

CONSOLIDATED BALANCE SHEETS

	September 30,		December 31,
	2016	2015	2015
	Unaudited		Audited
	NIS in thousands		
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	15,834	11,999	11,998
Short-term deposits	10,764	-	7,902
Trade receivables	2,145	1,810	2,106
Other accounts receivable	2,015	1,664	4,155
Inventories	6,009	5,116	4,847
	<u>36,767</u>	<u>20,589</u>	<u>31,008</u>
NON-CURRENT ASSETS:			
Long-term deposits	76	83	80
Restricted cash	293	427	408
Fixed assets, net	1,232	1,677	1,565
Intangible assets, net	5,995	9,363	7,993
	<u>7,596</u>	<u>11,550</u>	<u>10,046</u>
	<u><u>44,363</u></u>	<u><u>32,139</u></u>	<u><u>41,054</u></u>
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Current maturities on loans from bank	1,792	2,488	2,546
Trade payables	3,022	2,619	3,088
Other accounts payable	5,342	5,185	5,632
Liabilities for Government grants	848	795	570
	<u>11,004</u>	<u>11,087</u>	<u>11,836</u>
NON-CURRENT LIABILITIES:			
Loan from bank	-	1,792	1,133
Liabilities for Government grants	23,233	22,694	24,260
	<u>23,233</u>	<u>24,486</u>	<u>25,393</u>
EQUITY:			
Share capital	25,492	10,270	16,323
Additional paid-in capital	256,381	230,187	241,922
Reserve for share-based payment transactions	3,290	4,853	3,054
Reserve for transaction with controlling shareholder	5,657	5,657	5,657
Accumulated deficit	(280,694)	(254,401)	(263,131)
	<u>10,126</u>	<u>(3,434)</u>	<u>3,825</u>
	<u><u>44,363</u></u>	<u><u>32,139</u></u>	<u><u>41,054</u></u>

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Nine months ended		Three months ended		Year ended
	September 30,		September 30,		December 31,
	2016	2015	2016	2015	2015
	Unaudited				Audited
	NIS in thousands (except per share data)				
Revenues from sales	11,691	9,320	4,196	3,348	12,808
Cost of revenues	7,435	5,946	2,734	2,031	8,134
Amortization of intangible assets	1,998	2,281	666	404	3,651
Total cost of revenues	9,433	8,227	3,400	2,435	11,785
Gross profit	2,258	1,093	796	913	1,023
Research and development expenses, net	10,138	8,042	1,087	2,670	11,794
Selling and marketing expenses	5,869	7,134	1,977	2,397	9,140
General and administrative expenses	4,094	4,453	1,469	1,542	5,842
Prior years fees refund by the FDA	(677)	(676)	(677)	-	(676)
Operating loss	(17,166)	(17,860)	(3,060)	(5,696)	(25,077)
Finance income	290	285	213	279	207
Finance expenses	(649)	(1,997)	(358)	(1,342)	(3,412)
Finance expenses, net	(359)	(1,712)	(145)	(1,063)	(3,205)
Loss before taxes on income	(17,525)	(19,572)	(3,205)	(6,759)	(28,282)
Taxes on income	(38)	-	-	-	(20)
Total comprehensive loss	(17,563)	(19,572)	(3,205)	(6,759)	(28,302)
Basic and diluted loss per share (in NIS)	(0.94)	(1.96)	(0.14)	(0.66)	(2.72)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Additional paid-in capital	Reserve for share-based payment transactions	Reserve for transaction with controlling shareholder	Accumulated deficit	Total	
Unaudited							
NIS in thousands							
Balance at January 1, 2016 (audited)	16,323	241,922	3,054	5,657	(263,131)	3,825	
Total comprehensive loss	-	-	-	-	(17,563)	(17,563)	
Issue of share capital, net	9,169	14,331	-	-	-	23,500	
Cost of share-based payment	-	-	364	-	-	364	
Expiration of options	-	128	(128)	-	-	-	
Balance at September 30, 2016	<u>25,492</u>	<u>256,381</u>	<u>3,290</u>	<u>5,657</u>	<u>(280,694)</u>	<u>10,126</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
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	Reserve for share-based payment transactions	Reserve for transaction with controlling shareholder	Accumulated deficit	Total	
Unaudited							
NIS in thousands							
Balance at July 1, 2016	16,323	242,050	3,128	5,657	(277,489)	(10,331)	
Total comprehensive loss	-	-	-	-	(3,205)	(3,205)	
Issue of share capital, net	9,169	14,331	-	-	-	23,500	
Cost of share-based payment	-	-	162	-	-	162	
Balance at September 30, 2016	<u>25,492</u>	<u>256,381</u>	<u>3,290</u>	<u>5,657</u>	<u>(280,694)</u>	<u>10,126</u>	

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Additional paid-in capital	Reserve for share-based payment transactions	Reserve for transaction with 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>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 controlling shareholder	Accumulated deficit	Total
Audited							
NIS in thousands							
Balance at January 1, 2015	8,020	213,966	5,327	6,301	5,657	(234,829)	4,442
Total comprehensive loss	-	-	-	-	-	(28,302)	(28,302)
Issue of share capital, net	8,303	18,807	-	-	-	-	27,110
Cost of share-based payment	-	-	-	575	-	-	575
Expiration of options	-	9,149	(5,327)	(3,822)	-	-	-
Balance at December 31, 2015	<u>16,323</u>	<u>241,922</u>	<u>-</u>	<u>3,054</u>	<u>5,657</u>	<u>(263,131)</u>	<u>3,825</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine months ended September 30,		Three months ended September 30,		Year ended December 31,
	2016	2015	2016	2015	2015
	Unaudited				Audited
	NIS in thousands				
<u>Cash flows from operating activities:</u>					
Loss	<u>(17,563)</u>	<u>(19,572)</u>	<u>(3,205)</u>	<u>(6,759)</u>	<u>(28,302)</u>
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	-	-	2
Depreciation and amortization	2,669	2,683	893	582	4,296
Cost of share-based payment	364	482	162	127	575
Finance expenses, net	359	1,712	145	1,063	3,205
	<u>3,392</u>	<u>4,879</u>	<u>1,200</u>	<u>1,772</u>	<u>8,078</u>
Changes in asset and liability items:					
Decrease (increase) in trade receivables	(37)	317	270	(394)	7
Decrease (increase) in other accounts receivable	2,130	1,738	541	303	(748)
Increase (decrease) in inventory	(1,369)	(575)	39	(168)	(421)
Decrease in trade payables	(130)	(667)	(488)	(1,143)	(189)
Increase (decrease) in other accounts payable	<u>(288)</u>	<u>872</u>	<u>(1,034)</u>	<u>1,407</u>	<u>1,319</u>
	<u>306</u>	<u>1,685</u>	<u>(672)</u>	<u>5</u>	<u>(32)</u>
Cash paid and received during the period for:					
Interest paid	(247)	(417)	(68)	(124)	(528)
Interest received	28	11	5	5	9
	<u>(219)</u>	<u>(406)</u>	<u>(63)</u>	<u>(119)</u>	<u>(519)</u>
Net cash used in operating activities	<u>(14,084)</u>	<u>(13,414)</u>	<u>(2,740)</u>	<u>(5,101)</u>	<u>(20,775)</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine months ended September 30,		Three months ended September 30,		Year ended December 31,
	2016	2015	2016	2015	2015
	Unaudited				Audited
	NIS in thousands				
<u>Cash flows from investing activities:</u>					
Proceeds from sale of fixed assets	-	6	-	-	6
Purchase of fixed assets	(131)	(118)	(33)	(23)	(133)
Withdrawal (investment in) bank deposits	(2,737)	(30)	(9,791)	1,857	(7,913)
Investment in long-term deposits	14	-	20	92	-
Net cash provided by (used in) investing activities	(2,854)	(142)	(9,804)	1,926	(8,040)
<u>Cash flows from financing activities:</u>					
Repayment of long-term bank loan	(1,887)	(970)	(643)	(587)	(1,571)
Issuance of share capital, net	23,500	11,214	23,500	-	27,110
Receipt of Government grants	-	128	-	53	166
Repayment of liabilities in respect of Government grants	(499)	(437)	(256)	(204)	(437)
Net cash provided by (used in) financing activities	21,114	9,935	22,601	(738)	25,268
Exchange differences on balances of cash and cash equivalents	(340)	26	(233)	396	(49)
Increase (decrease) in cash and cash equivalents	3,836	(3,595)	9,824	(3,517)	(3,596)
Cash and cash equivalents at the beginning of the period	11,998	15,594	6,010	15,516	15,594
Cash and cash equivalents at the end of the period	15,834	11,999	15,834	11,999	11,998
<u>Significant non-cash activities:</u>					
Transfer from inventory to fixed assets	207	-	-	-	1,169