

CONSOLIDATED CONDENSED BALANCE SHEETS

	As of June 30,		As of
	2020	2019	December 31,
	Unaudited		Audited
U.S Dollars in thousands			
<u>Assets</u>			
<u>Current Assets</u>			
Cash and cash equivalents	\$ 57,399	\$ 23,835	\$ 42,662
Short-term investments	47,272	38,122	31,245
Trade receivables, net	19,823	25,497	23,210
Other accounts receivables	2,980	3,292	3,272
Inventories	47,646	35,501	43,173
Total Current Assets	<u>175,120</u>	<u>126,247</u>	<u>143,562</u>
<u>Non-Current Assets</u>			
Property, plant and equipment, net	24,574	24,478	24,550
Right-of-use-assets	3,796	3,946	4,022
Other long term assets	1,058	174	352
Contract asset	911	-	-
Deferred taxes	632	1,644	1,311
Total Non-Current Assets	<u>30,971</u>	<u>30,242</u>	<u>30,235</u>
Total Assets	<u>\$ 206,091</u>	<u>\$ 156,489</u>	<u>\$ 173,797</u>
<u>Liabilities</u>			
<u>Current Liabilities</u>			
Current maturities of bank loans	\$ 431	\$ 480	\$ 489
Current maturities of lease liabilities	990	960	1,020
Trade payables	22,760	19,879	24,830
Other accounts payables	5,497	4,876	5,811
Deferred revenues	589	461	589
Total Current Liabilities	<u>30,267</u>	<u>26,656</u>	<u>32,739</u>
<u>Non-Current Liabilities</u>			
Bank loans	63	482	257
Lease liabilities	3,704	3,988	3,981
Deferred revenues	1,025	542	232
Employee benefit liabilities, net	1,267	818	1,269
Total Non-Current Liabilities	<u>6,059</u>	<u>5,830</u>	<u>5,739</u>
<u>Shareholder's Equity</u>			
Ordinary shares	11,662	10,418	10,425
Additional paid in capital	207,731	179,471	180,819
Capital reserve due to translation to presentation currency	(3,490)	(3,490)	(3,490)
Capital reserve from hedges	411	8	8
Capital reserve from financial assets measured at fair value through other comprehensive income	-	187	145
Capital reserve from share-based payments	6,204	9,663	8,844
Capital reserve from employee benefits	(356)	4	(359)
Accumulated deficit	(52,397)	(72,258)	(61,073)
Total Shareholder's Equity	<u>169,765</u>	<u>124,003</u>	<u>135,319</u>
Total Liabilities and Shareholder's Equity	<u>\$ 206,091</u>	<u>\$ 156,489</u>	<u>\$ 173,797</u>

CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

	Six months period ended June 30,		Three months period ended June 30,		Year ended December 31,
	2020	2019	2020	2019	2019
	Unaudited		Unaudited		Audited
	U.S Dollars In thousands				
Revenues from proprietary products	\$ 47,942	\$ 47,662	\$ 22,625	\$ 27,281	\$ 97,696
Revenues from distribution	18,437	14,388	10,464	7,972	29,491
Total revenues	66,379	62,050	33,089	35,253	127,187
Cost of revenues from proprietary products	27,881	25,178	12,934	14,688	52,425
Cost of revenues from distribution	15,932	12,088	9,040	6,965	25,025
Total cost of revenues	43,813	37,266	21,974	21,653	77,450
Gross profit	22,566	24,784	11,115	13,600	49,737
Research and development expenses	6,970	6,253	3,623	3,487	13,059
Selling and marketing expenses	2,118	2,280	1,178	1,188	4,370
General and administrative expenses	4,619	4,621	2,307	2,527	9,194
Other expenses	34	28	32	5	330
Operating income	8,825	11,602	3,975	6,393	22,784
Financial income	615	559	298	274	1,146
Income (expense) in respect of securities measured at fair value, net *	102	(58)	-	(7)	(5)
Income (expenses) in respect of currency exchange differences and derivatives instruments, net	65	(528)	(367)	(215)	(651)
Financial expenses	(135)	(149)	(58)	(72)	(293)
Income before tax on income	9,472	11,426	3,848	6,373	22,981
Taxes on income	796	360	390	230	730
Net Income	\$ 8,676	\$ 11,066	\$ 3,458	\$ 6,143	\$ 22,251
Other Comprehensive Income (loss):					
Amounts that will be or that have been reclassified to profit or loss when specific conditions are met					
Gain (loss) from securities measured at fair value through other comprehensive income	(188)	198	-	90	143
Gain (loss) on cash flow hedges	441	71	200	(3)	92
Net amounts transferred to the statement of profit or loss for cash flow hedges	(7)	(2)	(41)	-	(23)
Items that will not be reclassified to profit or loss in subsequent periods:					
Remeasurement gain (loss) from defined benefit plan	-	-	-	-	(388)
Tax effect	15	(49)	(12)	(21)	(11)
Total comprehensive income	\$ 8,937	\$ 11,284	\$ 3,605	\$ 6,209	\$ 22,064
Earnings per share attributable to equity holders of the Company:					
Basic net earnings per share	\$ 0.20	\$ 0.27	\$ 0.08	\$ 0.15	\$ 0.55
Diluted net earnings per share	\$ 0.20	\$ 0.27	\$ 0.08	\$ 0.15	\$ 0.55

CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS

	Six months period Ended June, 30		Three months period Ended June, 30		Year Ended December 31,
	2020	2019	2020	2019	2019
	Unaudited				Audited
U.S Dollars In thousands					
Cash Flows from Operating Activities					
Net income	\$ 8,676	\$ 11,066	\$ 3,458	\$ 6,143	\$ 22,251
Adjustments to reconcile net income to net cash provided by (used in) operating activities:					
Adjustments to the profit or loss items:					
Depreciation and impairment	2,380	2,251	1,188	1,124	4,519
Financial expenses (income), net	(647)	176	127	20	(197)
Cost of share-based payment	588	634	330	319	1,163
Taxes on income	796	360	390	230	730
Loss (gain) from sale of property and equipment	(6)	(2)	(6)	4	(2)
Change in employee benefit liabilities, net	(2)	31	16	(5)	94
	<u>3,109</u>	<u>3,450</u>	<u>2,045</u>	<u>1,692</u>	<u>6,307</u>
Changes in asset and liability items:					
Decrease (increase) in trade receivables, net	3,416	2,602	6,432	(2,125)	5,117
Decrease (increase) in other accounts receivables	741	249	(772)	118	(214)
Increase in inventories	(4,473)	(6,185)	(5,859)	(3,793)	(13,857)
Decrease (increase) in Contract asset and deferred expenses	(911)	(272)	(490)	(26)	399
Increase (decrease) in trade payables	(2,719)	1,927	4,497	4,295	6,259
Increase (decrease) in other accounts payables	(314)	(53)	866	457	863
Decrease in deferred revenues	793	(126)	396	(63)	(283)
	<u>(3,467)</u>	<u>(1,858)</u>	<u>5,070</u>	<u>(1,137)</u>	<u>(1,716)</u>
Cash received (paid) during the period for:					
Interest paid	(107)	(124)	(52)	(61)	(243)
Interest received	601	300	150	128	1,106
Taxes paid	(74)	(16)	(13)	(8)	(134)
	<u>420</u>	<u>160</u>	<u>85</u>	<u>59</u>	<u>729</u>
Net cash provided by operating activities	\$ 8,738	\$ 12,818	\$ 10,658	\$ 6,757	\$ 27,571

CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS

	Six months period Ended		Three months period Ended		Year Ended December 31, 2019
	June, 30		June, 30		
	2020	2019	2020	2019	Audited
Unaudited					
U.S Dollars In thousands					
Cash Flows from Investing Activities					
Proceeds of investment in short term investments, net	\$ (15,646)	\$ (5,128)	\$ -	\$ (4,070)	\$ 1,727
Purchase of property and equipment and intangible assets	(1,901)	(757)	(1,005)	(453)	(2,300)
Proceeds from sale of property and equipment	6	9	6	3	9
Net cash used in investing activities	<u>(17,541)</u>	<u>(5,876)</u>	<u>(999)</u>	<u>(4,520)</u>	<u>(564)</u>
Cash Flows from Financing Activities					
Proceeds from exercise of share base payments	20	9	15	6	16
Repayment of lease liabilities	(540)	(529)	(262)	(266)	(1,070)
Repayment of long-term loans	(246)	(232)	(123)	(117)	(476)
Proceeds from issuance of ordinary shares, net	24,894	-	-	-	-
Net cash provided by (used in) financing activities	<u>24,128</u>	<u>(752)</u>	<u>(370)</u>	<u>(377)</u>	<u>(1,530)</u>
Exchange differences on balances of cash and cash equivalent	<u>(588)</u>	<u>(448)</u>	<u>(1,178)</u>	<u>(62)</u>	<u>(908)</u>
Increase in cash and cash equivalents	14,737	5,742	8,111	1,798	24,569
<u>Cash and cash equivalents at the beginning of the period</u>	<u>42,662</u>	<u>18,093</u>	<u>49,288</u>	<u>22,037</u>	<u>18,093</u>
<u>Cash and cash equivalents at the end of the period</u>	<u>\$ 57,399</u>	<u>\$ 23,835</u>	<u>\$ 57,399</u>	<u>\$ 23,835</u>	<u>\$ 42,662</u>
Significant non-cash transactions					
Right-of-use asset recognized with corresponding lease liability	\$ 345	\$ 4,548	\$ 287	\$ 117	\$ 5,035
Purchase of property and equipment	\$ 722	\$ 385	\$ 722	\$ 385	\$ 992

Adjusted EBITDA

	Six months period ended		Three months period ended		Year ended December 31, 2019
	June 30,		June 30,		
	2020	2019	2020	2019	
	In thousands				
Net income	\$ 8,676	\$ 11,066	\$ 3,458	\$ 6,143	\$ 22,251
Taxes on income	796	360	390	230	730
Financial expense (income), net	(647)	176	127	20	(197)
Depreciation and amortization expense	2,380	2,251	1,188	1,124	4,519
Non-cash share-based compensation expenses	588	634	330	319	1,163
Adjusted EBITDA	<u>\$ 11,793</u>	<u>\$ 14,487</u>	<u>\$ 5,493</u>	<u>\$ 7,836</u>	<u>\$ 28,466</u>

Adjusted net income

	Six months period ended		Three months period ended		Year ended December 31, 2019
	June 30,		June 30,		
	2020	2019	2020	2019	
	In thousands				
Net income	\$ 8,676	\$ 11,066	\$ 3,458	\$ 6,143	\$ 22,251
Share-based compensation charges	588	634	330	319	1,163
Adjusted net income	<u>\$ 9,264</u>	<u>\$ 11,700</u>	<u>\$ 3,788</u>	<u>\$ 6,462</u>	<u>\$ 23,414</u>