

**MAYTRONICS LTD.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**AS OF SEPTEMBER 30, 2023**

**NIS in thousands**

**(UNAUDITED)**

## CONSOLIDATED BALANCE SHEETS

	September 30,		December 31,
	2023	2022	2022
	Unaudited		Audited
	NIS in thousands		
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	107,259	168,006	120,891
Short-term investments	18,154	17,547	17,617
Trade receivables, net	171,678	315,415	187,504
Income taxes receivable	6,188	3,397	-
Other accounts receivable	66,811	67,221	64,295
Inventory	972,645	830,586	1,016,098
	1,342,735	1,402,172	1,406,405
NON-CURRENT ASSETS:			
Long-term receivables	1,899	1,691	1,751
Fixed assets, net	225,895	182,608	200,312
Right-of-use assets, net	136,309	135,949	144,395
Intangible assets, net	325,664	287,812	297,453
Deferred taxes, net	49,616	29,483	41,298
	739,383	637,543	685,209
	2,082,118	2,039,715	2,091,614

## CONSOLIDATED BALANCE SHEETS

	September 30,		December 31,
	2023	2022	2022
	Unaudited		Audited
	NIS in thousands		
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Credit from banks	542,487	334,247	477,422
Current maturities of lease liability	28,559	24,435	26,910
Current maturities of deferred liability of acquired subsidiary	-	39,279	25,882
Deferred Contingent consideration from acquired subsidiary	14,248	-	-
Trade payables	143,960	290,577	240,094
Income taxes payable	676	9,215	3,476
Other accounts payable	130,643	148,935	161,438
Provisions	17,261	21,998	20,171
	877,834	868,686	955,393
NON- CURRENT LIABILITIES:			
Loans from banks	209,993	266,091	248,157
Lease liability	116,004	116,942	124,151
Deferred Contingent consideration from acquired subsidiary	-	13,201	13,112
Employee benefit liabilities, net	3,851	4,699	4,259
Other long-term liabilities	6,217	7,497	5,786
Deferred taxes	2,798	1,648	1,502
	338,863	410,078	396,967
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY:			
Share capital	11,256	11,220	11,229
Share premium	118,838	114,420	115,472
Treasury shares	(500)	(500)	(500)
Retained earnings	633,328	590,154	555,179
Capital reserve from share-based payment transactions	27,210	19,021	20,613
Capital reserve from transactions with controlling shareholder	164	164	164
Capital reserve from remeasurement of defined benefit plans	388	(1,654)	388
Revaluation surplus	2,147	2,147	2,147
Capital reserve from transactions with non-controlling interests	(6,895)	(6,895)	(6,895)
Adjustments arising from translating financial statements of foreign operations	2,145	(30,440)	(23,720)
	788,081	697,637	674,077
Non-controlling interests	77,340	63,314	65,177
Total Equity	865,421	760,951	739,254
	2,082,118	2,039,715	2,091,614

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Nine months ended September 30,		Three months ended September 30,		Year ended December 31,
	2023	2022	2023	2022	2022
	Unaudited				Audited
	NIS in thousands (except earnings per share data)				
Revenues from sales	1,585,828	1,547,882	332,103	411,920	1,786,896
Cost of sales	904,128	920,713	198,193	249,065	1,068,587
Gross profit	681,700	627,169	133,910	162,855	718,309
Research and development expenses	42,647	39,091	12,454	12,718	52,641
Selling and marketing expenses	275,351	171,809	80,221	72,948	238,088
General and administrative expenses	105,596	99,639	28,602	33,104	134,919
Operating income	258,106	316,630	12,633	44,085	292,661
Other income (expenses), net	59	8	59	(25)	29
Financial income	46,858	12,299	6,716	19,895	15,689
Financial expenses	(97,257)	(15,205)	(21,437)	(20,489)	(44,644)
Income (loss) before taxes	207,766	313,732	(2,029)	43,466	263,735
Taxes on income (tax benefit)	23,850	49,911	(4,721)	4,337	35,986
Net income	183,916	263,821	2,692	39,129	227,749
Adjustments arising from translating financial statements of foreign operations	30,901	14,523	10,311	(4,798)	23,908
Remeasurement gain from defined benefit plans	-	-	-	-	2,042
Total other comprehensive income (loss)	30,901	14,523	10,311	(4,798)	25,950
Total comprehensive income	214,817	278,344	13,003	34,331	253,699
Net income (loss) attributable to:					
Equity holders of the Company	172,149	253,271	(690)	35,112	218,296
Non-controlling interests	11,767	10,550	3,382	4,017	9,453
	183,916	263,821	2,692	39,129	227,749
Total comprehensive income attributable to:					
Equity holders of the Company	198,014	266,912	7,910	31,362	240,699
Non-controlling interests	16,803	11,432	5,093	2,969	13,000
	214,817	278,344	13,003	34,331	253,699
Net basic earnings (loss) per share attributable to equity holders of the Company (in NIS):	1.57	2.32	(0.01)	0.32	2.00
Net diluted earnings (loss) per share attributable to equity holders of the Company (in NIS):	1.57	2.31	(0.01)	0.32	1.99

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Nine months ended September 30,		Three months ended September 30,		Year Ended December 31,
	2023	2022	2023	2022	2022
	Unaudited				Audited
	NIS in thousands				
<u>Cash flows from operating activities:</u>					
Net income	183,916	263,821	2,692	39,129	227,749
<u>Adjustments to reconcile net income to net cash provided by (used in) operating activities:</u>					
Adjustments to the profit or loss items:					
Taxes on income	36,687	49,922	6,217	21,802	57,931
Deferred taxes, net	(6,017)	(2,088)	1,284	(5,868)	(13,499)
Financial expenses, net	45,805	8,964	15,872	3,230	18,105
Depreciation and amortization	62,867	48,187	22,689	18,316	69,678
Cost of share-based payment	9,963	8,667	3,608	2,326	11,311
Revaluation of options to Kibbutz members	(249)	(1,861)	(232)	(833)	(2,068)
Increase (decrease) in employee benefits liabilities, net	(408)	251	129	81	1,853
Interest accrued on long-term deposit and exchange differences from investments	(50)	(212)	(118)	(14)	(188)
Capital loss (gain) from sale of fixed assets	(188)	2	(161)	6	391
Revaluation of securities measured at fair value through profit or loss, net	(321)	1,725	(19)	412	1,962
Revaluation of derivatives, net	(11,970)	15,779	(22,793)	(9,279)	47,185
Exchange differences from cash and cash equivalents	4,519	1,379	1,820	6,131	(6,098)
	140,638	130,715	28,296	36,310	186,563
Changes in asset and liability items:					
Decrease (increase) in trade receivables	25,538	(180,338)	272,470	166,168	(55,189)
Decrease (increase) in other accounts receivable (including long-term)	(6,988)	10,457	(6,063)	7,787	7,793
Decrease (increase) in inventories	100,566	(196,537)	(22,654)	(137,848)	(360,183)
Decrease in trade payables	(124,540)	(106,340)	(99,376)	(110,554)	(166,597)
Increase (decrease) in other accounts payable, provisions and taxes payable	(29,370)	36,050	(27,829)	8,553	15,099
Increase in other liabilities	3,432	3,822	930	140	4,052
	(31,362)	(432,886)	117,478	(65,754)	(555,025)
Cash paid and received during the period for:					
Interest and dividend received	334	325	130	135	459
Interest paid	(46,139)	(9,289)	(16,002)	(3,365)	(18,564)
Taxes paid	(36,687)	(49,922)	(6,217)	(21,802)	(57,931)
	(82,492)	(58,886)	(22,089)	(25,032)	(76,036)
Net cash provided by (used in) operating activities	210,700	(97,236)	126,377	(15,347)	(216,749)

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Nine months ended September 30,		Three months ended September 30,		Year ended December 31,
	2023	2022	2023	2022	2022
	Unaudited				Audited
	NIS in thousands				
<u>Cash flows from investing activities:</u>					
Purchase and capitalization of intangible assets	(35,727)	(45,194)	(11,678)	(13,389)	(59,059)
Purchase of fixed assets	(47,510)	(38,335)	(17,558)	(18,070)	(58,311)
Proceeds from sale of fixed assets	463	95	360	12	204
Receipt from investment grants	3,734	-	-	-	-
Acquisition of initially consolidated subsidiary (B)	-	1,880	-	1,880	3,029
Repayment of deferred liability of acquired subsidiary	(26,798)	-	(29,197)	-	(16,538)
Proceeds from sell (purchase of) securities measured at fair value through profit or loss, net	(216)	348	129	21	41
Net cash used in investing activities	(106,054)	(81,206)	(57,944)	(29,546)	(130,634)
<u>Cash flows from financing activities:</u>					
Proceeds from exercise of options	27	10	2	4	19
Receipt (repayment) of short-term credit, net	44,078	10,769	(33,790)	(166,411)	145,944
Receipt of long-term loans	12,056	270,000	-	190,000	270,000
Repayment of long-term loan	(51,100)	(29,202)	(16,342)	(10,036)	(46,146)
Dividend paid to shareholders of the Company	(94,000)	(125,010)	(50,000)	(65,010)	(125,010)
Dividend paid to non-controlling interests	(4,640)	(4,100)	(2,800)	-	(4,100)
Repayment of lease liability	(21,553)	(16,977)	(7,409)	(5,943)	(23,303)
Net cash provided by (used in) financing activities	(115,132)	105,490	(110,339)	(57,396)	217,404
Exchange differences on balances of cash and cash equivalents	(4,519)	(1,379)	(1,820)	(6,131)	6,098
Translation differences from cash balances of foreign operations	1,373	4,558	110	(1,996)	6,993
Decrease in cash and cash equivalents	(13,632)	(69,773)	(43,616)	(110,416)	(116,888)
Cash and cash equivalents at the beginning of the period	120,891	237,779	150,875	278,422	237,779
Cash and cash equivalents at the end of the period	107,259	168,006	107,259	168,006	120,891
<u>(A) Significant non-cash transactions:</u>					
Purchase of fixed assets and intangible assets on credit	3,048	11,777	3,048	11,777	18,059
Recognition of the right of use assets against lease liability	13,241	44,817	5,792	33,540	59,962
Deferred liability of acquisition subsidiary	-	22,952	-	22,952	24,751
<b>CONSOLIDATED STATEMENTS OF CASH FLOWS</b>					

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

## MAYTRONICS LTD.

Nine months ended September 30,		Three months ended September 30,		Year ended December 31,
2023	2022	2023	2022	2022
Unaudited				Audited
NIS in thousands				

(B) Acquisition of initially consolidated subsidiary:

Working capital (excluding cash and cash equivalents)

	-	33,310	-	33,310	32,427
Fixed assets	-	(769)	-	(769)	(769)
Right-of-use assets	-	(2,608)	-	(2,608)	(6,896)
Intangible assets	-	(48,604)	-	(48,604)	(47,705)
Goodwill	-	(35,119)	-	(35,119)	(36,229)
Lease liability	-	2,563	-	2,563	7,000
Deferred liability	-	22,952	-	22,952	24,751
Deferred Contingent consideration	-	12,791	-	12,791	12,791
Non-controlling interests	-	17,364	-	17,364	17,659
	-	1,880	-	1,880	3,029