

CONSOLIDATED BALANCE SHEETS

	<u>September 30,</u>		<u>December 31,</u>
	<u>2013</u>	<u>2012</u>	<u>2012</u>
	<u>Unaudited</u>		<u>Audited</u>
	<u>NIS in thousands</u>		
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	38,833	6,032	24,332
Trade receivables	2,368	2,705	3,044
Other accounts receivable	1,325	5,339	3,030
Inventories	3,735	3,713	3,560
	<u>46,261</u>	<u>17,789</u>	<u>33,966</u>
NON-CURRENT ASSETS:			
Deposits	111	112	85
Restricted cash	371	379	377
Fixed assets	892	717	740
Intangible assets	13,951	14,938	14,884
	<u>15,325</u>	<u>16,146</u>	<u>16,086</u>
	<u><u>61,586</u></u>	<u><u>33,935</u></u>	<u><u>50,052</u></u>
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Trade payables	2,921	3,890	3,766
Other accounts payable	4,771	3,884	4,093
Loan from a controlling shareholder			8,568
Liabilities for Government grants	804	442	602
	<u>8,496</u>	<u>8,216</u>	<u>17,029</u>
NON-CURRENT LIABILITIES:			
Loan from controlling shareholder		8,212	
Liabilities for Government grants	18,192	20,063	18,877
	<u>18,192</u>	<u>28,275</u>	<u>18,877</u>
EQUITY:			
Share capital	7,017	1,351	4,263
Additional paid - in capital	197,333	135,128	161,296
Receipts on account of shares		4,887	
Receipts on account of options	4,805		
Reserve for share-based payment transactions	11,387	10,377	10,433
Reserve for transaction with controlling shareholder	5,657	6,548	6,548
Accumulated deficit	(191,301)	(160,847)	(168,394)
	<u>34,898</u>	<u>(2,556)</u>	<u>14,146</u>
	<u><u>61,586</u></u>	<u><u>33,935</u></u>	<u><u>50,052</u></u>

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Nine months ended September 30,		Three months ended September 30,		Year ended December 31,
	2013	2012	2013	2012	2012
	Unaudited				Audited
	NIS in thousands (except per share data)				
Revenues from sales	8,258	8,990	3,239	2,855	12,126
Revenues from rental machines		1,363		486	1,446
Total revenues	8,258	10,353	3,239	3,341	13,572
Cost of revenues	6,379	9,381	2,376	2,995	12,121
Amortization of intangible assets	930	1,254	280	305	1,308
Total cost of revenues	7,309	10,635	2,656	3,300	13,429
Gross profit (loss)	949	(282)	583	41	143
Research and development expenses, net	6,529	5,674	1,985	757	8,719
Selling and marketing expenses	11,811	9,927	4,468	2,949	13,418
General and administrative expenses	5,339	4,506	1,981	1,359	6,179
Prior years fees refund by the FDA	(578)	(3,167)		(3,167)	(3,167)
Operating loss	(22,152)	(17,222)	(7,851)	(1,857)	(25,006)
Finance income	356	104	209	3	134
Finance expenses	(1,111)	(2,473)	(154)	(752)	(2,266)
Finance expenses (income) , net	(755)	(2,369)	55	(749)	(2,132)
Loss	(22,907)	(19,591)	(7,796)	(2,606)	(27,138)
Total comprehensive loss	(22,907)	(19,591)	(7,796)	(2,606)	(27,138)
Basic and diluted loss per share (in NIS)	(0.04)	(0.08)	(0.01)	(0.01)	(0.13)

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
	NIS in thousands						
Balance at January 1, 2013 (audited)	4,263	161,296	-	10,433	6,548	(168,394)	14,146
Total comprehensive loss						(22,907)	(22,907)
Issuance of shares 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				1,014			1,014
Exercise of options	9	188		(60)			137
Balance at September 30, 2013	<u>7,017</u>	<u>197,333</u>	<u>4,805</u>	<u>11,387</u>	<u>5,657</u>	<u>(191,301)</u>	<u>34,898</u>
	Share capital	Additional paid-in capital	Receipts on account of shares	Reserve for share-based payment transactions	Reserve for transaction with controlling shareholder	Accumulated deficit	Total
	NIS in thousands						
Balance at January 1, 2012 (audited)	1,333	134,606		9,990	4,358	(141,256)	9,031
Total comprehensive loss						(19,591)	(19,591)
Receipt on account of issuance of rights, net			4,887				4,887
Conversion of loan from a controlling shareholder	18	522			(97)		443
Cost of share based payment				387			387
Capital benefit from transactions with controlling shareholder					2,287		2,287
Balance at September 30, 2012	<u>1,351</u>	<u>135,128</u>	<u>4,887</u>	<u>10,377</u>	<u>6,548</u>	<u>(160,847)</u>	<u>(2,556)</u>
	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
	NIS in thousands						
Balance at July 1, 2013	5,784	175,921		11,092	5,657	(183,505)	14,949
Total comprehensive loss						(7,796)	(7,796)
Issue of share capital, net	1,231	21,388	4,805				27,424
Cost of share based payment				295			295
Exercise of options	2	24					26
Balance at September 30, 2013	<u>7,017</u>	<u>197,333</u>	<u>4,805</u>	<u>11,387</u>	<u>5,657</u>	<u>(191,301)</u>	<u>34,898</u>

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	<u>Share capital</u>	<u>Additional paid-in capital</u>	<u>Receipts on account of shares</u>	<u>Reserve for share-based payment transactions</u>	<u>Reserve for transaction with controlling shareholder</u>	<u>Accumulated deficit</u>	<u>Total</u>
NIS in thousands							
Balance at July 1, 2012	1,333	134,606		10,288	6,645	(158,241)	(5,369)
Total comprehensive loss						(2,606)	(2,606)
Receipt on account of issuance of rights, net			4,887				4,887
Conversion of loan from a controlling shareholder	18	522			(97)		443
Cost of share based payment				89			89
Balance at September 30, 2012	<u>1,351</u>	<u>135,128</u>	<u>4,887</u>	<u>10,377</u>	<u>6,548</u>	<u>(160,847)</u>	<u>(2,556)</u>

	<u>Share capital</u>	<u>Additional paid-in capital</u>	<u>Reserve for share-based payment transactions</u>	<u>Reserve for transaction with controlling shareholder</u>	<u>Accumulated deficit</u>	<u>Total</u>
Audited						
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 controlling shareholder				2,287		2,287
Forfeiture of options		121	(121)			
Balance at December 31, 2012	<u>4,263</u>	<u>161,296</u>	<u>10,433</u>	<u>6,548</u>	<u>(168,394)</u>	<u>14,146</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine months ended September 30,		Three months ended September 30,		Year ended December 31,
	2013	2012	2013	2012	2012
	Unaudited				Audited
	NIS in thousands				
<u>Cash flows from operating activities:</u>					
Loss	(22,907)	(19,591)	(7,796)	(2,606)	(27,138)
Adjustments to reconcile loss to net cash used in operating activities:					
Adjustments to the profit or loss items:					
Depreciation and amortization	1,103	1,524	307	371	1,636
Cost of share based payment	1,014	387	295	89	564
Finance expenses (income), net	755	2,369	(55)	749	2,132
	2,872	4,280	547	1,209	4,332
Changes in asset and liability items:					
Decrease (increase) in trade receivables	690	72	(697)	590	(443)
Decrease (increase) in other accounts receivable	1,711	(1,297)	584	(3,466)	1,039
Decrease (increase) in inventories	(330)	27	(196)	179	180
Increase (decrease) in trade payables	(753)	(596)	1,055	(302)	(601)
Increase (decrease) in accounts payable	678	(768)	607	(959)	(555)
	1,996	(2,562)	1,353	(3,958)	(380)
Cash paid and received during the period for:					
Interest paid	(21)	(25)	(7)	(11)	(53)
Interest received	150	31	59	3	134
	129	6	52	(8)	81
Net cash used in operating activities	(17,910)	(17,867)	(5,844)	(5,363)	(23,105)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine months ended September 30,		Three months ended September 30,		Year ended December 31,
	2013	2012	2013	2012	2012
	Unaudited				Audited
	NIS in thousands				
<u>Cash flows from investing activities:</u>					
Purchase of fixed and intangible assets	(166)	(89)	(39)	(12)	(169)
Repayment of long-term deposits	(32)		(9)		-
Net cash used in investing activities	(198)	(89)	(48)	(12)	(169)
<u>Cash flows from financing activities:</u>					
Receipt of loan from controlling shareholder		10,000			10,000
Issuance of share capital, net	33,304		27,424		28,959
Receipt on account of issuance of rights, net		4,887		4,887	-
Receipt of Government grants	122		122		5
Repayment of liability in respect of government grants	(399)	(247)	(170)		(500)
Exercise of options	137		26		
Net cash provided by (used in) financing activities	33,164	14,640	27,402	4,887	38,464
Exchange differences on balances of cash and cash equivalents	(555)	97	(128)	64	(109)
Increase (decrease) in cash and cash equivalents	14,501	(3,219)	21,382	(424)	15,081
Cash and cash equivalents at the beginning of the period	24,332	9,251	17,451	6,456	9,251
Cash and cash equivalents at the end of the period	38,833	6,032	38,833	6,032	24,332
<u>(a) Significant non-cash transactions:</u>					
Conversion of loan from a controlling shareholder	9,204	443		443	443