

CONSOLIDATED BALANCE SHEETS

	As of September 30,		As of December 31,
	2018	2017	2017
	<u>Unaudited</u>		<u>Audited</u>
	<u>In thousands</u>		
<u>Current Assets</u>			
Cash and cash equivalents	\$ 12,871	\$ 12,156	\$ 12,681
Short-term investments	32,051	27,986	30,338
Trade receivables, net	14,826	21,980	30,662
Other accounts receivables	1,857	2,683	2,132
Inventories	28,934	23,144	21,070
	<u>90,539</u>	<u>87,949</u>	<u>96,883</u>
Property, plant and equipment, net	24,406	23,597	25,178
Other long term assets	176	443	49
	<u>24,582</u>	<u>24,040</u>	<u>25,227</u>
	<u>\$115,121</u>	<u>\$111,989</u>	<u>\$ 122,110</u>
<u>Current Liabilities</u>			
Current maturities of loans and capital leases	585	602	614
Trade payables	11,512	12,004	18,036
Other accounts payables	4,662	6,299	5,820
Deferred revenues	1,854	4,816	4,927
	<u>18,613</u>	<u>23,721</u>	<u>29,397</u>
<u>Non-Current Liabilities</u>			
Loans and capital leases	880	1,501	1,370
Deferred revenues	677	1,000	707
Employee benefit liabilities, net	1,035	2,057	1,144
	<u>2,592</u>	<u>4,558</u>	<u>3,221</u>
<u>Shareholder's Equity</u>			
Ordinary shares	10,406	10,399	10,400
Additional paid in capital	178,873	177,193	177,874
Capital reserve due to translation to presentation currency	(3,490)	(3,490)	(3,490)
Capital reserve from hedges	(8)	57	46
Capital reserve from available for sale financial assets	(5)	34	(4)
Capital reserve from share-based payments	9,246	10,413	9,566
Capital reserve from employee benefits	(337)	(81)	(337)
Accumulated deficit	(100,769)	(110,815)	(104,563)
	<u>93,916</u>	<u>83,710</u>	<u>89,492</u>
	<u>\$115,121</u>	<u>\$111,989</u>	<u>\$ 122,110</u>

Consolidated Statements of Profit or Loss and Other Comprehensive Income (Loss)

	Nine months period ended September 30,		Three months period ended September 30,		Year ended December 31,
	2018	2017	2018	2017	2017
	Unaudited				Audited
	In thousands				
Revenues from proprietary products	47,646	50,568	9,454	17,058	79,559
Revenues from distribution	18,612	16,547	5,521	5,860	23,266
Total revenues	66,258	67,115	14,975	22,918	102,825
Cost of revenues from proprietary products	30,506	32,727	7,869	11,509	51,335
Cost of revenues from distribution	15,536	13,930	4,587	4,961	19,402
Total cost of revenues	46,042	46,657	12,456	16,470	70,737
Gross profit	20,216	20,458	2,519	6,448	32,088
Research and development expenses	7,174	10,056	2,323	3,418	11,973
Selling and marketing expenses	2,724	3,133	818	1,021	4,398
General and administrative expenses	6,132	6,270	1,902	2,323	8,273
Other expenses	311	-	-	-	-
Operating income (loss)	3,875	999	(2,524)	(314)	7,444
Financial income	628	266	214	92	500
Financial expenses	(297)	(50)	(84)	(14)	(162)
Income (expense) in respect of currency exchange differences and derivatives instruments, net	334	(479)	3	-	(612)
Income (loss) before taxes	4,540	736	(2,391)	(236)	7,170
Taxes on income	(11)	87	-	-	269
Net Income (loss)	4,551	649	(2,391)	(236)	6,901
Other Comprehensive Income (loss): Items that may be reclassified to profit or loss in subsequent periods:					
Gain (loss) from securities measured at fair value through other comprehensive income	(1)	15	28	3	(23)
Gain (loss) on cash flow hedges	(88)	303	56	(69)	329
Net amounts transferred to the statement of profit or loss for cash flow hedges	34	(219)	27	(103)	(256)
Items that will not be reclassified to profit or loss in subsequent periods:					
Actuarial gain (loss) from defined benefit plans	-	-	-	-	(256)
Total comprehensive income (loss)	\$ 4,496	\$ 748	\$ (2,280)	\$ (405)	\$ 6,695
<u>Income (loss) per share attributable to equity holders of the Company:</u>					
Basic income (loss) per share	\$ 0.11	\$ 0.02	\$ (0.06)	\$ (0.01)	\$ 0.18
Diluted income (loss) per share	\$ 0.11	\$ 0.02	\$ (0.06)	\$ (0.01)	\$ 0.18

	Nine months period Ended		Three months period Ended		Year Ended December 31,
	September, 30		September, 30		2017
	2018	2017	2018	2017	2017
	Unaudited				Audited
	In thousands				
<u>Cash Flows from Operating Activities</u>					
Net income (loss)	\$4,551	\$649	\$(2,391)	\$(236)	\$6,901
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:					
Adjustments to the profit or loss items:					
Depreciation and impairment	2,814	2,648	874	903	3,523
Financial expenses (income), net	(665)	263	(133)	(78)	274
Cost of share-based payment	679	659	294	218	483
Income tax expense (income)	(11)	87	-	-	269
Gain (loss) from sale of property and equipment	70	(49)	-	(4)	(52)
Change in employee benefit liabilities, net	(109)	278	(18)	137	166
	<u>2,778</u>	<u>3,886</u>	<u>1,017</u>	<u>1,176</u>	<u>4,663</u>
Changes in asset and liability items:					
Decrease (increase) in trade receivables, net	15,346	(2,924)	9,929	863	(9,967)
Decrease (increase) in other accounts receivables	(179)	(393)	(16)	(547)	328
Decrease (increase) in inventories	(7,864)	2,450	(1,561)	928	4,524
Decrease (increase) in deferred expenses	522	872	91	(132)	594
Decrease in trade payables	(6,394)	(3,885)	(4,786)	(1,906)	(838)
Increase (decrease) in other accounts payables	(1,117)	716	(141)	(473)	71
Decrease in deferred revenues	(3,860)	(1,691)	(1,286)	(1,238)	(2,930)
	<u>(3,546)</u>	<u>(4,855)</u>	<u>2,230</u>	<u>(2,505)</u>	<u>(8,218)</u>
Cash received (paid) during the year for:					
Interest paid	(42)	(16)	(12)	(7)	(21)
Interest received	451	266	204	117	399
Taxes paid	(17)	(14)	(8)	(4)	(116)
	<u>392</u>	<u>236</u>	<u>184</u>	<u>106</u>	<u>262</u>
<u>Net cash provided by (used in) operating activities</u>	<u>\$4,175</u>	<u>\$(84)</u>	<u>\$1,040</u>	<u>\$(1,459)</u>	<u>\$3,608</u>

	Nine months period Ended September, 30		Three months period Ended September, 30		Year Ended December 31,
	2018	2017	2018	2017	2017
	Unaudited				Audited
In thousands					
<u>Cash Flows from Investing Activities</u>					
Proceeds from sale of (investment in) short term investments, net	\$(1,747)	\$ (9,068)	\$207	\$(12,041)	\$(11,501)
Purchase of property and equipment and intangible assets	(2,033)	(3,407)	(534)	(792)	(4,167)
Proceeds from sale of property and equipment	15	57	-	4	60
Net cash used in investing activities	<u>(3,765)</u>	<u>(12,418)</u>	<u>(327)</u>	<u>(12,829)</u>	<u>(15,608)</u>
<u>Cash Flows from Financing Activities</u>					
Proceeds from exercise of share base payments	6	2	3	1	3
Receipt of long-term loans	-	279	-	279	279
Repayment of long-term loans	(450)	(380)	(149)	(142)	(530)
Proceeds from issuance of ordinary shares, net	-	15,558	-	15,558	15,568
Net cash provided by (used in) financing activities	<u>(444)</u>	<u>15,459</u>	<u>(146)</u>	<u>15,696</u>	<u>15,320</u>
Exchange differences on balances of cash and cash equivalent	<u>224</u>	<u>(769)</u>	<u>(52)</u>	<u>(276)</u>	<u>(607)</u>
Increase in cash and cash equivalents	190	2,188	515	1,132	2,713
<u>Cash and cash equivalents at the beginning of the period</u>	<u>12,681</u>	<u>9,968</u>	<u>12,356</u>	<u>11,024</u>	<u>9,968</u>
<u>Cash and cash equivalents at the end of the period</u>	<u>\$12,871</u>	<u>\$12,156</u>	<u>\$12,871</u>	<u>\$12,156</u>	<u>\$12,681</u>
<u>Significant non-cash transactions</u>					
Purchase of property and equipment through capital lease	-	282	-	-	282
Purchase of property and equipment	<u>\$215</u>	<u>\$398</u>	<u>\$215</u>	<u>\$398</u>	<u>\$1,681</u>

Adjusted EBITDA

	Nine months period ended		Three months period ended		Year ended
	September 30,		September 30,		December 31,
	2018	2017	2018	2017	2017
	Thousands of US dollar				
Net income (loss)	\$ 4,551	\$ 649	\$(2,391)	\$ (236)	\$ 6,901
Income tax expense	(11)	87	-	-	269
Financial expense, net	(331)	(216)	(130)	(78)	(338)
Depreciation and amortization expense	2,814	2,648	874	903	3,523
Share-based compensation charges	679	659	294	218	483
Expense (Income) in respect of translation differences and derivatives instruments, net	(334)	479	(3)	-	612
	\$ 7,368	\$ 4,306	\$(1,356)	\$ 807	\$ 11,450

Adjusted net income

	Nine months period ended		Three months period ended		Year ended
	September 30,		September 30,		December 31,
	2018	2017	2018	2017	2017
	Thousands of US dollar				
Net income (loss)	\$ 4,551	\$ 649	\$(2,391)	\$ (236)	\$ 6,901
Share-based compensation charges	679	659	294	218	483
Adjusted net income (loss)	\$ 5,230	\$ 1,308	\$(2,097)	\$ (18)	\$ 7,384