
Other expenses (income)	(1,053)	92
Operating Profit	11,102	8,467
Finance income	2,281	1,376
Finance expenses	(5,866)	(1,337)
Finance income (expenses), net	(3,585)	39
Profit before income tax	7,517	8,506
Income tax expenses	2,829	1,324
Profit for the period	4,688	7,182
Other comprehensive income (loss):		
Items that will not be reclassified to profit or loss:		
Remeasurements of post-employment benefit obligations, net	-	42
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	3,380	(3,509)
Other comprehensive income (loss) for the period	3,380	(3,467)
Total comprehensive income for the period	8,068	3,715
Profit is attributable to:		
Owners of the Company	4,211	6,069
Non-controlling interests	477	1,113
	4,688	7,182
Total comprehensive income for the period is attributable to:		
Owners of the Company	6,062	4,153
Non-controlling interests	2,006	(438)
	8,068	3,715
	\$	
Earnings per share for profit attributable to the ordinary equity holders of the Company		
Basic earnings per share	0.138	0.199
Diluted earnings per share	0.138	0.198

AMIAD WATER SYSTEMS LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to equity holders of the Company								
	Number of shares	Share capital	Capital reserve	Currency translation reserve	Transaction with non-controlling interest	Retained earnings	Total	Non-controlling interest	Total equity
					\$ in thousands				
BALANCE AT JANUARY 1, 2021	596,30,371	3,900	48,760	(7,566)	(416)	34,365	79,043	3,121	82,164
Comprehensive income (loss):									
Profit (loss) for the year	-	-	-	-	-	6,069	6,069	1,113	7,182
Currency translation differences	-	-	42	(1,958)	-	-	(1,916)	(1,551)	(3,467)
Total comprehensive income (loss)			42	(1,958)		6,069	4,153	(438)	3,715
Transaction with owners:									
Recognition of compensation related to employee options grants	-	-	153	-	-	-	153	-	153
Exercise of options	44,891	7	(7)	-	-	-	-	-	-
Dividend to non-controlling Interest in subsidiaries	-	-	-	-	-	-	-	(534)	(534)
Total transaction with owners	44,891	7	146	-	-	-	153	(534)	(381)
BALANCE AT DECEMBER 31, 2021	30,416,487	3,907	48,948	(9,524)	(416)	40,434	83,349	2,149	85,498
Comprehensive income (loss):									
Profit (loss) for the year				-		4,211	4,211	477	4,688
Currency translation differences				1,851			1,851	1,529	3,380
Total comprehensive income (loss)				1,851		4,211	6,062	2,006	8,068
Transaction with owners:									
Recognition of compensation related to employee options grants	-	-	360			-	360	-	360
Dividend to non-controlling interest in subsidiaries	-	-	-			-	-	(735)	(735)
Dividend	-	-	-			(6,500)	(6,500)	-	(6,500)
Exercise of options	8,615	14	(14)			-	-	-	-
Total transaction with owners	8,615	14	346			(6,500)	(6,140)	(735)	(6,875)
BALANCE AT DECEMBER 31, 2022	30,425,102	3,921	49,294	(7,673)	(416)	38,145	83,271	3,420	86,691

AMIAD WATER SYSTEMS LTD.

		Year ended December 31	
		2022	2021
		\$ in thousands	
Cash Flows From Operating Activities:			
Cash generated from operations	16	1,289	12,612
Interest paid		(906)	(993)
Interest received		159	181
Income taxes paid		(1,027)	(823)
Net cash generated from (used in) operating activities		(485)	10,977
Cash Flows From Investing Activities:			
Payment for property, plant and equipment		(3,754)	(2,883)
Payment for intangible assets		(774)	(558)
Proceeds from sale of property, plant and equipment		8	31
Restricted deposit		(216)	26
Net cash used in investing activities		(4,736)	(3,384)
Cash Flows From Financing Activities:			
Dividends paid to Company's shareholders		(6,500)	-
Dividends paid to non-controlling interest in subsidiaries		(1,018)	(252)
Payments of lease liabilities		(3,095)	(3,074)
Repayment of long term borrowings		(30)	(9,719)
Receive (Repayment) of short term borrowings, net		1,792	(416)
Net cash used in financing activities		(8,851)	(13,461)
Effect of exchange rate changes on cash and cash equivalents		(722)	(2,609)
Cumulative effect of transition of the cash and cash equivalent of the Turkish subsidiary under the hyper-inflationary economy		1,602	-
Net increase in cash and cash equivalents		(13,192)	(8,477)
Cash and cash equivalents at the beginning of year		26,773	35,250
Cash and cash equivalents at end of year		13,581	26,773