

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	March 31,		December 31,
	2019	2018	2018
	Unaudited		Audited
	USD in thousands		
<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	2,955	2,499	3,576
Trade receivables, net	2,365	2,041	2,664
Other account receivables	693	823	855
Inventories	5,392	3,250	6,082
	<u>11,405</u>	<u>8,613</u>	<u>13,177</u>
<b>NON-CURRENT ASSETS:</b>			
Long-term deposits and other receivables	64	281	66
Restricted cash	115	82	112
Right-of-use assets	270	-	-
Property and equipment, net	449	314	504
Intangible asset, net	-	520	-
	<u>898</u>	<u>1,197</u>	<u>682</u>
	<u>12,303</u>	<u>9,810</u>	<u>13,859</u>
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES:</b>			
Line of Credit and Loan from bank	1,935	429	2,537
Trade payables	1,911	1,928	2,742
Other account payables	1,309	1,811	1,758
Current maturities of lease liability	234	-	-
Liabilities in respect of government grants	495	715	672
	<u>5,884</u>	<u>4,883</u>	<u>7,709</u>
<b>NON-CURRENT LIABILITIES:</b>			
Lease liability	32	-	-
Line of Credit	4,385	3,399	3,966
Liabilities in respect of government grants	5,534	5,501	5,435
	<u>9,951</u>	<u>8,900</u>	<u>9,401</u>
<b>EQUITY:</b>			
Share capital	7,077	6,656	7,035
Share premium	69,904	65,739	69,616
Reserve from share-based payment transactions	2,263	1,451	2,208
Reserve from transaction with controlling shareholder	2,224	1,891	2,224
Foreign currency translation reserve	1,729	1,729	1,729
Accumulated deficit	(86,729)	(81,439)	(86,063)
	<u>(3,532)</u>	<u>(3,973)</u>	<u>(3,251)</u>
	<u>12,303</u>	<u>9,810</u>	<u>13,859</u>

May 29, 2019

 Date of approval of the  
financial statements

 Dr. Uri Geiger  
Chairman of the Board

 Raphael Werner  
CEO

 Moshe Dori  
VP Finance

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**

	Three months ended		Year ended
	March 31,		December 31,
	2019	2018	2018
	Unaudited		Audited
	USD in thousands (except per share data)		
Revenues from sales	3,369	3,263	13,144
Cost of revenues	1,583	2,030	7,398
Amortization of intangible asset	-	173	693
Total cost of revenues	1,583	2,203	8,091
Gross profit	1,786	1,060	5,053
Research and development expenses, net	710	924	3,770
Selling and marketing expenses, net	812	703	3,158
General and administrative expenses	521	540	2,320
Other expenses	-	-	1,141
Prior years fee refund by the FDA	-	(76)	(76)
Operating loss	257	1,031	5,260
Financial income	*) -	206	212
Financial expenses	392	95	537
Financial (income) expenses, net	392	(111)	325
Loss before taxes on income	649	920	5,585
Taxes on income (tax benefit)	17	(46)	(87)
Net loss	666	874	5,498
Basic and diluted loss per share	(0.025)	(0.03)	(0.21)

\*) Represents an amount lower than USD 1 thousand.

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Share capital	Share premium	Reserve from share-based payment transactions	Reserve from transaction with controlling shareholder	Foreign currency translation reserve	Accumulated deficit	Total
	USD in thousands						
<u>Balance at January 1, 2019</u>	7,035	69,616	2,208	2,224	1,729	(86,063)	(3,251)
Total comprehensive loss	-	-	-	-	-	(666)	(666)
Exercise of options	42	133	-	-	-	-	175
Expiration of options	-	155	(155)	-	-	-	-
Cost of share-based payment	-	-	210	-	-	-	210
<u>Balance at March 31, 2019 (unaudited)</u>	<u>7,077</u>	<u>69,904</u>	<u>2,263</u>	<u>2,224</u>	<u>1,729</u>	<u>(86,729)</u>	<u>(3,532)</u>

	Share capital	Share premium	Reserve from share-based payment transactions	Reserve from transaction with controlling shareholder	Foreign currency translation reserve	Accumulated deficit	Total
	USD in thousands						
<u>Balance at January 1, 2018</u>	6,652	65,707	1,264	1,567	1,729	(80,565)	(3,646)
Total comprehensive loss	-	-	-	-	-	(874)	(874)
Exercise of options	4	32	(9)	-	-	-	27
Transaction with controlling shareholder *)	-	-	-	324	-	-	324
Cost of share-based payment	-	-	196	-	-	-	196
<u>Balance at March 31, 2018 (unaudited)</u>	<u>6,656</u>	<u>65,739</u>	<u>1,451</u>	<u>1,891</u>	<u>1,729</u>	<u>(81,439)</u>	<u>(3,973)</u>

\*) Net of tax influence

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Share capital	Share premium	Reserve from share-based payment transactions	Reserve from transaction with controlling shareholder	Foreign currency translation reserve	Accumulated deficit	Total
	USD in thousands						
<u>Balance at January 1, 2018</u>	6,652	65,707	1,264	1,567	1,729	(80,565)	(3,646)
Total comprehensive loss						(5,498)	(5,498)
Issue of share capital, net	372	3,843	-	-	-	-	4,215
Exercise of options	11	66	(20)	-	-	-	57
Transaction with controlling shareholder *)	-	-	-	657	-	-	657
Cost of share-based payment	-	-	964	-	-	-	964
<u>Balance at December 31, 2018</u>	<u>7,035</u>	<u>69,616</u>	<u>2,208</u>	<u>2,224</u>	<u>1,729</u>	<u>(86,063)</u>	<u>(3,251)</u>

\*) Net of tax influence

## NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

	Three months ended March 31,		Year ended December 31,
	2019	2018	2018
	Unaudited		Audited
	USD in thousands		
<u>Cash flows from operating activities:</u>			
Loss	(666)	(874)	(5,498)
Adjustments to reconcile net loss to net cash used in operating activities:			
Adjustments to the profit or loss items:			
Depreciation of right of use of assets	68	-	-
Depreciation and amortization	76	211	900
Cost of share-based payment	210	196	964
Finance expenses (income), net	392	(111)	325
	746	296	2,189
Changes in asset and liability items:			
Decrease (increase) in trade receivables	304	279	(387)
Decrease (increase) in other accounts receivable	(104)	196	322
Decrease (increase) in inventories	926	(386)	(3,532)
Increase (decrease) in trade payables	(845)	(433)	500
Decrease in other accounts payable	(458)	(75)	(112)
	(177)	(419)	(3,209)
Cash paid and received during the year for:			
Tax paid	-	-	(83)
Interest paid	(70)	(32)	(252)
Interest received	-	-	1
	(70)	(32)	(334)
Net cash used in operating activities	(167)	(1,029)	(6,852)

## NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

	Three months ended March 31,		Year ended December 31,
	2019	2018	2018
	Unaudited		Audited
	USD in thousands		
<u>Cash flows from investing activities:</u>			
Purchase of property and equipment	(3)	(38)	(178)
Investment in Long-term deposits	-	-	(2)
Withdrawal of bank deposits	-	-	(35)
Net cash used in investing activities	(3)	(38)	(215)
<u>Cash flows from financing activities:</u>			
Receipt of loan and line of credit from banks	-	2,231	5,761
Repayment of loan and line of credit from bank	(386)	-	(463)
Exercise of options	175	15	57
Issuance of share capital, net	-	-	4,215
Prepaid issuance expenses	-	(142)	-
Repayment of lease liability	(69)	-	-
Repayment of liability in respect of government grants	(195)	(166)	(450)
Net cash provided by (used in) financing activities	(475)	1,938	9,120
Exchange differences on balances of cash and cash equivalents	24	(3)	(108)
Increase (Decrease) in cash and cash equivalents	(621)	868	1,945
Cash and cash equivalents at the beginning of the period	3,576	1,631	1,631
Cash and cash equivalents at the end of the period	2,955	2,499	3,576
<u>Significant non-cash transactions:</u>			
Lease transactions	29	-	-
Reclassification inventory to property and equipment	18	68	287
Receivables from issuance of shares	-	12	-