

TEFRON LTD.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2021

(UNAUDITED)

TEFRON LTD.

Condensed Consolidated Financial Statements as at March 31, 2021

Unaudited

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Review Report of the Auditors to the Shareholders of Tefron Ltd.

Preface

We have reviewed the attached financial information of Tefron Ltd. and its subsidiaries (hereinafter - "the Group"), which includes the condensed consolidated balance sheet as at March 31, 2021, and the condensed consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the period of three months then ended. The Board of Directors and Management are responsible for the preparation and presentation of the financial information for this interim period, in accordance with International Accounting Standard IAS 34 - "Financial Reporting for Interim Periods" and are also responsible for the preparation of financial information for this interim period in accordance with Chapter D of the Securities Regulations (Periodic and Immediate Reports) - 1970. Our responsibility is to express a conclusion on the financial information for this interim period based on our review.

Scope of the review

We have performed our review in accordance with Review Standard (ISRE) 2410 of the Institute of Certified Public Accountants in Israel, "Review of Financial Information for Interim Periods Prepared by the Entity's Auditor". A review of financial information for interim periods consists of making inquiries, primarily with persons responsible for financial and accounting matters, and of applying analytical and other review procedures. A review is considerably more limited in scope than an audit conducted in accordance with generally accepted auditing standards in Israel, and therefore does not enable us to obtain assurance that we will be aware of all significant matters which might have been identified in an audit. Consequently, we are not expressing an opinion of an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the above financial information is not prepared, in all material respects, in accordance with IAS 34.

In addition to the aforesaid in the previous paragraph, based on our review, nothing has come to our attention which would cause us to believe that the above financial information does not comply, in all material respects, with the disclosure provisions of Chapter D of the Securities Regulations (Periodic and Immediate Reports) - 1970.

**Brightman Almagor Zohar & Co.
Certified Public Accountants
A Firm in the Deloitte Global Network**

Date: May 26, 2021

Tefron Ltd.

Condensed Consolidated Balance Sheets

	As at March 31, 2021	As at March 31, 2020	As at December 31, 2020
	Unaudited	Audited	
	US dollars in thousands		
<u>Current assets</u>			
Cash	4,499	4,783	8,279
Trade receivables, net	49,946	22,138	41,764
Other receivables	3,167	11,242	3,626
Inventory	44,933	23,784	33,759
Total current assets	102,545	61,947	87,428
<u>Non-current assets</u>			
Property, plant and equipment, net	14,402	13,980	13,870
Right of use asset	6,672	(*)1,967	(*)1,417
Goodwill and intangible assets, net	122	121	123
Software, net	2,518	2,090	2,312
Deferred taxes, net	3,051	2,554	3,051
Total non-current assets	26,765	20,712	20,773
Total assets	129,310	82,659	108,201

(*) Reclassified

The accompanying notes are an integral part of the interim consolidated financial statements

Tefron Ltd.

Condensed Consolidated Balance Sheets

	As at		As at
	March 31,		December 31,
	2021	2020	2020
	Unaudited	Audited	Audited
US dollars in thousands			
Current Liabilities			
Credit from banking corporations	32,973	23,480	27,268
A loan from the controlling shareholders	2,000	2,000	2,000
Trade payables	41,417	21,462	36,296
Other payables	8,714	3,860	6,602
Total current liabilities	85,104	50,802	72,166
Non-current liabilities			
Loans from banking corporations	5,559	6,509	5,559
Liabilities for bank options	168	28	168
Liabilities for benefits to employees, net	1,406	1,122	1,368
Long-term payables	6,090	1,919	1,551
Total non-current liabilities	13,223	9,578	8,646
Equity			
Share capital	33,617	33,617	33,617
Additional paid-in capital	99,982	99,898	99,967
Capital reserve for remeasurement of defined benefit plan	(2,260)	(2,080)	(2,260)
Accumulated deficit	(93,200)	(101,798)	(96,718)
Treasury shares	(7,408)	(7,408)	(7,408)
Capital reserve for hedging transactions	(339)	(466)	(381)
Other capital reserves	591	516	572
Total equity	30,983	22,279	27,389
Total liabilities and equity	129,310	82,659	108,201

May 26, 2021

**Date of approval of
the financial statements**

**Arnon Tiberg
Chairman of Board**

**Ben Lieberman
CEO**

**Gregory Davidson
CFO**

The accompanying notes are an integral part of the interim consolidated financial statements

Tefron Ltd.

Condensed Consolidated Statements of Income

	For the three months ended March 31,		For the year ended December 31
	2021	2020	2020
	Unaudited	Audited	
US dollars in thousands (excluding data on loss per share)			
Sales	57,905	34,636	180,000
Cost of sales	<u>44,715</u>	<u>28,824</u>	<u>145,693</u>
Gross profit	13,190	5,812	34,307
Development expenses	1,256	624	2,816
Selling and marketing expenses	6,225	3,956	18,991
General and administrative expenses	887	998	3,438
Other expenses (income)	<u>-</u>	<u>(6)</u>	<u>451</u>
Operating profit	<u>4,822</u>	<u>240</u>	<u>8,611</u>
Financing income	86	75	380
Financing expenses	<u>(637)</u>	<u>(635)</u>	<u>(2,907)</u>
Financing expenses, net	<u>(551)</u>	<u>(560)</u>	<u>(2,527)</u>
Income (loss) before taxes on income	4,271	(320)	6,084
Taxes on income	<u>(753)</u>	<u>(200)</u>	<u>(1,524)</u>
Net income (loss)	<u>3,518</u>	<u>(520)</u>	<u>4,560</u>

Income (loss) per share (in dollars)

Basic earnings (loss) per share	0.30	(0.04)	0.38
Diluted earnings (loss) per share	<u>0.29</u>	<u>(0.04)</u>	<u>0.38</u>

The accompanying notes are an integral part of the interim consolidated financial statements

Tefron Ltd.

Condensed Consolidated Statements of Comprehensive Income

	For the three months ended March 31		For the year ended December 31
	2021	2020	2020
	Unaudited	Audited	US dollars in thousands
Net income (loss)	3,518	(520)	4,560
Other comprehensive income (loss) (after the effect of the tax):			
<u>Amounts that will not be reclassified thereafter to the statements of income:</u>			
Loss from remeasurement of a defined benefit plan	-	-	(180)
Subtotal of items that will not be reclassified thereafter to the statements of income	-	-	(180)
<u>Amounts that will be reclassified or are reclassified to the statements of income provided that specific terms are met:</u>			
Unrealized gain on cash flow hedges	16	89	54
Unrealized loss (gain) due to interest rate swap transaction	26	(262)	(142)
Total items that shall be reclassified or are reclassified to the statements of income	42	(173)	(88)
Total other comprehensive income (loss)	42	(173)	(268)
Total comprehensive income (loss) attributable to the Company's shareholders	3,560	(693)	4,292

The accompanying notes are an integral part of the interim consolidated financial statements

Tefron Ltd.

Condensed Consolidated Statements of Changes in Shareholders' Equity

	Share capital	Additional paid in capital	Reserve for actuarial losses	Accum. deficit	Treasury shares	Capital reserve for hedging transactions	Other capital reserves	Total Equity
Unaudited								
US dollars in thousands								
Balance as at January 1, 2021 (audited)	33,617	99,967	(2,260)	(96,718)	(7,408)	(381)	572	27,389
Net income	-	-	-	3,518	-	-	-	3,518
Total other comprehensive income	-	-	-	-	-	42	-	42
Share based payment to employees and consultants	-	15	-	-	-	-	-	15
Benefit from a controlling shareholder	-	-	-	-	-	-	19	19
Balance as at March 31, 2021	33,617	99,982	(2,260)	(93,200)	(7,408)	(339)	591	30,983
	Share capital	Additional paid in capital	Reserve for actuarial losses	Accum. deficit	Treasury shares	Capital reserve for hedging transactions	Other capital reserves	Total Equity
Unaudited								
US dollars in thousands								
Balance as at January 1, 2020 (audited)	33,617	99,866	(2,080)	(101,278)	(7,408)	(293)	497	22,921
Loss	-	-	-	(520)	-	-	-	(520)
Total other comprehensive loss	-	-	-	-	-	(173)	-	(173)
Share based payment to employees and consultants	-	32	-	-	-	-	-	32
Benefit from a controlling shareholder	-	-	-	-	-	-	19	19
Balance as at March 31, 2020	33,617	99,898	(2,080)	(101,798)	(7,408)	(466)	516	22,279

The accompanying notes are an integral part of the interim consolidated financial statements

Tefron Ltd.

Condensed Consolidated Statements of Changes in Shareholders' Equity

Relating to the Company's shareholders								
	Share capital	Additional paid in capital	Reserve for actuarial losses	Accum. deficit	Treasury shares	Capital reserve for hedging transactions	Other capital reserves	
	US dollars in thousands							
Balance as at January 1, 2020	33,617	99,866	(2,080)	(101,278)	(7,408)	(293)	497	22,921
Net income	-	-	-	4,560	-	-	-	4,560
Total other comprehensive loss	-	-	(180)	-	-	(88)	-	(268)
Share based payment to employees and consultants	-	101	-	-	-	-	-	101
Benefit from a controlling shareholder	-	-	-	-	-	-	75	75
Balance as at December 31, 2020	33,617	99,967	(2,260)	(96,718)	(7,408)	(381)	572	27,389

The accompanying notes are an integral part of the interim consolidated financial statements

Tefron Ltd.

Condensed Consolidated Statements of Cash Flows

	For the three months ended March 31,		For the year ended December 31
	2021	2020	2020
	Unaudited	Audited	US dollars in thousands
<u>Cash flows from operating activities:</u>			
Net income (loss)	3,518	(520)	4,560
Adjustments required to present cash flows from operating activities:			
Adjustments to statement of income items:			
Depreciation and amortization of fixed assets and intangible assets	899	814	4,349
Capital gain on sale of fixed assets	-	(6)	(13)
Benefit from a controlling shareholder	19	19	75
Cost of share-based payment	15	32	101
Loss due to impairment of slow inventory	208	111	761
	<u>1,141</u>	<u>970</u>	<u>5,273</u>
Change in deferred taxes, net	-	200	(297)
Change in liabilities for benefits to employees, net	38	(66)	-
Change in fair value of a liability for bank options	-	-	140
Taxes on income	(68)	2	82
Financing expenses, net	653	457	1,401
	<u>623</u>	<u>593</u>	<u>1,326</u>
Changes in assets and liabilities items:			
Decrease (increase) in trade receivables	(8,182)	7,703	(11,923)
Decrease (increase) in other receivables	475	(6,989)	592
Decrease (increase) in inventory	(11,382)	6,073	(4,552)
Increase (decrease) in trade payables	4,615	(7,018)	7,387
Increase (decrease) in other payables	1,035	(410)	2,391
	<u>(13,439)</u>	<u>(641)</u>	<u>(6,105)</u>
Cash paid and received during the period for:			
Interest paid	(616)	(434)	(1,320)
Taxes paid	(15)	(2)	(235)
Taxes received	83	-	153
	<u>(548)</u>	<u>(436)</u>	<u>(1,402)</u>
Net cash provided from (used for) operating activities	<u>(8,705)</u>	<u>(34)</u>	<u>3,652</u>

The accompanying notes are an integral part of the interim consolidated financial statements

Tefron Ltd.

Condensed Consolidated Statements of Cash Flows

	For the three months ended March 31,		For the year ended December 31
	2021	2020	2020
	Unaudited	Audited	US dollars in thousands
<u>Cash flows from investing activities</u>			
Purchase of property, plant and equipment and intangible assets	(98)	(106)	(2,133)
Purchase of software	(325)	(145)	(721)
Proceeds from disposal of fixed assets	-	17	17
Obtaining control	-	-	102
Net cash used for investing activities	<u>(423)</u>	<u>(234)</u>	<u>(2,735)</u>
<u>Cash flows from financing activities:</u>			
Short term bank credit, net	5,705	1,358	4,196
Repayment of long-term credit for fixed assets	-	-	(75)
Repayment of lease liability	(357)	(161)	(613)
Net cash provided from financing activities	<u>5,348</u>	<u>1,197</u>	<u>3,508</u>
Increase (decrease) in cash and cash equivalents	(3,780)	929	4,425
Cash and cash equivalents at beginning of period	8,279	3,854	3,854
Cash and cash equivalents at end of period	<u>4,499</u>	<u>4,783</u>	<u>8,279</u>

Appendix a – Significant non-cash transactions

Purchase of fixed assets on credit	<u>892</u>	-	<u>632</u>
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The accompanying notes are an integral part of the interim consolidated financial statements

Note 1 - General

- a. These financial statements were prepared in a condensed form as at March 31, 2021 and for the three months period then ended (hereinafter - "interim consolidated financial statements"). These statements should be read together with Tefron Ltd.'s (hereinafter: "the Company") annual financial statements as at December 31, 2020 and for the year then ended, and the notes accompanying them (hereinafter: "annual financial statements").
- b. The Company did not include separate financial information in the interim financial statements in accordance with Regulation 38d of the Securities Regulations ("Periodic and Immediate Reports"), 1970, since it believes that including such information shall not carry with it any additional material information to the investor.

Note 2 - Significant accounting principles

a. Basis for the preparation of the financial statements

The interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 - "Financial Reporting for Interim Periods", and in accordance with the disclosure requirements of Chapter D of the Securities Regulations (Periodic and Immediate Reports) 1970.

During the preparation of these interim financial statements, the Group implemented accounting policies, presentation rules and calculation methods identical to those applied in its financial statements as at December 31, 2020, and for the year then ended.

b. Taxes on income in interim financial reports

The tax expenses (income) for the presented periods include the total current taxes, taxes in respect of previous years as well as the total change in the balances of deferred taxes.

Current tax expenses (income) in interim periods are accrued using the average effective annual income tax rate. For the purpose of calculating the effective income tax rate, tax losses for which deferred tax assets were not recognized, which are expected to reduce the tax liability in the reporting year, are deducted.

Note 3 – Amendments to standards which have been published and are not in effect, and were not adopted early by the Group, which are expected or likely to have an effect on future periods

Amendment IAS 1 "Presentation of Financial Statements" (concerning the classification of liabilities as current or non-current)

The amendment clarifies that the classification of liabilities as current or non-current is based on the existing rights at the end of the reporting period and is not affected by the entity's estimation concerning the exercise of this right.

The amendment removed the reference to the existence of an unconditional right and clarified that if the right to defer the settlement is contingent on financial covenants, the right exists if the entity meets the criteria set at the end of the reporting period, even if the examination of whether the covenants are met, is done by the lender at a later date.

In addition, as part of the amendment, a definition has been added to the term "disposal" in order to clarify that disposal can be a transfer of cash, goods and services or equity instruments of the entity itself to the opposite party. In this context, it has been clarified that if the terms of a liability that

Note 3 – Amendments to standards which have been published and are not in effect, and were not adopted early by the Group, which are expected or likely to have an effect on future periods (Cont.)

Amendment IAS 1 "Presentation of Financial Statements" (concerning the classification of liabilities as current or non-current) (Cont.)

could, at the option of the counterparty, result in its settlement by a transfer of the entity's own equity instruments, and if such option is recognized separately as equity in accordance with IAS 32 "Financial Instruments: Presentation", the aforementioned terms would not affect the classification of the liability as current or non-current.

The amendment only affects the classification of liabilities as current or non-current in the balance sheet and not on the amount or timing of the recognition of those liabilities or the income and expenses related thereto.

The amendment will be applied retrospectively for annual reporting periods beginning on or after January 1, 2023. Early application is possible.

Note 4 – Significant events during the period of the report and thereafter

a. Exiting a joint operation and obtaining control

On March 14, 2021, an agreement was signed between the Company (the Company itself and through a wholly owned subsidiary in Jordan) (hereinafter: "the subsidiary") and a company incorporated in Jordan (hereinafter: "the partner" and "the agreement"), which together with the subsidiary holds equal parts of the company incorporated in Jordan, which engages in local production in Jordan of products made by the seamless technology, exclusively for the Company, C&T FOR PIECE WORKS PRIVATE SHAREHOLDING COMPANY LTD (hereinafter: "the joint company"). Pursuant to the agreement, the Company, through the subsidiary, purchases, as at December 31, 2020, the entire holdings of the partner in the joint company in exchange for the par value of the acquired shares. Accordingly, at the date of the transfer of the partner's shares in the joint company to the subsidiary, a total of 25,000 Jordanian dinars will be paid to the partner, a sum equivalent to US 35,000 dollars.

In addition, the parties agreed that the joint company will continue to lease from the partner the property in Jordan which is owned by it, and is used by the joint company's plant, until December 31, 2025.

The engagement in the agreement was carried out in light of the partner's willingness to sell its holdings to the Company in exchange for the par value of its shares and in light of the Company's wishes to receive the entire holdings of the joint company which produces products exclusively for the Company's customers.

Regarding the implications of the said agreement, see Note 26a to the annual financial statements as at December 31, 2020.

Note 4 – Significant events during the period of the report and thereafter (Cont.)

b. Allocation of options to employee and directors

On March 18, 2021, the Company's Board of Directors decided, after receiving the approval of the Company's Remuneration Committee, to allocate 585,000 non-tradeable options to 20 of the Company's employees (hereinafter: "the options" and "the offerees"), exercisable for up to 585,000 ordinary shares of NIS 10 par value each (hereinafter: "the exercise shares"), in accordance with the "cashless" method. The economic value of each option offered to the offerees (in an average calculation of the three series) is NIS 4.6.

Subsequent to the date of the report, on May 5, 2021, these options were allocated to the offerees without consideration as part of the offerees' remuneration in respect of their position in the Company. The exercise price of each option determined by the Company's Board is NIS 7.07.

The offerees will be entitled to exercise the options in 3 series, exercisable for a period of five years each one (hereinafter: the "exercise period"), as of the following dates and in accordance with the principles set out below:

- First series – 195,000 options exercisable for up to 195,000 ordinary shares of the Company of NIS 10 par value each as of March 17, 2022 and until March 16, 2027.
- Second series – 195,000 options exercisable for up to 195,000 ordinary shares of the Company of NIS 10 par value each as of March 17, 2023 and until March 16, 2028.
- Third series – 195,000 options exercisable for up to 195,000 ordinary shares of the Company of NIS 10 par value each as of March 17, 2024 and until March 16, 2029.

c. Exercising options

Subsequent to the date of the report, on April 20, 2021, Bank Hapoalim Ltd exercised 71,400 option warrants granted to him in a cashless exercise, and accordingly it was granted 54,136 options of the Company.

d. Amendment to the financing agreement with HSBC

Subsequent to the date of the report, on April 22, 2021, the signing of an amendment to the financing agreement of the Company with the bank that finances its operations, HSBC, was completed (hereinafter: "**the financing agreement**", "**the amendment**" and "**the bank**", respectively). The principles of the amendment are as follows:

- a. Increasing the line of credit provided by the bank to Tefron Canada Ltd., a Canadian subsidiary wholly owned by the Company (hereinafter: "Tefron Canada"), from the amount of US\$ 25,000,000, as stipulated in the agreement, to the amount of US\$ 35,000,000 (hereinafter: "the line of credit").
- b. Adjusting the designated credit line of Tefron Canada in such a way that against it Tefron Israel would be provided with back-to-back credit through HSBC Israel, for long-term loan repayments (which is part of this credit line) carried out as of the date of the long-term loan so that it shall stand at US\$ 10,000,000, while reducing the required guarantee from EDC to secure this credit line to a sum of US\$ 5,000,000. This credit line is in addition to the line of credit mentioned in section a above. In this context, the Company's obligation in the financing

Note 4 – Significant events during the period of the report and thereafter (Cont.)

d. Amendment to the financing agreement with HSBC (Cont.)

b. (Cont.)

agreement to accelerate the repayment of the long-term loan in any case where there is a free cash flow was cancelled.

c. The interest on the financing will be variable interest, which will include a margin above the base interest rate, such as LIBOR or prime as detailed as follows:

When R represents the ratio of debt to EBITDA:	Percentage of margin according to the financing agreement	Percentage of margin according to the amendment
$R \leq 1.50$	1.25% - 2.25%	0.5%-1.5%
$1.50 < R \leq 2.00$	1.5% - 2.5%	0.75%-1.75%
$2.00 < R \leq 3.00$	1.75% - 2.75%	1%-2%
$R > 3.00$	2% - 3%	1.25%-2.25%

d. The financial covenant relating to debt service cover ratio was amended to at least 1.20 times (*in lieu* of 1.25 times as set forth in the financing agreement).

e. The parties have reached an agreement regarding the base interest rate formula that will replace the LIBOR interest rate once the global use of this interest rate ceases. In general, the base interest rate formula will be the one that will be used as the standard interest rate that replaces the LIBOR interest rate in the bank.

In addition, on April 27, 2021, the signing of the amendment to the addendum to the Company's financing agreement with the Bank dated February 21, 2019 was completed. Pursuant to the amendment, the bank increased the additional line of credit provided as part of the addendum to finance advance receipts intended to be received from the customer Walmart, from an amount of up to US\$ 5,000,000 to an amount of up to US\$ 7,000,000.

As at March 31, 2021, the Company met all of the financial covenants stipulated in the financing agreement, as detailed as follows:

Debt service cover ratio of at least 1.25 times, was 8.35.

Debt to EBITDA ratio (as defined in the financing agreement) of no more than 3.50 times was 1.76.

e. The Coronavirus

In continuation to Note 26a to the annual financial statements as at December 31, 2020, regarding the impact of the Coronavirus pandemic on the Company, as at the date of the publication of this report and during the reporting period, the Coronavirus and its consequences have had no material impact on the Company's business and the results thereof.

Nevertheless, the pandemic has not come to an end, and at this stage, we are witnessing the process of vaccinating the local and global population against the pandemic, and it is still unclear when this process ends and what will the consequences be on a global perspective. On the other

Note 4 – Significant events during the period of the report and thereafter (Cont.)**e. The Coronavirus (Cont.)**

hand, we are witnessing the development of mutations of the virus and it is too early to assess the consequences thereof. From all of the aforementioned, at this stage, it is difficult to estimate the consequences of the pandemic on the Company, but as long as the trends we have witnessed during this year continue, the Company expects to overcome this global event without significant effects on its results.

Note 5 - Operating segments**a. General**

The information that the Company provides in accordance with the IFRS 8 definitions is based on the available financial information which is reviewed regularly and is used by the Company's CEO who is the Company's chief operating decision maker (CODM), for the purpose of making decisions regarding the resources to be allocated to the segment and in order to evaluate the segment's performance.

Based on the criteria in IFRS 8 for determining reportable operating segments, and the available financial information, which is reviewed regularly by the Company's CEO, the Company has determined that it operates in two reportable operating segments:

- (a) Brands – This segment engages in the design, development, production and marketing of seamless intimate apparel and activewear and leisurewear, which are manufactured in the Company's plants and through subcontractors and are sold to customers with leading brands.
- (b) Retail – This segment engages in the design, development, production and marketing of seamless intimate apparel and activewear and leisurewear which are sold worldwide to customers in the retail market and are characterized by purchasing large quantities of less complex products compared to the products of the brands segment.

b. Reporting in respect of operating segments

	For the three-month period ended March 31, 2021			For the three-month period ended March 31, 2020		
	Brands	Retail	Total	Brands	Retail	Total
	Unaudited			Unaudited		
US dollars in thousands						
Total segment revenues	17,064	40,841	57,905	9,980	24,656	34,636
Direct profit (loss)	2,028	3,783	5,811	(284)	1,624	1,340
Indirect costs	(292)	(697)	(989)	(316)	(784)	(1,100)
Segment results	1,736	3,086	4,822	(600)	840	240
Financing expenses, net			(551)			(560)
Tax expenses			(753)			(200)
Net income (loss)			3,518			(520)

Tefron Ltd.

Notes to the Condensed Consolidated Financial Statements

Note 5 - Operating segments (Cont.)

b. Reporting in respect of operating segments (Cont.)

	For the year ended December 31, 2020			
	Brands	Retail	Adjustments	Total
	US dollars in thousands			
Total segment revenues	54,553	125,447		180,000
Direct profit (loss)	(359)	13,132		12,773
Indirect costs	(2,435)	(1,727)		(4,162)
Segment results	(2,794)	11,405		8,611
Financing expenses, net				(2,527)
Tax expenses				(1,524)
Net income				4,560

c. Regarding splitting revenue from contracts with customers into groups which detail how the nature of the amount, timing and uncertainty of revenue and cash flows are affected by economic factors, see the note related to segments above.

Note 6 - Financial instruments

Fair Value

The carrying amount of cash, trade receivables, other receivables, banks' credit and long-term loans, trade payables and other payables matches or approximates their fair value.