

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014.

SimiGon Ltd

(“SimiGon” or the “Company”)

Interim Results for the six months ended 30 June 2021

SimiGon Ltd (LSE: SIM), a global leader in providing simulation and training solutions, announces its interim results for the six months ended 30 June 2021 (the “Period”).

Financial Highlights

- Revenues increased by 40% to \$1.89 million (H1 2020: \$1.35 million).
- Gross margin of 67% (H1 2020: 49%).
- Operating expenses increased by 2% to \$1.92 million (H1 2020: \$1.88 million).
- Operating loss decreased by 46% to \$0.66 million (H1 2020: \$1.22 million).
- Net loss decreased by 49% to \$0.65 million (H1 2020: \$1.27 million).
- Basic and diluted loss per share of \$0.01 (H1 2020: loss per share \$0.02).
- Liquid cash and cash equivalent of \$4.81 million as at 30 June 2021.

Operational Highlights

- Continued to support major military flight training programs including:
 - i. United States Air Force (“USAF”), Air Education and Training Command Undergraduate Remotely Piloted Aircraft Training (“URT”)
 - ii. Lockheed Martin's UK Military Flight Training System ("UKMFTS")
 - iii. Strategic European aircrew training customer
 - iv. USAF Air Education and Training Command Blanket Purchase Agreement for Mixed Reality technologies.
- Milestone deliveries for the \$2.3 million contract, from a large international defense electronics company, to design, develop and implement a C-130 virtual maintenance training solution.
- Successful delivery of its Commercial Off the Shelf SIMbox Virtual Reality Aircraft De-icing Simulator to USAF maintenance squadron.
- Successful delivery of Flight Simulation Training Devices (FSTD) for United States Air Force Recruiting Service (AFRS), AIM HIGH Flight Academy.
- Continued R&D efforts to further develop simulation-based training technologies, to better position the Company for new, high growth market opportunities in maintenance and mixed reality training technologies.

Post-report highlights

- SimiGon was re-awarded with a Blanket Purchase Agreement (BPA) from the USAF for the supply of Virtual and Mixed Reality Systems for integrated training devices for a four-year period.
- SimiGon was awarded a one-year support contract for SimiGon’s SIMbox software for the United States Air Force T-6A Level 5 FAA Compliant Flight Training Devices.

Ami Vizer, SimiGon's Chief Executive Officer and Executive Chairman, commented: “We are seeing market progress with contracts and subcontracts that were previously hampered by COVID-19 related program and funding challenges. This recovery has not yet extended fully to our core business of supporting military aircrew training, but we continue to perform and meet programme deliveries, receiving additional program work as we push for improved revenues during the second half of the year.

The Company’s R&D investments in XR, maintenance training and data analytics is expected to position SimiGon for future growth potential together within the Company’s strategic programs and new long-term prospects”.

Legal actions:

On 15 June 2021, the Company announced that it had received the court ruling in relation to the legal action filed by D.D Goldstein Real Estates and Investment Ltd. (“Goldstein”) as announced on January 14, 2020. Goldstein sought prerogative relief concerning resolutions approved at the Company's annual general meeting held on December 30, 2019 regarding the appointment of directors and the determination of their compensation.

The court ruled that Mr. Ami Vizer should be considered a “controlling shareholder” for the purposes of Israeli law, at least from March 2019 (without making a determination for prior periods because it was not relevant to the court ruling). The court also gave an award of costs against the Company in the amount of approximately \$9,000.

The derivative action filed by Goldstein was delayed pending this ruling and the Company estimates that it will now go ahead. The Company continue to intend to vigorously defend against this action and reiterate the disclosures made in this regard in the Company’s audited statutory accounts for the year ended 31 December 2020 (including that no provision has been made for these claims in these consolidated interim financial statements in this regard given the Company’s advice regarding the likelihood of being required to incur material financial obligations).

Coronavirus (COVID-19)

The market is still suffering from the COVID-19 pandemic, disrupting government acquisitions, companies, supply chains and the world economy. Though the Company had not received any cancellation notices from its customers in respect of active purchase orders as a result of COVID-19, the restrictions still imposed in response to the pandemic have slowed the ability of the Company to deliver during the six months ended June 30 2021, and whilst this business has been delayed rather than lost, it is clear that the rate of winning new business opportunities has been negatively impacted.

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Overview

During the Period, the Company achieved successful delivery milestones of its strategic contracts. This includes milestones on the C-130 virtual maintenance training solution, contractor logistics support to the USAF’s URT program, continued support for the UKMFTS and USAF Recruiting Service.

SimiGon’s technologies provides high fidelity training with the added depth perception of Extended Reality (XR). As an integrated all-in-one system with both a native Learning Management System and Virtual Instructor, trainees receive high value, self-paced training, saving end user organizations time and money. Instructors and trainees have the ability to debrief with simulation playback and review automated reports to better understand both their training progress and how they can improve.

Over the Period, the Company's strategic focus was concentrated on three primary areas:

- **Product Support** - Successfully delivering Distributed Learning Solutions to our core strategic partners worldwide. SimiGon, both directly and through its partners, has training sites in North America, Europe, and in the Middle East.
- **New domains** - Expand the utilisation of our SIMbox technology to additional domains. This was successfully achieved by targeting several high opportunity markets: maintenance training providers, commercial equipment operators, as well as training and research labs that utilise SIMbox as part of their research.
- **R&D capabilities** - Improve the technological capabilities of SIMbox technology to enable the growth of the Company. Beyond the expansion of our graphics engine, simulation and learning management system, we have added XR support and XR deliveries.

The R&D efforts in the Period have focused on advancing the Company's maintenance training technologies, improving XR performance for aircrew and maintainers, expanding plug&play capability to all Virtual Reality (VR) and XR headsets, continued development of the Company's simulation software development tools, high fidelity Image Generator and performance tracking with simulation data analytics. This comprehensive solution developed by SimiGon provides an immersive, high fidelity training environment alongside with the ability for organisations to see trainee(s) progression rate and areas of difficulty. This enables the curriculum to be tweaked for better training results. SIMbox technologies are increasing the Company's opportunities and market penetration across military and civilian training markets.

Operational Review

SimiGon's core technology platform, SIMbox, and related support services were developed for large simulation training programmes for the Government and Commercial sectors. Evolving into a training systems integrator, SimiGon's advanced simulation and training solutions accelerate learning via advanced software design, development, implementation and support. Increased operational proficiency is proven to lower safety risks and better prepare operators for real operations, for many domains, including flight, weapons systems, flight line maintenance tasks or deep-sea oil rig operations. Leveraging the robust SIMbox ecosystem, SimiGon and its partners continue to pivot to XR capable simulation-based training content, serving multiple domains and across the hardware spectrum, from tablets and laptops/PCs to high fidelity training devices. SimiGon's strategic, simulation-based training solutions offer flexible licensing models with traditional software licensing or SaaS.

Markets

Virtual Training and Simulation

According to Allied Market Research, the virtual training and simulation market is poised for double digit growth. Valued at \$204.41 billion in 2019, the market is projected to reach \$601.85 billion by 2027, registering a Compound Annual Growth Rate of 13.7% from 2020 to 2027. Virtual training is a cost-effective training methodology where a simulated, virtual environment allows trainees to learn and master new skills and procedures. Virtual training is widely used in military and civilian flight simulation, healthcare training, energy, transportation training, e-learning, digital manufacturing and others.

Aerospace and defense related industry

SimiGon's core market is military aviation, where the Company is a preferred technology supplier to the world's largest military training programs, having won several Government contracts.

The Company's track record of delivering on time and within budget has led to winning multiple military-related contracts around the world, as well as furthering the Company's offerings to existing customers via new programs.

Civilian and Commercial vertical markets

SimiGon's significant capabilities, proven in the defense sector, are being leveraged to pursue new civilian training contracts. SimiGon's civilian training market opportunities range from education, maintenance, safety, energy and other industrial operations skills. The Company's efforts to grow vertical Government and Civilian training are proceeding. The Company recognises the growth potential in XR training solutions and is developing and marketing relevant solutions to support this fundamental shift in the training world.

The global Smart Education and Learning market is projected to grow with a CAGR of 20.3% from 2021 to 2027, according to Market Insight Solutions, and reach \$142 billion by 2027.

ReportLinker.com's Extended Reality Market report, states the global XR market is projected to grow from \$42.55 billion in 2020 to \$333.16 billion by 2025, at a CAGR of 50.9% from 2020 to 2025. This growth will stem from demand for Augmented Reality (AR), Virtual Reality (VR) and Mixed Reality (MR).

User learning experiences are transforming the training industry, as traditional ways of teaching are upended by new technologies. Adaptive learning, Artificial Intelligence (AI) driven simulation-based learning, analytics, blended learning, and collaborative learning, are all part of SimiGon products that are continuously evolving and offer users enhanced learning methodologies and experiences.

The simulation-based learning segment is anticipated to continue its fast pace of growth, enabling professional organisations and educational institutions to virtually experience real world environments for trainees to practice, navigate, explore, and obtain more information through a virtual medium before they start working on real-life tasks. Growing awareness among people and rising popularity of smart education are encouraging solution providers to invest in research and development for creating more reliable, better, and cost-effective solutions.

As an Open System Architecture ("OSA") software framework, SimiGon's ability to integrate with new technologies makes its viable long-term training simulation software fully capable of leveraging the immersive training needs of the XR civilian markets. SimiGon software offers an advanced solution to organisations seeking to teach visual and interactive problem solving in far ranging markets such as civilian aviation, technician training, language training, customer service training and corporate leadership. The Company's technology, experience and personnel, place it in a unique position to take advantage of the cultural shifts democratising learning and training to reach the wider consumer market.

Marketing

SimiGon has recently boosted its digital marketing efforts by creating and posting new informational product videos and other media updates on social media channels on a regular basis. The Company is significantly growing its presence on both LinkedIn and YouTube as well as Instagram, Facebook and Twitter. SimiGon's marketing efforts also include traditional outreach at industry conferences in the US and Europe, monthly trade meetings and participation in smaller direct face to face product demonstrations to select end users.

General

The Company is constantly advancing its disruptive, baseline, commercial off-the-shelf (“COTS”) product with additional top layer applications, content and the capability to reach more end users and vertical markets.

Targeted verticals have common requirements to the defense-related industries, SimiGon’s core market. Specifically, they are highly regulated, require complex and specialised skill training and have zero tolerance for error. SimiGon seeks to increase market share and broaden end user applications for the base line SIMbox software platform in additional domains.

The Company’s subsidiary SimiGon Inc, has also brought on a high ranking retire U.S. Navy advisory board member to help with penetration of the currently untapped U.S. Navy training and simulation market.

Business Model

The Company's long-term strategy is to focus on high value, stable SaaS license contracts and services that provide better revenue and profit visibility, as a result of distributing over the Period in which they are provided rather than inconsistent license sales.

With SaaS-based contracts, the recurring maintenance and support stream is already included in the contract terms. In addition, the Company maintains flexibility with its traditional perpetual license fee model where the Company is paid for both software license and support, as well as providing turnkey solutions for customers and partners as a Prime contractor or Sub-contractor.

Growth Strategy

The Company is focused on organic growth with its existing customer base, offering continuous product developments and services; leveraging its experience and IP developed from existing contracts as a Prime Contractor and Subcontractor to win new business and capture sales in established segments, whilst expanding its core technology’s applicability for new market domains, directly and indirectly.

SimiGon’s scalable, COTS training management system is an ideal solution to address new training domains, requiring little customisation. New projects and markets continue to utilise the product infrastructure and developer tools to create new application content. Once developed, they are leveraged to target the wider market.

In an effort to expand into adjacent markets, SimiGon has recently brought on a high ranking, retired, U.S. Navy advisory board member to help with penetration of the currently untapped U.S. Navy training and simulation market.

SimiGon has recently formed a joint venture with two small companies to compete for placement on the \$25B (Estimated), 15 year, USAF TSA-IV ID/IQ contract. Selection of the SimiGon team would significantly enhance SimiGon future sales prospects and potential overall financial return. Team selections by the USAF should be completed by Q1, 2022.

In addition, SimiGon continues exploring opportunities to acquire businesses that are aligned with the Company’s strategic focus. SimiGon is in the enviable position of having both the financial ability and trust of our key shareholders to make strategic business acquisitions that will help us expand in our key market segments.

Long term contracts

The Company maintained its solid portfolio of long-term partnerships:

- On October 2020, the Company was awarded with an additional \$0.5 million extension to a \$1.8 million contract announced on December 2019, from a large international defense electronics company (“Defense Company”) to design, develop and implement a C-130 Virtual Maintenance Training Solution (the “Contract”). The Contract’s period of performance (excluding 12 months warranty and support) is approximately eighteen (18) months. During the Period, SimiGon has successfully delivered programs milestones.
- Following the successful delivery of two daily used classroom trainers for the Israeli Air Force (IAF) through year 2020 (F16 Virtual Maintenance Trainer and T6A VT trainer) the company is expected to sign follow up contracts for the continued maintenance and support including onsite hardware and software support. Together with the future delivery of C-130 Virtual Maintenance Trainer and the M-346 Advanced Jet Trainer GBTS that used SimiGon technologies, SimiGon is becoming one of the IAF’s primary training technology platform for aircrew and maintenance academy members.
- In August 2021, SimiGon was re-awarded with a Blanket Purchase Agreement (BPA) from the USAF for the supply of Virtual and Mixed Reality Systems for Integrated Training Devices (ITD) (the “Contract”) for a four year period. This follows on from the BPA announced on Aug 22, 2019, in which SimiGon, was awarded with a BPA from the USAF for the supply of Virtual and Mixed Reality Systems. The BPA, had a contract ceiling of \$6 million over a two-year period.
- SimiGon continues its successful support for UKMFTS as a technology and services provider to Lockheed Martin. The Company continues to deliver under this long term contract, now in its ninth year of support, exceeding partner and end user expectations of SimiGon's technologies and performance.
- Ongoing USAF contracts for the continued maintenance and support including onsite hardware and software support for the sixteen SIMbox-based T-6A Level 5 FTDs.
- The Company continues to support and has further expanded its long-term relationship with a major existing European customer that it has been supplying with software and services since 2009.

Financial Performance

Revenue

Revenue for the Period increased by 40% to \$1.89 million, compared to \$1.35 million for the six months ended 30 June 2020 mainly due the increased progress of SimiGon’s performance obligations on the C-130 Virtual Maintenance Training Solution program during the Period as compare to the six months ended 30 June 2020.

Gross margin

Gross profit for the Period was \$1.26 million, as compared to \$0.66 million for the six months ended 30 June 2020. Accordingly, gross margins increase to 67% for the Period as compared to 49% for the six months ended 30 June 2020. The main contributors to the reported increase in gross margin was a change in the cost base of the Company during the Period as, whilst direct salary costs are marginally up, this has been offset by a reduced level of expenditure on hardware required to fulfil contracts.

Operating expenses

Total operating expenses for the Period were broadly in line at \$1.92 million as compared to \$1.88 million in the six months ended 30 June 2020, reflecting the Company’s close cost management practices. The largest component of the Company’s cost base is salary costs, where some inflationary increases in expenditure were offset by savings as some employees departed. The Company had a modest exposure to foreign currency movements which were beneficial during the Period.

The increase in R&D and marketing expenses is part of a strategic decision by the Company to ensure that it continues to be on the front foot with respect to capitalising on the many market opportunities available to the Company whilst also ensuring costs are kept under control. Development of our existing software ensures that we maintain our position as one of the leading providers in the market.

Operating loss

Operating loss for the Period was \$0.66 million, as compared to \$1.22 million for the six months ended 30 June 2020.

Net Loss

The increase in revenues and gross profit following the easing of the pandemic, without increasing the cost base materially, has reduced the net loss for the Period of \$0.65 million compared with \$1.27 million for the six months ended 30 June 2020.

Basic and diluted loss per share

Basic and diluted loss per share was to \$0.01 for the Period as compared to basic and diluted loss per share of \$0.02 for the six months ended 30 June 2020.

liquid cash & trade receivables

As at 30 June 2021 the Company had liquid cash of \$4.81 million as compared to \$4.95 million as at 31 December 2020, with trade receivables of \$0.48 as compared to \$0.96 million as at 31 December 2020.

Assessment of going concern

Despite the uncertainty as to the severity and duration of the COVID-19 global pandemic, and its impact that has been and might be on the Company's operation, the interim financial statements have been prepared on a going concern basis which assumes that the Company will continue its operations for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. In arriving at this determination, the Company has undertaken a thorough review of the Company's cash flow forecast and potential liquidity risks. Cash flow projections have been prepared which show that the Company will have sufficient funds to finance its operations and meet its obligations during the period of at least 12 months from the date of approval of the financial statements.

As part of its ongoing activities to reduce the impact of COVID19 on its financials, on April 15 2021, the Company's subsidiary SimiGon Inc. has received a loan in a total of \$0.24 million from the US Small Business Administration (SBA) as part of their Paycheck Protection Program ("PPP") that helps businesses keep their workforce employed during the COVID-19 crisis. The SBA will forgive loan if all employee retention criteria are met, and the funds are used for eligible expenses. In addition, on February 2021 SimiGon Inc. received a full forgiveness from the SBA for a previous PPP Loan it received on April 15, 2020.

Outlook

SimiGon's long term outlook remains positive despite the lingering effects of the pandemic's disruption to our business. SimiGon technologies are ready to meet military aviation, aircrew and maintainer training requirements. The Company expects to leverage existing training content with heightened XR capable user experiences to provide the pathway to growth and profitability.

The Company looks forward to accelerating past the COVID-19 drag affect to win and support new business, delivering on its vision and business strategy.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	June 30, 2021	December 31, 2020
	Unaudited	Audited
	U.S. dollars in thousands	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	1,831	1,227
Short-term bank deposit	1,081	1,831
Short-term investments	1,898	1,889
Short-term restricted cash	181	-
Trade receivables, net	478	956
Other accounts receivable and prepaid expenses	49	70
	<hr/>	<hr/>
<u>Total</u> current assets	5,518	5,973
	<hr/>	<hr/>
NON-CURRENT ASSETS:		
Restricted cash	50	50
Long-term prepaid expenses	32	27
Property, plant and equipment	21	22
Right-of-use assets	117	260
Goodwill and intangible asset	1,068	1,068
	<hr/>	<hr/>
<u>Total</u> non-current assets	1,288	1,427
	<hr/>	<hr/>
<u>Total</u> assets	6,806	7,400
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CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	June 30, 2021	December 31, 2020
	Unaudited	Audited
	U.S. dollars in thousands	
EQUITY AND LIABILITIES		
CURRENT LIABILITIES:		
Current maturities of Bank Loans	59	34
Trade payables	125	138
Current maturities of lease liabilities	115	242
Deferred revenues	279	72
Other accounts payable and accrued expenses	716	701
<u>Total current liabilities</u>	<u>1,294</u>	<u>1,187</u>
NON-CURRENT LIABILITIES:		
Long term Bank Loan	182	215
Lease liabilities	-	21
Employee benefit liabilities	382	369
Other non-current liabilities	706	713
<u>Total non-current liabilities</u>	<u>1,270</u>	<u>1,318</u>
<u>Total liabilities</u>	<u>2,564</u>	<u>2,505</u>
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY:		
Share capital	125	125
Additional paid-in capital	16,652	16,652
Treasury shares	(105)	(105)
Accumulated deficit	(12,430)	(11,777)
<u>Total equity attributable to equity holders of the Company</u>	<u>4,242</u>	<u>4,895</u>
<u>Total equity</u>	<u>4,242</u>	<u>4,895</u>
<u>Total liabilities and equity</u>	<u>6,806</u>	<u>7,400</u>

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Six months ended		Year ended
	June 30,		December 31,
	2021	2020	2020
	Unaudited		Audited
	U.S. dollars in thousands		
	(except per share data)		
Revenues	1,881	1,349	3,221
Cost of revenues	618	689	1,397
Gross profit	1,263	660	1,824
Operating expenses:			
Research and development	932	861	1,850
Selling and marketing	469	514	1,040
General and administrative	520	502	1,062
<u>Total operating expenses</u>	1,921	1,877	3,952
Operating loss	(658)	(1,217)	(2,128)
Other income	-	3	6
Loss before financial expenses	(658)	(1,214)	(2,122)
Financial income	79	41	168
Financial expenses	74	98	226
Loss	(653)	(1,271)	(2,180)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Six months ended June 30,		Year ended December 31,
	2021	2020	2020
	Unaudited		Audited
	U.S. dollars in thousands (except per share data)		
Loss	(653)	(1,271)	(2,180)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gain (loss) from defined benefit plan	(* -)	(* -)	52
<u>Total comprehensive loss</u>	<u>(653)</u>	<u>(1,271)</u>	<u>(2,128)</u>
Basic and diluted loss per share attributable to equity holders of the Company (in U.S. dollars)	<u>(0.01)</u>	<u>(0.02)</u>	<u>(0.04)</u>
Weighted average number of shares used in computing basic and diluted loss per share (in thousands)	<u>51,022</u>	<u>51,018</u>	<u>51,022</u>

*) Represents less than \$ 1 thousand.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Number of shares	Share capital	Additional paid-in capital	Treasury shares	Accumulated deficit	Total equity
Balance as of January 1, 2021 (audited)	*) 50,863,618	125	16,652	(105)	(11,777)	4,895
Total comprehensive loss	-	-	-	-	(653)	(653)
Share-based compensation	-	-	**)	-	-	**)
Balance as of June 30, 2021 (unaudited)	*) 50,863,618	125	16,652	(105)	(12,430)	4,242
	Number of shares	Share capital	Additional paid-in capital	Treasury shares	Accumulated deficit	Total equity
Balance as of January 1, 2020 (audited)	*) 50,863,618	125	16,651	(105)	(9,649)	7,022
Total comprehensive loss	-	-	-	-	(1,271)	(1,271)
Share-based compensation	-	-	1	-	-	1
Balance as of June 30, 2020 (unaudited)	*) 50,863,618	125	16,652	(105)	(10,920)	5,752
	Number of shares	Share capital	Additional paid-in capital	Treasury shares	Accumulated deficit	Total equity
Balance as of January 1, 2020	*) 50,863,618	125	16,651	(105)	(9,649)	7,022
Total comprehensive loss	-	-	-	-	(2,128)	(2,128)
Share-based compensation	-	-	1	-	-	1
Balance as of December 31, 2020	*) 50,863,618	125	16,652	(105)	(11,777)	4,895

*) Net of 535,571 shares held in treasury.

**)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six months ended June 30,		Year ended December 31,
	2021	2020	2020
	Unaudited		Audited
	U.S. dollars in thousands		
<u>Cash flows from operating activities:</u>			
Loss	(653)	(1,271)	(2,180)
Adjustments to reconcile loss to net cash provided by (used in) operating activities:			
Income and expenses not involving operating cash flows:			
Depreciation and amortization	154	149	328
Financial expenses (income), net	(33)	17	21
Share-based compensation	*) -	1	2
Change in employee benefit liabilities, net	13	7	59
Changes in operating assets and liabilities:			
Decrease in trade receivables	478	796	451
Decrease (increase) in other accounts receivable and prepaid expenses (including long-term)	15	(19)	(33)
Increase (decrease) in trade payables	(13)	(16)	52
Decrease in deferred revenues	207	107	(164)
Increase (decrease) in other accounts payable and accrued expenses	30	(125)	(144)
	<u>851</u>	<u>917</u>	<u>572</u>
Net cash provided by (used in) operating activities	<u>198</u>	<u>(354)</u>	<u>(1,608)</u>

*) Represents less than \$ 1 thousand.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six months ended		Year ended
	June 30,		December 31,
	2021	2020	2020
	Unaudited		Audited
	U.S. dollars in thousands		
<u>Cash flows from investing activities:</u>			
Decrease (increase) in restricted cash, net	(181)	512	511
Decrease (increase) in short-term bank deposits, net	750	(2,088)	(638)
Proceed from sale of property, plant and equipment	-	55	55
Purchase of property, plant and equipment	(10)	(3)	(10)
Net cash provided by (used in) investing activities	559	(1,524)	(82)
<u>Cash flows from financing activities:</u>			
Proceed from bank loan	-	231	234
Repayment of bank loan	(5)	-	-
Repayment of lease liabilities	(148)	(144)	(291)
Net cash provided by (used in) financing activities	(153)	87	(57)
Increase (decrease) in cash and cash equivalents	604	(1,791)	(1,747)
Cash and cash equivalents at beginning of period	1,227	2,974	2,974
Cash and cash equivalents at end of period	1,831	1,183	1,227
<u>(a) Supplemental disclosure of non-cash activities:</u>			
Right-of-use assets and corresponding lease liabilities	-	-	262