

# PowerFleet Reports Fourth Quarter and Full Year 2020 Financial Results

- *Record Annual Revenue of \$113.6 Million and Operating Cash Flow of \$8.8 Million*
- *Quarterly Revenue Up 7% Sequentially to \$29.4 Million, Driving 4% Sequential Increase in High Margin, Recurring and Services Revenue to \$17.3 Million*

WOODCLIFF LAKE, N.J., Feb. 25, 2021 (GLOBE NEWSWIRE) -- [PowerFleet, Inc.](#) (Nasdaq: PWFL), a global leader and provider of subscription-based wireless IoT and M2M solutions for securing, controlling, tracking, and managing high-value enterprise assets, reported results for the fourth quarter and full year ended December 31, 2020.

## Fourth Quarter and Full Year 2020 Financial Highlights

- Total revenue increased 7% sequentially to \$29.4 million.
- Solid gross profit margin of 51.6%, an improvement from 47.4% in Q4 2019.
- High margin, recurring and services revenue increased 4% sequentially to \$17.3 million.
- Generated \$8.8 million of operating cash for the full year of 2020.
- At quarter end, cash and cash equivalents totaled \$18.1 million and \$28.9 million of working capital. Pro forma cash and cash equivalent position, including the net proceeds from the underwritten public offering closed on February 1, 2021, was \$45.0 million.

## Fourth Quarter 2020 and Recent Operational Highlights

- [Selected](#) by Panhandle Transportation Group (PTG) to monitor and remotely manage refrigerated trailers and cargo through PowerFleet's reefer solution, the LV-400.
- [Chosen](#) by Nucor Tubular Products to improve safety, compliance, and utilization by using PowerFleet's telematics solutions.
- [Deployed](#) hundreds of IoT-enabled defibrillators in Israel, which were installed across the country in telephone booths, lottery stalls and supermarkets as part of a \$2 million deployment program.
- [Leveraged](#) Pointer's best-in-class IoT solutions to secure multiple new contracts with companies.
- [Signed](#) a deal with McGuire Transportation, a regional dry van trucking company, to upgrade its trailer management solution for its U.S.-based operations.

## Management Commentary

"The fourth quarter was a solid finish to a very unpredictable 2020," said PowerFleet CEO

Chris Wolfe. “Our continued execution against strategic initiatives, including focus on driving profitable growth, and our leaner cost structure enabled us to deliver 7% sequential topline growth, 4% sequential increase in high margin recurring and services revenue, and improved GAAP and non-GAAP profitability measures for the quarter. These improving financial metrics demonstrate the leverage in our business model and the ongoing benefits from our cost optimization measures, which together helped to produce strong gross margins and \$8.8 million in operating cash for 2020.

“From a sales perspective, we finished the year strong with several new customer wins, a solid backlog of installations, and a robust prospect pipeline entering 2021. We remain encouraged by our growing product portfolio, expanded partnership with Jungheinrich as well as notable new wins, including Kautex, Panhandle Transportation Group, Nucor Tubular, and McGuire Transportation.

“Looking ahead in 2021, end market demand for our dry van, container, and cold chain mobility platforms is steadily improving in North America and we are gaining numerous cold chain and IoT pharma customers in Israel. As the global economy recovers and countries reopen, PowerFleet is well positioned to leverage our enhanced scale, strong balance sheet, and expansive international footprint to effectively compete and win global tenders. We believe these factors will enable PowerFleet to capture an increasing share of the growing, multi-billion-dollar global industrial IoT market.”

#### **Fourth Quarter 2020 Financial Results**

Total revenue was \$29.4 million, compared to \$35.1 million in the same year-ago period. The decrease in revenue was related to the reduction in product revenue from Avis and the impact from COVID-19.

Services revenue was \$17.3 million (58.8% of total revenue), compared to \$18.7 million (53.2% of total revenue) in the same year-ago period. Product revenue was \$12.1 million (41.2% of total revenue), compared to \$16.5 million (46.8% of total revenue) in the same year-ago period.

Gross profit was \$15.2 million (51.6% of total revenue), compared to \$16.6 million (47.4% of total revenue) in the same year-ago period. Service gross profit was \$11.2 million (65.0% of total service revenue), compared to \$11.6 million (62.3% of total service revenue) in the same year-ago period. Product gross profit was \$3.9 million (32.5% of total product revenue), compared to \$5.0 million (30.4% of total product revenue) in the same year-ago period.

Selling, general and administrative expenses were \$13.0 million, compared to \$14.7 million in the same year-ago period. Research and development expenses were \$2.3 million, compared to \$3.0 million in the same year-ago period. The year-over-year decrease in operating expenses reflects the cost savings initiatives implemented in 2020.

Net loss attributable to common stockholders totaled \$3.5 million or \$(0.12) per basic and diluted share (based on 30.2 million weighted average shares outstanding), compared to net loss attributable to common stockholders of \$5.2 million or \$(0.18) per basic and diluted share in the same year-ago period (based on 28.6 million weighted average shares outstanding). The net loss attributable to common shareholders in the fourth quarter of 2020 included \$2.0 million in non-cash expense related to foreign currency translation of debt outstanding in local currency at the company’s Israeli subsidiary. Due to this non-cash

expense as well as additional gains and losses that may not be indicative of PowerFleet's core operating results, the company is supplementing its GAAP results with certain non-GAAP measures, including non-GAAP net income (loss), non-GAAP net income (loss) per basic and diluted share and adjusted EBITDA.

Non-GAAP net income attributable to common stockholders totaled \$2.0 million or \$0.07 per basic and \$0.05 per diluted share (based on 30.2 million weighted average basic shares outstanding and 38.1 million weighted average diluted shares outstanding), an improvement compared to non-GAAP net loss attributable to common stockholders of \$606,000 or \$(0.02) per basic and diluted share (based on 28.6 million weighted average basic and diluted shares outstanding) in the same year-ago period (See the section below titled "Non-GAAP Financial Measures" for more information about non-GAAP net income and its reconciliation to GAAP net income/loss).

Adjusted EBITDA, a non-GAAP metric, totaled \$3.2 million, compared to adjusted EBITDA of \$2.1 million in the same year-ago period (See the section below titled "Non-GAAP Financial Measures" for more information about adjusted EBITDA and its reconciliation to GAAP net income/loss).

At quarter-end, the company had \$18.1 million in cash and cash equivalents. The Company's working capital position at quarter-end was \$28.9 million.

### **Full Year 2020 Financial Results**

Financial results for the full year ended December 31, 2020 include financial results from Pointer Telocation Ltd., which was acquired on October 3, 2019. Financial results for the year ended December 31, 2019 include financial results from I.D. Systems, Inc., and financial results for Pointer Telocation Ltd. for the fourth quarter of 2019.

Total revenue increased to \$113.6 million from \$81.9 million in 2019. Services revenue was \$67.9 million (59.8% of total revenue), compared to \$36.5 million (44.6% of total revenue) in 2019. Product revenue was \$45.7 million (40.2% of total revenue), compared to \$45.4 million (55.4% of total revenue) in 2019.

Gross profit increased to \$59.0 million (52.0% of total revenue) from \$38.4 million (46.8% of total revenue) in 2019. Services gross profit was \$43.6 million (64.2% of services revenue), compared to \$22.9 million (62.8% of services revenue) in 2019. Product gross profit was \$15.4 million (33.8% of product revenue), compared to \$15.4 million (34.0% of product revenue) in 2019.

Selling, general and administrative expenses were \$51.9 million, compared to \$33.1 million in 2019. Research and development expenses were \$10.6 million, compared to \$8.5 million in 2019.

Net loss attributable to common stockholders totaled \$13.6 million or \$(0.46) per basic and diluted share (based on 29.7 million weighted average shares outstanding), compared to net loss of \$12.0 million or \$(0.59) per basic and diluted share in 2019 (based on 20.5 million weighted average shares outstanding). The net loss attributable to common shareholders in the 2020 included \$2.1 million in non-cash expense related to foreign currency translation of debt outstanding in local currency at the company's Israeli subsidiary. Due to this non-cash expense as well as additional gains and losses that may not be indicative of PowerFleet's

core operating results, the company is supplementing its GAAP results with certain non-GAAP measures including non-GAAP net income (loss), non-GAAP net income (loss) per basic and diluted share and adjusted EBITDA.

Non-GAAP net income attributable to common stockholders totaled \$3.7 million or \$0.12 per basic and \$0.10 per diluted share (based on 29.7 million weighted average basic shares outstanding and 37.1 million weighted average diluted shares outstanding), an improvement compared to non-GAAP net loss attributable to common stockholders of \$4.7 million or \$(0.23) per basic and diluted share (based on 20.5 million weighted average basic and diluted shares outstanding) in 2019 (See the section below titled “Non-GAAP Financial Measures” for more information about non-GAAP net income and its reconciliation to GAAP net income/loss).

Adjusted EBITDA, a non-GAAP metric, totaled \$9.1 million compared to adjusted EBITDA of \$3.2 million in 2019 (See the section below titled “Non-GAAP Financial Measures” for more information about adjusted EBITDA and its reconciliation to GAAP net income/loss).

### **Investor Conference Call**

PowerFleet management will discuss these results and business outlook on a conference call today Thursday, February 25 at 8:00 a.m. Eastern time (5:00 a.m. Pacific time).

PowerFleet CEO Chris Wolfe and CFO Ned Mavrommatis will host the call, followed by a question-and-answer session where sell-side analysts and major institutional shareholders can ask questions.

U.S. dial-in: 877-407-0778

International dial-in: 201-689-8565

Passcode: 40007

The conference call will be broadcast simultaneously and available for replay in the investor section of the company’s website at [ir.powerfleet.com](http://ir.powerfleet.com).

If you have any difficulty connecting with the conference call, please contact PowerFleet’s investor relations team at (949) 574-3860.

### **Non-GAAP Financial Measures**

To supplement its financial statements presented in accordance with Generally Accepted Accounting Principles (GAAP), PowerFleet provides certain non-GAAP measures of financial performance. These non-GAAP measures include non-GAAP net income (loss), non-GAAP net income (loss) per basic and diluted share and adjusted EBITDA. Reference to these non-GAAP measures should be considered in addition to results prepared under current accounting standards, but are not a substitute for, or superior to, GAAP results. These non-GAAP measures are provided to enhance investors’ overall understanding of PowerFleet’s current financial performance. Specifically, PowerFleet believes the non-GAAP measures provide useful information to both management and investors by excluding certain expenses, gains and losses that may not be indicative of its core operating results and business outlook. Adjusted EBITDA is not a measure of financial performance or liquidity under GAAP and, accordingly, should not be considered as an alternate to net income or cash flow from operating activities as an indicator of operating performance or liquidity. Because PowerFleet’s method for calculating the non-GAAP measures may differ from other

companies' methods, the non-GAAP measures may not be comparable to similarly titled measures reported by other companies. Reconciliation of all non-GAAP measures included in this press release to the nearest GAAP measures can be found in the financial tables included in this press release.

**PowerFleet, Inc. and Subsidiaries**  
**Reconciliation of GAAP to Adjusted EBITDA Financial Measures**  
(Unaudited)

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2019	2020	2019	2020
Net loss attributable to common stockholders	\$ (5,169,000)	<b>\$ (3,542,000)</b>	\$(12,047,000)	<b>\$(13,606,000)</b>
Dividends on preferred stock	1,084,000	<b>1,177,000</b>	1,084,000	<b>4,599,000</b>
Other (income) expense, net	4,000	<b>109,000</b>	50,000	<b>102,000</b>
Intangible assets amortization expense	1,240,000	<b>1,333,000</b>	1,967,000	<b>5,329,000</b>
Stock-based compensation	801,000	<b>1,064,000</b>	2,533,000	<b>4,142,000</b>
Foreign currency translation	179,000	<b>2,014,000</b>	467,000	<b>1,989,000</b>
Non-cash portion of income tax expense	(680,000)	<b>(149,000)</b>	(680,000)	<b>991,000</b>
Severance expenses related to the acquisition	1,724,000	-	1,724,000	-
Impact of the fair value mark-up of acquired inventory	211,000	-	211,000	<b>124,000</b>
<b>Non-GAAP net income (loss) attributable to common stockholders</b>	<b>\$ (606,000)</b>	<b>\$ 2,006,000</b>	<b>\$ (4,691,000)</b>	<b>\$ 3,670,000</b>
Non-GAAP net income (loss) attributable to common stockholders - basic	\$ (0.02)	\$ 0.07	\$ (0.23)	\$ 0.12
Non-GAAP net income (loss) attributable to common stockholders - diluted	\$ (0.02)	\$ 0.05	\$ (0.23)	\$ 0.10
Weighted average common shares outstanding - basic	28,582,000	30,227,000	20,476,000	29,703,000
Weighted average common shares outstanding - diluted	28,582,000	38,130,000	20,476,000	37,057,000

**PowerFleet, Inc. and Subsidiaries**  
**Reconciliation of GAAP to Non-GAAP Net Income (Loss) Financial Measures**  
**(Unaudited)**

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2019	2020	2019	2020
Net loss attributable to common stockholders	\$(5,169,000)	<b>\$(3,542,000)</b>	\$(12,047,000)	<b>\$(13,606,000)</b>
Non-controlling interest	(18,000)	<b>7,000</b>	(18,000)	<b>(3,000)</b>
Dividends on preferred stock	1,084,000	<b>1,177,000</b>	1,084,000	<b>4,599,000</b>
Interest (income) expense, net	877,000	<b>291,000</b>	823,000	<b>2,276,000</b>
Other (income) expense, net	4,000	<b>109,000</b>	50,000	<b>102,000</b>
Income tax (benefit) expense	(75,000)	<b>(144,000)</b>	(75,000)	<b>1,038,000</b>
Depreciation and amortization	2,042,000	<b>2,266,000</b>	3,341,000	<b>8,425,000</b>
Stock-based compensation	801,000	<b>1,064,000</b>	2,533,000	<b>4,142,000</b>
Foreign currency translation	179,000	<b>2,014,000</b>	467,000	<b>1,989,000</b>
Acquisition-related fees	462,000	-	5,135,000	-
Severance expenses related to the acquisition	1,724,000	-	1,724,000	-
Impact of the fair value mark-up of acquired inventory	211,000	-	211,000	<b>124,000</b>
<b>Adjusted EBITDA</b>	<b>\$ 2,122,000</b>	<b>\$ 3,242,000</b>	<b>\$ 3,228,000</b>	<b>\$ 9,086,000</b>

**About PowerFleet**

PowerFleet<sup>®</sup> Inc. (NASDAQ: PWFL; TASE: PWFL) is a global leader and provider of subscription-based wireless IoT and M2M solutions for securing, controlling, tracking, and managing high-value enterprise assets such as industrial trucks, tractor trailers, containers, cargo, and vehicles and truck fleets. The company is headquartered in Woodcliff Lake, New Jersey, with offices located around the globe. PowerFleet's patented technologies address the needs of organizations to monitor and analyze their assets to increase efficiency and productivity, reduce costs, and improve profitability. Our offerings are sold under the global brands PowerFleet, Pointer, and Cellocator. For more information, please visit [www.powerfleet.com](http://www.powerfleet.com), the content of which does not form a part of this press release.

**Cautionary Note Regarding Forward-Looking Statements**

This press release contains forward-looking statements within the meaning of federal securities laws. Forward-looking statements include statements with respect to PowerFleet's beliefs, plans, goals, objectives, expectations, anticipations, assumptions, estimates, intentions, and future performance, and involve known and unknown risks, uncertainties and other factors, which may be beyond PowerFleet's control, and which may cause its actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. All

statements other than statements of historical fact are statements that could be forward-looking statements. For example, forward-looking statements include statements regarding prospects for additional customers; potential contract values; market forecasts; projections of earnings, revenues, synergies, accretion, or other financial information; emerging new products; and plans, strategies, and objectives of management for future operations, including growing revenue, controlling operating costs, increasing production volumes, and expanding business with core customers. The risks and uncertainties referred to above include, but are not limited to, future economic and business conditions, the ability to recognize the anticipated benefits of the acquisition of Pointer, which may be affected by, among other things, the loss of key customers or reduction in the purchase of products by any such customers, the failure of the market for PowerFleet's products to continue to develop, the possibility that PowerFleet may not be able to integrate successfully the business, operations and employees of I.D. Systems and Pointer, the inability to protect PowerFleet's intellectual property, the inability to manage growth, the effects of competition from a variety of local, regional, national and other providers of wireless solutions, and other risks detailed from time to time in PowerFleet's filings with the Securities and Exchange Commission, including PowerFleet's annual report on Form 10-K for the year ended December 31, 2019. These risks could cause actual results to differ materially from those expressed in any forward-looking statements made by, or on behalf of, PowerFleet. Unless otherwise required by applicable law, PowerFleet assumes no obligation to update the information contained in this press release, and expressly disclaims any obligation to do so, whether a result of new information, future events, or otherwise.

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**PowerFleet, Inc. and Subsidiaries  
 Condensed Consolidated Statements of Operations Data**

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2019	2020	2019	2020
	<b>(Unaudited)</b>		<b>(Unaudited)</b>	
Revenue:				
Products	\$16,462,000	<b>\$12,135,000</b>	\$ 45,416,000	<b>\$ 45,651,000</b>
Services	18,684,000	<b>17,292,000</b>	36,499,000	<b>67,942,000</b>
	<u>35,146,000</u>	<u><b>29,427,000</b></u>	<u>81,915,000</u>	<u><b>113,593,000</b></u>

Cost of revenue:				
Cost of products	11,454,000	<b>8,194,000</b>	29,982,000	<b>30,219,000</b>
Cost of services	7,047,000	<b>6,048,000</b>	13,569,000	<b>24,357,000</b>
	<u>18,501,000</u>	<u><b>14,242,000</b></u>	<u>43,551,000</u>	<u><b>54,576,000</b></u>
Gross Profit	<u>16,645,000</u>	<u><b>15,185,000</b></u>	<u>38,364,000</u>	<u><b>59,017,000</b></u>
Operating expenses:				
Selling, general and administrative expenses	14,724,000	<b>12,973,000</b>	33,148,000	<b>51,878,000</b>
Research and development expenses	3,032,000	<b>2,308,000</b>	8,540,000	<b>10,597,000</b>
Severance expenses related to the acquisition	1,724,000	-	1,724,000	-
Acquisition related expenses	462,000	-	5,135,000	-
	<u>19,942,000</u>	<u><b>15,281,000</b></u>	<u>48,547,000</u>	<u><b>62,475,000</b></u>
Loss from operations	(3,297,000)	<b>(96,000)</b>	(10,183,000)	<b>(3,458,000)</b>
Interest income	15,000	<b>14,000</b>	125,000	<b>55,000</b>
Interest expense	(892,000)	<b>(304,000)</b>	(948,000)	<b>(2,330,000)</b>
Foreign currency translation of debt	-	<b>(2,007,000)</b>	-	<b>(2,137,000)</b>
Other (expense) income, net	(4,000)	<b>(109,000)</b>	(50,000)	<b>(102,000)</b>
Net loss before income taxes	<u>(4,178,000)</u>	<u><b>(2,502,000)</b></u>	<u>(11,056,000)</u>	<u><b>(7,972,000)</b></u>
Income tax benefit (expense)	<u>75,000</u>	<u><b>144,000</b></u>	<u>75,000</u>	<u><b>(1,038,000)</b></u>
Net loss before non-controlling interest	(4,103,000)	<b>(2,358,000)</b>	(10,981,000)	<b>(9,010,000)</b>
Non-controlling interest	18,000	<b>(7,000)</b>	18,000	<b>3,000</b>
Preferred stock dividends	<u>(1,084,000)</u>	<u><b>(1,177,000)</b></u>	<u>(1,084,000)</u>	<u><b>(4,599,000)</b></u>
Net loss attributable to common stockholders	<u>\$ (5,169,000)</u>	<u><b>\$ (3,542,000)</b></u>	<u>\$ (12,047,000)</u>	<u><b>\$ (13,606,000)</b></u>
Net loss per share - basic and diluted	<u>\$ (0.18)</u>	<u><b>\$ (0.12)</b></u>	<u>\$ (0.59)</u>	<u><b>\$ (0.46)</b></u>
Weighted average common shares outstanding - basic				



and diluted	<u>28,582,000</u>	<u><b>30,227,000</b></u>	<u>20,476,000</u>	<u><b>29,703,000</b></u>
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**PowerFleet, Inc. and Subsidiaries**  
**Condensed Consolidated Balance Sheet Data**

	As of December 31,	
	<u>2019*</u>	<u>2020</u>
		<b>(Unaudited)</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 16,395,000	\$ <b>18,127,000</b>
Restricted cash	308,000	<b>308,000</b>
Accounts receivable, net	27,016,000	<b>24,147,000</b>
Inventory, net	16,381,000	<b>12,873,000</b>
Deferred costs - current	3,720,000	<b>3,128,000</b>
Prepaid expenses and other current assets	7,370,000	<b>6,184,000</b>
Total current assets	<u>71,190,000</u>	<u><b>64,767,000</b></u>
Deferred costs - less current portion	4,810,000	<b>2,233,000</b>
Fixed assets, net	8,240,000	<b>8,804,000</b>
Goodwill	89,068,000	<b>83,344,000</b>
Intangible assets, net	36,639,000	<b>31,276,000</b>
Right of use asset	7,024,000	<b>9,700,000</b>
Severance payable fund	3,530,000	<b>4,056,000</b>
Deferred tax asset	-	<b>1,116,000</b>
Other assets	2,532,000	<b>3,115,000</b>
Total assets	<u>\$223,033,000</u>	<u><b>\$208,411,000</b></u>
<b>LIABILITIES</b>		
Current liabilities:		
Short-term bank debt and current maturities of long-term debt	\$ 3,373,000	\$ <b>5,579,000</b>
Convertible note payable	5,000,000	-
Accounts payable and accrued expenses	24,880,000	<b>20,854,000</b>
Deferred revenue - current	7,687,000	<b>6,710,000</b>
Lease liability - current	2,460,000	<b>2,755,000</b>
Total current liabilities	<u>43,400,000</u>	<u><b>35,898,000</b></u>
Long-term debt, less current maturities	26,515,000	<b>23,179,000</b>
Deferred revenue - less current portion	8,544,000	<b>5,826,000</b>
Lease liability - less current portion	4,779,000	<b>7,050,000</b>

Accrued severance payable	4,062,000	<b>4,714,000</b>
Deferred tax liability	3,791,000	-
Other long-term liabilities	369,000	<b>854,000</b>
	<hr/>	<hr/>
Total liabilities	91,460,000	<b>77,521,000</b>
	<hr/>	<hr/>
<b>MEZZANINE EQUITY</b>		
Convertible redeemable Preferred stock: Series A	47,393,000	<b>51,992,000</b>
	<hr/>	<hr/>
<b>STOCKHOLDERS' EQUITY</b>		
	-	-
Total Powerfleet, Inc. stockholders' equity	84,190,000	<b>78,823,000</b>
Non-controlling interest	(10,000)	<b>75,000</b>
Total equity	84,180,000	<b>78,898,000</b>
Total liabilities and stockholders' equity	\$223,033,000	<b>\$208,411,000</b>

\*Derived from audited balance sheet as of December 31, 2019

**PowerFleet, Inc. and Subsidiaries**  
**Condensed Consolidated Statements of Cash Flow Data**

	<u>Year Ended December 31,</u>	
	<u>2019</u>	<u>2020</u>
	<b>(Unaudited)</b>	
<b>Cash flows from operating activities (net of net assets acquired):</b>		
Net loss	\$(12,047,000)	<b>\$(13,606,000)</b>
Adjustments to reconcile net loss to cash (used in) provided by operating activities:		
Non-controlling interest	(18,000)	<b>(3,000)</b>
Preferred Dividends	1,084,000	<b>4,599,000</b>
Inventory reserve	207,000	<b>260,000</b>
Stock based compensation expense	3,794,000	<b>4,258,000</b>
Depreciation and amortization	3,347,000	<b>8,425,000</b>
Right-of-use assets, non-cash lease expense	965,000	<b>2,832,000</b>
Change in contingent consideration	54,000	-
Other non-cash items	(40,000)	<b>24,000</b>
Deferred taxes	-	<b>359,000</b>
Changes in:		
Operating assets and liabilities	(4,615,000)	<b>1,700,000</b>

Net cash (used in) provided by operating activities	<u>(7,269,000)</u>	<u>8,848,000</u>
<b>Cash flows from investing activities:</b>		
Acquisitions, net of cash assumed	(69,005,000)	-
Proceeds from sale of property and equipment	24,000	75,000
Capital expenditures	(1,042,000)	(3,373,000)
Purchases of investments	(99,000)	-
Proceeds from the sale and maturities of investments	<u>4,638,000</u>	<u>-</u>
Net cash used in investing activities	<u>(65,484,000)</u>	<u>(3,298,000)</u>
<b>Cash flows from financing activities:</b>		
Net proceeds from stock offering	46,309,000	4,041,000
Proceeds from convertible note	5,000,000	-
Repayment of convertible note	-	(5,000,000)
Proceeds from long-term-debt	30,000,000	-
Repayment of long-term debt	(2,010,000)	(2,858,000)
Debt issuance costs	(742,000)	-
Short-term bank debt, net	75,000	(262,000)
Proceeds from exercise of stock options	330,000	556,000
Purchase of treasury stock upon vesting of restricted stock	<u>(317,000)</u>	<u>(423,000)</u>
Net cash (used in) provided by financing activities	<u>78,645,000</u>	<u>(3,946,000)</u>
Effect of foreign exchange rate changes on cash and cash equivalents	<u>345,000</u>	<u>128,000</u>
<b>Net increase in cash, cash equivalents and restricted cash</b>	<b>6,237,000</b>	<b>1,732,000</b>
Cash, cash equivalents and restricted cash - beginning of period	<u>10,466,000</u>	<u>16,703,000</u>
<b>Cash, cash equivalents and restricted cash - end of period</b>	<b>\$ 16,703,000</b>	<b>\$ 18,435,000</b>



Source: PowerFleet, Inc.