

**PLASMA LASER TECHNOLOGY LTD.**  
**FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2014**

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## PLASMA LASER TECHNOLOGIES LTD.

STAND ALON BALANCE SHEETS  
Reported NIS in thousands

	March 31, 2014	March 31, 2013
Current assets		
Cash and cash equivalent	71	718
Accounts receivable	5	238
Other current assets	953	368
Inventories	960	665
	<u>1,989</u>	<u>1,989</u>
Property and equipment, net		
Cost	1,194	1,058
Less accumulated depreciation	816	794
	<u>378</u>	<u>264</u>
Total assets	<u>2,367</u>	<u>2,253</u>
Current liabilities		
Short term credit from banks and others	5,305	1,331
Accounts payable	795	685
Other accounts payable and credit balance	2,532	2,618
	<u>8,632</u>	<u>4,634</u>
Long-term liabilities		
Long-term loans	4,766	4,040
Surplus gain (losses) from investment in a consolidated company	506	
Liability for employee rights upon retirement, net	343	400
	<u>5,615</u>	<u>4,440</u>
Contingent liabilities and commitment		
Shareholders' deficit	(11,880)	(6,821)
Total liabilities and shareholders' deficit	<u>2,367</u>	<u>2,253</u>

\_\_\_\_\_  
Yoav Navon  
CEO and Director

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Igor Dykhno  
Director

Date of approval of the financial statements: April 24, 2014

**The accompanying notes are an integral part of the financial statements.**

**PLASMA LASER TECHNOLOGIES LTD.**  
**STAND ALON STATEMENTS OF OPERATIONS**  
**Reported NIS in thousands**

	<b>For the year ended March 31, 2014</b>	<b>For the 3 months ended March 31, 2013</b>
Revenues from sales and services	1,405	532
Cost of sales and services	(1,031)	(500)
Gross profit	<u>374</u>	<u>32</u>
R&D expenses, net	1,569	280
Selling and marketing expenses	2,374	294
General and administrative expenses	2,683	596
Operating loss	<u>(6,252)</u>	<u>(1,138)</u>
Financing income(expenses)	(267)	(9)
Other income(expenses), net	20	1,867
Equity in losses of consolidated companies	(98)	(129)
Income (loss) for the period	<u><u>(6,597)</u></u>	<u><u>591</u></u>

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**PLASMA LASER TECHNOLOGIES LTD.**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT**  
 Reported NIS in thousands

	Common Stock	Preferred shares	Share premium	Receipt on account of shares	Accumulated other comprehensive income	Accumulated deficit	Total
<b>Balance as of December 31, 2012</b>	2	126	39,457	-	154	(51,800)	(12,061)
Conversion of loan to shares	-	52	1,418	-	-	-	1,470
Issuance of preferred shares, net	-	159	3,011	-	-	-	3,170
Change in cumulative translation adjustment	-	-	-	-	9	-	9
Income (loss) for the period	-	-	-	-	-	591	591
<b>Balance as of March 31, 2013</b>	<u>2</u>	<u>337</u>	<u>43,886</u>	<u>-</u>	<u>163</u>	<u>(51,209)</u>	<u>(6,821)</u>
Conversion of loan to shares	-	-	(1,000)	-	-	-	(1,000)
Receipt on account of shares	-	-	-	2,267	-	-	2,267
Change in cumulative translation adjustment	-	-	-	-	271	-	271
Income (loss) for the period	-	-	-	-	-	(6,597)	(6,597)
<b>Balance as of March 31, 2014</b>	<u><u>2</u></u>	<u><u>337</u></u>	<u><u>42,886</u></u>	<u><u>2,267</u></u>	<u><u>434</u></u>	<u><u>(57,806)</u></u>	<u><u>(11,880)</u></u>

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