



Convenience Translation of Extracts of the 2024 Audited Financial Statements

This convenience translation of extracts of the 2024 Audited Financial Statement of Amiad Water Systems Ltd. (the "Company") that were published in Hebrew on March 25, 2025, is rendered for the convenience of reading only. This translation from Hebrew does not include the full results and financial information of the Company nor the financial notes. It is not intended to replace the need to review the reports published by the Company to the public, including the Company's annual report as of December 31, 2024 and the Company's consolidated financial statements as of December 31, 2024, in order to obtain a complete picture regarding the Company's activities and the risks the company faces. In the event of any discrepancy between this translation and the 2024 Financial Statements of the Company that were published in Hebrew on March 25, 2025, the later shall prevail.

AMIAD WATER SYSTEMS LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2024	2023
	\$ in thousands	
Assets		
Current Assets:		
Cash and cash equivalents	11,566	12,185
Financial assets at fair value through profit or loss – derivatives	520	371
Trade and other receivables:		
Trade	32,989	30,947
Other	12,431	9,877
Inventories	39,552	40,010
Current income tax receivables	429	353
Total Current Assets	97,487	93,743
Non-Current Assets:		
Long-term receivables	123	293
Property, plant and equipment	14,814	14,537
Intangible assets	14,746	15,893
Right-of-use assets	14,260	17,031
Deferred tax assets	3,024	2,946
Total Non-Current Assets	46,967	50,700
Total Assets	144,454	144,443

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 24, 2025.

AMIAD WATER SYSTEMS LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2024	2023
	\$ in thousands	
Liabilities And Equity		
Current Liabilities:		
Short term of borrowings from banks	23,823	16,110
Derivative financial instruments	5	91
Trade and other payables:		
Trade	12,624	15,363
Other	15,546	11,495
Current lease liabilities	3,153	3,420
Contingent consideration and other payments for previous shareholders of held subsidiaries	-	1,789
Current tax liability	461	954
Total Current Liabilities	55,612	49,222
Non-Current Liabilities:		
Employee benefit obligations, net	426	394
Lease liabilities	13,098	15,434
Deferred tax liabilities	40	213
Total Non-Current Liabilities	13,564	16,041
Total Liabilities	69,176	65,263
Equity:		
Capital and reserves attributable to owners:		
Share capital	3,952	3,952
Capital reserves	49,515	49,472
Capital reserves in respect to		
Capital reserves from translation differences	(8,877)	(7,884)
transactions with non-controlling interests	(8,784)	(8,784)
Retained earnings	39,472	42,424
	75,278	79,180
Total Liabilities and Equity	144,454	144,443

AMIAD WATER SYSTEMS LTD.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	Year ended December 31	
	2024	2023
	\$ in thousands except per share data	
Revenue	130,791	123,656
Cost of revenue	84,696	75,120
Gross Profit	46,095	48,536
Research and development expenses	3,105	2,912
Selling and marketing expenses	28,197	27,812
General and administrative expenses	11,411	10,591
Other income	(314)	(2,941)
Operating Profit	3,696	10,162
Finance income	618	260
Finance expenses	(3,426)	(4,168)
Finance expenses, net	(2,808)	(3,908)
Profit before income tax	888	6,254
Income tax expenses	840	1,975
Profit for the period	48	4,279
Other comprehensive income (loss):		
Items that will not be reclassified to profit or loss:		
Remeasurements of post-employment benefit obligations, net	(66)	(31)
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	(993)	(211)
Other comprehensive income (loss) for the period	(1,059)	(242)
Total comprehensive income/ (loss) for the period	(1,011)	4,037
Profit is attributable to:		
Owners of the Company	48	4,279
Non-controlling interests	-	-
	48	4,279
Total comprehensive income/ (loss) for the period is attributable to:		
Owners of the Company	(1,011)	4,037
Non-controlling interests	-	-
	(1,011)	4,037
	\$	
Earnings per share for profit attributable to the ordinary equity holders of the Company		
Basic earnings per share	0.002	0.141
Diluted earnings per share	0.002	0.140

AMIAD WATER SYSTEMS LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to equity holders of the Company							Non-controlling interest	Total equity
	Number of shares	Share capital	Capital reserve	Currency translation reserve	Transaction with non-controlling Interest	Retained earnings	Total		
	\$ in thousands								
BALANCE AT December 31, 2022	30,425,102	3,921	49,294	(7,673)	(416)	38,145	83,271	3,420	86,691
Comprehensive income (loss):									
Profit for the year	-	-	-	-	-	4,279	4,279	-	4,279
Other comprehensive income	-	-	(31)	(211)	-	-	(242)	-	(242)
Total comprehensive income (loss)	-	-	(31)	(211)	-	4,279	4,037	-	4,037
Transaction with owners:									
Share based compensation	-	-	240	-	-	-	240	-	240
Transactions with non-controlling interests	-	-	-	-	(8,368)	-	(8,368)	(3,420)	(11,788)
Exercise of share-based compensation	61,190	31	(31)	-	-	-	-	-	-
Total transaction with owners	61,190	31	209	-	(8,368)	-	(8,128)	(3,420)	(11,548)
BALANCE AT DECEMBER 31, 2023	30,486,292	3,952	49,472	(7,884)	(8,784)	42,424	79,180	-	79,180
Comprehensive income (loss):									
Profit for the year	-	-	-	-	-	48	48	-	48
Other comprehensive loss	-	-	(66)	(993)	-	-	(1,059)	-	(1,059)
Total comprehensive loss	-	-	(66)	(993)	-	48	(1,011)	-	(1,011)
Transaction with owners:									
Share based compensation	-	-	109	-	-	-	109	-	109
Dividend	-	-	-	-	-	(3,000)	(3,000)	-	(3,000)
Total transaction with owners	-	-	109	-	-	(3,000)	(2,891)	-	(2,891)
BALANCE AT DECEMBER 31, 2024	30,486,292	3,952	49,515	(8,877)	(8,784)	39,472	75,278	-	75,278

AMIAD WATER SYSTEMS LTD.
CONSOLIDATED STATEMENTS OF CASH FLOW

	Year ended December 31	
	2024	2023
	\$ in thousands	
Cash Flows From Operating Activities:		
Cash generated from operations	6,695	7,632
Interest paid	(2,395)	(2,056)
Interest received	122	259
Income taxes paid	(1,109)	(997)
Income taxes received	193	-
Net cash generated from (used in) operating activities	<u>3,506</u>	<u>4,838</u>
Cash Flows From Investing Activities:		
Payment for acquisition of subsidiary, net of cash acquired	-	(3,432)
Additional payment for acquisition of subsidiary	-	(1,181)
Payment of contingent consideration	(637)	-
Purchase of property, plant and equipment	(3,603)	(2,834)
Purchase of intangible assets	(757)	(1,437)
Proceeds from sale of property, plant and equipment	37	25
Restricted deposit	28	25
Net cash used in investing activities	<u>(4,932)</u>	<u>(8,834)</u>
Cash Flows From Financing Activities:		
Transactions with non-controlling interests	-	(7,973)
Dividends paid to Company's shareholders	(3,000)	-
Payments of lease liabilities	(3,788)	(3,425)
Receive (Repayment) of short-term borrowings, net	7,713	14,092
Net cash used in financing activities	<u>925</u>	<u>2,694</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(118)</u>	<u>(94)</u>
Net decrease in cash and cash equivalents	<u>(619)</u>	<u>(1,396)</u>
Cash and cash equivalents at the beginning of year	<u>12,185</u>	<u>13,581</u>
Cash and cash equivalents at end of year	<u><u>11,566</u></u>	<u><u>12,185</u></u>