

**CONSOLIDATED BALANCE SHEETS**

	As of December 31,	
	2018	2017
	In thousands	
<b><u>Current Assets</u></b>		
Cash and cash equivalents	\$ 18,093	\$ 12,681
Short-term investments	32,499	30,338
Trade receivables, net	27,674	30,662
Other accounts receivables	3,308	2,132
Inventories	29,316	21,070
	<u>110,890</u>	<u>96,883</u>
Property, plant and equipment, net	25,004	25,178
Other long term assets	174	49
Deferred taxes	2,048	-
	<u>27,226</u>	<u>25,227</u>
	<u>\$ 138,116</u>	<u>\$ 122,110</u>
<b><u>Current Liabilities</u></b>		
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
	<u>23,569</u>	<u>29,397</u>
<b><u>Non-Current Liabilities</u></b>		
Loans and capital leases	716	1,370
Deferred revenues	668	707
Employee benefit liabilities, net	787	1,144
	<u>2,171</u>	<u>3,221</u>
<b><u>Shareholder's Equity</u></b>		
Ordinary shares	10,409	10,400
Additional paid in capital net	179,147	177,874
		(3,490)
Capital reserve due to translation to presentation currency	(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)
	<u>112,376</u>	<u>89,492</u>
	<u>\$ 138,116</u>	<u>\$ 122,110</u>

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

	For the Year Ended December 31,		For the three months ended December 31,	
	2018	2017	2018	2017
	In thousands, except for share and 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	70	(256)	36	(37)
Items that will not be reclassified to profit or loss in subsequent periods:				0
Actuarial gain (loss) from defined benefit plans	340	(256)	340	(256)
Deferred taxes	(9)	-	(9)	-
Total comprehensive income	\$ 22,572	\$ 6,695	\$ 18,076	\$ 5,947
<u>Income per share attributable to equity holders of the Company:</u>				
Basic income per share	\$ 0.55	\$ 0.18	\$ 0.44	\$ 0.16
Diluted income per share	\$ 0.55	\$ 0.18	\$ 0.44	\$ 0.16

**Consolidated Statements of Cash Flows**

	For the year ended		Three months period Ended	
	December 31,		December 31,	
	2018	2017	2018	2017
	In thousands			
<u>Cash Flows from Operating Activities</u>				
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)
	<u>1,653</u>	<u>4,663</u>	<u>(1,125)</u>	<u>777</u>
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)
	<u>(14,066)</u>	<u>(8,218)</u>	<u>(10,520)</u>	<u>(3,081)</u>
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)
	<u>663</u>	<u>262</u>	<u>271</u>	<u>26</u>
<u>Net cash provided by operating activities</u>	<u>\$ 10,546</u>	<u>\$ 3,608</u>	<u>\$ 6,371</u>	<u>\$ 3,974</u>

**Consolidated Statements of Cash Flows**

	For the year ended December 31,		Three months period Ended December 31,	
	2018	2017	2018	2017
	In thousands			
<u>Cash Flows from Investing Activities</u>				
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	<u>(5,176)</u>	<u>(15,608)</u>	<u>(1,411)</u>	<u>(3,472)</u>
<u>Cash Flows from Financing Activities</u>				
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	<u>(587)</u>	<u>15,320</u>	<u>(143)</u>	<u>(139)</u>
Exchange differences on balances of cash and cash equivalent	<u>629</u>	<u>(607)</u>	<u>405</u>	<u>162</u>
Increase in cash and cash equivalents	5,412	2,713	5,222	525
<u>Cash and cash equivalents at the beginning of the year</u>	<u>12,681</u>	<u>9,968</u>	<u>12,871</u>	<u>12,156</u>
<u>Cash and cash equivalents at the end of the year</u>	<u>\$ 18,093</u>	<u>\$ 12,681</u>	<u>\$ 18,093</u>	<u>\$ 12,681</u>
<u>Significant non-cash transactions</u>				
Purchase of property and equipment through capital lease	-	282	-	-
Purchase of property and equipment	<u>\$ 852</u>	<u>\$ 1,681</u>	<u>\$ 852</u>	<u>\$ 1,681</u>

**Adjusted EBITDA**

	For the year ended December 31,		Three months period ended December 31,	
	2018	2017	2018	2017
	In thousands			
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	948	483	269	(176)
Expense (income) in respect of translation differences and derivatives 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	2018	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