CONSOLIDATED BALANCE SHEETS

$\begin{tabular}{ c c c c c c } \hline $2018 & $2017 \\ \hline $ In thousands \\ $	CONSOLIDATED BALANCE SHEETS	As of December 31,			
$\begin{array}{c} {\rm Cash and cash equivalents} & \$ 18,093 & \$ 12,681 \\ {\rm Short-term investments} & 32,499 & 30,338 \\ {\rm Trade receivables, net} & 27,674 & 30,662 \\ {\rm Other accounts receivables} & 3,308 & 2,132 \\ {\rm Inventories} & 29,316 & 21,070 \\ \hline 110,890 & 96,883 \\ \hline \\ {\rm Property, plant and equipment, net} & 25,004 & 25,178 \\ {\rm Other long term assets} & 174 & 49 \\ {\rm Deferred taxes} & 2,048 & - \\ \hline & 27,226 & - \\ \hline & 23,509 & - \\ \hline & 29,397 & - \\ \hline & 0,0000 & - \\ $		In thous	sands		
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	Current Assets				
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	Cash and cash equivalents	\$ 18,093			
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	Short-term investments	32,499	30,338		
Inventories $29,316$ 110,890 $21,070$ 96,883Property, plant and equipment, net Other long term assets $25,004$ 174 $25,178$ 49 20 27,226Other long term assets 174 2,048 49 2,048Deferred taxes $2,048$ 2,048 $-$ 27,226Current Liabilities Current maturities of loans and capital leases 562 5,261 614 5,820Current maturities of loans and capital leases 562 4,830 614 4,927Deferred revenues 461 4,927 $4,927$ 23,569 $29,397$ Non-Current Liabilities $23,569$ 29,397 $29,397$ Non-Current Liabilities 716 4,61 $1,370$ 2,171 $3,221$ Charendoder's Equity Ordinary shares $10,409$ 10,409 $10,400$ 4dditional paid in capital net $179,147$ 177,874Capital reserve from sheare-based payments $9,353$ 4,9,566 $9,353$ 4,566 $9,353$ 4,566Capital reserve from share-based payments $9,353$ 4,566 $9,353$ 4,566	Trade receivables, net	27,674	30,662		
Image: property, plant and equipment, netImage: property, plant and equipment, netImage: property, plant and equipment, netOther long term assets17449Deferred taxes2,048-27,22625,227\$ 138,116\$ 122,110Current Liabilities562614Current maturities of loans and capital leases562614Other accounts payables5,2615,820Deferred revenues4614,927Non-Current Liabilities23,56929,397Non-Current Liabilities7161,370Deferred revenues668707Employee benefit liabilities, net7871,144Qrdinary shares10,40910,400Additional paid in capital net179,147177,874Capital reserve due to translation to presentation currency Capital reserve from hedges(3,490)(3,490)Capital reserve from share-based payments9,3539,566Capital reserve from employee benefits4(337)Accumulated deficit(83,024)(104,563)					
Property, plant and equipment, net $25,004$ $25,178$ Other long term assets 174 49 Deferred taxes $2,048$ $ 27,226$ $25,227$ $grade2,048 27,22625,227grade17,28521,210gradeCurrent Liabilities17,285Current payables17,28517,28518,036Other accounts payables5,2615,2615,820Deferred revenues4614,92723,56929,397Non-Current Liabilities716Loans and capital leases7161,370668Deferred revenues668707Employee benefit liabilities, net7871,1442,1713,2213,490Shareholder's Equity0,409Ordinary shares10,40910,40910,400Additional paid in capital net179,147177,874(3,490)Capital reserve from bedges(57)46(3,490)Capital reserve from share-based payments9,3539,3569,356Capital reserve from employee benefits4(337)Accumulated deficit(28,024)(104,563)4$	Inventories		21,070		
Other long term assets17449Deferred taxes $2,048$ $ 27,226$ $25,227$ $\$$ 138,116 $\$$ 122,110Current Liabilities $\$$ Current maturities of loans and capital leases 562 Other accounts payables $5,261$ $5,261$ $5,820$ Deferred revenues 461 $4,927$ $23,569$ $29,397$ Non-Current Liabilities $23,569$ Loans and capital leases 716 $1,74$ 787 $1,144$ $2,171$ $3,221$ Shareholder's Equity $0,409$ Ordinary shares $10,409$ Additional paid in capital net $179,147$ $177,874$ $(3,490)$ Capital reserve from securities measured at fair value through other 34 (4) (3490) Capital reserve from share-based payments $9,353$ $9,566$ 4 Capital reserve from share-based payments $43,024$ $(104,56)$ 4		110,890	96,883		
Deferred taxes $2,048$ - $27,226$ $25,227$ $\$$ 138,116 $\$$ 122,110Current Liabilities $\$$ Current maturities of loans and capital leases 562 Current maturities of loans and capital leases 562 Current counts payables $5,261$ Deferred revenues 461 $4,927$ $23,569$ $29,397$ Non-Current LiabilitiesLoans and capital leases 716 $1,370$ Deferred revenues 668 707 Employee benefit liabilities, net 787 $1,144$ $2,171$ $3,221$ Shareholder's Equity $0,409$ Ordinary shares $10,409$ Additional paid in capital net $179,147$ $177,874$ $(3,490)$ Capital reserve from securities measured at fair value through other comprehensive income 34 (4) $2,353$ Capital reserve from share-based payments $9,353$ $9,566$ 4 Capital reserve from share-based payments 4 34 (4) Capital reserve from share-based payments 4 353 $9,566$ Capital reserve from share-based payments 4337 Accumulated deficit $(83,024)$ $(104,56)$	Property, plant and equipment, net	25,004	25,178		
$\begin{array}{ c c c c c c c c c c c c c c c c c c c$		174	49		
$ \begin{array}{c} \$ 138,116 \\ \hline \$ 122,110 \\ \hline \\ $	Deferred taxes	2,048	-		
$\begin{array}{c} \underline{Current Liabilities} \\ \hline Current maturities of loans and capital leases 562 614 \\ Trade payables 17,285 18,036 \\ Other accounts payables 5,261 5,820 \\ Deferred revenues 461 4,927 \\ \hline 23,569 29,397 \\ \hline Non-Current Liabilities \\ \hline \\ Loans and capital leases 716 1,370 \\ Deferred revenues 668 707 \\ Employee benefit liabilities, net 787 1,144 \\ \hline 2,171 3,221 \\ \hline \\ Shareholder's Equity \\ Ordinary shares 10,409 10,400 \\ Additional paid in capital net 179,147 177,874 \\ \hline \\ Capital reserve due to translation to presentation currency (3,490) (3,490) \\ Capital reserve from share-based payments 9,353 9,566 \\ Capital reserve from share-based payments 4 (337) \\ Accumulated deficit (83,024) (104,563) \\ \hline \end{array}$		27,226	25,227		
Current maturities of loans and capital leases 562 614 Trade payables $17,285$ $18,036$ Other accounts payables $5,261$ $5,820$ Deferred revenues 461 $4,927$ $23,569$ $29,397$ Non-Current Liabilities $23,569$ $29,397$ Loans and capital leases 716 $1,370$ Deferred revenues 668 707 Employee benefit liabilities, net 787 $1,144$ $2,171$ $3,221$ Shareholder's Equity $10,409$ $10,400$ Additional paid in capital net $179,147$ $177,874$ Capital reserve due to translation to presentation currency comprehensive income $(3,490)$ $(3,490)$ Capital reserve from hedges 657 46 Capital reserve from share-based payments $9,353$ $9,566$ Capital reserve from employee benefits 4 (337) Accumulated deficit $(83,024)$ $(104,563)$		\$ 138,116	\$ 122,110		
Trade payables17,28518,036Other accounts payables5,2615,820Deferred revenues4614,92723,56929,397Non-Current Liabilities23,56929,397Loans and capital leases7161,370Deferred revenues668707Employee benefit liabilities, net7871,1442,1713,221Shareholder's Equity10,40910,400Ordinary shares10,40910,400Additional paid in capital net179,147177,874Capital reserve due to translation to presentation currency comprehensive income(3,490)(3,490)Capital reserve from shere-based payments9,3539,566Capital reserve from employee benefits4(337)Accumulated deficit(83,024)(104,563)	Current Liabilities				
Trade payables $17,285$ $18,036$ Other accounts payables $5,261$ $5,820$ Deferred revenues 461 $4,927$ $23,569$ $29,397$ Non-Current Liabilities $23,569$ $29,397$ Loans and capital leases 716 $1,370$ Deferred revenues 668 707 Employee benefit liabilities, net 787 $1,144$ $2,171$ $3,221$ Shareholder's Equity 0 $10,409$ Ordinary shares $10,409$ $10,400$ Additional paid in capital net $179,147$ $177,874$ Capital reserve due to translation to presentation currency comprehensive income $(3,490)$ $(3,490)$ Capital reserve from securities measured at fair value through other comprehensive income 34 (4) Capital reserve from share-based payments $9,353$ $9,566$ Capital reserve from employee benefits 4 (337) Accumulated deficit $(83,024)$ $(104,563)$	Current maturities of loans and capital leases	562	614		
Deferred revenues 461 $4,927$ 23,56929,397Non-Current LiabilitiesLoans and capital leases7161,370Deferred revenues668707Employee benefit liabilities, net7871,1442,1713,221Shareholder's EquityOrdinary shares10,409Additional paid in capital net179,147177,874Capital reserve due to translation to presentation currency(3,490)Capital reserve from hedges(57)46Capital reserve from securities measured at fair value through other comprehensive income9,3539,3539,566Capital reserve from employee benefits4(337)Accumulated deficit(104,563)	Trade payables	17,285	18,036		
Non-Current Liabilities23,56929,397Non-Current Liabilities7161,370Deferred revenues7161,370Employee benefit liabilities, net7871,1442,1713,221Shareholder's Equity10,40910,400Ordinary shares10,40910,400Additional paid in capital net179,147177,874Capital reserve due to translation to presentation currency capital reserve from hedges(57)46Capital reserve from securities measured at fair value through other comprehensive income34(4)Capital reserve from share-based payments9,3539,566Capital reserve from employee benefits4(337)Accumulated deficit(83,024)(104,563)	Other accounts payables	5,261	5,820		
Non-Current LiabilitiesLoans and capital leases7161,370Deferred revenues668707Employee benefit liabilities, net7871,1442,1713,221Shareholder's Equity10,40910,400Additional paid in capital net179,147177,874Capital reserve due to translation to presentation currency(3,490)(3,490)Capital reserve from hedges(57)46Capital reserve from securities measured at fair value through other comprehensive income34(4)Capital reserve from share-based payments9,3539,566Capital reserve from employee benefits4(337)Accumulated deficit(83,024)(104,563)	Deferred revenues	461	4,927		
Loans and capital leases716 $1,370$ Deferred revenues 668 707 Employee benefit liabilities, net 787 $1,144$ $2,171$ $3,221$ Shareholder's Equity $2,171$ $3,221$ Ordinary shares $10,409$ $10,400$ Additional paid in capital net $179,147$ $177,874$ Capital reserve due to translation to presentation currency $(3,490)$ $(3,490)$ Capital reserve from hedges (57) 46 Capital reserve from securities measured at fair value through other comprehensive income 34 (4) Capital reserve from share-based payments $9,353$ $9,566$ Capital reserve from employee benefits 4 (337) Accumulated deficit $(83,024)$ $(104,563)$		23,569	29,397		
Deferred revenues 668 707 Employee benefit liabilities, net 787 $1,144$ $2,171$ $3,221$ Shareholder's Equity $2,171$ $3,221$ Ordinary shares $10,409$ $10,400$ Additional paid in capital net $179,147$ $177,874$ Capital reserve due to translation to presentation currency $(3,490)$ $(3,490)$ Capital reserve from hedges (57) 46 Capital reserve from securities measured at fair value through other comprehensive income 34 (4) Capital reserve from share-based payments $9,353$ $9,566$ Capital reserve from employee benefits 4 (337) Accumulated deficit $(83,024)$ $(104,563)$	Non-Current Liabilities				
Employee benefit liabilities, net 787 $1,144$ $2,171$ $3,221$ Shareholder's Equity Ordinary shares $10,409$ $10,400$ Additional paid in capital net $179,147$ $177,874$ Capital reserve due to translation to presentation currency Capital reserve from hedges $(3,490)$ $(3,490)$ Capital reserve from securities measured at fair value through other comprehensive income 34 (4) Capital reserve from share-based payments $9,353$ $9,566$ Capital reserve from employee benefits 4 (337) Accumulated deficit $(83,024)$ $(104,563)$	Loans and capital leases	716	1,370		
Image: 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1	Deferred revenues	668	707		
Shareholder's Equity Ordinary shares10,40910,400Additional paid in capital net179,147177,874Capital reserve due to translation to presentation currency Capital reserve from hedges(3,490)(3,490)Capital reserve from securities measured at fair value through other comprehensive income34(4)Capital reserve from share-based payments9,3539,566Capital reserve from employee benefits4(337)Accumulated deficit(83,024)(104,563)	Employee benefit liabilities, net	787	1,144		
Ordinary shares10,40910,400Additional paid in capital net179,147177,874Capital reserve due to translation to presentation currency Capital reserve from hedges(3,490)(3,490)Capital reserve from securities measured at fair value through other comprehensive income34(4)Capital reserve from share-based payments9,3539,566Capital reserve from employee benefits4(337)Accumulated deficit(83,024)(104,563)		2,171	3,221		
Additional paid in capital net179,147177,874Capital reserve due to translation to presentation currency Capital reserve from hedges(3,490)(3,490)Capital reserve from securities measured at fair value through other comprehensive income34(4)Capital reserve from share-based payments9,3539,566Capital reserve from employee benefits4(337)Accumulated deficit(83,024)(104,563)	Shareholder's Equity				
Capital reserve due to translation to presentation currency(3,490)Capital reserve from hedges(57)46Capital reserve from securities measured at fair value through other comprehensive income34(4)Capital reserve from share-based payments9,3539,566Capital reserve from employee benefits4(337)Accumulated deficit(83,024)(104,563)	Ordinary shares	10,409	10,400		
Capital reserve due to translation to presentation currency(3,490)Capital reserve from hedges(57)Capital reserve from securities measured at fair value through other comprehensive income34Capital reserve from share-based payments9,353Capital reserve from employee benefits4Capital reserve from employee benefits4(337)(104,563)	Additional paid in capital net	179,147	177,874		
Capital reserve from hedges(57)46Capital reserve from securities measured at fair value through other comprehensive income34(4)Capital reserve from share-based payments9,3539,566Capital reserve from employee benefits4(337)Accumulated deficit(83,024)(104,563)	Capital reserve due to translation to presentation currency	(3,490)	(3,490)		
Capital reserve from securities measured at fair value through other comprehensive income34(4)Capital reserve from share-based payments9,3539,566Capital reserve from employee benefits4(337)Accumulated deficit(83,024)(104,563)			46		
Capital reserve from share-based payments9,3539,566Capital reserve from employee benefits4(337)Accumulated deficit(83,024)(104,563)	Capital reserve from securities measured at fair value through other		(4)		
Capital reserve from employee benefits4(337)Accumulated deficit(83,024)(104,563)	-	9 353	9.566		
Accumulated deficit (83,024) (104,563)					
	· · ·				
112,570 07,472		112,376	89,492		
\$ 138,116 \$ 122,110					

<u>Consolidated Statements of Profit or Loss and Other</u> <u>Comprehensive Income (Loss)</u>

	For the Year Ended December 31,			For the three months ended December 31,				
		2018	2	017		2018	/	2017
			In thousa	nds, except fo	r share an	d per share data		
Revenues from proprietary products	\$	90,784	\$	79,559	\$	43,138	\$	28,991
Revenues from distribution		23,685		23,266		5,073		6,719
Total revenues		114,469		102,825		48,211		35,710
Cost of revenues from proprietary products		52,796		51,335		22,290		18,608
Cost of revenues from distribution		20,201		19,402		4,665		5,472
Total cost of revenues		72,997		70,737		26,955		24,080
Gross profit		41,472		32,088		21,256		11,630
Research and development expenses		9,747		11,973		2,573		1,917
Selling and marketing expenses		3,630		4,398		906		1,265
General and administrative expenses		8,525		8,273		2,393		2,003
Other expense (income)		311		-		-		-
Operating income		19,259		7,444		15,384		6,445
Financial income		820		500		192		234
Financial expenses		(340)		(162)		(43)		(112)
Income (expense) in respect of currency exchange differences and derivatives instruments, net		602		(612)		268		(133)
Income before taxes		20,341		7,170		15,801		6,434
Taxes on income		(1,955)		269		(1,944)		182
Net Income		22,296		6,901		17,745		6,252
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		51		(23)		52		(38)
Gain (loss) on cash flow hedges		(176)		329		(88)		26
Net amounts transferred to the statement of profit or loss for cash flow hedges Items that will not be reclassified to profit or loss in subsequent		70		(256)		36		(37)
periods:								0
Actuarial gain (loss) from defined benefit plans		340		(256)		340		(256)
Deferred taxes Total comprehensive income	\$	(9) 22,572	\$	- 6,695	\$	(9) 18,076	\$	- 5,947
	Ψ	22,372	Ψ	0,075	Ψ	10,070		0,711
Income per share attributable to equity holders of the Company:	¢	0.55	¢	0.10	¢	0.44	¢	0.14
Basic income per share	\$ \$	0.55	\$ \$	0.18	\$\$	0.44	\$ \$	0.16
Diluted income per share	φ	0.35	φ	0.10	φ	0.44	φ	0.10

Consolidated Statements of Cash Flows	For the ye Decemb		Three months period Ended December 31,			
	2018	2017	2018	2017		
		In thou	isands			
Cash Flows from Operating Activities						
Net income	\$ 22,296	\$ 6,901	\$ 17,745	\$ 6,252		
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:						
Adjustments to the profit or loss items:						
Depreciation and amortization	3,703	3,523	889	875		
Financial expenses (income), net	(1,082)	274	(417)	11		
Cost of share-based payment	948	483	269	(176)		
Taxes on income	(1,955)	269	(1,944)	182		
Loss (gain) from sale of property and equipment	55	(52)	(15)	(3)		
Change in employee benefit liabilities, net	(16)	166	93	(112)		
	1,653	4,663	(1,125)	777		
Changes in asset and liability items:						
Decrease (increase) in trade receivables, net	2,311	(9,967)	(13,035)	(7,043)		
Decrease (increase) in other accounts receivables	(1,336)	328	(1,157)	721		
Decrease (increase) in inventories	(8,246)	4,524	(382)	2,074		
Decrease (increase) in deferred expenses	235	594	(287)	(278)		
Increase (decrease) in trade payables	(1,116)	(838)	5,278	3,329		
Increase (decrease) in other accounts payables	(658)	71	459	(645)		
Decrease in deferred revenues	(5,256)	(2,930)	(1,396)	(1,239)		
	(14,066)	(8,218)	(10,520)	(3,081)		
Cash received (paid) during the year for:						
Interest paid	(54)	(21)	(12)	(5)		
Interest received	739	399	288	133		
Taxes paid	(22)	(116)	(5)	(102)		
	663	262	271	26		
Net cash provided by operating activities	\$ 10,546	\$ 3,608	\$ 6,371	\$ 3,974		

Consolidated Statements of Cash Flows	For the ye Decemb		Three months period Ended December 31,			
	2018	2017	2018	2017		
		In thou	isands			
Cash Flows from Investing Activities						
Investment in short term investments, net	\$ (2,322)	\$ (11,501)	\$ (575)	\$ (2,433)		
Purchase of property and equipment and intangible						
assets	(2,884)	(4,167)	(851)	(1,042)		
Proceeds from sale of property and equipment	30	60	15	3		
Net cash used in investing activities	(5,176)	(15,608)	(1,411)	(3,472)		
Cash Flows from Financing Activities						
Proceeds from exercise of share base payments	9	3	3	1		
Receipt of long-term loans	_	279	-	_		
Repayment of long-term loans	(596)	(530)	(146)	(150)		
Proceeds from issuance of ordinary shares, net	-	15,568	-	10		
Net cash provided by (used in) financing activities	(587)	15,320	(143)	(139)		
Exchange differences on balances of cash and cash						
equivalent	629	(607)	405	162		
Increase in cash and cash equivalents	5,412	2,713	5,222	525		
Cash and cash equivalents at the beginning of the year	12,681	9,968	12,871	12,156		
Cash and cash equivalents at the end of the year	\$ 18,093	\$ 12,681	\$ 18,093	\$ 12,681		
Significant non-cash transactions						
Purchase of property and equipment through capital lease		282				
Purchase of property and equipment	\$ 852	\$ 1,681	\$ 852	\$ 1,681		

Adjusted EBITDA

	For the year ended December 31,				Three months period ended December 31,					
	2018 2017		2018		2017 2018		2018		2	017
				In thousar	nds					
Net income	\$	22,296	\$	6,901	\$	17,745	\$	6,252		
Taxes on income		(1,955)		269		(1,944)		182		
Financial income, net		(480)		(338)		(149)		(122)		
Depreciation and amortization		3,703		3,523		889		875		
Share-based compensation charges Expense (income) in respect of translation differences and derivatives		948		483		269		(176)		
instruments, net		(602)		612		(268)		133		
Adjusted EBITDA	\$	23,910	\$	11,450	\$	16,542	\$	7,144		

Adjusted net income

		For the year ended December 31,				Three months period ended				
						December 31,				
		2018 2017			2	018	2017			
		In thousands								
Net income	\$	22,296	\$	6,901	\$	17,745	\$	6,252		
Share-based compensation charges		948		483		269		(176)		
Adjusted net income	\$	23,244	\$	7,384	\$	18,014	\$	6,076		