

CONSOLIDATED BALANCE SHEETS

	September 30,		December 31,
	2014	2013	2013
	Unaudited		Audited
	NIS in thousands		
CURRENT ASSETS:			
Cash and cash equivalents	21,896	38,833	6,275
Short-term deposits	-	-	22,911
Trade receivables	1,997	2,368	1,543
Other accounts receivable	1,129	1,325	2,707
Inventories	5,327	3,735	4,184
	<u>30,349</u>	<u>46,261</u>	<u>37,620</u>
NON-CURRENT ASSETS:			
Deposits	105	111	89
Restricted cash	392	371	388
Fixed assets	1,000	892	1,065
Intangible assets	11,979	13,951	13,586
	<u>13,476</u>	<u>15,325</u>	<u>15,128</u>
	<u>43,825</u>	<u>61,586</u>	<u>52,748</u>
CURRENT LIABILITIES:			
Current maturities of long term loan	1,094	-	-
Trade payables	2,466	2,921	3,661
Other accounts payable	5,009	4,771	4,315
Liabilities for Government grants	747	804	813
	<u>9,316</u>	<u>8,496</u>	<u>8,789</u>
NON-CURRENT LIABILITIES:			
Long term loan	4,156	-	-
Liabilities for Government grants	20,368	18,192	18,284
	<u>24,524</u>	<u>18,192</u>	<u>18,284</u>
EQUITY:			
Share capital	8,018	7,017	7,018
Additional paid-in capital	213,968	197,333	203,832
Receipts on account of options	5,327	4,805	4,805
Reserve for share-based payment transactions	6,043	11,387	5,274
Reserve for transaction with controlling shareholder	5,657	5,657	5,657
Accumulated deficit	<u>(229,028)</u>	<u>(191,301)</u>	<u>(200,911)</u>
Total equity	<u>9,985</u>	<u>34,898</u>	<u>25,675</u>
	<u>43,825</u>	<u>61,586</u>	<u>52,748</u>

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Nine months ended September 30,		Three months ended September 30,		Year ended December 31,
	2014	2013	2014	2013	2013
	Unaudited				Audited
	NIS in thousands (except per share data)				
Revenues from sales	9,187	8,258	2,940	3,239	10,894
Cost of revenues	6,679	6,379	2,034	2,376	8,149
Amortization of intangible assets	1,608	930	466	280	1,294
Total cost of revenues	8,287	7,309	2,500	2,656	9,443
Gross profit	900	949	440	583	1,451
Research and development expenses, net	10,049	6,529	3,875	1,985	10,120
Selling and marketing expenses	12,180	11,811	3,254	4,468	16,572
General and administrative expenses	4,326	5,339	1,536	1,981	6,925
Prior years fees refund by the FDA	-	(578)	-	-	(578)
Operating loss	(25,655)	(22,152)	(8,225)	(7,851)	(31,588)
Finance income	425	356	364	209	373
Finance expenses	(2,887)	(1,111)	(2,076)	(154)	(1,302)
Finance income (expenses), net	(2,462)	(755)	(1,712)	55	(929)
Loss	(28,117)	(22,907)	(9,937)	(7,796)	(32,517)
Total comprehensive loss	(28,117)	(22,907)	(9,937)	(7,796)	(32,517)
Basic and diluted loss per share (in NIS)	(0.04)	(0.04)	(0.01)	(0.01)	(0.06)

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 January 1, 2014 (audited)	7,018	203,832	4,805	5,274	5,657	(200,911)	25,675
Total comprehensive loss	-	-	-	-	-	(28,117)	(28,117)
Issue of share capital, net	1,000	10,068	522	-	-	-	11,590
Cost of share based payment	-	-	-	820	-	-	820
Exercise of options	*)-	45	-	(28)	-	-	17
Forfeiture of options	-	23	-	(23)	-	-	-
Balance at September 30, 2014	<u>8,018</u>	<u>213,968</u>	<u>5,327</u>	<u>6,043</u>	<u>5,657</u>	<u>(229,028)</u>	<u>9,985</u>

*) Represents an amount lower than NIS 1 thousand.

	<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 January 1, 2013 (audited)	4,263	161,296	-	10,433	6,548	(168,394)	14,146
Total comprehensive loss	-	-	-	-	-	(22,907)	(22,907)
Issue 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>

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 July 1, 2014	7,018	203,890	4,805	5,697	5,657	(219,091)	7,976
Total comprehensive loss	-	-	-	-	-	(9,937)	(9,937)
Issue of share capital, net	1,000	10,068	522	-	-	-	11,590
Forfeiture of options	-	10	-	(10)	-	-	-
Cost of share based payment	-	-	-	356	-	-	356
Balance at September 30, 2014	<u>8,018</u>	<u>213,968</u>	<u>5,327</u>	<u>6,043</u>	<u>5,657</u>	<u>(229,028)</u>	<u>9,985</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 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>

	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
Audited							
NIS in thousands							
Balance at January 1, 2013	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
Forfeiture of options	-	6,492	-	(6,492)	-	-	-
Balance at December 31, 2013	<u>7,018</u>	<u>203,832</u>	<u>4,805</u>	<u>5,274</u>	<u>5,657</u>	<u>(200,911)</u>	<u>25,675</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine months ended September 30,		Three months ended September 30,		Year ended December 31,
	2014	2013	2014	2013	2013
	Unaudited				Audited
	NIS in thousands				
<u>Cash flows from operating activities:</u>					
Loss	(28,117)	(22,907)	(9,937)	(7,796)	(32,517)
Adjustments to reconcile loss to net cash used in operating activities:					
Adjustments to the profit or loss items:					
Depreciation and amortization	1,946	1,103	556	307	1,573
Loss from sale of property, plant and equipment	18	-	18	-	-
Cost of share based payment	820	1,014	356	295	1,395
Finance expenses (income), net	2,462	755	1,712	(55)	929
	5,246	2,872	2,642	547	3,897
Changes in asset and liability items:					
Decrease (increase) in trade receivables	(467)	690	(238)	(697)	1,516
Decrease in other accounts receivable	1,580	1,711	601	584	336
Increase in inventories	(1,330)	(330)	(423)	(196)	(1,030)
Increase (decrease) in trade payables	(1,321)	(753)	(474)	1,055	71
Increase in accounts payable	694	678	563	607	222
	(844)	1,996	29	1,353	1,115
Cash paid and received during the period for:					
Interest paid	(431)	(21)	(64)	(7)	(22)
Interest received	57	150	9	59	213
	(374)	129	(55)	52	191
Net cash used in operating activities	(24,089)	(17,910)	(7,321)	(5,844)	(27,314)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine months ended September 30,		Three months ended September 30,		Year ended December 31,
	2014	2013	2014	2013	2013
	Unaudited				Audited
	NIS in thousands				
<u>Cash flows from investing activities:</u>					
Purchase of fixed assets	(115)	(166)	(53)	(39)	(194)
Withdrawal of (investment in) bank deposits	22,911	-	-	-	(22,911)
Proceeds from sale of property, plant and equipment	10	-	10	-	-
Investment in long-term deposits	(18)	(32)	(8)	(9)	(17)
Net cash provided by (used in) investing activities	22,788	(198)	(51)	(48)	(23,122)
<u>Cash flows from financing activities:</u>					
Issue of share capital, net	11,590	33,304	11,590	27,424	33,304
Receipt of Government grants	124	122	93	122	177
Repayment of liability in respect of government grants	(427)	(399)	(221)	(170)	(399)
Receipt of long-term loan	5,250	-	-	-	-
Exercise of options	17	137	-	26	143
Net cash provided by financing activities	16,554	33,164	11,462	27,402	33,225
Exchange differences on balances of cash and cash equivalents	368	(555)	419	(128)	(846)
Increase (decrease) in cash and cash equivalents	15,621	14,501	4,509	21,382	(18,057)
Cash and cash equivalents at the beginning of the period	6,275	24,332	17,387	17,451	24,332
Cash and cash equivalents at the end of the period	21,896	38,833	21,896	38,833	6,275
<u>Significant non-cash transactions:</u>					
Conversion of loan from a controlling shareholder	-	9,204	-	-	9,204
