

MAYTRONICS LTD.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2022

NIS in thousands

(AUDITED)

CONSOLIDATED BALANCE SHEETS

	December 31,	
	2022	2021
	Audited	
	NIS in thousands	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	120,891	237,779
Short-term investments	17,617	19,620
Trade receivables, net	187,504	115,917
Other accounts receivable	64,295	79,502
Inventory	1,016,098	529,705
	1,406,405	982,523
NON-CURRENT ASSETS:		
Long-term receivables	1,751	1,708
Fixed assets, net	200,312	151,308
Right-of-use assets, net	144,395	108,808
Intangible assets, net	297,453	164,475
Deferred taxes, net	41,298	27,274
	685,209	453,573
	2,091,614	1,436,096

CONSOLIDATED BALANCE SHEETS

	December 31,	
	2022	2021
	Audited	
	NIS in thousands	
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Credit from banks	477,422	282,766
Current maturities of lease liability	26,910	20,394
Current maturities of deferred liability of acquired subsidiary	25,882	15,462
Trade payables	240,094	222,574
Income taxes payable	3,476	5,899
Other accounts payable	161,438	119,544
Provisions	20,171	15,431
	955,393	682,070
NON-CURRENT LIABILITIES:		
Loans from banks	248,157	62,671
Lease liability	124,151	92,373
Deferred Contingent consideration from acquired subsidiary	13,112	-
Employee benefit liabilities, net	4,259	4,448
Other long-term liabilities	5,786	6,983
Deferred taxes	1,502	1,875
	396,967	168,350
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY:		
Share capital	11,229	11,210
Share premium	115,472	113,071
Treasury shares	(500)	(500)
Retained earnings	555,179	461,893
Capital reserve from share-based payment transactions	20,613	11,703
Capital reserve from transactions with controlling shareholder	164	164
Capital reserve from remeasurement of defined benefit plans	388	(1,654)
Revaluation surplus	2,147	2,147
Capital reserve from transactions with non-controlling interests	(6,895)	(6,895)
Adjustments arising from translating financial statements of foreign operations	(23,720)	(44,081)
	674,077	547,058
Non-controlling interests	65,177	38,618
Total Equity	739,254	585,676
	2,091,614	1,436,096

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended December 31,		
	2022	2021	2020
	Audited		
	NIS in thousands		
	(except earnings per share data)		
Revenues from sales	1,786,896	1,409,395	1,076,880
Cost of sales	1,068,587	816,132	625,532
Gross profit	718,309	593,263	451,348
Research and development expenses	52,641	46,582	32,436
Selling and marketing expenses	238,088	155,408	121,367
General and administrative expenses	134,919	113,553	89,330
Operating income	292,661	277,720	208,215
Other (income) expenses, net	29	(114)	(2)
Financial income	15,689	34,384	467
Financial expenses	(44,644)	(30,156)	(13,881)
Income before taxes	263,735	281,834	194,799
Taxes on income	35,986	41,580	26,351
Net income	227,749	240,254	168,448
Adjustments arising from translating financial statements of foreign operations	23,908	(21,276)	(6,763)
Remeasurement gain (loss) from defined benefit plans	2,042	327	(444)
Total other comprehensive income (loss)	25,950	(20,949)	(7,207)
Total comprehensive income	253,699	219,305	161,241
Net income attributable to:			
Equity holders of the Company	218,296	224,012	154,280
Non-controlling interests	9,453	16,242	14,168
	227,749	240,254	168,448
Total comprehensive income attributable to:			
Equity holders of the Company	240,699	207,227	146,960
Non-controlling interests	13,000	12,078	14,281
	253,699	219,305	161,241
Net basic earnings per share attributable to equity holders of the Company (in NIS):	2.00	2.05	1.43
Net diluted earnings per share attributable to equity holders of the Company (in NIS):	1.99	2.04	1.41

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,		
	2022	2021	2020
	Audited		
	NIS in thousands		
Cash flows from operating activities:			
Net income	227,749	240,254	168,448
Adjustments to reconcile net income to net cash provided by operating activities:			
Adjustments to the profit or loss items:			
Taxes on income	57,931	47,043	35,234
Deferred taxes, net	(13,499)	(3,329)	(8,839)
Financial expenses, net	18,105	7,049	5,985
Depreciation and amortization	69,678	56,211	46,790
Cost of share-based payment	11,311	8,327	4,350
Revaluation of options to Kibbutz members	(2,068)	(582)	1,501
Increase in employee benefits liabilities, net	1,853	246	277
Interest accrued on long-term deposit and exchange differences from investments	(188)	(947)	(308)
Capital loss (gain) from sale of fixed assets	391	(139)	(41)
Revaluation of securities measured at fair value through profit or loss, net	1,962	(1,006)	302
Revaluation of derivatives	47,185	(23,133)	2,107
Exchange differences from cash and cash equivalents	(6,098)	8,656	1,127
	186,563	98,396	88,485
Changes in asset and liability items:			
Decrease (increase) in trade receivables	(55,189)	(41,111)	1,733
Decrease (increase) in other accounts receivable (including long-term)	7,793	(20,459)	(12,935)
Increase in inventories	(360,183)	(216,265)	(28,452)
Increase (decrease) in trade payables	(166,597)	90,691	36,186
Increase in other accounts payable, provisions and taxes payable	15,099	33,801	30,825
Increase in other liabilities	4,052	630	1,920
	(555,025)	(152,713)	29,277
Cash paid and received during the period for:			
Interest and dividend received	459	468	454
Interest paid	(18,564)	(7,517)	(6,439)
Taxes paid	(57,931)	(47,043)	(35,234)
	(76,036)	(54,092)	(41,219)
Net cash provided (used in) by operating activities	(216,749)	131,845	244,991

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,		
	2022	2021	2020
	Audited		
	NIS in thousands		
<u>Cash flows from investing activities:</u>			
Purchase and capitalization of intangible assets	(59,059)	(39,613)	(33,857)
Purchase of fixed assets	(58,311)	(52,941)	(35,245)
Proceeds from sale of fixed assets	204	266	179
Acquisition of initially consolidated subsidiary (B)	3,029	-	2,411
Repayment of deferred liability of acquired subsidiary	(16,538)	(15,962)	(11,821)
Proceeds from sell (purchase of) securities measured at fair value through profit or loss, net	41	(311)	(387)
Net cash used in investing activities	(130,634)	(108,561)	(78,720)
<u>Cash flows from financing activities:</u>			
Proceeds from exercise of options	19	94	64
Receipt of short-term credit, net	145,944	147,709	25,644
Receipt of long-term loan	270,000	32,030	80,000
Repayment of long-term loan	(46,146)	(24,208)	(15,031)
Dividend paid to shareholders of the Company	(125,010)	(120,082)	(83,000)
Dividend paid to non-controlling interests	(4,100)	(5,149)	(2,870)
Repayment of lease liability	(23,303)	(19,192)	(16,830)
Net cash provided by (used in) financing activities	217,404	11,202	(12,023)
Exchange differences on balances of cash and cash equivalents	6,098	(8,656)	(1,127)
Translation differences from cash balances of foreign operations	6,993	(14,568)	(5,152)
Increase (decrease) in cash and cash equivalents	(116,888)	11,262	147,969
Cash and cash equivalents at the beginning of the year	237,779	226,517	78,548
Cash and cash equivalents at the end of the year	120,891	237,779	226,517
<u>(A) Significant non-cash transactions:</u>			
Purchase of fixed assets and intangible assets on credit	18,059	12,161	3,723
Recognition of the right of use assets against lease liability	59,962	35,299	23,913
Acquisition of subsidiary	-	-	34,176
Deferred liability of acquisition subsidiary	24,751	-	-

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,		
	2022	2021	2020
	Audited		
	NIS in thousands		
(B) Acquisition of initially consolidated subsidiary:			
Working capital (excluding cash and cash equivalents)	32,427	-	(5,491)
Long-term accounts receivable	-	-	(101)
Fixed assets	(769)	-	(233)
Right-of-use assets	(6,896)	-	-
Intangible assets	(47,705)	-	(15,492)
Goodwill	(36,229)	-	(28,919)
Lease liability	7,000	-	-
Deferred liability	24,751	-	44,710
Deferred Contingent consideration	12,791	-	-
Loan from others	-	-	3,883
Deferred taxes	-	-	4,054
Non-controlling interests	17,659	-	-
	<u>3,029</u>	<u>-</u>	<u>2,411</u>