

CONSOLIDATED BALANCE SHEETS

NIS in thousands

	December 31,	
	2014	2013
	NIS in thousands	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	15,594	6,275
Short-term deposits	-	22,911
Trade receivables	2,122	1,543
Other accounts receivable	3,373	2,707
Inventories	5,595	4,184
	<u>26,684</u>	<u>37,620</u>
NON-CURRENT ASSETS:		
Long-term deposits	113	89
Restricted cash	397	388
Fixed assets, net	916	1,065
Intangible assets	11,644	13,586
	<u>13,070</u>	<u>15,128</u>
	<u>39,754</u>	<u>52,748</u>
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Current maturities on loans from bank	1,563	-
Trade payables	3,531	3,661
Other accounts payable	4,313	4,315
Liabilities for government grants	885	813
	<u>10,292</u>	<u>8,789</u>
NON-CURRENT LIABILITIES:		
Loans from bank	3,687	-
Liabilities for government grants	21,333	18,284
	<u>25,020</u>	<u>18,284</u>
EQUITY:		
Share capital	8,020	7,018
Additional paid-in capital	213,966	203,832
Receipts on account of options	5,327	4,805
Reserve for share-based payment transaction	6,301	5,274
Reserve for transaction with controlling shareholder	5,657	5,657
Accumulated deficit	(234,829)	(200,911)
	<u>4,442</u>	<u>25,675</u>
	<u>39,754</u>	<u>52,748</u>

CONSOLIDATED STATEMENTS OF OPERATIONS

NIS in thousands, except share and per share data

	Year ended December 31,		
	2014	2013	2012
	NIS in thousands		
Revenues from sales	12,453	10,894	12,126
Revenues from rental machines	-	-	1,446
Total revenues	12,453	10,984	13,572
Cost of revenues	8,590	8,149	12,121
Amortization of intangible asset	1,937	1,294	1,308
Total cost of revenues	10,527	9,443	13,429
Gross profit	1,926	1,451	143
Research and development expenses, net	11,855	10,120	8,719
Selling and marketing expenses	15,225	16,572	13,418
General and administrative expenses	5,758	6,925	6,179
Prior years fees refund by the FDA	(636)	(578)	(3,167)
Operating loss	(30,276)	(31,588)	(25,006)
Financial income	404	373	134
Financial expenses	(4,046)	(1,302)	(2,266)
Financial expenses, net	(3,642)	(929)	(2,132)
Loss	(33,918)	(32,517)	(27,138)
Total comprehensive loss	(33,918)	(32,517)	(27,138)
Basic and diluted loss per share (in NIS)	(4.33)	(5.25)	(12.43)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**NIS in thousands, except share and per share data**

	Share capital	Additional paid-in capital	Receipts on account of options	Reserve for share-based payment transaction	Reserve for transaction with controlling shareholder	Accumulated deficit	Total
	NIS in thousands						
Balance at January 1, 2012	1,333	134,606	-	9,990	4,358	(141,256)	9,031
Total comprehensive loss	-	-	-	-	-	(27,138)	(27,138)
Issuance of rights, net	2,912	26,047	-	-	-	-	28,959
Conversion of loan from a controlling shareholder	18	522	-	-	(97)	-	443
Cost of share based payment	-	-	-	564	-	-	564
Capital benefit from transactions with a controlling shareholder	-	-	-	-	2,287	-	2,287
Forfeiture of options	-	121	-	(121)	-	-	-
Balance at December 31, 2012	4,263	161,296	-	10,433	6,548	(168,394)	14,146
Total comprehensive loss	-	-	-	-	-	(32,517)	(32,517)
Issue of share capital, net	1,819	26,680	4,805	-	-	-	33,304
Conversion of loan from a controlling shareholder	926	9,169	-	-	(891)	-	9,204
Cost of share based payment	-	-	-	1,395	-	-	1,395
Exercise of options	10	195	-	(62)	-	-	143
Lapsed options	-	6,492	-	(6,492)	-	-	-
Balance at December 31, 2013	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
Lapsed options	-	23	-	(23)	-	-	-
Balance at December 31, 2014	8,020	213,966	5,327	6,301	5,657	(234,829)	4,442

CONSOLIDATED STATEMENTS OF CASH FLOWS**NIS in thousands**

	Year ended December 31,		
	2014	2013	2012
	NIS in thousands		
<u>Cash flows from operating activities:</u>			
Loss	(33,918)	(32,517)	(27,138)
Adjustments to reconcile net loss to net cash used in operating activities:			
Adjustments to the profit or loss items:			
Loss from sale of property, plant and equipment	18	-	-
Depreciation and amortization	2,382	1,573	1,636
Cost of share-based payment	1,078	1,395	564
Finance expenses, net	3,642	929	2,132
	7,120	3,897	4,332
Changes in asset and liability items:			
Decrease (increase) in trade receivables	(532)	1,516	(443)
Decrease (increase) in other accounts receivable	(666)	336	1,039
Decrease (increase) in inventories	(1,597)	(1,030)	180
Increase (decrease) in trade payables	(638)	71	(601)
Increase (decrease) in other accounts payable	(2)	222	(555)
	(3,435)	1,115	(380)
Cash paid and received during the year for:			
Interest paid	(622)	(22)	(53)
Interest received	61	213	134
	(561)	191	81
Net cash used in operating activities	(30,794)	(27,314)	(23,105)

CONSOLIDATED STATEMENTS OF CASH FLOWS

NIS in thousands

	Year ended December 31,		
	2014	2013	2012
	NIS in thousands		
<u>Cash flows from investing activities:</u>			
Proceeds from sale of property, plant and equipment	13	-	-
Purchase of fixed assets	(135)	(194)	(169)
Purchase of (proceeds from) bank deposits	22,911	(22,911)	-
Long-term deposits	(26)	(17)	-
Net cash provided by (used in) investing activities	22,763	(23,122)	(169)
<u>Cash flows from financing activities:</u>			
Receipt of long-term loan from bank	5,250	-	-
Receipt of a loan from a controlling shareholder	-	-	10,000
Issuance of share capital, net	11,590	33,304	28,959
Receipt of government grants	124	177	5
Repayment of liability in respect of government grants	(427)	(399)	(500)
Exercise of options	17	143	-
Net cash provided by financing activities	16,554	33,225	38,464
Exchange differences on balances of cash and cash equivalents	796	(846)	(109)
Increase (decrease) in cash and cash equivalents	9,319	(18,057)	15,081
Cash and cash equivalents at the beginning of the year	6,275	24,332	9,251
Cash and cash equivalents at the end of the year	15,594	6,275	24,332
<u>Significant non-cash transactions:</u>			
Conversion of a loan from a controlling shareholder	-	9,204	443