

CONSOLIDATED BALANCE SHEETS

	June 30,		December 31,
	2015	2014	2014
	Unaudited		Audited
	NIS in thousands		
CURRENT ASSETS:			
Cash and cash equivalents	15,516	17,387	15,594
Short-term deposits	1,887	-	-
Trade receivables	1,360	1,801	2,122
Other accounts receivable	1,960	1,730	3,373
Inventory	5,672	4,956	5,595
	<u>26,395</u>	<u>25,874</u>	<u>26,684</u>
NON-CURRENT ASSETS:			
Deposits	92	97	113
Restricted cash	489	387	397
Fixed assets	1,109	1,014	916
Intangible assets	9,767	12,445	11,644
	<u>11,457</u>	<u>13,943</u>	<u>13,070</u>
	<u>37,852</u>	<u>39,817</u>	<u>39,754</u>
CURRENT LIABILITIES:			
Current maturities on loan from bank	2,431	420	1,563
Trade payables	3,655	2,780	3,531
Other accounts payable	3,778	4,446	4,313
Liabilities for Government grants	670	406	885
	<u>10,534</u>	<u>8,052</u>	<u>10,292</u>
NON-CURRENT LIABILITIES:			
Loan from bank	2,436	4,830	3,687
Liabilities for Government grants	21,684	18,959	21,333
	<u>24,120</u>	<u>23,789</u>	<u>25,020</u>
EQUITY:			
Share capital	10,270	7,018	8,020
Additional paid-in capital	230,187	203,890	213,966
Receipts on account of options	-	4,805	5,327
Reserve for share-based payment transactions	4,726	5,697	6,301
Reserve for transaction with controlling shareholder	5,657	5,657	5,657
Accumulated deficit	(247,642)	(219,091)	(234,829)
	<u>3,198</u>	<u>7,976</u>	<u>4,442</u>
	<u>37,852</u>	<u>39,817</u>	<u>39,754</u>

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Six months ended June 30,		Three months ended June 30,		Year ended December 31,
	2015	2014	2015	2014	2014
	Unaudited				Audited
NIS in thousands (except per share data)					
Revenues from sales	5,972	6,247	3,120	2,584	12,453
Cost of revenues	3,915	4,645	1,925	1,985	8,590
Amortization of intangible assets	1,877	1,142	992	583	1,937
Total cost of revenues	5,792	5,787	2,917	2,568	10,527
Gross profit	180	460	203	16	1,926
Research and development expenses, net	5,372	6,174	2,324	2,870	11,855
Selling and marketing expenses	4,737	8,926	1,987	4,241	15,225
General and administrative expenses	2,911	2,790	1,305	1,342	5,758
Prior years fees refund by the FDA	(676)	-	-	-	(636)
Operating loss	(12,164)	(17,430)	(5,413)	(8,437)	(30,276)
Finance income	6	61	1,450	24	404
Finance expenses	(655)	(811)	(445)	(483)	(4,046)
Finance income (expenses), net	(649)	(750)	1,005	(459)	(3,642)
Loss	(12,813)	(18,180)	(4,408)	(8,896)	(33,918)
Total comprehensive loss	(12,813)	(18,180)	(4,408)	(8,896)	(33,918)
Basic and diluted loss per share (in NIS)	(1.30)	*) (2.4)	(0.43)	*) (1.17)	*) (4.33)

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

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 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	-	-	-	-	-	(12,813)	(12,813)
Issue of share capital, net	2,250	8,964	-	-	-	-	11,214
Cost of share based payment	-	-	-	355	-	-	355
Expiration of options	-	7,257	(5,327)	(1,930)	-	-	-
Balance at June 30, 2015	<u>10,270</u>	<u>230,187</u>	<u>-</u>	<u>4,726</u>	<u>5,657</u>	<u>(247,642)</u>	<u>3,198</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	-	-	-	-	-	(18,180)	(18,180)
Cost of share based payment	-	-	-	464	-	-	464
Exercise of options	*) -	45	-	(28)	-	-	17
Expiration of options	-	13	-	(13)	-	-	-
Balance at June 30, 2014	<u>7,018</u>	<u>203,890</u>	<u>4,805</u>	<u>5,697</u>	<u>5,657</u>	<u>(219,091)</u>	<u>7,976</u>

*) Represents an amount lower than NIS 1 thousand.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	<u>Share capital</u>	<u>Additional paid-in capital</u>	<u>Receipts on account of options</u>	<u>Reserve for share-based payment transactions</u>	<u>Reserve for transaction with a controlling shareholder</u>	<u>Accumulated deficit</u>	<u>Total</u>
Unaudited							
NIS in thousands							
Balance at April 1, 2015	10,270	229,656	522	4,968	5,657	(243,234)	7,839
Total comprehensive loss	-	-	-	-	-	(4,408)	(4,408)
Cost of share based payment	-	-	-	(233)	-	-	(233)
Expiration of options	-	531	(522)	(9)	-	-	-
Balance at June 30, 2015	<u>10,270</u>	<u>230,187</u>	<u>-</u>	<u>4,726</u>	<u>5,657</u>	<u>(247,642)</u>	<u>3,198</u>
	<u>Share capital</u>	<u>Additional paid-in capital</u>	<u>Receipts on account of options</u>	<u>Reserve for share-based payment transactions</u>	<u>Reserve for transaction with a controlling shareholder</u>	<u>Accumulated deficit</u>	<u>Total</u>
Unaudited							
NIS in thousands							
Balance at April 1, 2014	7,018	203,890	4,805	5,547	5,657	(210,195)	16,722
Total comprehensive loss	-	-	-	-	-	(8,896)	(8,896)
Cost of share based payment	-	-	-	150	-	-	150
Balance at June 30, 2014	<u>7,018</u>	<u>203,890</u>	<u>4,805</u>	<u>5,697</u>	<u>5,657</u>	<u>(219,091)</u>	<u>7,976</u>
	<u>Share capital</u>	<u>Additional paid-in capital</u>	<u>Receipts on account of options</u>	<u>Reserve for share-based payment transactions</u>	<u>Reserve for transaction with a controlling shareholder</u>	<u>Accumulated deficit</u>	<u>Total</u>
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

	Six months ended June 30,		Three months ended June 30,		Year ended December 31,
	2015	2014	2015	2014	2014
	Unaudited				Audited
	NIS in thousands				
<u>Cash flows from operating activities:</u>					
Loss	(12,813)	(18,180)	(4,408)	(8,896)	(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	-	1	-	18
Depreciation and amortization	2,101	1,390	1,116	567	2,382
Cost of share based payment	355	464	(233)	150	1,078
Finance (income) expenses, net	649	750	(1,005)	459	3,642
	3,107	2,604	(121)	1,176	7,120
Changes in asset and liability items:					
Decrease (increase) in trade receivables	711	(229)	707	560	(532)
Decrease (increase) in other accounts receivable	1,435	979	2,913	596	(666)
Increase (decrease) in inventory	(407)	(907)	114	(882)	(1,597)
Increase (decrease) in trade payables	476	(847)	(193)	314	(638)
Increase (decrease) in accounts payable	(535)	131	(691)	172	(2)
	1,680	(873)	2,850	760	(3,435)
Cash paid and received during the period for:					
Interest paid	(293)	(367)	(135)	(361)	(622)
Interest received	6	48	3	11	61
	(287)	(319)	(132)	(350)	(561)
Net cash used in operating activities	(8,313)	(16,768)	(1,811)	(7,310)	(30,794)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six months ended June 30,		Three months ended June 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	-	2	-	13
Purchase of fixed assets	(95)	(62)	(83)	(29)	(135)
Withdrawal (investment in) bank deposits	(1,887)	22,911	(1,887)	9,968	22,911
Investment in long-term deposits	(92)	(10)	(92)	-	(26)
Net cash provided by (used in) investing activities	(2,068)	22,839	(2,060)	9,939	22,763
<u>Cash flows from financing activities:</u>					
Receipt (repayment) of long-term bank loan	(383)	5,250	(383)	5,250	5,250
Issuance of share capital, net	11,214	-	-	-	11,590
Receipt of Government grants	75	31	75	-	124
Repayment of liabilities in respect of government grants	(233)	(206)	-	-	(427)
Exercise of options	-	17	-	-	17
Net cash provided by (used in) financing activities	10,673	5,092	(308)	5,250	16,554
Exchange differences on balances of cash and cash equivalents	(370)	(51)	(520)	(119)	796
Increase (decrease) in cash and cash equivalents	(78)	11,112	(4,699)	7,760	9,319
Cash and cash equivalents at the beginning of the period	15,594	6,275	20,215	9,627	6,275
Cash and cash equivalents at the end of the period	15,516	17,387	15,516	17,387	15,594
