

CONSOLIDATED BALANCE SHEETS

	As of June 30,		As of December 31,	
	2019	2018	2018	
	Unaudited		Audited	
	U.S Dollars in thousands			
<u>Current Assets</u>				
Cash and cash equivalents	\$ 23,835	\$ 12,356	\$	18,093
Short-term investments	38,122	32,233		32,499
Trade receivables, net	25,497	24,779		27,674
Other accounts receivables	3,292	1,863		3,308
Inventories	35,501	27,373		29,316
	126,247	98,604		110,890
Property, plant and equipment, net	28,424	24,916		25,004
Other long term assets	174	173		174
Deferred taxes	1,644	-		2,048
	30,242	25,089		27,226
	\$ 156,489	\$ 123,693		\$ 138,116
<u>Current Liabilities</u>				
Current maturities of bank loans and leases	\$ 1,440	\$ 588	\$	562
Trade payables	19,879	16,461		17,285
Other accounts payables	4,876	4,862		5,261
Deferred revenues	461	3,073		461
	26,656	24,984		23,569
<u>Non-Current Liabilities</u>				
Bank loans and leases	4,470	1,017		716
Deferred revenues	542	740		668
Employee benefit liabilities, net	818	1,053		787
	5,830	2,810		2,171
<u>Shareholder's Equity</u>				
Ordinary shares	10,418	10,403		10,409
Additional paid in capital	179,471	178,745		179,147
Capital reserve due to translation to presentation currency	(3,490)	(3,490)		(3,490)
Capital reserve from hedges	8	(91)		(57)
Capital reserve from securities measured at fair value through other comprehensive income	187	(33)		34
Capital reserve from share-based payments	9,663	9,080		9,353
Capital reserve from employee benefits	4	(337)		4
Accumulated deficit	(72,258)	(98,378)		(83,024)
	124,003	95,899		112,376
	\$ 156,489	\$ 123,693		\$ 138,116

Consolidated Statements of Comprehensive Income

	Six months period ended June 30,		Three months period ended June 30,		Year ended December 31,
	2019	2018	2019	2018	2018
	Unaudited		Unaudited		Audited
	U.S Dollars In thousands				
Revenues from proprietary products	\$ 47,662	\$ 38,192	\$ 27,281	\$ 25,978	\$ 90,784
Revenues from distribution	14,388	13,091	7,972	7,864	23,685
Total revenues	62,050	51,283	35,253	33,842	114,469
Cost of revenues from proprietary products	25,178	22,637	14,688	16,458	52,796
Cost of revenues from distribution	12,088	10,949	6,965	6,703	20,201
Total cost of revenues	37,266	33,586	21,653	23,161	72,997
Gross profit	24,784	17,697	13,600	10,681	41,472
Research and development expenses	6,253	4,851	3,487	2,097	9,747
Selling and marketing expenses	2,280	1,906	1,188	936	3,630
General and administrative expenses	4,621	4,230	2,527	2,166	8,525
Other expenses and (incomes)	28	311	5	311	311
Operating income (loss)	11,602	6,399	6,393	5,171	19,259
Financial income	547	414	267	185	820
Financial expenses	(195)	(213)	(72)	(56)	(340)
Income (expense) in respect of currency exchange differences and derivatives instruments, net	(528)	331	(215)	375	602
Income (loss) before taxes	11,426	6,931	6,373	5,675	20,341
Taxes on income	360	(11)	230	(11)	(1,955)
Net Income (loss)	11,066	6,942	6,143	5,686	22,296
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	198	(29)	90	-	51
Gain (loss) on cash flow hedges	71	(144)	(3)	(107)	(176)
Net amounts transferred to the statement of profit or loss for cash flow hedges	(2)	7	-	28	70
Items that will not be reclassified to profit or loss in subsequent periods:					
Actuarial gain (loss) from defined benefit plans	-	-	-	-	340
Deferred taxes	(49)	-	(21)	-	(9)
Total comprehensive income (loss)	\$ 11,284	\$ 6,776	\$ 6,209	\$ 5,607	\$ 22,752
<u>Income (loss) per share attributable to equity holders of the Company:</u>					
Basic income (loss) per share	\$ 0.27	\$ 0.17	\$ 0.15	\$ 0.14	\$ 0.55
Diluted income (loss) per share	\$ 0.27	\$ 0.17	\$ 0.15	\$ 0.14	\$ 0.55

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six months period Ended		Three months period Ended		Year Ended
	June, 30		June, 30		December 31,
	2019	2018	2019	2018	2018
	Unaudited				Audited
U.S Dollars In thousands					
<u>Cash Flows from Operating Activities</u>					
Net income	\$ 11,066	\$ 6,942	\$ 6,143	\$ 5,686	\$ 22,296
Adjustments to reconcile net income to net cash provided by (used in) operating activities:					
Adjustments to the profit or loss items:					
Depreciation and impairment	2,251	1,940	1,124	986	3,703
Financial expenses (income), net	176	(532)	20	(504)	(1,082)
Cost of share-based payment	634	385	319	184	948
Taxes on income	360	(11)	230	(11)	(1,955)
Loss (gain) from sale of property and equipment	(2)	70	4	4	55
Change in employee benefit liabilities, net	31	(91)	(5)	(77)	(16)
	3,450	1,761	1,692	582	1,653
Changes in asset and liability items:					
Decrease (increase) in trade receivables, net	2,602	5,417	(2,125)	(8,074)	2,311
Decrease (increase) in other accounts receivables	249	(163)	118	(245)	(1,336)
Decrease (increase) in inventories	(6,185)	(6,303)	(3,793)	802	(8,246)
Decrease (increase) in deferred expenses	(272)	431	(26)	409	235
Increase (decrease) in trade payables	1,927	(1,608)	4,295	333	(1,116)
Increase (decrease) in other accounts payables	(53)	(976)	457	(85)	(658)
Decrease in deferred revenues	(126)	(2,574)	(63)	(1,802)	(5,256)
	(1,858)	(5,776)	(1,137)	(8,665)	(14,066)
Cash received (paid) during the period for:					
Interest paid	(124)	(30)	(61)	(14)	(54)
Interest received	300	247	128	109	739
Taxes paid	(16)	(9)	(8)	(4)	(22)
	160	208	59	91	663
<u>Net cash provided by (used in) operating activities</u>	\$ 12,818	\$ 3,135	\$ 6,757	\$ (2,306)	\$ 10,546

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six months period Ended		Three months period Ended		Year Ended
	June, 30		June, 30		December 31,
	2019	2018	2019	2018	2018
	Unaudited				Audited
	U.S Dollars In thousands				
<u>Cash Flows from Investing Activities</u>					
Proceeds of investment in short term investments, net	\$ (5,128)	\$ (1,954)	\$ (4,070)	\$ (1,804)	\$ (2,322)
Purchase of property and equipment and intangible assets	(757)	(1,499)	(453)	(1,240)	(2,884)
Proceeds from sale of property and equipment	9	15	3	4	30
Net cash used in investing activities	<u>(5,876)</u>	<u>(3,438)</u>	<u>(4,520)</u>	<u>(3,040)</u>	<u>(5,176)</u>
<u>Cash Flows from Financing Activities</u>					
Proceeds from exercise of share base payments	9	3	6	2	9
Repayment of long-term loans and leases	<u>(761)</u>	<u>(301)</u>	<u>(383)</u>	<u>(149)</u>	<u>(596)</u>
Net cash used in financing activities	<u>(752)</u>	<u>(298)</u>	<u>(377)</u>	<u>(147)</u>	<u>(587)</u>
Exchange differences on balances of cash and cash equivalent	<u>(448)</u>	<u>276</u>	<u>(62)</u>	<u>352</u>	<u>629</u>
Increase (decrease) in cash and cash equivalents	5,742	(328)	1,798	(5,141)	5,412
<u>Cash and cash equivalents at the beginning of the period</u>	<u>18,093</u>	<u>12,681</u>	<u>22,037</u>	<u>17,497</u>	<u>12,681</u>
<u>Cash and cash equivalents at the end of the period</u>	<u>\$ 23,835</u>	<u>\$ 12,353</u>	<u>\$ 23,835</u>	<u>\$ 12,356</u>	<u>\$ 18,093</u>
<u>Significant non-cash transactions</u>					
Purchase of property and equipment through leases	<u>\$ 4,548</u>	<u>\$ -</u>	<u>\$ 117</u>	<u>\$ -</u>	<u>\$ -</u>
Purchase of property and equipment	<u>\$ 385</u>	<u>\$ 387</u>	<u>\$ 385</u>	<u>\$ 387</u>	<u>\$ 720</u>

Adjusted EBITDA

	Six months period ended		Three months period ended		Year ended
	June 30,		June 30,		December 31,
	2019	2018	2019	2018	2018
Net income (loss)	\$ 11,066	\$ 6,942	\$ 6,143	\$ 5,686	\$ 22,296
Taxes on income	360	(11)	230	(11)	(1,955)
Financial expense (income), net	(352)	(201)	(195)	(129)	(480)
Depreciation and amortization expense	2,251	1,940	1,124	986	3,703
Cost of share-based payments	634	385	319	183	948
Expense (Income) in respect of translation differences and derivatives instruments, net	528	(331)	215	(375)	(602)
	\$ 14,487	\$ 8,724	\$ 7,836	\$ 6,340	\$ 23,910

Adjusted net income

	Six months period ended		Three months period ended		Year ended
	June 30,		June 30,		December 31,
	2019	2018	2019	2018	2018
Net income	\$ 11,066	\$ 6,942	\$ 6,143	\$ 5,686	\$ 22,296
Cost of share-based payments	634	385	319	183	948
Adjusted net income	\$ 11,700	\$ 7,327	\$ 6,462	\$ 5,869	\$ 23,244