

Operational Metrics

KPI's \$,000	FYQ4 '14	FYQ1 '15	FYQ2 '15	FYQ3 '15	FYQ4 '15	FYQ1 '16	FYQ2 '16	FYQ3 '16	FYQ4 '16	FY 2014	FY 2015	FY 2016
Revenues	44,573	66,969	73,290	86,399	98,420	115,054	124,832	125,205	124,752	133,217	325,078	489,843
% Y/Y	94%	119%	166%	183%	121%	72%	70%	45%	27%	69%	144%	51%
% Q/Q	46%	50%	9%	18%	14%	17%	8%	0%	0%			
Gross profit \$	8,724	14,030	15,781	23,701	28,271	33,527	38,582	40,734	39,113	21,971	81,783	151,956
% Y/Y	208%	246%	433%	280%	224%	139%	144%	72%	38%	398%	272%	86%
% Q/Q	40%	61%	12%	50%	19%	19%	15%	6%	-4%			
Gross Margin	19.6%	20.9%	21.5%	27.4%	28.7%	29.1%	30.9%	32.5%	31.4%	16.5%	25.2%	31.0%
% Y/Y	58%	58%	101%	35%	47%	39%	44%	19%	9%	196%	53%	23%
% Q/Q	-4%	7%	3%	27%	5%	1%	6%	5%	-4%			
Operating profit (loss)	(2,440)	2,351	4,234	9,799	11,873	14,874	19,262	19,739	17,884	(18,371)	28,257	71,759
% Y/Y	-54%	N\A	N\A	N\A	N\A	533%	355%	101%	51%	-33%	N\A	154%
% Q/Q	-46%	N\A	80%	131%	21%	25%	30%	2%	-9%			
Net profit (loss)	(3,042)	2,520	3,375	5,965	9,261	14,432	24,105	20,799	17,273	(21,378)	21,121	76,609
% Y/Y	-50%	N\A	N\A	N\A	N\A	473%	614%	249%	87%	-24%	N\A	263%
% Q/Q	-42%	N\A	34%	77%	55%	56%	67%	-14%	-17%			
Optimizer shipped (units)	458,585	663,850	785,730	945,586	1,138,362	1,460,277	1,373,407	1,417,469	1,487,393	1,357,251	3,533,528	5,738,546
Inverter shipped (units)	21,923	31,880	35,696	38,630	44,222	54,195	59,080	52,333	57,981	61,999	150,428	223,589
MW shipped	128.6	176.1	213.1	247.6	283.7	355.9	415.6	416.4	427.0	364.8	920.5	1,615

Balance Sheet

\$,000	Jun 30, 2015	Sep 30, 2015	Dec 31, 2015	Mar 31, 2016	Jun 30, 2016
Current Assets:					
Cash and cash equivalents	144,750	146,729	106,150	84,070	74,032
Restricted cash	3,639	3,588	3,417	944	928
Marketable securities	----	----	27,137	44,059	59,163
Trade receivables, net	35,428	47,366	46,685	56,145	72,737
Prepaid expenses and other accounts receivable	32,645	20,733	24,233	18,613	21,340
Inventories	73,950	79,907	87,400	85,514	81,550
Total Current Assets	290,412	298,323	295,022	289,345	309,750
Fixed Assets, net	14,717	17,272	21,428	26,213	27,831
Long Term Assets:					
Marketable securities Long term	----	----	25,290	43,151	52,446
Long-term prepaid expenses and lease deposit	529	601	510	440	399
Long Term deferred tax	----	----	6,565	6,486	6,296
Intangible assets, net	----	779	758	737	716
Total Assets	305,658	316,975	349,573	366,372	397,438
Current Liabilities:					
Trade payables	80,684	67,180	61,977	45,138	48,481
Employees and payroll accruals	6,814	7,898	12,864	12,358	10,092
Warranty Liabilities	9,431	10,587	11,862	13,510	14,114
Deferred Revenues	1,676	2,175	1,983	2,642	3,859
Accrued expenses and other accounts payable	6,987	8,459	7,169	7,797	10,725
Total Current Liabilities	105,592	96,299	95,855	81,445	87,271
Long Term Liabilities:					
Warranty Liabilities	22,448	25,317	29,032	33,149	37,078
Deferred Revenues	8,289	9,760	11,427	13,266	14,684
Lease incentive obligation	2,385	2,374	2,320	2,265	2,297
Total Long Term Liabilities	33,122	37,451	42,779	48,680	54,059
Stockholders' Equity:					
Share capital	4	4	4	4	4
Additional paid-in capital	287,152	289,004	292,681	296,480	299,214
Accumulated other comprehensive income (loss)	(222)	(225)	(293)	417	271
Accumulated deficit	(119,990)	(105,558)	(81,453)	(60,654)	(43,381)
Total stockholders' equity	166,944	183,225	210,939	236,247	256,108
Total liabilities and stockholders' equity	305,658	316,975	349,573	366,372	397,438

P&L GAAP

	FYQ4 '14	FYQ1 '15	FYQ2 '15	FYQ3 '15	FYQ4 '15	FYQ1 '16	FYQ2 '16	FYQ3 '16	FYQ4 '16		FY 2013	FY 2014	FY 2015	FY 2016
Revenues	44,573	66,969	73,290	86,399	98,420	115,054	124,832	125,205	124,752		79,035	133,217	325,078	489,843
Cost of revenues	35,849	52,939	57,509	62,698	70,149	81,527	86,250	84,471	85,639		74,626	111,246	243,295	337,887
Gross profit	8,724	14,030	15,781	23,701	28,271	33,527	38,582	40,734	39,113		4,409	21,971	81,783	151,956
Gross Margin %	19.6%	20.9%	21.5%	27.4%	28.7%	29.1%	30.9%	32.5%	31.4%		5.6%	16.5%	25.2%	31.0%
Operating expenses:														
Research and development, net	4,570	5,059	4,768	5,490	6,701	6,991	8,299	8,709	9,232		15,823	18,256	22,018	33,231
Sales and marketing	5,420	5,461	5,658	6,422	7,432	8,244	8,833	8,826	8,930		12,784	17,792	24,973	34,833
General and administrative	1,174	1,159	1,121	1,990	2,265	3,418	2,188	3,460	3,067		3,262	4,294	6,535	12,133
Total operating expenses	11,164	11,679	11,547	13,902	16,398	18,653	19,320	20,995	21,229		31,869	40,342	53,526	80,197
Operating income (loss)	(2,440)	2,351	4,234	9,799	11,873	14,874	19,262	19,739	17,884		(27,460)	(18,371)	28,257	71,759
Financial expenses (Income)	470	(516)	458	3,436	1,699	72	959	(2,029)	527		612	2,787	5,077	(471)
Other expenses	----	----	----	----	104	----	----	----	----		----	----	104	----
Profit (Loss) before taxes on income	(2,910)	2,867	3,776	6,363	10,070	14,802	18,303	21,768	17,357		(28,072)	(21,158)	23,076	72,230
Taxes on income (tax benefit)	132	347	401	398	809	370	(5,802)	969	84		108	220	1,955	(4,379)
Net (Profit) loss	(3,042)	2,520	3,375	5,965	9,261	14,432	24,105	20,799	17,273		(28,180)	(21,378)	21,121	76,609

Cash Flow

\$,000	3 Months ended				
	<u>Jun-15</u>	<u>Sep-15</u>	<u>Dec-15</u>	<u>Mar-16</u>	<u>Jun-16</u>
<u>Cash flows from operating activities:</u>					
Net income	9,261	14,432	24,105	20,799	17,273
<u>Adjustments to reconcile net income to net cash provided by operating activities:</u>					
Depreciation	606	738	891	972	1,162
Amortization of intangible assets	----	21	21	21	21
Amortization of premiums on available-for-sale marketable securities	----	----	35	174	323
Capital loss from disposal of property	104	----	----	----	----
Stock-based compensation related to employee stock options	1,206	1,832	2,225	2,632	2,400
Deferred income tax benefit	----	----	(6,527)	(100)	247
Realized losses on Cash Flow Hedges	----	1	(3)	2	----
Remeasurement of warrants to purchase convertible preferred stock	3,285	----	----	----	----
<u>Changes in assets and liabilities:</u>					
Inventories	(9,436)	(5,956)	(7,496)	2,006	4,090
Prepaid expenses and other accounts receivable	(7,365)	11,811	(5,307)	6,682	(3,194)
Trade receivables, net	9,660	(11,928)	660	(9,413)	(16,590)
Trade payables	1,508	(13,500)	(5,201)	(16,853)	3,354
Employees and payroll accruals	785	1,044	5,029	(556)	(2,239)
Warranty obligations	3,980	4,025	4,990	5,765	4,533
Deferred revenues	1,873	1,970	1,476	2,496	2,636
Accrued expenses and other accounts payable	(204)	1,467	(1,740)	770	3,243
Lease incentive obligation	426	(11)	(54)	(55)	32
Net cash provided by operating activities	<u>15,689</u>	<u>5,946</u>	<u>13,104</u>	<u>15,342</u>	<u>17,291</u>
<u>Cash flows from investing activities:</u>					
Purchase of property and equipment	(3,511)	(3,292)	(2,344)	(5,909)	(3,094)
Purchase of intangible assets	----	(800)	----	----	----
Decrease (increase) in restricted cash	(65)	51	171	2,473	16
Increase (decrease) in long-term lease deposit	(110)	73	(36)	(14)	80
Investment in available-for-sale marketable securities	----	----	(52,860)	(36,023)	(30,129)
Maturities of available-for-sale marketable securities	----	----	----	1,000	5,350
Net cash used in investing activities	<u>(3,686)</u>	<u>(3,968)</u>	<u>(55,069)</u>	<u>(38,473)</u>	<u>(27,777)</u>
<u>Cash flows from financing activities:</u>					
Issuance costs	(2,542)	----	----	----	----
Proceeds from exercise of employee stock options	38	17	1,455	1,167	334
Net cash provided by (used in) financing activities	<u>(2,504)</u>	<u>17</u>	<u>1,455</u>	<u>1,167</u>	<u>334</u>
Increase (decrease) in cash and cash equivalents	9,499	1,995	(40,510)	(21,964)	(10,152)
Cash and cash equivalents at the beginning of the period	135,204	144,750	146,729	106,150	84,070
Effect of exchange rate differences on cash and cash equivalents	47	(16)	(69)	(116)	114
Cash and cash equivalents at the end of the period	<u>144,750</u>	<u>146,729</u>	<u>106,150</u>	<u>84,070</u>	<u>74,032</u>