

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As of September 30,		As of
	2021	2020	December 31, 2020
	Unaudited		Audited
	U.S Dollars in thousands		
Current Assets			
Cash and cash equivalents	\$ 99,840	\$ 52,487	\$ 70,197
Short-term investments	-	47,230	39,069
Trade receivables, net	26,548	28,643	22,108
Other accounts receivables	4,392	3,533	4,524
Inventories	48,163	42,618	42,016
Total Current Assets	178,943	174,511	177,914
Non-Current Assets			
Property, plant and equipment, net	25,856	25,323	25,679
Right-of-use-assets	3,361	3,694	3,440
Other long term assets	3,380	1,081	1,573
Contract assets	4,987	1,438	2,059
Deferred taxes	-	298	-
Total Non-Current Assets	37,584	31,834	32,751
Total Assets	\$ 216,527	\$ 206,345	\$ 210,665
Current Liabilities			
Current maturities of bank loans	\$ 52	\$ 322	\$ 238
Current maturities of lease liabilities	1,181	1,038	1,072
Trade payables	19,010	15,110	16,110
Other accounts payables	6,346	6,236	7,547
Deferred revenues	-	486	-
Total Current Liabilities	26,589	23,192	24,967
Non-Current Liabilities			
Bank loans	-	48	36
Lease liabilities	3,283	3,589	3,593
Deferred revenues	3,575	1,525	2,025
Employee benefit liabilities, net	1,467	1,262	1,406
Total Non-Current Liabilities	8,325	6,424	7,060
Shareholder's Equity			
Ordinary shares	11,720	11,703	11,706
Additional paid in capital	210,005	209,650	209,760
Capital reserve due to translation to presentation currency	(3,490)	(3,490)	(3,490)
Capital reserve from hedges	35	234	357
Capital reserve from share-based payments	4,817	4,550	4,558
Capital reserve from employee benefits	(320)	(356)	(320)
Accumulated deficit	(41,154)	(45,562)	(43,933)
Total Shareholder's Equity	181,613	176,729	178,638
Total Liabilities and Shareholder's Equity	\$ 216,527	\$ 206,345	\$ 210,665

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Nine months period ended		Three months period		Year ended
	September 30,		ended		December 31,
	2021	2020	2021	2020	2020
	Unaudited		Unaudited		Audited
U.S Dollars In thousands					
Revenues from proprietary products	\$ 57,316	\$ 77,633	\$ 17,123	\$ 29,691	\$ 100,916
Revenues from distribution	14,857	24,071	5,911	5,634	32,330
Total revenues	72,173	101,704	23,034	35,325	133,246
Cost of revenues from proprietary products	35,605	43,817	12,078	15,936	57,750
Cost of revenues from distribution	12,835	20,500	5,226	4,568	27,944
Total cost of revenues	48,440	64,317	17,304	20,504	85,694
Gross profit	23,733	37,387	5,730	14,821	47,552
Research and development expenses	7,909	10,335	2,545	3,365	13,609
Selling and marketing expenses	3,803	3,297	1,256	1,179	4,518
General and administrative expenses	8,803	7,133	2,691	2,514	10,139
Other expenses	612	34	42	-	49
Operating income	2,606	16,588	(804)	7,763	19,237
Financial income	277	865	68	250	1,027
Income (expense) in respect of securities measured at fair value, net *	-	102	-	-	102
Income (expenses) in respect of currency exchange differences and derivatives instruments, net	74	(696)	(48)	(761)	(1,535)
Financial expenses	(178)	(204)	(61)	(69)	(266)
Income before tax on income	2,779	16,655	(845)	7,183	18,565
Taxes on income	-	1,144	-	348	1,425
Net Income	\$ 2,779	\$ 15,511	\$ (845)	\$ 6,835	\$ 17,140
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)	-	-	(188)
Gain (loss) on cash flow hedges	25	516	68	75	876
Net amounts transferred to the statement of profit or loss for cash flow hedges	(347)	(273)	(91)	(266)	(528)
Items that will not be reclassified to profit or loss in subsequent periods:					
Remeasurement gain (loss) from defined benefit plan	-	-	-	-	64
Tax effect	-	29	-	14	19
Total comprehensive income	\$ 2,457	\$ 15,595	\$ (868)	\$ 6,658	\$ 17,383
Earnings per share attributable to equity holders of the Company:					
Basic net earnings per share	\$ 0.06	\$ 0.35	\$ (0.02)	\$ 0.15	\$ 0.39
Diluted net earnings per share	\$ 0.06	\$ 0.35	\$ (0.02)	\$ 0.15	\$ 0.38

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine months period Ended September, 30		Three months period Ended September, 30		Year Ended December 31,
	2021	2020	2021	2020	2020
	Unaudited				Audited
U.S Dollars In thousands					
<u>Cash Flows from Operating Activities</u>					
Net income	\$ 2,779	\$ 15,511	\$ (845)	\$ 6,835	\$ 17,140
Adjustments to reconcile net income to net cash provided by (used in) operating activities:					
Adjustments to the profit or loss items:					
Depreciation and impairment	3,612	3,632	1,240	1,252	4,897
Financial expenses (income), net	(173)	(67)	41	580	672
Cost of share-based payment	504	853	134	265	977
Taxes on income	-	1,144	-	348	1,425
Loss (gain) from sale of property and equipment	-	(7)	-	(1)	(7)
Change in employee benefit liabilities, net	61	(7)	38	(5)	201
	<u>4,004</u>	<u>5,548</u>	<u>1,453</u>	<u>2,439</u>	<u>8,165</u>
Changes in asset and liability items:					
Decrease (increase) in trade receivables, net	(4,446)	(5,540)	1,200	(8,956)	1,332
Decrease (increase) in other accounts receivables	1,556	972	(73)	231	115
Decrease (Increase) in inventories	(5,963)	555	(3,562)	5,028	1,157
Increase in deferred expenses	(4,759)	(2,464)	(2,397)	(1,553)	(3,085)
Increase (decrease) in trade payables	2,725	(10,488)	1,586	(7,769)	(9,560)
Increase (decrease) in other accounts payables	(1,482)	426	(683)	740	1,736
Decrease in deferred revenues	1,550	1,190	550	397	1,204
	<u>(10,819)</u>	<u>(15,349)</u>	<u>(3,379)</u>	<u>(11,882)</u>	<u>(7,101)</u>
Cash received (paid) during the period for:					
Interest paid	(139)	(158)	(32)	(51)	(209)
Interest received	357	891	140	290	1,211
Taxes paid	(32)	(87)	(9)	(13)	(101)
	<u>186</u>	<u>646</u>	<u>99</u>	<u>226</u>	<u>901</u>
<u>Net cash provided by (used in) operating activities</u>	<u>\$ (3,850)</u>	<u>\$ 6,356</u>	<u>\$ (2,672)</u>	<u>\$ 2,382</u>	<u>\$ 19,105</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS (CON)

	Nine months period Ended September, 30		Three months period Ended September, 30		Year Ended December 31,
	2021	2020	2021	2020	2020
	Unaudited				Audited
	U.S Dollars In thousands				

Cash Flows from Investing Activities

Proceeds of investment in short term investments, net	\$ 39,083	\$ (15,646)	\$ 36,116	\$ -	\$ (7,646)
Purchase of property and equipment and intangible assets	(2,986)	(3,372)	(1,523)	(1,471)	(5,488)
Proceeds from sale of property and equipment	-	7	-	1	7
Acquisition of subsidiary (LLC), net (1)	(1,404)	-	-	-	-
Net cash provided by (used in) investing activities	<u>34,693</u>	<u>\$ (19,011)</u>	<u>34,593</u>	<u>(1,470)</u>	<u>(13,127)</u>

Cash Flows from Financing Activities

Proceeds from exercise of share base payments	14	61	4	41	64
Repayment of lease liabilities	(903)	(815)	(308)	(275)	(1,103)
Repayment of long-term loans	(221)	(373)	(15)	(127)	(492)
Proceeds from issuance of ordinary shares, net	-	24,894	-	-	24,895
Net cash provided by (used in) financing activities	<u>(1,110)</u>	<u>23,767</u>	<u>(319)</u>	<u>(361)</u>	<u>23,364</u>
Exchange differences on balances of cash and cash equivalent	<u>(90)</u>	<u>(1,287)</u>	<u>(178)</u>	<u>(699)</u>	<u>(1,807)</u>
Increase (decrease) in cash and cash equivalents	29,643	9,825	31,424	(4,912)	27,535
<u>Cash and cash equivalents at the beginning of the period</u>	<u>70,197</u>	<u>42,662</u>	<u>68,416</u>	<u>57,399</u>	<u>42,662</u>
<u>Cash and cash equivalents at the end of the period</u>	<u>\$ 99,840</u>	<u>\$ 52,487</u>	<u>\$ 99,840</u>	<u>\$ 52,487</u>	<u>\$ 70,197</u>

Significant non-cash transactions

Right-of-use asset recognized with corresponding lease liability	<u>\$ 769</u>	<u>\$ 539</u>	<u>\$ 181</u>	<u>\$ 194</u>	<u>\$ 539</u>
Purchase of property and equipment	<u>\$ 352</u>	<u>\$ 973</u>	<u>\$ 352</u>	<u>\$ 973</u>	<u>\$ 722</u>

**Nine months
period
Ended
September, 30
2021**

Appendix A (1)

Acquisition of a subsidiary that was first consolidated

Current Assets (exclusive of cash and cash equivalents)	(184)
Non Current Assets	(1,460)
Current Liabilities	240
	<u>(1,404)</u>

Adjusted EBITDA

	Nine months period ended September 30,		Three months period ended September 30,		Year ended December 31,
	2021	2020	2021	2020	2020
	In thousands				
Net income	\$ 2,779	\$ 15,511	\$ (845)	\$ 6,835	\$ 17,140
Taxes on income	-	1,144	-	348	1,425
Financial expense (income), net	(173)	(67)	41	580	692
Depreciation and amortization expense	3,612	3,632	1,240	1,252	4,897
Non-cash share-based compensation expenses	504	853	134	265	977
Adjusted EBITDA	<u>\$ 6,722</u>	<u>\$ 21,073</u>	<u>\$ 570</u>	<u>\$ 9,280</u>	<u>\$ 25,131</u>

Adjusted net income

	Nine months period ended September 30,		Three months period ended September 30,		Year ended December 31,
	2021	2020	2021	2020	2020
	In thousands				
Net income	\$ 2,779	\$ 15,511	\$ (845)	\$ 6,835	\$ 17,140
Share-based compensation charges	504	853	134	265	977
Adjusted net income	<u>\$ 3,283</u>	<u>\$ 16,364</u>	<u>\$ (711)</u>	<u>\$ 7,100</u>	<u>\$ 18,117</u>