

BIO VIEW LTD.

ANNUAL REPORT

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BIO VIEW LTD.**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

A s s e t s	December 31	
	2017	2016
	NIS in thousands	
CURRENT ASSETS:		
Cash and cash equivalents	17,942	22,136
Accounts receivable:		
Trade	4,709	4,649
Other	773	1,260
Inventory	3,302	3,504
	<u>26,726</u>	<u>31,576</u>
NON-CURRENT ASSETS :		
Restricted deposit	109	109
Long term receivables	657	402
Intangible asset	398	484
Deferred taxes	6,245	5,720
Property and equipment - net	577	417
	<u>7,986</u>	<u>7,132</u>
Total assets	<u>34,712</u>	<u>38,708</u>
L i a b i l i t i e s a n d e q u i t y		
CURRENT LIABILITIES:		
Accounts payable:		
Trade	1,340	1,306
Other	2,895	2,066
Royalties to Chief Scientist	1,043	1,165
Deferred income	4,235	3,933
Warranty Reserve	379	408
	<u>9,892</u>	<u>8,878</u>
NON-CURRENT LIABILITIES:		
Liability for employee rights upon retirement - net	418	382
Deferred income	770	782
Provision for royalties to Chief Scientist	177	1,061
	<u>1,365</u>	<u>2,225</u>
COMMITMENTS AND CONTINGENT LIABILITIES		
Total liabilities	<u>11,257</u>	<u>11,103</u>
EQUITY:		
Ordinary shares	139	139
Share premium	51,846	51,702
Capital surplus in respect of warrants	741	587
Other comprehensive loss reserves	(752)	(343)
Accumulated deficit	(28,519)	(24,480)
Total equity	<u>23,455</u>	<u>27,605</u>
Total liabilities and equity	<u>34,712</u>	<u>38,708</u>

Emmanuel Gill
Chairman of the Board
of Directors

Alan Schwebel
CEO

Marina Wolfson
VP Finance

Date of approval of financial statements by the Board of Directors: March 6, 2018.

The accompanying notes are an integral part of these financial statements.

BIO VIEW LTD.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	<u>2017</u>	<u>2016</u>	<u>2015</u>
	<u>NIS in thousands</u>		
REVENUE	27,760	33,289	34,534
COST OF SALES	11,184	12,114	13,054
GROSS PROFIT	16,576	21,175	21,480
RESEARCH AND DEVELOPMENT EXPENSES	6,884	5,684	5,564
SELLING AND MARKETING EXPENSES	5,225	6,122	6,989
GENERAL AND ADMINISTRATIVE EXPENSES	4,783	4,583	4,853
EXCHANGE RATE EXPENSES, net	1,201	27	25
EXPENSES IN RESPECT OF CHANGES IN PROVISION FOR ROYALTIES TO CHIEF SCIENTIST (EXCLUDING FINANCING COMPONENT)	(104)	23	204
OPERATING PROFIT (LOSS)	(1,413)	4,736	3,845
FINANCIAL EXPENSES	118	150	179
FINANCIAL INCOME	(235)	(74)	(157)
	(117)	76	22
INCOME (LOSS) BEFORE TAXES ON INCOME	(1,296)	4,660	3,823
INCOM TAX (TAX BENEFITS)	(44)	223	(243)
NET PROFIT (LOSS) FOR THE YEAR	(1,252)	4,437	4,066
OTHER COMPREHENSIVE INCOME (LOSS):			
remeasurement of post-employment benefit obligations	(36)	(87)	(30)
Exchange rate differences arising from translation of the net investment in foreign operations	(373)	(60)	6
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	1,661	4,290	4,042
EARNINGS (LOSS) PER SHARE:		NIS	
Basic income per share	(0.09)	0.32	0.30
Diluted income per share	(0.09)	0.32	0.29

The accompanying notes are an integral part of these financial statements.

BIO VIEW LTD.**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
	<u>NIS in thousands</u>		
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net cash generated in operating activities (see Appendix A)	72	3,840	5,365
Income tax paid – net	(18)	(113)	(703)
Net cash provided by operating activities	<u>54</u>	<u>3,727</u>	<u>4,662</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisition of property and equipment	(202)	(119)	(210)
Deposits – net			(6)
Net cash used in investing activities	<u>(202)</u>	<u>(119)</u>	<u>(216)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Dividend paid	(2,787)		
Exercise of warrants into shares by employees	98	211	556
Net cash provided by (used in) financing activities	<u>(2,689)</u>	<u>211</u>	<u>556</u>
INCREASE IN CASH AND CASH EQUIVALENTS	<u>(2,837)</u>	<u>3,819</u>	<u>5,002</u>
BALANCE OF CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	22,136	18,384	13,427
PROFIT (LOSS) FROM EXCHANE DIFFERENCES ON CASH AND CASH EQUIVALENTS	<u>(1,384)</u>	<u>(40)</u>	<u>(45)</u>
BALANCE OF CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>17,942</u></u>	<u><u>22,136</u></u>	<u><u>18,384</u></u>

BIO VIEW LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	2017	2016	2015
	NIS in thousands		
Appendixes to statement of cash flows:			
(a) Net cash generated by operating activities:			
Income (Loss) before taxes on income	(1,296)	4,660	3,823
Adjustments in respect of – income and expense not involving cash flows:			
Depreciation and amortization	289	200	389
Amounts charged in respect of options to employees	200	116	208
Loss (profit) from exchange rate differences on cash	366	(23)	62
	(441)	4,953	4,482
Changes in operating asset and liability items:			
Decrease (increase) in accounts receivable:			
Trade	(300)	(1,648)	2,039
Other	(130)	(136)	24
Decrease (increase) in inventory	(80)	(25)	1,254
Increase (decrease) in accounts payable and accruals:			
Trade	64	266	(483)
Other (including warranty reserve)	1,229	166	(386)
Decrease in provision for royalties to OCS	(1,006)	(999)	(872)
Deferred income (including long-term liabilities)	736	1,263	(693)
	513	(1,113)	883
Net cash provided by operating activities	72	3,840	5,365
(b) Financial Income (Cash):	87	74	26

The accompanying notes are an integral part of these financial statements