

TEFRON LTD.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF MARCH 31, 2024

(UNAUDITED)

TEFRON LTD.

Condensed Consolidated Financial Statements
as of March 31, 2024

Unaudited

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A Review Report of the Independent Auditor to the shareholders of Tefron Ltd.

Introduction

We have reviewed the accompanying financial information of **Tefron Ltd.** and consolidated companies (hereafter - "the Company"), which includes the condensed consolidated statement of financial position as of March 31, 2024, and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-month period then ended. The Board of Directors and Management are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 "Interim Financial Reporting" and they are also responsible for the preparation of this interim financial information in accordance with Chapter D of Securities Regulations (Periodic and Immediate Reports) - 1970. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of the review

We conducted our review in accordance with Review Standard (Israel) 2410 of the Institute of Certified Public Accountants in Israel "Review of Interim Financial Information Performed by the Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards in Israel and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the abovementioned financial information is not prepared, in all material respects, in accordance with IAS 34. In addition to the statements in the previous paragraph, based on our review, nothing has come to our attention that cause us to believe that the abovementioned financial information does not comply, in all material respects, with the disclosure requirements 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

Haifa, May 26, 2024

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Tefron Ltd.

Condensed Consolidated Balance Sheets

	As of March 31,		As of December 31,
	2024	2023	2023
	Unaudited	Audited	
US dollars in thousands			
ASSETS			
CURRENT ASSETS			
Cash	6,787	9,776	3,321
Trade receivables, net	46,877	33,108	44,797
Other receivables	4,796	5,970	3,734
Inventory	49,254	63,152	55,523
Total current assets	107,714	112,006	107,375
NON-CURRENT ASSETS			
Property, plant and equipment, net	21,666	17,117	20,744
Right-of-use asset, net	5,660	3,947	6,317
Intangible assets, net	8,494	5,036	4,575
Long-term receivables	333	470	342
Deferred taxes, net	482	3,674	1,491
Total non-current assets	36,635	30,244	33,469
Total assets	144,349	142,250	140,844

The notes to the consolidated financial statements are an integral part thereof.

Tefron Ltd.

Condensed Consolidated Balance Sheets

	As of March 31,		As of December 31,			
	2024	2023	2023	2023		
	Unaudited	Audited	US dollars in thousands			
LIABILITIES & EQUITY						
CURRENT LIABILITIES						
Credit from banking corporations	1,457	30,500	7,457			
Trade payables	45,397	34,312	43,274			
Other payables	14,706	8,541	10,829			
Total current liabilities	61,560	73,353	61,560			
NON-CURRENT LIABILITIES						
Loans from banking corporations	7,286	8,743	7,650			
Liabilities for benefits to employees, net	1,315	1,243	1,299			
Long-term payables	8,463	4,861	7,153			
Total non-current liabilities	17,064	14,847	16,102			
EQUITY						
Share capital	35,153	34,995	35,065			
Additional paid-in capital	101,345	101,086	101,201			
Capital reserve for remeasurement of defined benefit plan	(2,299)	(2,257)	(2,299)			
Accumulated deficit	(61,675)	(73,056)	(63,986)			
Treasury shares	(7,408)	(7,408)	(7,408)			
Capital reserve for hedging transactions	-	81	-			
Other capital reserves	609	609	609			
Total equity	65,725	54,050	63,182			
Total liabilities and equity	144,349	142,250	140,844			

May 26, 2024

**Date of approval of
the financial statements**

**Yossi Shachak
Chairman of the Board**

**Ben Lieberman
CEO**

**Gregory Davidson
CFO**

The notes to the consolidated financial statements are an integral part thereof.

Tefron Ltd.

Condensed Consolidated Statements of Income

	For the three months ended March 31,		For the year ended December 31
	2024	2023	2023
	Unaudited	Audited	
US dollars in thousands (excluding data on earnings per share)			
Sales	75,580	54,961	243,463
Cost of sales	<u>57,671</u>	<u>41,950</u>	<u>188,322</u>
Gross profit	17,909	13,011	55,141
Development expenses	1,813	1,414	5,702
Selling and marketing expenses	<u>7,424</u>	<u>6,300</u>	<u>25,116</u>
General and administrative expenses	<u>1,321</u>	<u>1,124</u>	<u>4,779</u>
Operating profit	<u>7,351</u>	<u>4,173</u>	<u>19,544</u>
Financing income	37	82	337
Financing expenses	<u>(1,198)</u>	<u>(1,492)</u>	<u>(5,425)</u>
Financing expenses, net	<u>(1,161)</u>	<u>(1,410)</u>	<u>(5,088)</u>
Income before taxes on income	6,190	2,763	14,456
Taxes on income	<u>(1,884)</u>	<u>(900)</u>	<u>(3,523)</u>
Net income	<u>4,306</u>	<u>1,863</u>	<u>10,933</u>

Income per share (in dollars)

Basic earnings per share	0.35	0.15	0.89
Diluted earnings per share	<u>0.33</u>	<u>0.15</u>	<u>0.85</u>

The notes to the consolidated financial statements are an integral part thereof.

Tefron Ltd.

Condensed Consolidated Statements of Comprehensive Income

	For the three months ended March 31		For the year ended December 31
	2024	2023	2023
	Unaudited	Audited	US dollars in thousands
Net income	4,306	1,863	10,933
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	-	-	(42)
Subtotal of items that will not be reclassified thereafter to the statements of income	-	-	(42)
<u>Amounts that will be reclassified or are reclassified to the statements of income provided that specific terms are met:</u>			
Realized gain on interest rate swap transaction	-	-	(95)
Unrealized loss on interest rate swap transaction	-	(14)	-
Total items that shall be reclassified or are reclassified to the statements of income	-	(14)	(95)
Total other comprehensive loss	-	(14)	(137)
Total comprehensive income attributable to the Company's shareholders	<u>4,306</u>	<u>1,849</u>	<u>10,796</u>

The notes to the consolidated financial statements are an integral part thereof

Tefron Ltd.

Condensed Consolidated Statements of Changes in Shareholders' Equity

	Share capital	Additional paid-in capital	Reserve for actuarial losses	Accumulated deficit	Treasury shares	Capital reserve for hedging transactions	Other capital reserves	Total equity
Unaudited								
US dollars in thousands								
Balance as of January 1, 2024 (audited)	35,065	101,201	(2,299)	(63,986)	(7,408)	-	609	63,182
Net income	-	-	-	4,306	-	-	-	4,306
Issue of shares from the exercise of options	88	(88)	-	-	-	-	-	-
Share based payment to employees and consultants	-	232	-	-	-	-	-	232
Declared dividend	-	-	-	(1,995)	-	-	-	(1,995)
Balance as of March 31, 2024	35,153	101,345	(2,299)	(61,675)	(7,408)	-	609	65,725

	Share capital	Additional paid-in capital	Reserve for actuarial losses	Accumulated deficit	Treasury shares	Capital reserve for hedging transactions	Other capital reserves	Total equity
Unaudited								
US dollars in thousands								
Balance as of January 1, 2023 (audited)	34,995	101,035	(2,257)	(74,919)	(7,408)	95	609	52,150
Net income	-	-	-	1,863	-	-	-	1,863
Total other comprehensive loss	-	-	-	-	-	(14)	-	(14)
Share based payment to employees and consultants	-	51	-	-	-	-	-	51
Balance as of March 31, 2023	34,995	101,086	(2,257)	(73,056)	(7,408)	81	609	54,050

The notes to the consolidated financial statements are an integral part thereof.

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
US dollars in thousands								
<u>Balance as of January 1, 2023</u>	34,995	101,035	(2,257)	(74,919)	(7,408)	95	609	52,150
Net income	-	-	-	10,933	-	-	-	10,933
Total other comprehensive loss	-	-	(42)	-	-	(95)	-	(137)
Issue of shares from the exercise of options	70	(70)	-	-	-	-	-	-
Share based payment to employees and consultants	-	236	-	-	-	-	-	236
<u>Balance as of December 31, 2023</u>	<u>35,065</u>	<u>101,201</u>	<u>(2,299)</u>	<u>(63,986)</u>	<u>(7,408)</u>	<u>-</u>	<u>609</u>	<u>63,182</u>

The notes to the consolidated financial statements are an integral part thereof.

Tefron Ltd.

Condensed Consolidated Statements of Cash Flows

	For the three months ended March 31, <u>2024</u>	For the year ended December 31 <u>2023</u>
	Unaudited	Audited
	US dollars in thousands	
<u>Cash flows from operating activities</u>		
Net income	4,306	1,863
Adjustments required to present cash flows from operating activities:		
Adjustments to statement of income items:		
Depreciation and amortization of fixed assets and intangible assets	1,941	1,558
Cost of share-based payment	379	51
Loss due to impairment of slow inventory	96	306
	<u>2,416</u>	<u>1,915</u>
	-----	-----
Change in deferred taxes, net	1,009	307
Change in liabilities for benefits to employees, net	16	(68)
Recorded lease interest	128	96
Taxes on income paid (received) in cash, net	(62)	478
Interest expenses paid in cash	1,280	1,413
	<u>2,371</u>	<u>2,226</u>
	-----	-----
Changes in assets and liabilities items:		
Decrease (increase) in trade receivables	(2,080)	11,524
Decrease (increase) in other receivables	(1,053)	(1,067)
Decrease in inventory	6,173	7,659
Increase (decrease) in trade payables	2,103	(3,103)
Decrease in other payables	314	(2)
	<u>5,457</u>	<u>15,011</u>
	-----	-----
Cash paid and received during the period for:		
Interest paid	(1,280)	(1,413)
Taxes paid	(4)	(478)
Taxes received	66	-
	<u>(1,218)</u>	<u>(1,891)</u>
	-----	-----
Net cash provided from (used for) operating activities	<u>13,332</u>	<u>19,124</u>
	-----	-----
	<u>46,376</u>	

The notes to the consolidated financial statements are an integral part thereof.

Tefron Ltd.

Condensed Consolidated Statements of Cash Flows

	For the three months ended March 31,		For the year ended December 31
	2024	2023	2023
	Unaudited	Audited	US dollars in thousands
<u>Cash flows from investing activities</u>			
Purchase of fixed assets	(1,648)	(603)	(4,377)
Purchase of intangible assets	(103)	(71)	(248)
Advance payment for acquisition of operations	-	(109)	-
Acquisition of operations (Appendix a)	-	-	(2,047)
Long-term deposits	-	(361)	(342)
Net cash used for investing activities	<u>(1,751)</u>	<u>(1,144)</u>	<u>(7,014)</u>
<u>Cash flows from financing activities:</u>			
Short-term bank credit, net	(6,000)	(15,952)	(38,996)
Receipt of a long-term loan	-	10,200	10,200
Repayment of long-term loans	(364)	(5,143)	(6,236)
Liability payment for the acquisition of operations	(259)	-	-
Repayment of long-term credit for fixed assets	(233)	(236)	(1,301)
Repayment of a lease liability	<u>(1,259)</u>	<u>(763)</u>	<u>(3,398)</u>
Net cash used for financing activities	<u>(8,115)</u>	<u>(11,894)</u>	<u>(39,731)</u>
Increase (decrease) in cash and cash equivalents	3,466	6,086	(369)
Cash and cash equivalents at beginning of period	3,321	3,690	3,690
Cash and cash equivalents at end of period	6,787	9,776	3,321

Appendix a – Acquisition of operations

Inventory	-	-	1,240
Fixed assets	-	-	1,793
Intangible assets	-	-	982
Other payable	-	-	(944)
Long-term payables	-	-	(1,024)
Total cash paid, net	<u>-</u>	<u>-</u>	<u>2,047</u>

The notes to the consolidated financial statements are an integral part thereof.

Note 1 - General

- a. These financial statements were prepared in a condensed form as of March 31, 2024, and for the three-month 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 of December 31, 2023, 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 financial statements in accordance with the provisions of Regulation 5D(6) and Regulation 9C(c) of the Securities Regulations ("Periodic and Immediate Reports"), 1970 since it is a "small corporation", as well as due to the fact the Company believes that the inclusion of such information shall not constitute as 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 of December 31, 2023, 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 accounting and financial reporting standards

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

In 2020, an amendment to IAS 1 was published concerning the classification of liabilities as current or non-current (hereinafter: Amendment 2020). The amendment clarified 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 these rights.

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 .

Note 3 – Amendments to accounting and financial reporting standards (Cont.)

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

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 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.

An additional amendment regarding the classification of obligations with financial covenants was published in October 2022 (hereafter: Amendment 2022), which clarified that only financial covenants that the entity is required to meet before or at the end of the reporting period, affect the entity's right to defer the settlement of an obligation for at least 12 months after the reporting period, even if the examination of whether the covenants are met, is done after the reporting period. On the other hand, financial covenants that an entity is required to meet at a later date than the end of the reporting period do not affect the existence of the aforementioned right at the end of the reporting period.

In addition, Amendment 2022 states that if the entity's right to defer the settlement of the obligation for at least 12 months after the reporting period is subject to the entity meeting financial covenants within 12 months after the reporting period, the entity is required to provide a disclosure that will allow the readers of the financial statements to understand the risk inherent in this.

The other amendments that were published as part of the 2020 Amendment have not changed. The 2020 Amendment and the 2022 Amendment are applicable for annual reporting periods beginning on or after January 1, 2024.

The aforesaid amendment has had no material effect on the Company's interim consolidated financial statements.

International Financial Reporting Standard 18 "Presentation and Disclosure in Financial Statements" ("IFRS 18")

On April 9, 2024, IFRS 18, which replaces International Accounting Standard 1 "Presentation of Financial Statements" ("IAS 1"), was published. The purpose of the standard is to improve the manner in which entities present and disclose information to the users of their financial statements.

The standard focuses on the following:

1. The structure of the income statements – presentation of required totals and subtotals and division to defined categories in the income statements.
2. Requirements regarding improving the aggregation and disaggregation of information in the financial statements and the notes thereto.

Note 3 – Amendments to financial reporting standards (Cont.)

International Financial Reporting Standard 18 “Presentation and Disclosure in Financial Statements” (“IFRS 18”) (Cont.)

3. Presentation of information regarding management-defined performance measures ("MPM") that are not based on accounting standards (non-GAAP measures) in the notes to the financial statements.

In addition, once IFRS 18 is implemented, amendments to additional IFRS standards will enter into force, among others, an amendment to IAS 7 "Statement of Cash Flows", which is designed to improve the comparability between entities. The changes mainly include using the operating profit subtotal as the single starting point for the indirect method of reporting cash flows from operating activities and removing the alternatives for choosing an accounting policy for presenting interest and dividends. In light of this, with the exception of certain cases, interest and dividends received will be included as part of cash flows from investment activities, and on the other hand, interest paid and dividends paid will be included as part of financing activity.

The standard will take effect for annual reporting periods beginning on or after January 1, 2027. The standard is applied retroactively, with specific transition instructions. Early adoption is possible.

The Company is currently examining the impact of IFRS 18 on its financial statements, including the impact of the amendments to additional IFRS standards as a result of the implementation thereof.

Note 4 – Meeting the financial covenants

As of March 31, 2023, the Company met the financial covenants set forth in the financing agreement with the Company's financing bank, RBC (after the merger with HSBC Canada) (hereinafter: "**the financing agreement**" and "**the bank**", respectively), as detailed as follows:

Debt service cover ratio of at least 1.20 times, was 3.21.

Debt to EBITDA ratio (as defined in the financing agreement) of no more than 3.50 times was 0.17.

Note 5 – Significant events during the period of the report and thereafter

a. A statement of claim against the Company:

On February 18, 2024, the Company was presented with a legal claim which was submitted to the District Court in Tel Aviv by REIT 1 Ltd., which leases to the Company the property where the Company is located as a tenant in the Misgav Industrial Park. The claim is in the amount of NIS 3,255,055 (including VAT), in respect of the rent fee differences that REIT 1 Ltd. claims are due to it according to the rental agreement between the parties. Based on its legal advisors, the Company estimates that at this stage, it is impossible to assess the claim's chances. However, at first glance, it seems that the Company has good defense arguments against the claim.

b. Exercising employee and consultant options:

During the reporting period, 50,000 of the Company's employee and consultant options were exercised into 32,575 ordinary shares of the Company. In addition, 43,334 employee and consultant options allocated by the Company expired during the reporting period.

Note 5 – Significant events during the period of the report and thereafter (Cont.)

c. Dividend distribution:

On March 17, 2024, the Company announced, after receiving approval by the Board of Directors, the distribution of a cash dividend to the Company's shareholders in an aggregate amount of US\$ 2 million (US\$ 0.16 per share). Subsequent to the date of the report, on April 9, 2024, the dividend was paid.

d. "Swords of Iron" War:

On October 7, 2023, the "Swords of Iron" war ("the war") began in Israel following a surprise attack by the Hamas organization from Gaza Strip on the State of Israel. Later, additional fighting also developed along the Northern border. As of the report's publication date, the war is still ongoing.

The Houthi threat to the ships of the shipping companies along the Red Sea sailing routes affected the activity of the port of Aqaba in Jordan, as a result, the duration of the arrival of some of the raw materials from the East to Jordan, as well as the delivery of shipments to customers, was extended by approximately 10-14 days. This extension did not materially affect the Company's results. In addition, due to the aforementioned Houthi threat, marine transportation costs gradually increased during the second half of the fourth quarter of 2023 and the first quarter of 2024 until their price tripled compared to the price before the war. With the exception of the above, there are no additional effects due to the war on the supply chain and the Company's costs.

The war has had no material effect on the Company since all the sales and production processes are carried out overseas, with the exception of the development stage, which is mostly carried out in Israel, and which was also not affected by the military operation. Based on the military operation that has been going on until these days, the Company does not expect the events of the war to have a material impact on the Company. Nevertheless, it should be noted that a deterioration into a regional war could affect Israel's relationship with Jordan and the Company's local production in Jordan, something that could have significant effects, particularly in regard to the brands segment.

In the context of the war, it should be noted that on February 9, 2024, the international credit rating company Moody's decided to downgrade Israel's credit rating from A1 to A2 with a negative outlook, when other international credit rating companies downgraded Israel's credit rating forecast and/or placed it on review for a downgrade. In addition, on February 13, 2024, Moody's decided to lower the credit rating of the five largest banks in Israel to a rating of A3 with a negative outlook. The aforementioned downgrade may have various consequences for the Israeli economy, including an increase in the cost of raising capital by the state as well as difficulty in raising capital by the state, harming investors' trust in the Israeli market and, as a result, difficulty in attracting foreign investors to invest in the country and in Israeli companies, damage to the reputation of the state in light of the weakness expressed in the downgrade and damage to the credit rating of the banks in Israel.

The Company estimates that in light of the fact that as of the date of publication of this report, there is still uncertainty regarding whether and how the decision to downgrade the rating will affect the Israeli economy, and considering the fact the Company does not work with the Israeli banking system, the effect of said downgrade will not be material to the Company.

Tefron Ltd.

Notes to the Condensed Consolidated Financial Statements

Note 6 - 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, 2024			For the three-month period ended March 31, 2023		
	Brands	Retail	Total	Brands	Retail	Total
	Unaudited			Unaudited		
	US dollars in thousands			US dollars in thousands		
Total segment revenues from external customers	21,090	54,490	75,580	11,515	43,447	54,962
Direct profit	3,593	5,208	8,801	1,249	4,144	5,393
Indirect costs	(476)	(974)	(1,450)	(330)	(890)	(1,220)
Segment results	3,117	4,234	7,351	919	3,254	4,173
Financing expenses, net			(1,161)			(1,410)
Tax expenses			(1,884)			(900)
Net income			4,306			1,863

Tefron Ltd.
Notes to the Condensed Consolidated Financial Statements

Note 6 - Operating segments (Cont.)

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

	For the year ended December 31, 2023		
	Brands	Retail	Total
	Audited		
US dollars in thousands			
Total segment revenues from external customers	66,701	176,762	243,463
Direct profit	11,527	13,215	24,742
Indirect costs	(1,670)	(3,528)	(5,198)
Segment results	<u>9,857</u>	<u>9,687</u>	<u>19,544</u>
Financing expenses, net			(5,088)
Tax expenses			<u>(3,523)</u>
Net profit			<u>10,933</u>

c. Regarding splitting revenue from contracts with customers into groups that 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 7 - 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.