

CONSOLIDATED BALANCE SHEETS

	June 30,		December 31,
	2014	2013	2013
	Unaudited		Audited
	NIS in thousands		
CURRENT ASSETS:			
Cash and cash equivalents	17,387	17,451	6,275
Short-term deposits	-	-	22,911
Trade receivables	1,801	1,668	1,543
Other accounts receivable	1,730	1,909	2,707
Inventories	4,956	3,539	4,184
	<u>25,874</u>	<u>24,567</u>	<u>37,620</u>
NON-CURRENT ASSETS:			
Deposits	97	102	89
Restricted cash	387	374	388
Fixed assets	1,014	879	1,065
Intangible assets	12,445	14,232	13,586
	<u>13,943</u>	<u>15,587</u>	<u>15,128</u>
	<u>39,817</u>	<u>40,154</u>	<u>52,748</u>
CURRENT LIABILITIES:			
Trade payables	2,780	1,847	3,661
Other accounts payable	4,446	4,164	4,315
Current maturities of long term loan	420	-	-
Liabilities for Government grants	406	440	813
	<u>8,052</u>	<u>6,451</u>	<u>8,789</u>
NON-CURRENT LIABILITIES:			
Loan from bank	4,830	-	-
Liabilities for Government grants	18,959	18,754	18,284
	<u>23,789</u>	<u>18,754</u>	<u>18,284</u>
EQUITY:			
Share capital	7,018	5,784	7,018
Share premium	203,890	175,921	203,832
Receipts on account of options	4,805	-	4,805
Reserve for share-based payment transactions	5,697	11,092	5,274
Reserve for transaction with controlling shareholder	5,657	5,657	5,657
Accumulated deficit	<u>(219,091)</u>	<u>(183,505)</u>	<u>(200,911)</u>
Total equity	<u>7,976</u>	<u>14,949</u>	<u>25,675</u>
	<u>39,817</u>	<u>40,154</u>	<u>52,748</u>

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Six months ended June 30,		Three months ended June 30,		Year ended December 31,
	2014	2013	2014	2013	2013
	Unaudited				Audited
NIS in thousands (except per share data)					
Revenues from sales	6,247	5,019	2,584	2,393	10,894
Cost of revenues	4,645	4,003	1,985	2,099	8,149
Amortization of intangible assets	1,142	650	583	221	1,294
Total cost of revenues	5,787	4,653	2,568	2,320	9,443
Gross profit	460	366	16	73	1,451
Research and development expenses, net	6,174	4,544	2,870	1,416	10,120
Selling and marketing expenses	8,926	7,343	4,241	4,180	16,572
General and administrative expenses	2,790	3,358	1,342	1,432	6,925
Prior years fees refund by the FDA	-	(578)	-	(578)	(578)
Operating loss	(17,430)	(14,301)	(8,437)	(6,377)	(31,588)
Finance income	61	146	24	35	373
Finance expenses	(811)	(956)	(483)	(406)	(1,302)
Finance expenses, net	(750)	(810)	(459)	(371)	(929)
Loss	(18,180)	(15,111)	(8,896)	(6,748)	(32,517)
Total comprehensive loss	(18,180)	(15,111)	(8,896)	(6,748)	(32,517)
Basic and diluted loss per share (in NIS)	(0.03)	(0.03)	(0.01)	(0.01)	(0.06)

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, 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
Forfeiture 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>

	Share capital	Additional paid-in capital	Reserve for share-based payment transactions	Reserve for transaction with a controlling shareholder	Accumulated deficit	Total
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	-	-	-	-	(15,111)	(15,111)
Issuance of shares	588	5,292	-	-	-	5,880
Conversion of loan from a controlling shareholder	926	9,169	-	(891)	-	9,204
Cost of share based payment	-	-	719	-	-	719
Exercise of options	7	164	(60)	-	-	111
Balance at June 30, 2013	<u>5,784</u>	<u>175,921</u>	<u>11,092</u>	<u>5,657</u>	<u>(183,505)</u>	<u>14,949</u>

*) Represents an amount lower than NIS 1 thousand.

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 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>

	Share capital	Additional paid-in capital	Reserve for share-based payment transactions	Reserve for transaction with a controlling shareholder	Accumulated deficit	Total
Unaudited						
NIS in thousands						
Balance at April 1, 2013	4,851	166,588	10,863	6,548	(176,757)	12,093
Total comprehensive loss	-	-	-	-	(6,748)	(6,748)
Conversion of loan from a controlling shareholder	926	9,169	-	(891)	-	9,204
Cost of share based payment	-	-	289	-	-	289
Exercise of options	7	164	(60)	-	-	111
Balance at June 30, 2013	<u>5,784</u>	<u>175,921</u>	<u>11,092</u>	<u>5,657</u>	<u>(183,505)</u>	<u>14,949</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, 2013 (audited)	4,263	161,296	-	10,433	6,548	(168,394)	14,146
Total comprehensive loss	-	-	-	-	-	(32,517)	(32,517)
Issuance 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, 2014	<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

	Six months ended June 30,		Three months ended June 30,		Year ended December 31,
	2014	2013	2014	2013	2013
	Unaudited				Audited
	NIS in thousands				
<u>Cash flows from operating activities:</u>					
Loss	(18,180)	(15,111)	(8,896)	(6,748)	(32,517)
Adjustments to reconcile loss to net cash used in operating activities:					
Adjustments to the profit or loss items:					
Depreciation and amortization	1,390	814	567	315	1,573
Cost of share based payment	464	719	150	289	1,395
Finance expenses, net	750	810	459	371	929
	2,604	2,343	1,176	975	3,897
Changes in asset and liability items:					
Decrease (increase) in trade receivables	(229)	1,400	560	644	1,516
Decrease in other accounts receivable	979	1,166	596	882	336
Increase in inventories	(907)	(153)	(882)	(73)	(1,030)
Increase (decrease) in trade payables	(847)	(1,896)	314	(341)	71
Increase (decrease) in accounts payable	131	71	172	(135)	222
	(873)	588	760	977	1,115
Cash paid and received during the period for:					
Interest paid	(367)	(27)	(361)	(16)	(22)
Interest received	48	90	11	35	213
	(319)	63	(350)	19	191
Net cash used in operating activities	(16,768)	(12,117)	(7,310)	(4,777)	(27,314)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six months ended June 30,		Three months ended June 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	(62)	(127)	(29)	(56)	(194)
Withdrawal (investment in) bank deposits	22,911	-	9,968	-	(22,911)
Investment in long-term deposits	(10)	(24)	-	(24)	(17)
Net cash provided by (used in) investing activities	22,839	(151)	9,939	(80)	(23,122)
<u>Cash flows from financing activities:</u>					
Issuance of share capital, net	-	5,880	-	-	33,304
Receipt of Government grants	31	-	-	-	177
Repayment of liability in respect of government grants	(206)	(229)	-	(11)	(399)
Receipt of long-term bank loan	5,250	-	5,250	-	-
Exercise of options	17	75	-	75	143
Net cash provided by financing activities	5,092	5,726	5,250	64	33,225
Exchange differences on balances of cash and cash equivalents	(51)	(339)	(119)	(125)	(846)
Increase (decrease) in cash and cash equivalents	11,112	(6,881)	7,760	(4,918)	(18,057)
Cash and cash equivalents at the beginning of the period	6,275	24,332	9,627	22,369	24,332
Cash and cash equivalents at the end of the period	17,387	17,451	17,387	17,451	6,275
<u>Significant non-cash transactions:</u>					
Conversion of loan from a controlling shareholder	-	9,204	-	9,204	9,204

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