

CONSOLIDATED CONDENSED BALANCE SHEETS

	As of September 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	\$ 52,487	\$ 27,449	\$ 42,662
Short-term investments	47,230	39,380	31,245
Trade receivables, net	28,643	23,999	23,210
Other accounts receivables	3,533	1,722	3,272
Inventories	42,618	34,031	43,173
Total Current Assets	<u>174,511</u>	<u>126,581</u>	<u>143,562</u>
<u>Non-Current Assets</u>			
Property, plant and equipment, net	25,323	24,197	24,550
Right-of-use-assets	3,694	4,100	4,022
Other long term assets	1,081	178	352
Contract asset	1,438	-	-
Deferred taxes	298	1,445	1,311
Total Non-Current Assets	<u>31,834</u>	<u>29,920</u>	<u>30,235</u>
Total Assets	<u>\$ 206,345</u>	<u>\$ 156,501</u>	<u>\$ 173,797</u>
<u>Liabilities</u>			
<u>Current Liabilities</u>			
Current maturities of bank loans	\$ 322	\$ 573	\$ 489
Current maturities of lease liabilities	1,038	964	1,020
Trade payables	15,110	13,079	24,830
Other accounts payables	6,236	5,439	5,811
Deferred revenues	486	561	589
Total Current Liabilities	<u>23,192</u>	<u>20,616</u>	<u>32,739</u>
<u>Non-Current Liabilities</u>			
Bank loans	48	461	257
Lease liabilities	3,589	4,052	3,981
Deferred revenues	1,525	347	232
Employee benefit liabilities, net	1,262	884	1,269
Total Non-Current Liabilities	<u>6,424</u>	<u>5,744</u>	<u>5,739</u>
<u>Shareholder's Equity</u>			
Ordinary shares	11,703	10,420	10,425
Additional paid in capital	209,650	179,589	180,819
Capital reserve due to translation to presentation currency	(3,490)	(3,490)	(3,490)
Capital reserve from hedges	234	18	8
Capital reserve from financial assets measured at fair value through other comprehensive income	-	137	145
Capital reserve from share-based payments	4,550	9,898	8,844
Capital reserve from employee benefits	(356)	4	(359)
Accumulated deficit	(45,562)	(66,435)	(61,073)
Total Shareholder's Equity	<u>176,729</u>	<u>130,141</u>	<u>135,319</u>
Total Liabilities and Shareholder's Equity	<u>\$ 206,345</u>	<u>\$ 156,501</u>	<u>\$ 173,797</u>

CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

	Nine months period ended		Three months period ended		Year ended
	September 30,		September 30,		December 31,
	2020	2019	2020	2019	2019
	Unaudited		Unaudited		Audited
U.S Dollars In thousands					
Revenues from proprietary products	\$ 77,633	\$ 72,521	\$ 29,691	\$ 24,859	\$ 97,696
Revenues from distribution	24,071	22,595	5,634	8,207	29,491
Total revenues	101,704	95,116	35,325	33,066	127,187
Cost of revenues from proprietary products	43,817	38,412	15,936	13,234	52,425
Cost of revenues from distribution	20,500	19,056	4,568	6,968	25,025
Total cost of revenues	64,317	57,468	20,504	20,202	77,450
Gross profit	37,387	37,648	14,821	12,864	49,737
Research and development expenses	10,335	9,730	3,365	3,477	13,059
Selling and marketing expenses	3,297	3,441	1,179	1,161	4,370
General and administrative expenses	7,133	6,851	2,514	2,230	9,194
Other expenses	34	327	-	299	330
Operating income	16,588	17,299	7,763	5,697	22,784
Financial income	865	887	250	328	1,146
Income (expense) in respect of securities measured at fair value, net	102	(3)	-	55	(5)
Income (expenses) in respect of currency exchange differences and derivatives instruments, net	(696)	(503)	(761)	25	(651)
Financial expenses	(204)	(217)	(69)	(68)	(293)
Income before tax on income	16,655	17,463	7,183	6,037	22,981
Taxes on income	1,144	574	348	214	730
Net Income	\$ 15,511	\$ 16,889	\$ 6,835	\$ 5,823	\$ 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)	132	-	(66)	143
Gain (loss) on cash flow hedges	516	99	75	28	92
Net amounts transferred to the statement of profit or loss for cash flow hedges	(273)	(20)	(266)	(18)	(23)
Items that will not be reclassified to profit or loss in subsequent periods:					
Remeasurement gain (loss) from defined benefit plan	-	-	-	-	(388)
Tax effect	29	(33)	14	16	(11)
Total comprehensive income	\$ 15,595	\$ 17,067	\$ 6,658	\$ 5,783	\$ 22,064
Earnings per share attributable to equity holders of the Company:					
Basic net earnings per share	\$ 0.35	\$ 0.42	\$ 0.15	\$ 0.14	\$ 0.55
Diluted net earnings per share	\$ 0.35	\$ 0.42	\$ 0.15	\$ 0.14	\$ 0.55

CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS

	Nine months period Ended		Three months period Ended		Year Ended
	September 30,		September 30,		December 31,
	2020	2019	2020	2019	2019
	Unaudited				Audited
U.S Dollars In thousands					
<u>Cash Flows from Operating Activities</u>					
Net income	\$ 15,511	\$ 16,889	\$ 6,835	\$ 5,823	\$ 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	3,632	3,379	1,252	1,128	4,519
Financial expenses (income), net	(67)	(164)	580	(340)	(197)
Cost of share-based payment	853	987	265	353	1,163
Taxes on income	1,144	574	348	214	730
Gain from sale of property and equipment	(7)	(2)	(1)	-	(2)
Change in employee benefit liabilities, net	(7)	97	(5)	66	94
	<u>5,548</u>	<u>4,871</u>	<u>2,439</u>	<u>1,421</u>	<u>6,307</u>
Changes in asset and liability items:					
Decrease (increase) in trade receivables, net	(5,540)	4,408	(8,956)	1,806	5,117
Decrease (increase) in other accounts receivables	972	1,204	231	955	(214)
Decrease (increase) in inventories	555	(4,715)	5,028	1,470	(13,857)
Decrease (increase) in Contract asset and deferred expenses	(2,464)	333	(1,553)	605	399
Increase (decrease) in trade payables	(10,488)	(4,585)	(7,769)	(6,512)	6,259
Increase in other accounts payables	426	379	740	432	863
Increase (decrease) in deferred revenues	1,190	(221)	397	(95)	(283)
	<u>(15,349)</u>	<u>(3,197)</u>	<u>(11,882)</u>	<u>(1,339)</u>	<u>(1,716)</u>
Cash received (paid) during the period for:					
Interest paid	(158)	(182)	(51)	(58)	(243)
Interest received	891	554	290	254	1,106
Taxes paid	(87)	(25)	(13)	(9)	(134)
	<u>646</u>	<u>347</u>	<u>226</u>	<u>187</u>	<u>729</u>
<u>Net cash provided by (used in) operating activities</u>	<u>\$ 6,356</u>	<u>\$ 18,910</u>	<u>\$ (2,382)</u>	<u>\$ 6,092</u>	<u>\$ 27,571</u>

CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS

	Nine months period Ended September 30,		Three months period Ended September 30,		Year Ended December 31,
	2020	2019	2020	2019	2019
	Unaudited				Audited
	U.S Dollars In thousands				
<u>Cash Flows from Investing Activities</u>					
Proceeds of investment in short term investments, net	\$ (15,646)	\$ (6,160)	\$ -	\$ (1,032)	\$ 1,727
Purchase of property and equipment and intangible assets	(3,372)	(1,488)	(1,471)	(731)	(2,300)
Proceeds from sale of property and equipment	7	9	1	-	9
Net cash used in investing activities	<u>(19,011)</u>	<u>(7,639)</u>	<u>(1,470)</u>	<u>(1,763)</u>	<u>(564)</u>
<u>Cash Flows from Financing Activities</u>					
Proceeds from exercise of share base payments	61	12	41	3	16
Repayment of lease liabilities	(815)	(794)	(275)	(265)	(1,070)
Repayment of long-term loans	(373)	(353)	(127)	(121)	(476)
Proceeds from issuance of ordinary shares, net	<u>24,894</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by (used in) financing activities	<u>23,767</u>	<u>(1,135)</u>	<u>(361)</u>	<u>(383)</u>	<u>(1,530)</u>
Exchange differences on balances of cash and cash equivalent	<u>(1,287)</u>	<u>(780)</u>	<u>(699)</u>	<u>(332)</u>	<u>(908)</u>
Increase (decrease) in cash and cash equivalents	9,825	9,356	(4,912)	3,614	24,569
<u>Cash and cash equivalents at the beginning of the period</u>	<u>42,662</u>	<u>18,093</u>	<u>57,399</u>	<u>23,835</u>	<u>18,093</u>
<u>Cash and cash equivalents at the end of the period</u>	<u>\$ 52,487</u>	<u>\$ 27,449</u>	<u>\$ 52,487</u>	<u>\$ 27,449</u>	<u>\$ 42,662</u>
<u>Significant non-cash transactions</u>					
Right-of-use asset recognized with corresponding lease liability	<u>\$ 539</u>	<u>\$ 4,984</u>	<u>\$ 194</u>	<u>\$ 436</u>	<u>\$ 5,035</u>
Purchase of property and equipment	<u>\$ 973</u>	<u>\$ 264</u>	<u>\$ 973</u>	<u>\$ 264</u>	<u>\$ 992</u>

Adjusted EBITDA

	<u>Nine months period ended September 30,</u>		<u>Three months period ended September 30,</u>		<u>Year ended December 31,</u>
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2019</u>
	In thousands				
Net income	\$ 15,511	16,889	\$ 6,835	\$ 5,823	\$ 22,251
Taxes on income	1,144	574	348	214	730
Financial expense (income), net	(67)	(164)	580	(340)	(197)
Depreciation and amortization expense	3,632	3,379	1,252	1,128	4,519
Non-cash share-based compensation expenses	853	987	265	353	1,163
Adjusted EBITDA	<u>\$ 21,073</u>	<u>\$ 21,665</u>	<u>\$ 9,280</u>	<u>\$ 7,178</u>	<u>\$ 28,466</u>

Adjusted net income

	<u>Nine months period ended September 30,</u>		<u>Three months period ended September 30,</u>		<u>Year ended December 31,</u>
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2019</u>
	In thousands				
Net income	\$ 15,511	\$ 16,889	\$ 6,835	\$ 5,823	\$ 22,251
Share-based compensation charges	853	987	265	353	1,163
Adjusted net income	<u>\$ 16,364</u>	<u>\$ 17,876</u>	<u>\$ 7,100</u>	<u>\$ 6,176</u>	<u>\$ 23,414</u>