

Nano-Dimension Ltd.

Quarterly Report for Period Ending **On September 30, 2015**

The Company is a “small corporation,” as this term is defined in the amendment to the Securities Law (Periodic and Immediate Reports), (Amendment), 5774-2014 (the “**Amendment**”). In accordance with the immediate report published by the Company on March 12, 2014 [reference no.: 2014-01-013398], which is included herein by way of reference, the Company’s board of directors has resolved to adopt all of the leniencies that were approved for small corporations in the framework of the Amendment.

Balance Sheet Date: **September 30, 2015**

Report Date: **November 10, 2015**

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Part A – Material Changes and Additions that Occurred in the Corporation’s Business

In accordance with Article 39a of the Securities Regulations (Periodic and Immediate Reports), 5730-1970 (the “**Report Regulations**”), the following are details regarding material changes or additions that occurred in the Company’s business regarding any matter that must be described in the Company’s periodic report, and that has occurred as of the date of publication of the Company’s 2014 periodic report¹ (the “**Periodic Report**”) and until the date of publication of this Quarterly Report below. It shall be clarified that generally the description included in this Periodic Report includes only information which, in the Company’s opinion, is material information; however, it is possible that the Company will include a description that is more detailed than required, including information that is not necessarily essential, in order to provide comprehensive disclosure to the reader of the reports. The update was prepared assuming that the reader of the reports has access to the Periodic Report.

1. Activity of the Company and Description of the Development of its Business

- 1.1. As of September 30, 2015, the Company is a public company, as defined in the Companies Law, 5759-1999 (hereinafter: the “**Companies Law**”), which holds the business activity of the subsidiary, Nano-Dimension Technologies Ltd., which is fully held by the Company (100%) (hereinafter in this Report: “**Nano-Dimension Technologies**” or the “**Subsidiary**”).
- 1.2. As of the date of the Report, the Company is engaged, through the Subsidiary, in research and development of a three-dimensional printer (3D) that prints electronic circuits (PCB cards), and the development of ink products and materials (including conductive ink) based on nanotechnology. The ink products constitute supplementary products and are ancillary to the advanced printers, and 3D printers of the Company in particular.
- 1.3. As of the date of the Report, development of some of the ink products has been completed, and the Company has begun the production process of the conductive nano-ink. However, the Company still does not market or sell them, and has not yet generated any income therefrom.
- 1.4. As of the date of the Report, the 3D printers are in advanced stages of development, and a prototype of the printer exists. However, the Company has still not generated revenue from sales or marketing of the printer. On February 25, 2015, the Company introduced the first generation (alpha version) of the printer, and on April 14, 2015, the Company held a launch conference for the Company’s alpha printer. The Company started testing the alpha printer with a limited number of customers in order to examine and test the performances of the 3D printer and receive customer feedback. During the reporting period the Company signed few agreements for Printers sell. For details regarding those agreements- see sections 2.36 and 2.37.
- 1.5. For comprehensive details regarding the operations of the Company, see Chapter A of the Periodic Report.

¹ The Company’s periodic report for 2014 was published on March 30, 2015, reference number 2015-01066514.

2. Material Events in the Report Period

Update to Section 6: Investments in the Corporation's Capital and Share Transactions

- 2.1. During the first quarter of 2015, the Company completed two rounds of capital raising (private placements) in a total gross amount of about NIS 8.6 million, in consideration for the allocation of securities. As of the date of the Report, the issuances were completed and the funds were deposited in the Company's account and used by the Company to finance the ongoing expenses and R&D process. For details regarding the scopes of the capital raising, the details of the issuance of the identity of participants, see the Private Placement Reports published by the Company on January 5, 2015 and February 18, 2015 [reference numbers: 2015-01-233352, 2015-01-003568, 2015-01034462, respectively], which are included in this regard by way of reference. See also notes 5a and 5b in the financial statements. Additionally, the Company has allocated stock options in an immaterial scope to an external advisor of the Company. For details regarding the quantity of stock options and exercise terms, see the Immaterial Allocation Report published by the Company on January 29, 2015 [reference number: 2015-01-021010], which is included in this regard by way of reference, and note 6 in the financial statements.
- 2.2. On April 15, 2015, and in accordance with approval of the general meeting dated February 16, 2015, the Company allocated 370,878 stock options (non-marketable) to the chairman of the board of directors, Mr. Itschak Shrem (as part of the terms of his service) and allocated 285,715 ordinary shares of the Company and 285,715 stock options (non-marketable) to two directors of the Company (Messrs. Itschak Shrem, chairman of the board of directors, and to director Eli Yoresh), which were also allocated in the general meeting. For additional details, see the amended invitation to the general meeting published on February 10, 2015 [reference number: 2015-01-029074], as well as the results of the general meeting, published on February 16, 2015 [reference number: 2015-01-032432], which are included in this regard by way of reference. See note 5c in the financial statements.
- 2.3. On May 14, 2015, the Company's board of directors approved an allocation of 559,097 options (non-marketable) for the purchase of 559,097 ordinary shares par value NIS 0.1 of the Company to "Yissum – Research and Development Company of Hebrew University of Jerusalem Ltd." ("**Yissum**"), as part of the addition to the license agreement signed on April 2, 2015 between Yissum and the Subsidiary. For comprehensive details regarding the terms of the stock options, the exercise price and the exercise period, see the Immaterial Allocation Report published by the Company on May 14, 2015 [reference number: 2015-01-019872]. See note 6c in the financial statements.
- 2.4. On April 5, 2015, the Company announced that it had been informed by the Subsidiary that with respect to the agreement signed in September 2014 between the Subsidiary and "Yissum" – Research and Development Company of Hebrew University of Jerusalem Ltd. (hereinafter: "**Yissum**"), relating to a license agreement that provided the Subsidiary with an exclusive right to use the registered patents owned by Yissum (the "**License Agreement**"), on April 2, 2015, an addendum to the License Agreement between the Subsidiary and Yissum was signed, which expands the license provided to the Subsidiary within the license agreement for the sale of

silver nano-ink to additional markets (hereinafter: the “**Addendum to the License Agreement**” and the “**Expanded License**”). The License Agreement signed in September 2014 included a license for the production of silver nanoparticles in the field of printed electronic circuits (PCB) with three dimensional printing, and in light of the Expanded License, the Subsidiary can contact other additional markets (at its discretion and as it sees fit).

- 2.5. On May 31, 2015, the Company’s board of directors approved a capital raising round, in which the Company will allocate to investors shares in a price of 550 agoras per share (NIS 5.5). In addition, the Company will allocate options (non-marketable) in an amount of half of the shares that will be issued in this private placement. The exercise price is 900 agoras (NIS 9) per option, and the exercise period is two years. In addition, the Company undertook, vis-à-vis the investors, a price adjustment mechanism.

In addition, the Company’s board of directors, decided to act immediately in order to register the Company's shares as an ADR².

During the reporting period, the Company published an update to the resolution regarding the private placement, such that the total capital raising was set at about NIS 57 million. Within the private placement report, the meeting was requested to approve, after approval of the Audit Committee and Board of Directors of the Company on June 10 and 11, 2015, the participation of the interested parties Itschak Shrem, Chairman of the Board of Directors, Yoel Yogev, director, and Michael Ilan Management and Investments Ltd. (an interested party by virtue of holdings) in the private placement. For additional details, see the transaction report of the Company, as published after the reporting period on July 14, 2015 [reference no. 2015-01-072297]. The information within this report is included by way of reference.

- 2.6. On July 20, 2015, the general meeting of the Company approved, after approval of the Remuneration Committee and Board of Directors of the Company in their meetings on June 7, 9, 10 and 11, 2015, the following resolutions:
 - 2.6.1 To update the salary terms of four officers of the Company, who are controlling shareholders of the Company, Messrs. Amir Dror, Dagi Ben-Noon, Simon Anthony-Fried and Sharon Fima. In addition to the salary update, the meeting approved a private placement of stock options to the aforesaid four officers. For additional details, see the transaction report of the Company on July 14, 2015 [reference no. 2015-01-072297]. The information within this report is included by way of reference.
 - 2.6.2. To update the salary of Mr. Itschak Shrem in his capacity as active Chairman of the Company. For additional details, see the transaction report of the Company on July 14, 2015 [reference no. 2015-01-072297]. The information within this report is included by way of reference.
 - 2.6.3. Fund raising round in amount of approximately NIS 57M in a way of unusual private placement to 40 investors.

² American Depositary Receipts

- 2.6.4 A private placement of stock options to the Chairman of the board and three additional directors of the Company, Messrs. Eli Yoresh, Avi Nachmias and Yoel Yogev. For additional details, see the transaction report of the Company on July 14, 2015 [reference no. 2015-01-072297]. The information within this report is included by way of reference.
- 2.6.5 A framework transaction for the Company's engagement in a director and officer liability policy for the Company. For details, see the transaction report of the Company on July 14, 2015 [reference no. 2015-01-072297]. The information within this report is included by way of reference.
- 2.7 On July 29, 2015, the Company issued 7,671,089 shares and 3,835,546 options to investors in return to NIS 42,191 Thousands. See note 5d to the financial statements.
- 2.8 After the approval of the Remuneration Committee and the Board of Directors of the Company on June 7 and 9, 2015, and June 10 and 11, 2015, respectively, the Company published a private placement report within which the Company requested approval for a private placement of stock options (non-marketable) for four officers of the Company, included in the controlling group of the Company, of 400,000 stock options each (for a total of 1,600,000 stock options) and 760,000 stock options, of which 400,000 stock options are allocated to the Chairman of the Board of Directors, Mr. Itschak Shrem, and 120,000 stock options are allocated to each of the following directors of the Company: Mr. Eli Yoresh, Avi Nachmias and Yoel Yogev. On July 20, 2015, after the reporting period, the meeting approved the private placement, and on July 29, 2015, the Company carried out the private placement of the stock options to the aforesaid offerees. For details regarding the terms of the stock options, see the Company's immediate report of July 14, 2015 [reference no. 2015-01-072297]. The information within this report is included by way of reference. See note 6d in the financial statements.
- 2.9 On August 20, 2015, the Board of Directors of the Company decided to grant an investor in the fund raising (as describes in sections 2.5 and 2.6 above), which invested \$2M in this fund raising round, an extension to transfer the investment amount until September 3, 2015. In addition, the Company announced that another investor which invested \$2M in this fund raising round, announced that he is not able to meet its obligation and participate in the fund raising round. For additional details, see the Company's immediate report dated August 20, 2015 [reference no.: 2015-01-101439]. The information within this report is included by way of reference. On September 10, 2015, the Company announced that the final amount raised was NIS 42,191 thousand, see note 5d in the financial statements.
- 2.10 On September 2, 2015, after approval of the Board of Directors of the Company, the Company published a private placement report within the Company decided to approve a private placement of 75,252 stock options (non-marketable) that can be exercised to 75,252 ordinary shares of the Company for two finders that acted on behalf of the Company in the recent fund raising (see sections 2.5 and 2.6 above), in an exercise price of NIS 9 per share. For additional details, see the Company's correction to the immediate report dated September 2, 2015 [reference no.: 2015-01-112410].

- 2.11 On September 10, 2015, after approval of the Remuneration Committee and Board of Directors of the Company in their meetings on August 20, and September 2, 2015, respectively, the Company published, according to the Securities Regulations (Details of an Outline of an Offer of Securities of Employees), 2000, a non-material private offering of the Company's securities to employees of the Company according to an outline, in which the Company decided to approve a private placement of up to 2,000,000 stock options (non-marketable) that can be exercised to 2,000,000 ordinary shares of the Company, to be offered to the Company's employees and officers, at an exercise price of ILS 1.65 per share, including, subject to approval of the general meeting of the Company, allocation of 120,000 stock options (non-marketable) for the Company's VP finance. For additional details, see the Company's immediate report dated September 10, 2015 [reference no.: 2015-01-119139].
- 2.12 On September 14, 2015, after approval of the Board of Directors of the Company on September 2, 2015, the Company published, as a part of a an invitation to the general meeting of the Company, a private placement report, in which the Company requested to allocate 120,000 stock options (non-marketable) for each of the external directors, Roni Kleinfeld and Irit Ben Ami, and a same amount of stock options to the independent director, Zvika Yemini, in an exercise price of NIS 5.5 per share. For additional details, see the Company's immediate report dated September 14, 2015 [reference no.: 2015-01-120639].
- 2.13 On September 6, 2015, 37,500 stock options were exercised to 37,500 ordinary shares of the Company in a total exercise amount of NIS 65,625.
- 2.14 After the reporting period, on November 1, 2015, 37,500 stock options were exercised to 37,500 ordinary shares of the Company in a total exercise amount of NIS 84,375.
- 2.15 After the reporting period, on November 3, 2015, and after approval of the Board of Directors of the Company on November 2, 2015, the Company published a private placement report, in which the Company announced an allocation of 1,552,874 ordinary shares and 776,437 stock options (non-marketable) for 11 investors, in consideration of a total investment of NIS 8,540,800. For additional details, see the Company's immediate report dated November 3, 2015 [reference no.: 2015-01-147309]. The information within this report is included by way of reference.
- 2.16 Excluding the contents of the table below, no change occurred compared to the description in Section 6 of Chapter A of the Periodic Report, with respect to interested party transactions performed outside of the stock exchange in the period of the Report:

Date	Name of Interested Party	Purchase (Sale) and No. Shares at the Subject of the Transaction [Security No. 333013]	Price in Agoras Per Share
March 30, 2015	Itschak Shrem	10,000 shares	259.30 agoras
March 31, 2015	Itschak Shrem	10,000 shares	248 agoras

Update to Section 31: Collaboration Agreements

2.17 On January 29, 2015, the Company published a notice whereby the Company's board of directors had resolved to expand the business operations of the Subsidiary, such that it will begin to operate in the field of nanomaterials. In order to expand its operations as stated, the Company signed a non-binding memorandum of understandings (hereinafter: the "**MOU**") with a chemicals division of a large Chinese government company (hereinafter: the "**Chinese Company**"). In the framework of the collaboration, both companies would work in cooperation in order to establish a factory for the production of nanomaterials in Singapore in a preliminary investment which will be financed in full by the Chinese Company. The factory, if and when it will be established, will manufacture unique nanomaterials based on an advanced technology, and will be designated for various markets, excluding the PCB market in which the Subsidiary is engaged. As of the date of the Report, there is no certainty that the aforesaid collaboration will indeed be realized, and there was no progress that led to a binding and final agreement between the parties. For additional details, see the Company's report dated January 29, 2015 [reference no.: 2015-01-020947], which is included in this regard by way of reference.

2.18 Engagement in an Agreement for Investor Relations in the Capital Market

On February 19, 2015, the Company announced that it had engaged with Mr. Kfir Zilberman, as an external consultant, in an agreement for the provision of consulting and handling services for investor relations in the capital market. For additional details, see the Company's report dated February 19, 2015 [reference number: 2015-01-034639], which is included in this regard by way of reference.

2.19 Engagement in an Agreement with a New York Investment Bank

On April 27, 2015, the Company published a notice whereby the Company's board of directors had approved an outline of the Company's engagement with a New York investment bank (the "**Investment Bank**"), in which, and as part of the engagement, the Investment Bank would act with investors in the United States in order to raise capital for the Company in the United States. The outline of the engagement provides that if the Investment Bank meets the terms of the engagement set forth, and in the event that the Company decides to progress with this process, the Bank will be given the right to jointly lead the issuance of the Company in the US capital market. Additionally, part of the consideration will be in stock options allocated thereto by the Company in a scope and under the terms determined.

2.20 On June 10, 2015, the Company published a notice whereby the subsidiary had engaged in an memorandum of understandings (an MOU) with the Nanyang Technological University of Singapore (NTU), one of the largest universities in Singapore, rated as one of the 50 leading universities in the world (according to the QS World University Ranking of 2014). Within the cooperation, joint research projects will be carried out in the field of production and three-dimensional printing of electronic components, integrated in printed circuit boards (PCBs), in order to add features and capabilities to the Company's next generation printer. The joint venture will also investigate mutual opportunities in the academic field, which will include joint research and development in the University's laboratories, including student exchanges

and visits of the faculty in Israel, for study and enrichment between the parties. For additional details, see the Company's report dated June 10, 2015 [reference no.: 2015-01-044748].

Update to Section 22: Intangible Assets

- 2.21 On February 22, 2015, the Company announced that the Subsidiary had submitted to the US Patent Office an application to register a patent on the unique ink recycling and cooling system of the three-dimensional printing cartridges developed by the Subsidiary. For additional details, see the Company's report dated February 22, 2015 [reference number: 2015-01-035536], which is included in this regard by way of reference.
- 2.22 On March 31, 2015, the Company announced that the Subsidiary had submitted to the US Patent Office an application to register a patent for the calibration and direction system of the cartridges. For additional details, see the Company's report dated March 31, 2015 [reference number: 2015-01-068020], which is included in this regard by way of reference.
- 2.23 On May 6, 2015, the Company published notice whereby the Subsidiary had submitted an application to register a patent to the US Patent Office for a method of converting Gerber files (for the production of electronic cards – PCB) for three-dimensional printing and the application of ink injection technology. The patent describes the direct printing system of the multi-layer electronic cards (PCB) with ink injection technology. For additional details, see the Company's report dated May 6, 2015 [reference number: 2015-01-013077], which is included in this regard by way of reference.
- 2.24 On June 8, 2015, the Company published a notice whereby the subsidiary filed a patent application to the US Patent Office for a cleaning system for printing heads of the Company's three-dimensional printers. For additional details, see the Company's immediate report dated June 8, 2015 [reference no.: 2015-01-042936].
- 2.25 On July 19, 2015, the Company announced that the subsidiary had filed a patent application to the US Patent Office for a unique method for the production of transparent and conductive layers. For details regarding the application, see the Company's immediate report of July 19, 2015 [reference no. 2015-01-075387]. The information within this report is included by way of reference.
- 2.26 On August 30, 2015, the Company announced that the subsidiary has received a notice of allowance from the US Patent Office for its Utility Patent Application directed to a system for aligning inkjet print heads. For additional details, see the Company's immediate report dated August 30, 2015 [reference no.: 2015-01-107823].
- 2.27 After the reporting period, on October 22, 2015, the Company announced that the subsidiary has received a notice of allowance from the US Patent Office for its Utility Patent Application related to a unique system for ink recycling and cooling of the printheads. The recycling and cooling system will allow unused ink to be conserved, thereby improving the efficiency of the printing process of the 3D printer, and also allows the ink to maintain a certain temperature and avoid overheating. For additional details, see the Company's immediate report dated October

22, 2015 [reference no.: 2015-01-139875]. The information within this report is included by way of reference.

2.28 Update to Section 32: Legal Proceedings

On March 21, 2015, a third party filed a claim to the District Court of Tel Aviv against the Company, its Subsidiary, shareholders, officers and an additional officer of the Company. The action was filed based on the alleged claim of theft of trade secrets and technology developed by the company. The amount of the claim was said to be NIS 20 million. In addition, the Court was asked to order the Defendants, if the claim was accepted, to cease making use of the plaintiff's technology and know-how. The Company's assessment is that the claim filed against it is not established, and is considering responding with legal proceedings for damage caused thereto following the action, if any. For additional details regarding a description of the action, see the Company's report dated March 21, 2015 [reference number: 2015-01-056179], which is included in this regard by way of reference. As of the date of the Report, the attorneys handling the action are unable to assess the chances of success of the action. The Company's financial statements do not include a provision for the aforesaid action. For additional details, see Note 4 to the financial statements.

2.29 On July 14, 2015, the Company announced that the subsidiary had signed an agreement with Vigilante Environmental Solutions, which is engaged in business development in India. Within the agreement, representative offices will be opened in Bangalore and Delhi, while Vigilante will be responsible for the establishment and ongoing operation of the offices, and will make efforts to identify and realize suitable opportunities in the market in order to market the three-dimensional printer and unique ink products of Nano-Dimension Technologies in the Indian market.

2.30 Update to Section 31: Cooperation Agreements

On July 23, 2015, the Company announced that the subsidiary has begun a cooperation with Israel Air Force Industry for the performance of testing for advanced three-dimensional printing of electronic components, including examining and polishing the performance of the Company's three-dimensional printer. For additional details, see the Company's immediate report of July 23, 2015 [reference no. 2015-01-080622]. The information within this report is included by way of reference.

2.31 Update to Section 31: Cooperation Agreements

On July 27, 2015, the Company announced that the subsidiary had signed a marketing and distribution agreement regarding the Company's unique epoxy nano material, with AVCO Chemicals, which is an established company in the field of chemicals, and which owns subsidiaries in a number of countries globally. Within the marketing agreement, AVCO will market the Company's unique material to the various markets, and including the agreement for the rights to production and development of additional commercial applications of the material's

use. For additional details, see the Company's report dated July 27, 2015 [reference no.: 2015-01-082278].

2.32 On July 29, 2015, the Company announced that all of the approvals required for registration of the Company's shares as ADR and OTCQB, the symbol of ADR level 1 of the Company is NNDMY. The Company also reported that it is examining a transition to the full registration of its shares on NASDAQ, if it meets all of the criteria required. See the Company's immediate report of July 29, 2015 [reference no. 2015-01-084315]. The information within this report is included by way of reference.

2.33 On September 17, 2015, the Company announced that it has received the approval of the OTC for the trade of its American Depositary Receipts (ADRs) on the OTCQX® Best Market. The trade in the Company's ADRs is under the symbol "NNDMY," where each ADR represents five ordinary shares. For additional details, see the Company's immediate report of September 17, 2015 [reference no. 2015-01-120945], which is included in this regard by way of reference.

2.34 **Update to Section 31: Cooperation Agreements**

On August 2, 2015, the Company announced that the subsidiary has begun a cooperation with one of the Fortune 100 companies (one of the one hundred largest companies in the United States), for the performance of testing for advanced three-dimensional printing of electronic components. The purpose of the cooperation is, *inter alia*, to examine the suitability of the Company's production methods for electronic components in the aviation field. For details, see the Company's immediate report dated August 2, 2015 [reference no.: 2015-01-086667].

2.35 **Update to Section 31: Cooperation Agreements**

On August 5, 2015, the Company announced that the subsidiary has begun a cooperation with one of the Fortune 500 companies (one of the one hundred largest companies in the United States), for the performance of testing for advanced three-dimensional printing of electronic components. The purpose of the cooperation is, *inter alia*, to examine the suitability of the Company's production methods for electronic components in the semiconductors field. For details, see the Company's immediate report dated August 5, 2015 [reference no.: 2015-01-089727].

2.36 On August 11, 2015, the Company announced that on August 10, 2015, the subsidiary and an Indian Company named Vigilante Environmental Solutions had signed an agreement for the sale of 3D printers and conductive ink. This is the first formal sale of the Company in general, and in India in particular. The agreement includes five 3D Printers for Multilayered PCB that will be supplied during the second half of 2016, as well as 5Kg of Conductive Nano Silver ink for industrial use, which will be supplied immediately as promotional samples and will enable Vigilante Environmental Solutions to work with the industry in India. The total transaction amount is USD \$250K, payable in several installments subject to the terms agreed between the parties.

- 2.37 On September 8, 2015, the Company announced that the subsidiary has signed an agreement for the sale of 3D printers to ALA Software Solutions (herein after- "ALA"), a software development service provider to the digital printing world that provides integration services between organizational and information systems. The agreement includes sale of several 3D printers of the Company, in a total amount of NIS 700,000, that will be supplied during the fourth quarter of 2016, enabling ALA's customers to print 3D prototypes of multi-layer electronic circuits. For details, see the Company's immediate report dated September 8, 2015 [reference no.: 2015-01-116505].
- 2.38 On September 20, 2015, the Company announced that during experiments held by the subsidiary, it was discovered that the dielectric ink developed by the subsidiary is durable in extreme temperatures of 300° C. The dielectric ink is used for electrical insulation in printing multi-layer electronic circuits and is based on nanotechnology, developed by the Chemistry Department of the Company. For details, see the Company's immediate report dated September 20, 2015 [reference no.: 2015-01-121998], which is included in this regard by way of reference.

Additional Updates – General

- 2.39 On January 19, 2015, Joseph Matalon, who served as an independent director, resigned from his position.
- 2.40 On January 28, 2015, Yemini Zvika (who had been an independent director) was appointed as a director, and on March 19, 2015, Mr. Yoel Yogev was appointed as a director. Based on the current remuneration policy of the Company's officers, the remuneration committee and board of directors of the Company determined that their fees will be the same as the remuneration of external directors of the Company (annual compensation and meeting participation compensation), which is in accordance with the minimum amounts under the Companies Regulations (Rules Regarding Compensation and Expenses to an External Director), 5760-2000 (the "External Director Compensation Regulations"), in accordance with the classification of the Company under the same Regulations.
- 2.41 On June 14, 2015, Mr. Tal Aharon Levi concluded his position as CFO of the Company.
- 2.42 On June 14, 2015, Ms. Yael Sandler was appointed as CFO of the Company. For details regarding Ms. Sandler, see the Company's report dated June 14, 2015 [reference no.: 2015-01-046896].
- 2.43 On April 29, 2015, the Company announced that the Subsidiary, Nano-Dimension Technologies Ltd., had won the best development prize in the field of three dimensional printing and equipment, in the leading conference of electronic industries known as "Printed Electronics Europe 2015," which took place this week in Berlin, Germany. For additional details, see the Company's report dated April 29, 2015 [reference number: 2015-01-007779].

- 2.44 In its meeting on May 31, 2015, and after receiving the recommendation of the audit committee for the same, the Company's board of directors approved an amendment to two sections of the merger agreement dated May 18, 2014, signed between the controlling shareholders and the Company (hereinafter: the "**Merger Agreement**"), relating to the definition of the amounts of the "exit event" and the second milestone, which, upon fulfillment, will entitle the controlling shareholders to exercise the stock options granted to them in the framework of the Merger Agreement, while, *inter alia*, the amendment requested would terminate the "exit event" requirement in the amount of USD 50,000,000, the trading period determined in the Merger Agreement will be decreased and the requirement of a maximum capital raising will be cancelled. The aforesaid resolution is subject to approval of the general meeting to be convened on July 8, 2015. For the complete details regarding the proposed amendment to the sections of the Merger Agreement and the full version, see the invitation of the general meeting published by the Company shortly after publication on this Report on May 31, 2015 [reference number: 2015-01-034878], which is included in this regard by way of reference.
- 2.45 In its meeting dating May 31, 2015, and after receiving the recommendation of the remuneration committee for the same, the Company's board of directors approved the wording of the new remuneration policy for officers and directors of the Company in accordance with the provisions of Amendment No. 20 to the Companies Law, 5759-1999, instead of the existing remuneration policy. The replacement of the remuneration policy is subject to approval of the general meeting which will convene on July 8, 2015. For the complete details relating to the proposed new remuneration policy, see the invitation to the general meeting published by the Company shortly after this Report, on May 31, 2015 [reference number: 2015-01-034878], which is included in this regard by way of reference.
- 2.46 On July 8, 2015, the general meeting of the Company approved the update to the Company's remuneration policy. For details regarding the Company's remuneration policy, see the Company's report regarding convening the general meeting of July 5, 2015 [reference no. 2015-01-065493]. The information within this report is included by way of reference.

3. **Events After the Balance Sheet Date:**

- 3.1 On October 21, 2015, the company announced that it has filed a registration statement on Form 20-F with the U.S. Securities and Exchange Commission and an application to list its American Depositary Shares ("ADSs") on the NASDAQ Capital Market ("NASDAQ"). The registration statement on Form 20-F does not allow public fund raising in the U.S. The NASDAQ listing application is subject to review by NASDAQ and dependent on the Company meeting all of the necessary listing requirements of NASDAQ. Accordingly, there can be no guarantee that the Company's application for listing of its ADSs on NASDAQ will be successful. For additional details, see the Company's immediate report dated October 21, 2015 [reference no.: 2015-01-138765], which is included in this regard by way of reference.
- 3.2 On October 21, 2015, the general meeting of the Company approved, after approval of the Remuneration Committee and Board of Directors of the Company in their meetings on August 20 and September 2, 2015, accordingly, the following resolutions:

- 3.2.1 A framework transaction for the Company's engagement in an officers and directors professional liability insurance policy for its now and future acting officers and directors. The framework transaction shall be subject to the following: The annual premium of the insurance policy may not exceed a total of US \$ 75,000, and the limits of liability will not exceed a total of US \$ 30 million for each case and period.
- 3.2.2 Re Election of the Company's acting external auditors, Strauss, Lazer & Co., until the next yearly general meeting, and authorized the Company's board of directors to determine their fees.
- 3.2.3 Re Election of the Company's acting board of directors' members, which are not independent directors, for additional period until the next yearly general meeting.
- 3.2.4 Re Election of the Company's acting external directors, for additional period of 3 years which will begin in the end of their current tenure, and allocation of 120,000 unregistered warrants each of the external directors.
- 3.2.5 Re Election of Mr. Zvika Yemini, the Company's independent director, for additional period until the next yearly general meeting, and allocation of 120,000 unregistered warrants to Mr. Yemini.
- 3.2.6 Allocation of 120,000 unregistered warrants to the Company's CFO under the terms of the Outline of an Offer of Securities of Employees which the Company published on September 10th, 2015, see section 2.11 above.

For full details regarding the general meeting, see the immediate reports published on September 16, 2015 [reference no. 2015-01-120654] and October 21, 2015 [reference no. 2015-01-139698].

- 3.3 For the Company's announcement on October 22, 2015, according to which the subsidiary has received a notice of allowance from the US Patent Office for its Utility Patent Application related to a unique system for ink recycling and cooling of the printheads, see section 2.27 above.
- 3.4 On November 1, 2015, Mr. Ofir Baharav was appointed as a director. For additional details, see the Company's immediate report of November 1, 2015 [reference no. 2015-01-145569].
- 3.5 For the Company's announcement regarding exercise of stock options on November 1, 2015, see section 2.14 above.
- 3.6 For the Company's announcement on November 3, 2015, regarding private placement of 1,552,874 ordinary shares and 776,437 stock options (non-marketable) for 11 investors, see section 2.15 above.

The information provided above, with regard to the cooperations and their results, is considered “forward-looking information,” as defined in the Securities Law, 5728-1968, based on information known to the Company on this date, as estimates and forecasts, the realization of which is also contingent, *inter alia*, on factors that are not controlled by the Company, as stated in this report above.

3.7 Excluding as stated in Sections 3.1 to 3.7 and sections 2.14, 2.15 and 2.27 above, no additional events occurred after the balance sheet date.

Date: November 10, 2015.

Nano-Dimension Ltd.

**Part B – Explanations of the Board of Directors to the State of the Corporation’s
Affairs As of September 30, 2015**

In accordance with the Securities Regulations (Periodic and Immediate Reports), 5730-1970, we hereby review the data of the Company’s operations as of September 30, 2015 (hereinafter: the “**Report Date**”) and for the nine months period ended on September 30, 2015. This Report was approved by the Company’s board of directors on November 10, 2015.

The review presented below is limited in scope, and relates to events and changes that occurred in the state of the corporation’s affairs in the reported period that have a material impact. The Board of Director’s Report is attached to the Company’s financial statements relating to the period of the Report, and was prepared from the assumption that the Board of Director’s Report for the year ending on December 31, 2014 was available to the reader.

1. **Material Events in the Report Period**

See Chapter A of this Report above.

2. **Financial Position**

The following are explanations of the developments that have occurred to the sections of the Report of Financial Position:

	As of September 30, 2015 (NIS thousands)	As of September 30, 2014 (NIS thousands)	As of December 31, 2014 (NIS thousands)	Explanations
Current assets	36,335	3,761	1,285	As of September 30, 2015, the primary current assets were comprised of cash in the amount of about NIS 34.5 million. The increase arises mainly from capital raising (private placements) during the Report Period.
Non-current assets	6,186	380	1,135	The non-current assets as of September 30, 2015 are comprised of fixed assets and intangible asset arising from capitalization of development costs.
Total assets	42,521	4,141	2,420	
Current liabilities	3,098	845	1,387	The current liabilities as of September 30, 2015 and December 31, 2014 are comprised of suppliers balance and payables (primarily obligations to employees and expenses payable (professional expenses, director wages and legal expenses)). In addition, as of December 31, 2014 there was a balance of NIS 150K regarding loans from controlling owners, which was repaid during the reporting period.

Non-current liabilities	821	-	370	Non-current liabilities as of September 30, 2015 and December 31, 2014 are comprised of liabilities to the Chief Scientist due to grants that the Company received.
Equity (deficit)	38,602	3,296	663	The increase in the equity balance as of September 30, 2015 compared to December 31, 2014 arises mainly from raising capital in a total amount of about NIS 46 million, share base payment of about NIS 5.5 million, less loss for the period of about NIS 13.6 million.

3. Business Results

The following are the financial results of the Company for the periods ended September 30, 2015 and 2014:

	For the nine months period ended September 30, 2015 (NIS thousands)	For the three months period ended September 30, 2015 (NIS thousands)	For the nine months period ended September 30, 2014 (NIS thousands)	For the three months period ended September 30, 2014 (NIS thousands)	For the year ended December 31, 2014 (NIS thousands)	Explanations
Research and development expenses	8,834	1,342	1,490	831	3,339	The main increase in research and development expenses arises from raising capital, thus enabling acceleration of the research and development expenses of the Company's product, employees' recruitment and share base payment expenses.
General and Administrative expenses	6,321	3,708	663	199	1,426	The main expenses arise from professional and legal expenses, fees for directors, employee salaries, and share base payment expenses.
Other income	6	6	62	-	62	

Operating loss	15,149	5,044	2,091	1,030	4,703	
Expenses from listing for trade	-	-	9,358	9,358	9,358	
Financing income	1,769	1,786	-	-	1	The main financing income arises from the change in the fair value of the price adjustment mechanisms that were issued as a part of private placements during the reporting period.
Financing expenses	206	172	34	14	118	
Loss for the period	13,586	3,430	11,483	10,402	14,178	

4. Liquidity

As of September 30, 2015, the Company and the Subsidiary have cash and cash equivalent balances in the amount of about NIS 34.461 million.

	For the nine months period ended September 30, 2015 (NIS thousands)	For the three months period ended September 30, 2015 (NIS thousands)	For the nine months period ended September 30, 2014 (NIS thousands)	For the three months period ended September 30, 2014 (NIS thousands)	For the year ended December 31, 2014 (NIS thousands)	Explanations
Net cash flows used for operations	(8,595)	(1,843)	(1,039)	(1,012)	(3,468)	The cash flows used for operations arises primarily from ongoing expenses of the Company (research and development expenses, legal and professional services).

Net cash flows used for investment activity	(6,097)	(5,694)	(351)	(349)	(1,131)	The cash flows used for investment activity arises from a capitalization of development costs to intangible asset, purchase of fixed assets and deposit of bank deposits.
Net cash flows arising from financing activity	48,347	39,375	4,890	4,825	5,400	The cash flows arising from financing activity arises primarily from capital raising during the period and receipt of governmental grants.

4.1. Financing Sources

For details regarding the sources of financing, see Section 26 of Part A of the Periodic Report and Section 5 of the Board of Director's Report attached to the Periodic Report. As of the Report Date, the Company finances its operations primarily from capital investments in cash (private placements) and support from the Chief Scientist. For additional details, see the Company's reports regarding completion of private placements, events during the reporting period and after the reporting period in Section A of this report.

- 4.2. Reimbursement of shareholders' loans³ - in accordance with the resolution of the meeting of the Company's shareholders on August 17, 2014 [reference number: 2014-01135507] for the Merger Transaction approved at the time between the Company and the Subsidiary, Nano-Dimension Technologies Ltd., it was also resolved to repay the current controlling shareholders – Amit Dror, Dagi Ben-Noon, Simon Anthony Fried and Sharon Fima (who were, before the merger, the shareholders of the Subsidiary⁴) for the shareholders' loans in the amount of about NIS 175 thousand (hereinafter: the "**Shareholders' Loans**"), subject to the Company's compliance with the following two conditions: minimum raising of about USD 3 million (including raising capital which was completed following the completion of the Merger Transaction in the amount of USD 1.5 million) and the balance of cash and cash equivalents in the Company's fund which, after payment of the aforesaid Loans, will not be less than USD 0.5 million. Since the two aforesaid conditions were met in the reporting period, the Company has repaid the controlling shareholders the Shareholders' Loans in the amount of about NIS 175 thousand.

³ For details regarding the Shareholders' Loans of the Subsidiary, see Section 27 of the Amended Description of the Subsidiary's Operations, published on August 12, 2014 [reference number: 2014-01-132780].

⁴ As of the date of the Report, the Company is the sole shareholder of the Subsidiary.

5. **Critical Accounting Estimates**

Preparation of the Company's financial statements in accordance with the generally accepting accounting standards in Israel requires the management of the Company to prepare estimates and make assumptions that impact the amounts presented in the financial statements. In the estimate of the Company's management, in the preparation of the Company's financial statements use was made of part of the critical estimates, as set forth in Note 2B of the annual financial statements.

6. **Impact of Seasonality**

The Company's operations are not subject to the impact of any seasonality.

7. **Extraordinary or Non-Recurring Events**

See Chapter A of this Report above.

8. **Events that May Indicate Financial Difficulty**

In light of a fund raising in amount of approximately NIS 42.2 million (See Section 2.11), The Company's financial statements does not contain a Going Concern note as of the report of the second quarter of 2015.

9. **Explanation Regarding Matters to which the Corporation's Auditor had drawn attention to in the Review Report of the Interim Financial Statements**

See Notes 2c and 4 of the interim financial statements as of September 30, 2015.

10. **Donations**

In the period from January 1, 2015 through the Report Date, the Company has not donated any funds.

11. **Exposure to Market Risk and Their Management**

In accordance with the resolution of the Company's board of directors dated March 12, 2014, the Company is a "small corporation," as defined in the Report Regulations. The Company does not apply the provisions of the Second Addendum of the Report Regulations, since its exposure to market risks arising from financial instruments is immaterial.

12. **Disclosure regarding the Internal Auditor**

The Company's internal auditor is CPA Daniel Shapira, who was appointed to the position on March 30, 2015. No change occurred to the details of the internal auditor as of the date of the publication

of the 2014 Periodic Report and until the date of this Report. For additional details, see Section 13 of the Board of Director's Report that is attached to the 2014 Periodic Report, published on March 30, 2015, reference number: 2015-01-066514 [reference number: 2014-01-029871].

Internal Audit Plan for 2015: In coordination with the internal auditor, in its meeting of May 26, 2015, the audit committee approved that the work plan for 2015 of the internal auditor will pertain to two areas: 1) regulation in the Company, including agreements/engagements and transactions with interested parties and controlling shareholders; and 2) management of cash and actual performance of payments in the Company, within the Company and to third parties.

13. **Directors with Accounting and Financial Expertise**

No change has occurred with respect to the Company's determination regarding the minimum number required of directors with accounting and financial expertise, as of the publication of the Company's periodic report for 2014 and until the publication of this Report. As of the Report Date, the Company considers Irit Ben Ami, Ron Elazar (Roni) Kleinfeld, Yoel Yogev, Avraham Nachmias, Eli Yoresh and Itschak Shrem, as having accounting and financial expertise. For details regarding the skills, education and experience based on which the Company considers them to have accounting and financial expertise, see Article 26 of Chapter D attached to the Company's 2014 Periodic Report published on March 30, 2015, reference number: 2015-01-066514 [reference number: 2014-01-029871].

14. **Fees of the Auditing Accountants**

As of the Report Date, the auditing accountant of the Company is the Accounting Firm of Strauss, Lazer & Co., which was appointed by the general meeting. The general meeting authorized the Company's board of directors to determine the fees, which were determined, *inter alia*, considering the scope of the audit activity expected in the Report Date, and considering the customary fees of auditing accountants in similar companies.

15. **Remuneration of Senior Officers**

15.1. After recommendations were received from the audit committee and approval was received from the board of directors, in a meeting that took place on January 20, 2015, the general meeting approved the current remuneration policy for officers of the Company (the "**Remuneration Policy**"). For additional details, see Appendix C to the invitation to the meeting and the amended transaction report published by the Company on December 17, 2014 [reference number 2014-01-224355], which is included in this regard by way of reference. On July 8, 2015, the general meeting of the Company approved the update to the Company's remuneration policy.

- 15.2. In accordance with the provisions of Amendment No. 20 to the Companies Law, 5773-2012, and in accordance with approval of the aforesaid general meeting, the Company's board of directors determined that remuneration of the Company's officers will be as set forth in the Remuneration Policy.
- 15.3. On July 20, 2015, the general meeting of the Company approved, after approval of the Remuneration Committee and Board of Directors of the Company in their meetings of June 7, 9, 10 and 11, 2015, the update to the allocation and private placement of stock options to a number of officers of the Company as follows:
 - 15.3.1 To update the salary terms of four officers of the Company, who are controlling shareholders of the Company, Messrs. Amir Dror, Dagi Ben-Noon, Simon Anthony-Fried and Sharon Fima. In addition to the salary update, the meeting approved a private placement of stock options to the aforesaid four officers, as detailed in Section 2.6 to this report. For additional details, see the transaction report of the Company on July 14, 2015 [reference no. 2015-01-072297]. The information within this report is included by way of reference.
 - 15.3.2 To update the salary of Mr. Itschak Shrem in his capacity as active Chairman of the Company. For additional details, see the transaction report of the Company on July 14, 2015 [reference no. 2015-01-072297]. The information within this report is included by way of reference.
 - 15.3.3 A private placement of stock options to the Chairman of the board and three additional directors of the Company, Messrs. Eli Yoresh, Avi Nachmias and Yoel Yogev, as detailed in Section 2.6 to this report. For additional details, see the transaction report of the Company on July 14, 2015 [reference no. 2015-01-072297]. The information within this report is included by way of reference.
 - 15.3.4 A framework transaction for the Company's engagement in a director and officer liability policy for the Company. For details, see the transaction report of the Company on July 14, 2015 [reference no. 2015-01-072297]. The information within this report is included by way of reference.
- 15.4. After the reporting period, on October 21, 2015, the general meeting of the Company approved, after approval of the Remuneration Committee and Board of Directors of the Company in their meetings on August 20 and September 2, 2015, accordingly, the following resolutions:
 - 15.4.1 A framework transaction for the Company's engagement in an officers and directors professional liability insurance policy subject to the following: The annual premium of the insurance policy may not exceed a total of US \$ 75,000, and the limits of liability will not exceed a total of US \$ 30 million.
 - 15.4.2 Allocation of 120,000 unregistered warrants each of the external directors.
 - 15.4.3 Allocation of 120,000 unregistered warrants to Mr. Yemini.

15.4.4 Allocation of 120,000 unregistered warrants to the Company's CFO under the terms of the Outline of an Offer of Securities of Employees which the Company published on September 10th, 2015, see section 2.11 above.

For full details regarding the general meeting, see the immediate reports published on September 16, 2015 [reference no. 2015-01-120654] and October 21, 2015 [reference no. 2015-01-139698].

Details in accordance with the provisions of the Sixth Addendum regarding updated annual salary conditions and the allocation of options- NIS thousands:

Compensation Recipient's Details				Compensation for Services							
Name	Position	Scope of position	Rate of holding of capital in %	Wage	Bonus	Share-based payment	Management fees	Consulting fees	Surcharge	Other	Total
Itschak Shrem	Chairman of the board of directors	75%	2.58	360		534					894
Amit Dror	CEO and director	100%	5.43	629		534					1,163
Simon Anthony-Fried	CMO and director	100%	5.41	623		534					1,157
Dagi Shahar Ben-Noon	COO and director	100%	5.41	623		534					1,157
Sharon Fima	CTO and director	100%	5.41	623		534					1,157
Eli Yoresh	Director	Meetings	0.62	120		160					280
Avi Nahmias	Director	Meetings	-	120		160					280
Zvika Yemini	Independent director	Meetings	1.12	120		138					258
Roni Kleinfeld	External director	Meetings	-	120		138					258
Irit Ben Ami	External director	Meetings	-	120		138					258
Yoel Yogev	Director	Meetings	2.09	120		160					280

16. Peer Review

On July 28, 2005, the Securities Authority published a guidelines under Section 36a of the Securities Law, 5728-1968 regarding disclosure for consent to perform a review of members that is intended, in accordance with the aforesaid instruction, to lead a review process of the work of accountants and examine compliance with the procedures required during the audit work performed thereby, which will contribute to the existence of an advanced capital market. The Company has provided its consent to the Company's accountants to transfer the material required in the event that the performance of the sample related to the Peer review is required.

17. Approval Process of the Financial Statements

In accordance with the provisions of the Companies Regulations (Provisions and Terms Regarding an Approval Process of the Financial Statements), 5770-2010 (hereinafter: the "Approval of the

Financial Statement Regulations”), the Company has established a committee for the review of the Company’s financial statements (hereinafter: the “**Committee**”), comprised of members of the audit committee – Roni Kleinfeld (external director), Irit Ben Ami (external director) and Zvika Yemini (independent director).

Process for Approval of the Financial Statements:

- a. On November 5, 2015, the Committee held a meeting in which members of the Committee discussed the Company’s financial statements, as well as examined the assessments, estimations, and assumptions made in connection with the financial statements, the internal audit related to financial reporting, the integrity and fairness of the disclosure provided in the framework of the financial statements and the risk management. The Company’s CFO reviewed the accounting policies adopted and accounting treatment applied in material matters of the corporation with members of the Committee.
- b. The meeting of the Committee as stated above was attended by Committee members Roni Kleinfeld (chairman of the Committee and external director), Irit Ben Ami (external director) and Yemini Zvika (independent director), Amit Dror, CEO, and Yael Sandler, CFO, representatives of the Company’s external auditors and attorneys.
- c. On November 5, 2015, members of the Committee provided their recommendations to the Company’s board of directors as to the Company’s financial statements and Board of Director’s Report for the third quarter of 2015.
- d. On November 10, 2015, a meeting of the Company’s board of directors was held, and attended by: Itschak Shrem, chairman (by phone), Amit Dror, CEO and director, Eli Yoresh, director, Avi Nachmias, director, Yoel Yogev, director, Simon Anthony Fried, CMO and director, Sharon Fima, CTO and director, Roni Kleinfeld (external director), Irit Ben Ami (external director), Yemini Zvika (independent director), Yael Sandler, CFO, representatives of the Company’s auditing accountants (Offices of Strauss Lazer) and the Company’s attorneys.
- e. During the aforesaid meeting of the board of directors, the directors reviewed the financial results of the Company, its financial state, the Company’s cash flows, and a discussion was held of the recommendations of the committee for the review of the financial statements. Additionally, the board of directors discussed recommendations of the Committee that were provided thereto regarding approval of the financial statements. In the framework of the process for the approval of the Company’s financial statements by the board of directors, drafts of the financial statements, the board of director’s report and quarterly report were provided for the review of members of the board of directors a number of days before the meeting date scheduled for approval of the reports. During the meeting of the board of directors, the financial results, financial statement and cash flows of the Company were reviewed, and data was presented regarding the Company’s operations. A discussion was held during the meeting by members of the Company’s management with respect to questions of the directors. In the framework of the discussion, the external auditors of the Company were asked about matters relating to the financial statements. After the aforesaid discussion, a vote was held for approval of the financial statements.

- f. In the opinion of the board of directors, the recommendations of the Committee were provided to the board of directors a reasonable time before the discussion held by the board of directors.
- g. The Company's board of directors has resolved to adopt the resolution of the Committee as stated and approve the financial statements and board of director's report of the Company for the third quarter of 2015.

18. **Effectiveness of the Internal Control on Financial Reporting and Disclosure**

In accordance with the Company's notice dated March 12, 2014, the Company is a "small corporation," as this term is defined in the Report Regulations, and the Company's board of directors has resolved to adopt all of the leniencies approved as stated for small corporations in the framework of the amendment, as of the periodic report for 2013 and thereafter. For additional details, see the Company's report dated March 12, 2014 [reference number 2014-01-013398], which is included in this regard by way of reference.

19. **Events After the Date of the Balance Sheet**

See Section 3 of Chapter A of this Report above.

Sincerely,

Nano-Dimension Ltd.

November 10, 2015

Date

Amit Dror, CEO and
Director

Itschak Shrem, Chairman of
the Board of Directors

Part C – Condensed Consolidated Interim Financial Statements as of September 30, 2015

Attached.

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Review Report to the Shareholders of Nano Dimension Ltd.

Introduction

We have reviewed the accompanying financial information of Nano Dimension Ltd and its subsidiary (hereinafter—the Group) comprising of the condensed consolidated interim statement of financial position as of September 30, 2015 and the related condensed consolidated interim statements of comprehensive income, changes in equity and cash flows for the nine and three month periods then ended. The Board of Directors and Management are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 “*Interim Financial Reporting*”, and are also responsible for the preparation of financial information for these interim periods in accordance with Section D of the Securities Regulations (Periodic and Immediate Reports), 1970. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Standard on Review Engagements 1, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Institute of Certified Public Accountants in Israel. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards in Israel and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review nothing has come to our attention that causes us to believe that the accompanying financial information was not prepared, in all material respects, in accordance with IAS 34.

In addition to that mentioned in the previous paragraph, based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not comply, in all material respects, with the disclosure requirements of Section D of the Securities Regulations (Periodic and Immediate Reports), 1970.

Without qualifying our above conclusions, we draw attention to note 4 of the financial statements regarding a significant lawsuit that was filed against the Company.

Also, we draw attention to note 2.c. of the financial statements regarding the adjustment by way of a restatement of the financial statements for the nine and three month periods ended on September 30, 2014, in order to retroactively reflect the presentation of expenses from listing for trade as non- operating expenses.

Strauss Lazar and Co.

Certified Public Accountants (Isr.)

Tel-Aviv, November 10, 2015

Nano Dimension Ltd.
Condensed Consolidated Interim Statements of Financial Position

	September 30		December 31
	<u>2015</u>	<u>2014</u>	<u>2014</u>
	Unaudited		Audited
	<u>Thousand NIS</u>	<u>Thousand NIS</u>	<u>Thousand NIS</u>
<u>Current Assets</u>			
Cash and cash equivalents	34,461	3,505	806
Bank Deposits	928	-	-
Other receivables	<u>946</u>	<u>256</u>	<u>479</u>
	<u>36,335</u>	<u>3,761</u>	<u>1,285</u>
<u>Non-current Assets</u>			
Fixed assets	2,635	380	1,135
Intangible assets	<u>3,551</u>	<u>-</u>	<u>-</u>
	<u>6,186</u>	<u>380</u>	<u>1,135</u>
Total Assets	<u>42,521</u>	<u>4,141</u>	<u>2,420</u>
<u>Current Liabilities</u>			
Trade payables	1,861	290	210
Other payables	1,237	408	1,027
Loans from controlling shareholders	<u>-</u>	<u>147</u>	<u>150</u>
	<u>3,098</u>	<u>845</u>	<u>1,387</u>
<u>Non-current Liabilities</u>			
Liability in respect of government grants	821	-	370
<u>Equity (Capital Deficit)</u>			
Share capital	3,684	2,337	2,337
Share Premium	54,192	14,334	14,334
Treasury shares	(5,260)	(5,260)	(5,260)
Warrants	7,245	2,466	2,466
Capital reserve from transactions with controlling shareholders	1,866	1,866	1,866
Capital reserve from share -based payment transactions	5,603	-	62
Retained Earnings	<u>(28,728)</u>	<u>(12,447)</u>	<u>(15,142)</u>
	<u>38,602</u>	<u>3,296</u>	<u>663</u>
	<u>42,521</u>	<u>4,141</u>	<u>2,420</u>

Itschak Shrem
Chairman of the Board of
Directors

Amit Dror
CEO and Director

Yael Sandler
Chief Financial Officer

November 10, 2015

Date of approval of the financial statements

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

Nano Dimension Ltd.
Condensed Consolidated Interim Statements of Comprehensive Income

	For the nine months ended September 30		For the three months ended September 30		For the Year Ended December 31
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2014</u>
	Unaudited		Unaudited		Audited
	<u>Thousand NIS</u>	<u>Thousand NIS</u>	<u>Thousand NIS</u>	<u>Thousand NIS</u>	<u>Thousand NIS</u>
Research and development expenses	8,834	1,490	1,342	831	3,339
General and administrative expenses	6,321	663	3,708	199	1,426
Other income	6	62	6	-	62
Operational loss	(15,149)	(*) (2,091)	(5,044)	(*) (1,030)	(4,703)
Expenses from listing for trade	-	9,358	-	9,358	9,358
Financing income	1,769	-	1,786	-	1
Financing expenses	206	34	172	14	118
Loss	(13,586)	(11,483)	(3,430)	(10,402)	(14,178)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss	(13,586)	(11,483)	(3,430)	(10,402)	(14,178)
Basic and diluted loss per share (in NIS)	(0.55)	(1.06)	(0.12)	(0.56)	(1.11)

(*) Restated as a result of the retroactive presentation of expenses from listing for trade as non- operating expenses – see Note 2.c.

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

Nano Dimension Ltd.
Condensed Consolidated Interim Statements of Changes in Equity

	<u>Share Capital</u> Thousand NIS	<u>Share Premium</u> Thousand NIS	<u>Treasury</u> <u>Shares</u> Thousand NIS	<u>Warrants</u> Thousand NIS	<u>Capital reserve</u> <u>from</u> <u>Transactions</u> <u>with</u> <u>Controlling</u> <u>Shareholders</u> Thousand NIS	<u>Capital reserve</u> <u>from Share</u> <u>Based Payment</u> <u>Transactions</u> Thousand NIS	<u>Other Capital</u> <u>reserves</u> Thousand NIS	<u>Retained</u> <u>Earnings</u> Thousand NIS	<u>Total Equity</u> <u>(Capital</u> <u>Deficit)</u> Thousand NIS
For the nine months ended									
<u>September 30, 2015 (unaudited)</u>									
Balance as at January 1, 2015	2,337	14,334	(5,260)	2,466	1,866	62	--	(15,142)	663
Issuance of warrants and ordinary shares	1,343	39,786	--	4,789	--	--	--	--	45,918
Exercise of warrants	4	72	--	(10)	--	--	--	--	66
Share-based payments	--	--	--	--	--	5,541	--	--	5,541
Loss	--	--	--	--	--	--	--	(13,586)	(13,586)
Balance as at September 30, 2015	3,684	54,192	(5,260)	7,245	1,866	5,603	--	(28,728)	38,602
For the nine months ended									
<u>September 30, 2014 (unaudited)</u>									
Balance as at January 1, 2014	103,106	--	(5,260)	--	776	--	(97,846)	(964)	(188)
Allocation of shares to the previous controlling shareholder	1,853	--	--	--	--	--	(1,853)	--	--
Capital benefit from transactions with the controlling shareholders	--	--	--	--	1,090	--	--	--	1,090
Consolidation of capital	(103,909)	103,909	--	--	--	--	--	--	--
Effect of shelf corporation acquisition transaction	693	(93,713)	--	2,466	--	--	99,699	--	9,145
Issuance of share capital	594	4,138	--	--	--	--	--	--	4,732
Loss	--	--	--	--	--	--	--	(11,483)	(11,483)
Balance as at September 30, 2014	2,337	14,334	(5,260)	2,466	1,866	--	--	(12,447)	3,296

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

	<u>Share Capital</u> Thousand NIS	<u>Share Premium</u> Thousand NIS	<u>Treasury</u> <u>Shares</u> Thousand NIS	<u>Warrants</u> Thousand NIS	Capital reserve from Transactions with Controlling Shareholders Thousand NIS	Capital reserve from Share Based Payment Transactions Thousand NIS	<u>Other Capital</u> <u>reserves</u> Thousand NIS	<u>Retained</u> <u>Earnings</u> Thousand NIS	Total Equity (Capital Deficit) Thousand NIS
For the three months ended <u>September 30, 2015 (unaudited)</u>									
Balance as at July 1, 2015	2,913	21,919	(5,260)	3,044	1,866	3,508	--	(25,298)	2,692
Issuance of warrants and ordinary shares	767	32,201	--	4,211	--	--	--	--	37,179
Exercise of warrants	4	72	--	(10)	--	--	--	--	66
Share-based payments	--	--	--	--	--	2,095	--	--	2,095
Loss	--	--	--	--	--	--	--	(3,430)	(3,430)
Balance as at September 30, 2015	3,684	54,192	(5,260)	7,245	1,866	5,603	--	(28,728)	38,602
For the three months ended <u>September 30, 2014 (unaudited)</u>									
Balance as at July 1, 2014	104,959	--	(5,260)	--	1,629	--	(99,699)	(2,045)	(416)
Capital benefit from transactions with the controlling shareholders	--	--	--	--	237	--	--	--	237
Consolidation of capital	(103,909)	103,909	--	--	--	--	--	--	--
Effect of shelf corporation acquisition transaction	693	(93,713)	--	2,466	--	--	99,699	--	9,145
Issuance of share capital	594	4,138	--	--	--	--	--	--	4,732
Loss	--	--	--	--	--	--	--	(10,402)	(10,402)
Balance as at September 30, 2014	2,337	14,334	(5,260)	2,466	1,866	--	--	(12,447)	3,296

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

Nano Dimension Ltd.
Condensed Consolidated Interim Statements of Changes in Equity

	<u>Share Capital</u> <u>Thousand NIS</u>	<u>Share Premium</u> <u>Thousand NIS</u>	<u>Treasury</u> <u>Shares</u> <u>Thousand NIS</u>	<u>Warrants</u> <u>Thousand NIS</u>	<u>Capital reserve</u> <u>from</u> <u>Transactions</u> <u>with</u> <u>Controlling</u> <u>Shareholders</u> <u>Thousand NIS</u>	<u>Capital reserve</u> <u>from Share</u> <u>Based Payment</u> <u>Transactions</u> <u>Thousand NIS</u>	<u>Other Capital</u> <u>reserves</u> <u>Thousand NIS</u>	<u>Retained</u> <u>Earnings</u> <u>Thousand NIS</u>	<u>Total Equity</u> <u>(Capital</u> <u>Deficit)</u> <u>Thousand NIS</u>
For the year ended <u>December 31, 2014 (audited)</u>									
Balance as at January 1, 2014	103,106	--	(5,260)	--	776	--	(97,846)	(964)	(188)
Allocation of shares to the previous controlling shareholder	1,853	--	--	--	--	--	(1,853)	--	--
Capital benefit from transactions with the controlling shareholder	--	--	--	--	1,090	--	--	--	1,090
Consolidation of capital	(103,909)	103,909	--	--	--	--	--	--	--
Effect of shelf corporation acquisition transaction	693	(93,713)	--	2,466	--	--	99,699	--	9,145
Issuance of share capital	594	4,138	--	--	--	--	--	--	4,732
Share-based payments	--	--	--	--	--	62	--	--	62
Loss	--	--	--	--	--	--	--	(14,178)	(14,178)
Balance as at December 31, 2014	2,337	14,334	(5,260)	2,466	1,866	62	--	(15,142)	663

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

Nano Dimension Ltd.
Condensed Consolidated Interim Statements of Cash Flow

	For the nine months ended September 30		For the three months ended September 30		For the Year Ended December 31
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2014</u>
	Unaudited		Unaudited		Audited
	<u>Thousand NIS</u>	<u>Thousand NIS</u>	<u>Thousand NIS</u>	<u>Thousand NIS</u>	<u>Thousand NIS</u>
<u>Cash flow from operating activities</u>					
Loss	(13,586)	(11,483)	(3,430)	(10,402)	(14,178)
<u>Adjustments:</u>					
Adjustments to profit and loss sections:					
Depreciation	118	5	52	2	30
Amounts credited as expenses from listing for trade	-	9,193	-	9,193	9,193
Revaluation of controlling shareholders loans	25	27	-	8	36
Crediting of government grants to research and development expenses	(350)	-	(44)	-	(188)
Revaluation of liability in respect of government grants	152	-	162	-	42
Revaluation of Derivative instruments	(1,655)	-	(1,527)	-	-
Controlling shareholder wages and accompanying expenses	-	1,051	-	210	1,051
Share-based payment	5,541	-	2,095	-	62
	<u>3,831</u>	<u>10,276</u>	<u>738</u>	<u>9,413</u>	<u>10,226</u>
Changes in assets and liabilities sections:					
Increase in other receivables	(325)	(206)	(382)	(194)	(429)
Increase (Decrease) in other payables	(166)	84	154	(119)	703
Increase in trade payables	1,651	290	1,077	290	210
	<u>1,160</u>	<u>168</u>	<u>849</u>	<u>(23)</u>	<u>484</u>
Net cash used in operating activities	<u>(8,595)</u>	<u>(1,039)</u>	<u>(1,843)</u>	<u>(1,012)</u>	<u>(3,468)</u>
<u>Cash flow from investing activities</u>					
Deposit of bank deposits	(928)	-	(928)	-	-
Acquisition of fixed assets	(1,618)	(351)	(1,215)	(349)	(1,131)
Development expenditure recognized as intangible assets	(3,551)	-	(3,551)	-	-
Net cash used in investing activities	<u>(6,097)</u>	<u>(351)</u>	<u>(5,694)</u>	<u>(349)</u>	<u>(1,131)</u>
<u>Cash flow from financing activities</u>					
Effect of shelf corporation acquisition transaction (Appendix A)	-	79	-	79	79
Issuance of warrants and ordinary shares	47,573	4,732	38,706	4,732	4,732
Exercise of warrants	66	-	66	-	-
Short-term Loans received	-	65	-	-	65
Receipt of government grants	883	-	603	-	516
Receipt (Repayment) of controlling shareholder loans, net	(175)	14	-	14	8
Net cash from financing activities	<u>48,347</u>	<u>4,890</u>	<u>39,375</u>	<u>4,825</u>	<u>5,400</u>
Increase in cash and cash equivalents	<u>33,655</u>	<u>3,500</u>	<u>31,838</u>	<u>3,464</u>	<u>801</u>
Cash and cash equivalents at the beginning of the period	<u>806</u>	<u>5</u>	<u>2,623</u>	<u>41</u>	<u>5</u>
Cash and cash equivalents at the end of the period	<u>34,461</u>	<u>3,505</u>	<u>34,461</u>	<u>3,505</u>	<u>806</u>

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

Nano Dimension Ltd.
Consolidated Reports on Cash Flow (Continued)

Appendix A - Effect of shelf corporation acquisition transaction

	For the nine months ended September 30		For the three months ended September 30		For the Year Ended December 31
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2014</u>
	Unaudited		Unaudited		Audited
	<u>Thousand NIS</u>	<u>Thousand NIS</u>	<u>Thousand NIS</u>	<u>Thousand NIS</u>	<u>Thousand NIS</u>
Deficit in working capital (other than cash)	-	127	-	127	127
Effect of the transaction on equity	-	9,145	-	9,145	9,145
Expenses from listing for trade	-	(9,193)	-	(9,193)	(9,193)
	-	79	-	79	79
	=====	=====	=====	=====	=====

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

Nano Dimension Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

Note 1 - General

- a. These financial statements have been prepared in a condensed format as of September 30, 2015 and for periods of nine and three months ending on the same date in accordance with the generally accepting accounting principles for preparation of financial statements for interim periods, as set forth in IAS34 - "Interim Financial Reporting," and in accordance with the disclosure provisions under Chapter D of the Securities Regulations (Periodic and Immediate Reports), 5730-1970. These reports should be read in conjunction with the Company's annual financial statements as of December 31, 2014 and for the year ending on the same date and the accompanying notes.
- b. The Company's shares are traded on the Tel Aviv Stock Exchange. In addition, the Company's shares are traded as ADS (American Depositary Shares) in the OTCQX. In October 2015, the Company filed documents with the Securities and Exchange Commission (SEC) and the NASDAQ, which, if approved, will allow the trading of the Company's shares through ADS on the main list of the NASDAQ.
- c. The Company did not attach separate information to its financial statements as of September 30, 2015 in accordance with the provisions of Article 38d of the Securities Regulations (Periodic and Immediate Reports), 5730-1970. Separate financial information was not included by the Company as it would not constitute additional information material to a reasonable investor that is not already included within the Company's consolidated financial statements. The Company is a holdings company that has no business operations other than its holdings in the subsidiary, Nano-Technologies.

Note 2 - Significant Accounting Policies

- a. The significant accounting policies adopted in these condensed interim financial statements are consistent with those applied in the preparation of the latest annual financial statements.
- b. Assets and Liabilities that are Linked or in Foreign Currency

The following are rates of changes in the consumer price index and exchange rate of the US dollar (hereinafter: the "Dollar"):

	<u>Consumer price index</u>	<u>Dollar</u>
	<u>%</u>	<u>%</u>
For a period of nine months ended		
On September 30, 2015	(0.6)	0.9
On September 30, 2014	(0.3)	6.5
For a period of three months ended		
On September 30, 2015	(0.4)	4.1
On September 30, 2014	(0.3)	7.5
For year ended on December 31, 2014	(0.2)	12.0

Note 2 - Significant Accounting Policies (Cont'd)

c. Re-presentation

The consolidated interim statements of comprehensive income for the nine and three month periods ended on September 30, 2014, were adjusted by a way of a restatement, in order to retroactively reflect the presentation of expenses from listing for trade as non- operating expenses. The effect of the re-presentation is a decrease in the reported operating loss in all of the above mentioned periods in an amount of NIS 9,358 thousands. This correction does not affect the total loss in the above mentioned periods.

Note 3 - Intangible Assets

In view of the completion of the fund raising from July 2015 (see note 5d), the Company estimates that it have all necessary financial resources required in order to complete the development of the intangible assets stemming from a development project. Hence, as from August 1, 2015, the Company recognizes intangible assets arising from independent development, because the Company estimates that as from this date the conditions to recognize intangible assets were met. Development expenses in the period until August 1, 2015 were not recognized as an intangible assets, and were fully credited to earnings and loss.

Note 4 - Contingent Liabilities

On March 19, 2015, a claim was filed in the amount of NIS 20 million against the Company, Nano-Technologies, the shareholders of the Company, officers and an employee of the Company (hereinafter: the “**Defendants**”). The claim was filed by a third party (hereinafter: the “**Plaintiff**”), alleging theft of trade secrets and technology developed thereby in the field of inkjet printing and three-dimensional printing, allegedly, through an officer and additional employee of the Company that it had formerly employed. In addition, the Plaintiff seeks to order the Defendants, if the claim is accepted, to desist from making use of the know-how and technologies at the subject of the claim.

In May 2015, the Company filed a statement of defense, within which the Company denied the allegations attributed to it in the statement of claim, and in which it argues, *inter alia*, that it did not steal or make use of intellectual property or trade secrets belonging to the Plaintiff, that the production of ink based on silver nanoparticles is based on a license lawfully held by the Company from Yissum - Research and Development Company of Hebrew University of Jerusalem Ltd., and on the basis of a specialized formulation developed by its staff, that the three-dimensional printing technology used by the Company is materially different from the printing technologies of the Plaintiff and that the patent applications filed by the Company in the United State claim technological inventions that are independent developments of the Company.

In October 2015, following the request of an officer and employee of the company to dismiss the claim against them, and the consent of the plaintiff to delete the claim (while maintaining the right for filing a claim against them to the Labour Court at a later date), the Court ordered the dismissal of the claim against the officer and the employee, while ordering the plaintiff to pay expenses.

According to the opinion of the Company’s legal counsel, in light of the preliminary stage of the proceeding, and before a document discovery process occurs and they have all of the information and facts related to the matter, they are unable to assess the chances of the Claim. The financial statements do not include a provision for the aforesaid claim.

Note 5 - Private Placements

- a. In January 2015, the Company completed capital raising from investors, within which the Company allocated to investors 1,508,572 ordinary shares par value NIS 0.1 each of the Company, which constituted about 7.5% of the issued and paid share capital of the Company on the same date (undiluted) in consideration for a total of NIS 1.4 per share and 1,508,572 stock options (non-marketable), at no consideration, exercisable into 1,508,572 ordinary shares par value NIS 0.1 of the Company. Half of the stock options are exercisable during a period of 18 months in consideration for an exercise price of NIS 1.75 for each stock option, and half are exercisable in a period of 36 months, for consideration of the exercise price of NIS 2.25 for each stock option. In addition, the Company has undertaken vis-à-vis the Investors a price adjustment mechanism (hereinafter: the “Adjustment Mechanism”), that will be activated if, during a period of 18 months from the issuance date, the Company performs additional fundraising, within which shares are allocated at a price that is lower than NIS 1.4 per share.
- The immediate (gross) consideration received in the issuance amounted to a total of about NIS 2,112 Thousand. The net issuance consideration (after the reduction of issuance expenses) amounted to a total of about NIS 2,065 Thousand. From the net issuance consideration, a total of about NIS 91 thousand was attributed to a financial derivative (adjustment mechanism), in accordance with a valuation received from an external appraiser. The remaining of the issuance consideration was attributed to Equity Instruments (shares and stock options), based on their relative fair value thereof near the issuance date. Accordingly, a total of NIS 1,542 thousand was attributed to shares and NIS 432 thousand was attributed to stock options.
- b. In March 2015, the Company completed additional capital raising from investors and interested parties in the Company (hereinafter: the “Offerees”), within which the Company allocated to the Offerees 3,956,545 ordinary shares par value NIS 0.1 each of the Company, which constituted about 16.5% of the issued and paid share capital of the Company on the same date (undiluted) in consideration for a total of NIS 1.65 per share. In addition, the Company has undertaken vis-à-vis the Offerees a conditions adjustment mechanism (hereinafter: the “Adjustment Mechanism”), that will be activated if the Company performs additional fundraising during a period of 18 months from the issuance date, within which shares are allocated at a price that is lower than NIS 1.65 per share, or if shares and stock options are allocated at a price equal to or less than NIS 2.
- The immediate (gross) consideration received in the issuance amounted to a total of about NIS 6,528 thousand. The net issuance consideration (after the reduction of issuance expenses) amounted to a total of about NIS 6,402 thousand. From the net issuance consideration, a total of about NIS 37 thousand was attributed to a financial derivative (adjustment mechanism), in accordance with a valuation received from an external appraiser. The remaining of the issuance consideration in the amount of about NIS 6,365 thousand was attributed to share capital.
- c. On February 16, 2015, the general meeting approved a private placement of 285,715 ordinary shares par value NIS 0.1 each of the Company, which constituted about 1.4% of the issued and paid share capital on the same date (undiluted) and 285,715 stock options (non-marketable), at no consideration, exercisable into 285,715 ordinary shares par value NIS 0.1 each of the Company to the chairman of the Company’s board of directors and an additional director of the Company (hereinafter: the “**Offerees**”), for consideration of a total of NIS 400 thousand. Half of the stock options are exercisable during a period of 18 months in consideration for an exercise price of NIS 1.75 for each stock option, and half are exercisable in a period of 36 months, for consideration of the exercise price of NIS 2.25 for each stock option. In addition, the Company has undertaken vis-à-vis the Investors a price adjustment mechanism (hereinafter:

the “**Adjustment Mechanism**”), that will be activated if, during a period of 18 months from the issuance date, the Company performs additional fundraising, within which shares are allocated at a price that is lower than NIS 1.4 per share.

On April 15, 2015, the aforesaid shares and stock options were allocated. The issuance consideration, in the amount of NIS 400 thousand, was allocated to equity instruments (shares and stock options), based on the relative fair value thereof near the issuance date. Accordingly, a total of about NIS 254 thousand was attributed to shares and a total of about NIS 146 thousand was attributed to stock options.

- d. On July 20, 2015, the general meeting of the Company approved raising capital in the amount of about NIS 57,683 thousand, by way of an extraordinary private placement to 40 investors (hereinafter: the “Investors”), including two directors and an additional interested party of the Company (hereinafter: the “Capital Raising”).

Within the Capital Raising, the Company will allocate to the Investors 10,487,817 ordinary shares par value NIS 0.1 each of the Company, which constituted about 30.15% of the issued and paid share capital of the Company on the same date (undiluted) in consideration for a total of NIS 5.5 per share. In addition, the Company will allocate to the Investors 5,243,910 stock options (non-marketable), at no consideration, which are exercisable during a period 24 months to 5,243,910 ordinary shares par value NIS 0.1 each of the Company, in consideration for an exercise price of NIS 9 for each stock option.

In addition, the Company has undertaken vis-à-vis the Investors a price adjustment mechanism (hereinafter: the “**Adjustment Mechanism**”), that will be activated if the closing price of the Company's share at the end of 60 days after the completion of the allocation and the average closing price of a share of the Company on the five days before the 60th day is less than NIS 5.5, the Investors will be entitled to an allocation of shares that will reflect the difference between the share price and the price paid by them (hereinafter: the “**Compensation**”), while the share price based on which the Compensation is calculated will not be less than NIS 4.75. In addition, the Company undertook vis-à-vis the Investors that will be activated if the Company performs additional fundraising during a period of 12 months from the allocation date, within which shares are allocated a price that is less than NIS 5.5 per share.

On July 29, 2015, the Company partly completed the Capital Raising and has allocated to investors 7,671,089 ordinary shares par value NIS 0.1 each of the Company, which constituted about 23.61% of the issued and paid share capital of the Company on the same date (undiluted) and 3,835,546 stock options. The Capital Raising was not fully completed because two investors, that committed to invest a total of USD 4 Millions, announced that they are not able to meet their obligation and participate in the Capital Raising.

The immediate (gross) consideration received in the issuance amounted to a total of about NIS 42,191 thousand. The net issuance consideration (after the reduction of issuance expenses) amounted to a total of about NIS 38,706 thousand. From the net issuance consideration, a total of about NIS 1,527 thousand was attributed to a financial derivative (adjustment mechanism), in accordance with a valuation received from an external appraiser. The remaining of the issuance consideration was attributed to Equity Instruments (shares and stock options), based on their relative fair value thereof near the issuance date. Accordingly, a total of NIS 32,968 thousand was attributed to shares and NIS 4,211 thousand was attributed to stock options.

Note 5 - Private Placements (Cont'd)

As of the reporting date, the Adjustment Mechanism expired and the Company was not required to issue additional shares to investors. Hence the value of the financial derivative was fully charged to the income statement under financial income.

On November 2, 2015, after the reporting date, the Board of Directors of the Company approved a completion of the Capital raising (hereafter - the additional funding), whereby the Company will issue 1,552,874 ordinary shares and 776,437 stock options for a total consideration of about NIS 8,541 thousand. As of the date of approval of the financial statements, the additional funding was not yet completed.

Note 6 - Share-Based Payment

- a. In January 2015, the Company's board of directors approved granting 609,888 non-marketable stock options to an external consultant of the Company. The stock options are exercisable into 609,888 ordinary shares par value NIS 0.1 each of the Company. The stock options will vest in 12 equal quarterly batches over a period of three years. Each stock option is exercisable during a period of three years from the vesting date, based on the amount of the financial benefit inherent in it on the exercise date (based on a cashless exercise mechanism).
- b. On February 16, 2015, the general meeting of the Company approved granting of 370,878 non-marketable stock options to the Company's Chairman. The stock options are exercisable into 370,878 ordinary shares par value NIS 0.1 each of the Company. The stock options will vest in eight equal quarterly batches over a period of two years and will be exercisable for a period of five years from the grant date, in accordance with the amount of the financial benefit inherent in it on the exercise date (based on a cashless exercise mechanism).
- c. On April 2, 2015, Nano-Technologies and "Yissum" – the Research and Development Company of Hebrew University of Jerusalem Ltd. (hereinafter: "Yissum") engaged in an addendum to the agreement that was signed between the parties on September 15, 2014. In the addendum- the license granted to Nano-Technologies was expanded such that Nano-Technologies received exclusive rights for use of a unique method to produce silver nano-particles for the production of conductive ink for any purpose and any potential market that it defines as a target market. In addition, on May 14, 2015, as part of the addendum to the agreement, the Company's board of directors approved an allocation of 559,097 non-marketable stock-options to Yissum. The stock options are immediately exercisable into 559,097 ordinary shares par value NIS 0.1 each of the Company during a period of five years and in consideration for an exercise price in the amount of NIS 2.7 for each stock option.
- d. On July 20, 2015, the general meeting of the Company approved the terms of employment of the four controlling shareholders of the Company, in their capacities as directors of the Company and officers, as set forth below:
 - Mr. Amit Dror, who serves as CEO of the Company.
 - Mr. Dagi Ben-Noon, who serves as COO.
 - Mr. Simon Anthony-Fried, who serves as CMO.
 - Mr. Sharon Fima, who serves as CTO.

Under the approved terms of employment, each of the controlling shareholders of the Company will be entitled, during a period of three years and in consideration for a 100% (full-time) position, to a monthly salary in the amount of about NIS 37 thousand, in addition to social benefits as customary. In addition, the general meeting approved an allocation of 1,600,000 stock options (non-marketable) to the four controlling shareholders (divided equally among them), which are exercisable into 1,600,000 ordinary shares par value NIS 0.1 of the Company.

Note 6 - Share-Based Payment (Cont'd)

Additionally, the general meeting of the Company approved the update to the terms of employment of Mr. Itschak Shrem, in his capacity of chairman of the Company's board of directors for a period of three years. In accordance with the updated terms of employment, Mr. Shrem will be entitled to a monthly salary of NIS 30 thousand, for a 75% position. In addition, the general meeting approved an allocation of 760,000 stock options (non-marketable) to four directors of the Company (of which 400,000 stock options are allocated to the chairman of the board), which are exercisable into 760,000 ordinary shares par value NIS 0.1 each of the Company.

The stock options allocated to the four controlling shareholders of the Company, the chairman of the board of directors and the three additional directors of the Company will vest in 12 equal quarterly batches over a period of three years, and be exercisable during a period of five years from the grant date, in consideration for an exercise price of NIS 5.5 for each stock option. Each of the holders of the stock options may choose to exercise part of the stock options in its possession in consideration for payment of the exercise price in cash, or alternatively, carry out the exercise in accordance with the amount of the financial benefit inherent in the stock options on the exercise date (based on a cashless exercise mechanism).

- e. On August 20, 2015, the Company's board of directors approved granting of 75,252 non-marketable stock options to fund raising finders. The stock options are exercisable into 75,252 ordinary shares par value NIS 0.1 each of the Company during a period of 24 months, in consideration for an exercise price of NIS 9 for each stock option.
- f. The fair value of the aforesaid stock options was estimated by an external and independent assessor on the granting date using the B&S model. The following is the data used in determining the fair value of the stock options:

	<u>Consultant</u>	<u>Chairman</u>	<u>Yissum</u>
Grant Month	January	February	April
Number of stock options granted	609,888	370,878	559,097
Fair value in the grant date (NIS thousand)	417	624	2,833
Share price (NIS)	1.82	2.76	7.03
Exercise price (NIS)	2-3	1.75	2.7
Expected share price volatility	53.1%-57.7%	57.5%	57.26%
Lifespan of the stock options (years)	3-5.75	5	5
Weighted average of risk-free interest rate	0.5%-1.18%	1.07%	1.15%
Expected dividend yield	--	--	--

Note 6 - Share-Based Payment (Cont'd)

	<u>Controlling Shareholders and Directors</u>	<u>Fund Raising Finders</u>
Grant Month	July	August
Number of stock options granted	2,360,000	75,252
Fair value in the grant date (NIS thousand)	8,758	142
Share price (NIS)	6.56	7.07
Exercise price (NIS)	5.5	9
Expected share price volatility	61.27%	62.69%
Lifespan of the stock options (years)	5	2
Weighted average of risk-free interest rate	1.32%	0.23%
Expected dividend yield	--	--

- c. Regarding additional share-based payment transactions carried out after the reporting date, see Notes 9a and 9b.

Note 7 – Additional Events during the reporting period

- a. On June 14, 2015, Mr. Tal Aharon Levi concluded his position as CFO of the Company. At that Date, Ms. Yael Sandler was appointed as CFO of the Company.
- b. On July 8, 2015, the general meeting of the Company approved an amendment of two sections in the merger agreement dated May 18, 2014, which was signed between the four controlling shareholders of the Company (in their capacities as shareholders of Nano-Technologies before the merger) and the Company. Within the amendment, part of the milestones that the Company was required to meet, in order for the stock options granted to the four controlling shareholders to be exercisable, were cancelled.
- c. On August 10, 2015, Nano Technologies had signed an agreement with Vigilante Environmental Solutions (hereafter: "Vigilante"), according to which Nano Technologies will sell to Vigilante 5 3D printers, that will be supplied during the second half of 2016. Also- Vigilante will purchase from Nano Technologies 5Kg of Conductive Nano Silver ink for industrial use, which will be supplied immediately as promotional samples and will enable Vigilante to work in the Industrial market in India. The total amount of the transaction is USD \$250 thousand, that will be paid in several installments and subject to the terms agreed between the parties. As of the reporting date, Vigilante paid an advance payment of approximately USD 46 thousand (NIS 181 thousand).
- d. On September 8, 2015, Nano Technologies has signed an agreement with ALA Software Solutions (herein after- "ALA"), according to which Nano Technologies will sell ALA several 3D printers, for a total amount of NIS 700,000, that will be supplied during the fourth quarter of 2016.

Note 8 - Financial Instruments

The fair value of the Company's financial instruments is equal or close to their book value.

Note 9 - Events after the Reporting Date

- a. On October 21, 2015, the general meeting of the Company approved a grant of 360,000 stock options (non-marketable) for each of the two external directors and the independent director, which are exercisable into 360,000 ordinary shares par value NIS 0.1 of the Company. The stock options will vest in 12 equal quarterly batches over a period of three years, and be exercisable during a period of five years from the grant date, in consideration for an exercise price of NIS 5.5 for each stock option.
- b. On November 5, 2015, the Company granted to employees of the Company (including the Company's VP finance), 1,512,500 stock options (non-marketable), which are exercisable into 1,512,500 ordinary shares par value NIS 0.1 of the Company. Third of the stock options will vest after 1 year from the employment date, and the remaining will vest in 8 equal quarterly batches over a period of two years. The stock options will be exercisable during the earlier of a period of four years from the vesting date, or 90 days from the end of employment date, in consideration for an exercise price of NIS 1.65 for each stock option.

Declarations of Managers

Declaration of the CEO Under Article 38c(d)(1)

I, Amir Dror, CEO of the Company, declare that:

- (1) I have reviewed the quarterly report of Nano-Dimension Ltd. (hereinafter: the “**Corporation**”) for the third quarter of 2015 (hereinafter: the “**Reports**”);
- (2) To the best of my knowledge, the Reports do not include any incorrect representation of material fact and do not lack any presentation of material fact that is required in order for the representations included therein, in light of the circumstances in which the same were included, to not be misleading with respect the period of the Reports;
- (3) To the best of my knowledge, the financial statements and other financial information included in the Reports properly reflects, from all material respects, the financial state, results of operations and cash flows of the corporation as of the dates and for the periods to which the Reports relate;
- (4) I have disclosed to the corporation’s auditing accountant, board of directors and audit committee of the board of directors any fraud, whether material or immaterial, in which the CEO is involved or a party that is directly subordinate thereto is involved or that involves other employees that have a significant role in the financial reporting, disclosure and audit thereof.

The above will not derogate from my liability or the liability of any other person under any law.

November 10, 2015

Date

Amit Dror, CEO

Declarations of Managers

Declaration of the Most Senior Financial Officer Under Article 38c(d)(2)

I, Yael Sandler, CFO of the Company, declare that:

- (1) I have reviewed the interim financial statements and other financial information included in the reports for the interim period of Nano-Dimension Ltd. (hereinafter: the “**Corporation**”) for the third quarter of 2015 (hereinafter: the “**Reports**”);
- (2) To the best of my knowledge, the interim financial statements and the other financial information included in the reports of the interim period do not include any incorrect representation of material fact and do not lack any presentation of material fact that is required in order for the representations included therein, in light of the circumstances in which the same were included, to not be misleading with respect the period of the Reports;
- (3) To the best of my knowledge, the interim financial statements and other financial information included in the reports for the interim period properly reflect, from all material respects, the financial state, results of operations and cash flows of the corporation as of the dates and for the periods to which the Reports relate;
- (4) I have disclosed to the corporation’s auditing accountant, board of directors and audit committee of the board of directors any fraud, whether material or immaterial, in which the CEO is involved or a party that is directly subordinate thereto is involved or that involves other employees that have a significant role in the financial reporting, disclosure and audit thereof.

The above will not derogate from my liability or the liability of any other person under any law.

November 10, 2015

Date

Yael Sandler, CFO