

CONSOLIDATED BALANCE SHEETS

	March 31,		December 31,
	2015	2014	2014
	Unaudited		Audited
	NIS in thousands		
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	20,215	9,627	15,594
Short-term deposits	-	9,968	-
Trade receivables	2,113	2,330	2,122
Other accounts receivable	4,851	2,331	3,373
Inventories	6,116	4,153	5,595
	<u>33,295</u>	<u>28,409</u>	<u>26,684</u>
NON-CURRENT ASSETS:			
Deposits	113	92	113
Restricted cash	399	388	397
Fixed assets	823	891	916
Intangible assets	10,759	13,027	11,644
	<u>12,094</u>	<u>14,398</u>	<u>13,070</u>
	<u>45,389</u>	<u>42,807</u>	<u>39,754</u>
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Current maturities on loans from bank	2,177	-	1,563
Trade payables	3,967	2,522	3,531
Other accounts payable	4,469	4,274	4,313
Liabilities for Government grants	878	857	885
	<u>11,491</u>	<u>7,653</u>	<u>10,292</u>
NON-CURRENT LIABILITIES:			
Loans from bank	3,073	-	3,687
Liabilities for Government grants	22,986	18,432	21,333
	<u>26,059</u>	<u>18,432</u>	<u>25,020</u>
EQUITY:			
Share capital	10,270	7,018	8,020
Additional paid-in capital	229,656	203,890	213,966
Receipts on account of options	522	4,805	5,327
Reserve for share-based payment transactions	4,968	5,547	6,301
Reserve for transaction with controlling shareholder	5,657	5,657	5,657
Accumulated deficit	(243,234)	(210,195)	(234,829)
	<u>7,839</u>	<u>16,722</u>	<u>4,442</u>
	<u>45,389</u>	<u>42,807</u>	<u>39,754</u>

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three months ended		Year ended
	March 31,		December 31,
	2015	2014	2014
	Unaudited		Audited
	NIS in thousands		
	(except per share data)		
Revenues from sales	2,852	3,663	12,453
Cost of revenues	1,990	2,660	8,590
Amortization of intangible asset	885	559	1,937
Total cost of revenues	<u>2,875</u>	<u>3,219</u>	<u>10,527</u>
Gross profit (loss)	(23)	444	1,926
Research and development expenses, net	3,048	3,304	11,855
Selling and marketing expenses	2,750	4,685	15,225
General and administrative expenses	1,606	1,448	5,758
Prior years fees refund by the FDA	(676)	-	(636)
Operating loss	<u>(6,751)</u>	<u>(8,993)</u>	<u>(30,276)</u>
Financial income	382	37	404
Financial expenses	<u>(2,036)</u>	<u>(328)</u>	<u>(4,046)</u>
Financial expenses, net	<u>(1,654)</u>	<u>(291)</u>	<u>(3,642)</u>
Loss	<u><u>(8,405)</u></u>	<u><u>(9,284)</u></u>	<u><u>(33,918)</u></u>
Total comprehensive loss	<u><u>(8,405)</u></u>	<u><u>(9,284)</u></u>	<u><u>(33,918)</u></u>
Basic and diluted loss per share (in NIS)	<u><u>(0.9)</u></u>	<u><u>*) (1.28)</u></u>	<u><u>(4.33)</u></u>

*) Adjusted due to reserve stock split and issuance of rights.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Additional paid-in capital	Receipts on account of options	Reserve for share-based payment transactions	Reserve for transaction with controlling shareholder	Accumulated deficit	Total
Unaudited							
NIS in thousands							
Balance at January 1, 2015 (audited)	8,020	213,966	5,327	6,301	5,657	(234,829)	4,442
Total comprehensive loss	-	-	-	-	-	(8,405)	(8,405)
Issue of share capital, net	2,250	8,964	-	-	-	-	11,214
Cost of share based payment expiration of options	-	-	-	588	-	-	588
	-	6,726	(4,805)	(1,921)	-	-	-
Balance at March 31, 2015	10,270	229,656	522	4,968	5,657	(243,234)	7,839
Unaudited							
NIS in thousands							
Balance at January 1, 2014 (audited)	7,018	203,832	4,805	5,274	5,657	(200,911)	25,675
Total comprehensive loss	-	-	-	-	-	(9,284)	(9,284)
Cost of share based payment	-	-	-	314	-	-	314
Exercise of options	*)	45	-	(28)	-	-	17
expiration of options	-	13	-	(13)	-	-	-
Balance at March 31, 2014	7,018	203,890	4,805	5,547	5,657	(210,195)	16,722
Audited							
NIS in thousands							
Balance at January 1, 2014	7,018	203,832	4,805	5,274	5,657	(200,911)	25,675
Total comprehensive loss	-	-	-	-	-	(33,918)	(33,918)
Issue of share capital, net	1,000	10,068	522	-	-	-	11,590
Cost of share based payment	-	-	-	1,078	-	-	1,078
Exercise of options	2	43	-	(28)	-	-	17
expiration of options	-	23	-	(23)	-	-	-
Balance at December 31, 2014	8,020	213,966	5,327	6,301	5,657	(234,829)	4,442

*) Represents an amount lower than NIS 1 thousand.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended March 31,		Year ended December 31,
	2015	2014	2014
	Unaudited		Audited
	NIS in thousands		
<u>Cash flows from operating activities:</u>			
Loss	(8,405)	(9,284)	(33,918)
Adjustments to reconcile loss to net cash used in operating activities:			
Adjustments to the profit or loss items:			
Loss from sale of property, plant and equipment	1	-	18
Depreciation and amortization	985	823	2,382
Cost of share based payment	588	314	1,078
Financial expenses, net	1,654	291	3,642
	3,228	1,428	7,120
Changes in asset and liability items:			
Decrease (increase) in trade receivables	4	(789)	(532)
Decrease (increase) in other accounts receivable	(1,478)	383	(666)
Increase in inventories	(521)	(25)	(1,597)
Increase (decrease) in trade payables	669	(1,161)	(638)
Increase (decrease) in other accounts payable	156	(41)	(2)
	(1,170)	(1,633)	(3,435)
Cash paid and received during the period for:			
Interest paid	(158)	(6)	(622)
Interest received	3	37	61
	(155)	31	(561)
Net cash used in operating activities	(6,502)	(9,458)	(30,794)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended		Year ended
	March 31,		December 31,
	2015	2014	2014
	Unaudited		Audited
	NIS in thousands		
<u>Cash flows from investing activities:</u>			
Proceeds from sale of property, plant and equipment	4	-	13
Purchase of fixed assets	(12)	(33)	(135)
Investment in Bank deposits	-	12,943	22,911
Long-term deposits	-	(10)	(26)
Net cash provided by (used in) investing activities	<u>(8)</u>	<u>12,900</u>	<u>22,763</u>
<u>Cash flows from financing activities:</u>			
Receipt of long-term loan from bank	-	-	5,250
Issuance of share capital, net	11,214	-	11,590
Receipt of Government grants	-	31	124
Repayment of liability in respect of government grants	(233)	(206)	(427)
Exercise of options	-	17	17
Net cash (used in) provided by financing activities	<u>10,981</u>	<u>(158)</u>	<u>16,554</u>
Exchange differences on balances of cash and cash equivalents	<u>150</u>	<u>68</u>	<u>796</u>
Increase (decrease) in cash and cash equivalents	4,621	3,352	9,319
Cash and cash equivalents at the beginning of the period	<u>15,594</u>	<u>6,275</u>	<u>6,275</u>
Cash and cash equivalents at the end of the period	<u><u>20,215</u></u>	<u><u>9,627</u></u>	<u><u>15,594</u></u>
