

CONSOLIDATED BALANCE SHEETS

	September 30,		December 31,
	2015	2014	2014
	Unaudited		Audited
	NIS in thousands		
CURRENT ASSETS:			
Cash and cash equivalents	11,999	21,896	15,594
Trade receivables	1,810	1,997	2,122
Other accounts receivable	1,664	1,129	3,373
Inventory	5,116	5,327	5,595
	<u>20,589</u>	<u>30,349</u>	<u>26,684</u>
NON-CURRENT ASSETS:			
Deposits	83	105	113
Restricted cash	427	392	397
Fixed assets	1,677	1,000	916
Intangible assets	9,363	11,979	11,644
	<u>11,550</u>	<u>13,476</u>	<u>13,070</u>
	<u>32,139</u>	<u>43,825</u>	<u>39,754</u>
CURRENT LIABILITIES:			
Current maturities on loan from bank	2,488	1,094	1,563
Trade payables	2,619	2,466	3,531
Other accounts payable	5,185	5,009	4,313
Liabilities for Government grants	795	747	885
	<u>11,087</u>	<u>9,316</u>	<u>10,292</u>
NON-CURRENT LIABILITIES:			
Loan from bank	1,792	4,156	3,687
Liabilities for Government grants	22,694	20,368	21,333
	<u>24,486</u>	<u>24,524</u>	<u>25,020</u>
EQUITY (Deficiency):			
Share capital	10,270	8,018	8,020
Additional paid-in capital	230,187	213,968	213,966
Receipts on account of options	-	5,327	5,327
Reserve for share-based payment transactions	4,853	6,043	6,301
Reserve for transaction with controlling shareholder	5,657	5,657	5,657
Accumulated deficit	<u>(254,401)</u>	<u>(229,028)</u>	<u>(234,829)</u>
Total equity (Deficiency)	<u>(3,434)</u>	<u>9,985</u>	<u>4,442</u>
	<u>32,139</u>	<u>43,825</u>	<u>39,754</u>

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Nine months ended September 30,		Three months ended September 30,		Year ended December 31,
	2015	2014	2015	2014	2014
	Unaudited				Audited
NIS in thousands (except per share data)					
Revenues from sales	9,320	9,187	3,348	2,940	12,453
Cost of revenues	5,946	6,679	2,031	2,034	8,590
Amortization of intangible assets	2,281	1,608	404	466	1,937
Total cost of revenues	8,227	8,287	2,435	2,500	10,527
Gross profit	1,093	900	913	440	1,926
Research and development expenses, net	8,042	10,049	2,670	3,875	11,855
Selling and marketing expenses	7,134	12,180	2,397	3,254	15,225
General and administrative expenses	4,453	4,326	1,542	1,536	5,758
Prior years fees refund by the FDA	(676)	-	-	-	(636)
Operating loss	(17,860)	(25,655)	(5,696)	(8,225)	(30,276)
Finance income	285	425	279	364	404
Finance expenses	(1,997)	(2,887)	(1,342)	(2,076)	(4,046)
Finance expenses, net	(1,712)	(2,462)	(1,063)	(1,712)	(3,642)
Loss	(19,572)	(28,117)	(6,759)	(9,937)	(33,918)
Total comprehensive loss	(19,572)	(28,117)	(6,759)	(9,937)	(33,918)
Basic and diluted loss per share (in NIS)	(1.96)	*) (3.69)	(0.66)	*) (1.26)	*) (4.33)

*) Retroactively adjusted due to reverse stock split and issuance of rights

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIT)

	Share capital	Additional paid-in capital	Receipts on account of options	Reserve for share-based payment transactions	Reserve for transaction with a 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	-	-	-	-	-	(19,572)	(19,572)
Issue of share capital, net	2,250	8,964	-	-	-	-	11,214
Cost of share based payment	-	-	-	482	-	-	482
Expiration of options	-	7,257	(5,327)	(1,930)	-	-	-
Balance at September 30, 2015	<u>10,270</u>	<u>230,187</u>	<u>-</u>	<u>4,853</u>	<u>5,657</u>	<u>(254,401)</u>	<u>(3,434)</u>
	Share capital	Additional paid-in capital	Receipts on account of options	Reserve for share-based payment transactions	Reserve for transaction with a controlling shareholder	Accumulated deficit	Total
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	-	-	-	-	-	(28,117)	(28,117)
Issue of share capital, net	1,000	10,068	522	-	-	-	11,590
Cost of share based payment	-	-	-	820	-	-	820
Exercise of options	*) -	45	-	(28)	-	-	17
Expiration of options	-	23	-	(23)	-	-	-
Balance at September 30, 2014	<u>8,018</u>	<u>213,968</u>	<u>5,327</u>	<u>6,043</u>	<u>5,657</u>	<u>(229,028)</u>	<u>9,985</u>

*) Represents an amount lower than NIS 1 thousand.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIT)

	Share capital	Additional paid-in capital	Receipts on account of options	Reserve for share-based payment transactions	Reserve for transaction with a controlling shareholder	Accumulated deficit	Total
Unaudited							
NIS in thousands							
Balance at July 1, 2015	10,270	230,187	-	4,726	5,657	(247,642)	3,198
Total comprehensive loss	-	-	-	-	-	(6,759)	(6,759)
Cost of share based payment	-	-	-	127	-	-	127
Balance at September 30, 2015	<u>10,270</u>	<u>230,187</u>	<u>-</u>	<u>4,853</u>	<u>5,657</u>	<u>(254,401)</u>	<u>(3,434)</u>
	Share capital	Additional paid-in capital	Receipts on account of options	Reserve for share-based payment transactions	Reserve for transaction with a controlling shareholder	Accumulated deficit	Total
Unaudited							
NIS in thousands							
Balance at July 1, 2014	7,018	203,890	4,805	5,697	5,657	(219,091)	7,976
Total comprehensive loss	-	-	-	-	-	(9,937)	(9,937)
Issue of share capital, net	1,000	10,068	522	-	-	-	11,590
Expiration of options	-	10	-	(10)	-	-	-
Cost of share based payment	-	-	-	356	-	-	356
Balance at September 30, 2014	<u>8,018</u>	<u>213,968</u>	<u>5,327</u>	<u>6,043</u>	<u>5,657</u>	<u>(229,028)</u>	<u>9,985</u>
	Share capital	Additional paid-in capital	Receipts on account of options	Reserve for share-based payment transactions	Reserve for transaction with a controlling shareholder	Accumulated deficit	Total
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	<u>8,020</u>	<u>213,966</u>	<u>5,327</u>	<u>6,301</u>	<u>5,657</u>	<u>(234,829)</u>	<u>4,442</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine months ended September 30,		Three months ended September 30,		Year ended December 31,
	2015	2014	2015	2014	2014
	Unaudited				Audited
	NIS in thousands				
<u>Cash flows from operating activities:</u>					
Loss	(19,572)	(28,117)	(6,759)	(9,937)	(33,918)
Adjustments to reconcile loss to net cash used in operating activities:					
Adjustments to the profit or loss items:					
Loss from sale of fixed assets	2	18	-	18	18
Depreciation and amortization	2,683	1,946	582	556	2,382
Cost of share based payment	482	820	127	356	1,078
Finance expenses, net	1,712	2,462	1,063	1,712	3,642
	4,879	5,246	1,772	2,642	7,120
Changes in asset and liability items:					
Decrease (increase) in trade receivables	317	(467)	(394)	(238)	(532)
Decrease (increase) in other accounts receivable	1,738	1,580	303	601	(666)
Increase in inventory	(575)	(1,330)	(168)	(423)	(1,597)
Decrease in trade payables	(667)	(1,321)	(1,143)	(474)	(638)
Increase (decrease) in accounts payable	872	694	1,407	563	(2)
	1,685	(844)	5	29	(3,435)
Cash paid and received during the period for:					
Interest paid	(417)	(431)	(124)	(64)	(622)
Interest received	11	57	5	9	61
	(406)	(374)	(119)	(55)	(561)
Net cash used in operating activities	(13,414)	(24,089)	(5,101)	(7,321)	(30,794)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine months ended September 30,		Three months ended September 30,		Year ended December 31,
	2015	2014	2015	2014	2014
	Unaudited				Audited
	NIS in thousands				
<u>Cash flows from investing activities:</u>					
Proceeds from sale of fixed assets	6	10	-	10	13
Purchase of fixed assets	(118)	(115)	(23)	(53)	(135)
Withdrawal (investment in) bank deposits	(30)	22,911	1,857	-	22,911
Investment in long-term deposits	-	(18)	92	(8)	(26)
Net cash provided by (used in) investing activities	(142)	22,788	1,926	(51)	22,763
<u>Cash flows from financing activities:</u>					
Receipt of long-term bank loan	-	5,250	-	-	5,250
Repayment of long-term bank loan	(970)	-	(587)	-	-
Issuance of share capital, net	11,214	11,590	-	11,590	11,590
Receipt of Government grants	128	124	53	93	124
Repayment of liabilities in respect of government grants	(437)	(427)	(204)	(221)	(427)
Exercise of options	-	17	-	-	17
Net cash provided by (used in) financing activities	9,935	16,554	(738)	11,462	16,554
Exchange differences on balances of cash and cash equivalents	26	368	396	419	796
Increase (decrease) in cash and cash equivalents	(3,595)	15,621	(3,517)	4,509	9,319
Cash and cash equivalents at the beginning of the period	15,594	6,275	15,516	17,387	6,275
Cash and cash equivalents at the end of the period	11,999	21,896	11,999	21,896	15,594
