

CONSOLIDATED BALANCE SHEETS

	<u>As of March 31,</u>		<u>As of</u>
	<u>2017</u>	<u>2016</u>	<u>December 31,</u>
	<u>Unaudited</u>		<u>2016</u>
	<u>Audited</u>		
	<u>In thousands</u>		
<u>Current Assets</u>			
Cash and cash equivalents	\$ 10,778	\$ 11,605	\$ 9,968
Short-term investments	17,865	23,921	18,664
Trade receivables	10,849	12,042	19,788
Other accounts receivables	2,930	5,922	3,063
Inventories	27,677	31,605	25,594
	<u>70,099</u>	<u>85,095</u>	<u>77,077</u>
Property, plant and equipment, net	22,655	21,465	22,249
Other long-term assets	372	81	370
	<u>\$ 23,027</u>	<u>\$ 21,546</u>	<u>\$ 22,619</u>
	<u>93,126</u>	<u>106,641</u>	<u>99,696</u>
<u>Current Liabilities</u>			
Current maturities of bank loans and capital leases	437	191	412
Trade payables	14,648	18,298	16,277
Other accounts payables	4,843	4,350	5,614
Deferred revenues	4,911	4,525	4,903
	<u>24,839</u>	<u>27,364</u>	<u>27,206</u>
<u>Non-Current Liabilities</u>			
Long term loans and capital leases	1,330	716	1,364
Employee benefit liabilities, net	820	652	722
Deferred revenues	2,922	7,038	3,661
	<u>5,072</u>	<u>8,406</u>	<u>5,747</u>
<u>Equity</u>			
Share capital	9,321	9,320	9,320
Share premium	162,686	162,531	162,671
Capital reserve due to translation to presentation currency	(3,490)	(3,490)	(3,490)
Capital reserve from hedges	158	210	(27)
Capital reserve from available for sale of financial assets	37	144	19
Capital reserve from share-based payments	10,025	9,245	9,795
Capital reserve from employee benefits	(81)	(59)	(81)
Accumulated deficit	(115,441)	(107,030)	(111,464)
	<u>63,215</u>	<u>70,871</u>	<u>66,743</u>
	<u>\$ 93,126</u>	<u>\$ 106,641</u>	<u>\$ 99,696</u>

Consolidated Statements of Comprehensive Income

	As of March 31,		Year ended
	2017	2016	December 31
	Unaudited		Audited
	In thousands		
Revenues from proprietary products	\$ 6,636	\$ 11,120	\$ 55,958
Revenues from distribution	5,012	3,677	21,536
Total revenues	11,648	14,797	77,494
Cost of revenues from proprietary products	5,165	6,931	37,433
Cost of revenues from distribution	4,185	3,089	18,411
Total cost of revenues	9,350	10,020	55,844
Gross profit	2,298	4,777	21,650
Research and development expenses	3,151	4,107	16,245
Selling and marketing expenses	1,028	835	3,243
General and administrative expenses	1,830	1,813	7,643
Operating loss	(3,711)	(1,978)	(5,481)
Financial income	78	165	469
Income (expense) in respect of currency exchange and translation differences and derivatives instruments, net	(234)	(149)	127
Financial expense	(23)	(37)	(126)
Loss before taxes on income	(3,890)	(1,999)	(5,011)
Taxes on income	87	300	1,722
Net loss	(3,977)	(2,299)	(6,733)
Other Comprehensive loss:			
Items that may be reclassified to profit or loss in subsequent periods:			
Gain on available for sale financial assets	18	71	(54)
Profit (loss) on cash flow hedges	207	245	47
Net amounts transferred to the statement of profit or loss for cash flow hedges	(22)	(34)	(73)
Items that will not be reclassified to profit or loss in subsequent periods:			
Actuarial gain from defined benefit plans	-	-	(22)
Total comprehensive loss	\$ (3,774)	\$ (2,017)	\$ (6,835)
Loss per share attributable to equity holders of the Company:			
Basic loss per share	\$ (0.11)	\$ (0.06)	\$ (0.18)
Diluted loss per share	\$ (0.11)	\$ (0.06)	\$ (0.18)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months period Ended		Year Ended
	March 31,		December 31
	2017	2016	2016
	Unaudited		Audited
	In thousands		
<u>Cash Flows from Operating Activities</u>			
Loss	\$ (3,977)	\$ (2,299)	\$ (6,733)
Adjustments to reconcile loss to net cash used in operating activities:			
Adjustments to the profit or loss items:			
Depreciation and amortization	884	831	3,501
Finance expenses (income), net	179	21	(470)
Cost of share-based payment	245	381	1,071
Taxes on income	87	300	1,722
Loss from sale of property and equipment	-	10	(18)
Change in employee benefit liabilities, net	98	(135)	(87)
	<u>1,493</u>	<u>1,408</u>	<u>5,719</u>
Changes in asset and liability items:			
Decrease in trade receivables	8,490	14,259	3,489
Decrease (increase) in other accounts receivables	(255)	(758)	211
Decrease (increase) in inventories	(2,083)	(5,269)	742
Increase (decrease) in deferred expenses	570	(470)	(433)
Increase (decrease) in trade payables	(1,864)	1,070	(2,650)
Increase (decrease) in other accounts payables	(739)	287	1,520
Increase (decrease) in deferred revenues	(731)	(966)	1,035
	<u>3,388</u>	<u>8,153</u>	<u>3,914</u>
Cash paid and received during the period for:			
Interest paid	(4)	(2)	(60)
Interest received	108	286	842
Taxes paid	(4)	(3)	(1,785)
	<u>100</u>	<u>281</u>	<u>(1,003)</u>
Net cash provided by (used in) operating activities	<u>\$ 1,004</u>	<u>\$ 7,543</u>	<u>\$ 1,897</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months period Ended March, 31		Year Ended December 31
	2017	2016	2016
	Unaudited		Audited
	In thousands		
<u>Cash Flows from Investing Activities</u>			
Proceeds from sale of (investment in) short term investments, net	\$ 912	\$ (616)	\$ 4,236
Purchase of property and equipment	(736)	(926)	(2,641)
Proceeds from sale of property and equipment	*	21	42
Net cash provided by (used in) investing activities	<u>176</u>	<u>(1,521)</u>	<u>1,637</u>
<u>Cash Flows from Financing Activities</u>			
Exercise of warrants and options into shares	1	-	*
Receipt of long-term loans	-	630	1,701
Repayment of long-term loans	(105)	(11)	(211)
Repayment of convertible debentures	-	-	-
Net cash provided by (used in) financing activities	<u>(104)</u>	<u>619</u>	<u>1,490</u>
<u>Exchange differences on balances of cash and cash equivalent</u>	(266)	(83)	(103)
<u>Increase (decrease) in cash and cash equivalents</u>	810	6,558	4,921
<u>Cash and cash equivalents at the beginning of the year</u>	9,968	5,047	5,047
<u>Cash and cash equivalents at the end of the period</u>	<u>\$ 10,778</u>	<u>\$ 11,605</u>	<u>\$ 9,968</u>
<u>Significant non-cash transactions</u>			
Purchase of property and equipment through capital lease	\$ -	\$ 84	\$ 132
Purchase of property and equipment	<u>\$ 561</u>	<u>-</u>	<u>\$ 1,968</u>

*Represent an amount of less than 1 thousand

Adjusted EBITDA

	Three months period Ended March 31		For the year Ended December 31
	2017	2016	2016
	Thousands of US dollar		
Net income (loss)	\$ (3,977)	\$ (2,299)	\$ (6,733)
Income tax expense	87	300	1,722
Financial expense, net	(55)	(128)	(343)
Depreciation and amortization expense	884	831	3,501
Share-based compensation charges	245	381	1,071
Expense (Income) in respect of translation differences and derivatives instruments, net	234	149	(127)
Adjusted EBITDA	\$ (2,582)	\$ (766)	\$ (909)

Adjusted net income

	Three months period Ended March 31		For the year Ended December 31
	2017	2016	2016
	Thousands of US dollar		
Net income (loss)	\$ (3,977)	\$ (2,299)	\$ (6,733)
Share-based compensation charges	245	381	1,071
Adjusted net income (loss)	\$ (3,732)	\$ (1,918)	\$ (5,662)