

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

**Pursuant to Rule 13a-16 or 15d-16 of the
Securities Exchange Act of 1934**

For the month of July 2014

Commission File Number: 001-36349

MediWound Ltd.

(Translation of registrant's name into English)

42 Hayarkon Street

Yavne, 8122745 Israel

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F

Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes

No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): _____

EXPLANATORY NOTE

On July 31, 2014, MediWound Ltd. issued a press release entitled "MediWound Reports Second Quarter 2014 Financial Results". A copy of this press release is attached to this Form 6-K as Exhibit 99.1.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MEDIWOUND LTD.

Date: July 31, 2014

By: /s/ Sharon Malka

Name: Sharon Malka

Title: Chief Financial Officer

EXHIBIT INDEX

The following exhibit is filed as part of this Form 6-K:

<u>Exhibit</u>	<u>Description</u>
99.1	Press release dated July 31, 2014 titled "MediWound Reports second Quarter 2014 Financial Results".
99.2	Un-Audited Interim Financial Statements as of June 30, 2014.



News Release

JULY 31, 2014

MediWound Reports Second Quarter 2014 Financial Results

Conference call begins today at 8:30 a.m. Eastern time

YAVNE, Israel (July 31, 2014) – MediWound Ltd. (Nasdaq: MDWD), a fully integrated biopharmaceutical company bringing innovative therapies to address unmet needs in severe burn and wound management, today reported financial results for the three and six months ended June 30, 2014.

Highlights of the second quarter of 2014 and recent weeks include:

- Completed recruitment of a commercial management team in Europe to support the planned commercial launch in Europe
- Expanded global distribution of NexoBrid® through agreements in Russia and in South Korea
- Received marketing approval for NexoBrid in Israel from the Israel Ministry of Health (IMOH)
- Successfully completed a Good Manufacturing Practice (GMP) audit of the Company's facility in Yavne, Israel by IMOH
- Initiated a second Phase 2 clinical trial of EscharEx™ to treat chronic and other hard-to-heal wounds

Management Commentary

“We made continued progress with our strategic plan throughout the second quarter of 2014 in key areas including commercial, manufacturing, clinical development and corporate leadership,” stated Gal Cohen, President and Chief Executive Officer of MediWound.

“Our commercial launch in Europe continues to proceed on plan, initially in Germany, where we have completed the clinical training of all major burn centers and our awareness and educational programs are producing results. Plans for expansion into other European countries in the second half of 2014 are on track, with experienced country managers hired in each geography. We continue to enhance awareness of NexoBrid and build enthusiasm by participating in regional and national medical conferences where we showcase compelling clinical data that demonstrate NexoBrid’s ability to promptly and effectively remove the eschar from severe burns, thereby allowing clinicians to visually assess burn severity.

“International expansion progressed as we signed distribution agreements for NexoBrid in Russia and South Korea. We intend to build upon this foundation with additional distributors serving other countries in Latin America, CIS and Asia-Pacific with the goal of driving NexoBrid sales and creating value for our stakeholders. In addition, we were very pleased with our recent marketing approval from the Israeli Ministry of Health for NexoBrid and look forward to a commercial launch in the coming quarter.

"We made further progress with our U.S. Phase 3 trial of NexoBrid to treat severe burns and submitted the final protocol to the Investigational Review Board (IRB) at clinical trial sites. We believe these protocols will be reviewed and approved in the third quarter and that we can initiate the study soon thereafter. We have also submitted the final protocol to the IRBs for our post-marketing pediatric study of NexoBrid to treat severe burns in children in Europe, and expect to begin that study in the third quarter as well.

"We advanced our product pipeline during the quarter with the initiation of a second Phase 2 trial with EscharEx™ to treat chronic and other hard-to-heal wounds. This study is expected to build upon and support the earlier feasibility study that demonstrated efficacy in debriding various wound etiologies such as diabetic foot ulcers, venous ulcers, pressure sores and other post-surgical or post-trauma hard-to-heal wounds. We believe this program offers tremendous opportunity in a multibillion-dollar market with significant unmet medical need.

"Our team continues to execute on our work plan and we believe the progress we've made combined with the significant opportunities ahead, allow MediWound to build value for our shareholders throughout the second half of 2014 and beyond," concluded Mr. Cohen.

Second Quarter Financial Results

Revenue for the second quarter of 2014 were de minimis, as the Company initially launched NexoBrid in Germany, with efforts focused on preliminary onsite training and hands-on demonstrations in burn centers throughout Germany.

Operating expenses for the second quarter of 2014 were \$4.5 million compared with \$1.7 million in the second quarter of 2013. The increase was primarily due to \$1.4 million of commercial activities associated with building the European marketing infrastructure and a \$1.0 million increase in non-cash share based compensation expenses.

For the second quarter of 2014, the Company posted a net loss of \$6.0 million, or \$0.28 per share.

Adjusted EBITDA, as defined below, for the second quarter of 2014 was (\$3.9) million compared with (\$1.5) million for the same quarter last year.

Six Month Financial Results

The Company generated initial insignificant revenues from sales of NexoBrid in the first half of 2014.

Operating expenses for the first six months of 2014 were \$8.8 million compared with \$3.1 million in the first half of 2013. The increase was primarily due to \$2.5 million of commercial activities associated with building the European marketing infrastructure and a \$2.2 million increase in non-cash share based compensation expenses.

For the first six months ended June 30, 2014, the Company posted a net loss of \$6.8 million, or \$0.37 per share.

Adjusted EBITDA, as defined below, for the first six months of 2014 was (\$6.6) million compared with (\$2.8) million for the same period last year.

Balance Sheet Highlights

As of June 30, 2014, the Company had \$73.6 million in cash and cash equivalents and working capital of \$74.4 million. The Company used \$7.6 million in cash during the first six months of 2014 to fund ongoing operating activities.

During 2014, the Company plans to continue to build its marketing infrastructure in Europe, fund further clinical development of NexoBrid, support efforts to obtain regulatory approvals worldwide and initiate plans to scale up manufacturing capabilities.

Conference Call

MediWound management will host a conference call for investors today beginning at 8:30 a.m. Eastern time to discuss these results and answer questions. Shareholders and other interested parties may participate in the call by dialing (877) 602-7189 (domestic) or (678) 894-3057 (international) and entering passcode 72748741. The call also will be broadcast live on the Internet at www.streetevents.com and www.mediwound.com.

A replay of the call will be accessible two hours after its completion through August 6, 2014 by dialing (855) 859-2056 (domestic) or (404) 537-3406 (international) and entering passcode 72748741. The call will also be archived for 90 days at www.streetevents.com and www.mediwound.com.

Non-IFRS Financial Measures

To supplement consolidated financial statements prepared and presented in accordance with IFRS, the Company has provided a supplementary non-IFRS measure to consider in evaluating the Company's performance. Management uses Adjusted EBITDA, which is defined as earnings before interest, taxes, depreciation and amortization, impairment, one-time expenses, restructuring and stock-based compensation expenses.

Although Adjusted EBITDA is not a measure of performance or liquidity calculated in accordance with IFRS, we believe that the non-IFRS financial measures we present provide meaningful supplemental information regarding our operating results primarily because they exclude certain non-cash charges or items that we do not believe are reflective of our ongoing operating results when budgeting, planning and forecasting, determining compensation, and when assessing the performance of our business with our senior management.

However, investors should not consider these measures in isolation or as substitutes for operating income, cash flows from operating activities or any other measure for determining the Company's operating performance or liquidity that is calculated in accordance with IFRS. In addition, because Adjusted EBITDA is not calculated in accordance with IFRS, it may not necessarily be comparable to similarly titled measures employed by other companies. The non-IFRS measures included in this press release have been reconciled to the IFRS results in the tables below.

About MediWound Ltd.

MediWound is a fully integrated biopharmaceutical company focused on developing, manufacturing and commercializing novel therapeutics based on its patented proteolytic enzyme technology to address unmet needs in the fields of severe burns, as well as chronic and other hard-to-heal wounds. MediWound's first innovative biopharmaceutical product, NexoBrid, received marketing authorization from the European Medicines Agency for removal of dead or damaged tissue, known as eschar, in adults with deep partial- and full-thickness thermal burns and has been launched in Europe. NexoBrid represents a new paradigm in burn care management, and clinical trials have demonstrated, with statistical significance, its ability to non-surgically and rapidly remove the eschar earlier and, without harming viable tissues. For more information, please visit www.mediwound.com.

Cautionary Note Regarding Forward-Looking Statements

This release includes forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, Section 21E of the US Securities Exchange Act of 1934, as amended, and the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that are not historical facts, such as statements regarding assumptions and results related to financial results forecast, commercial results, clinical trials and the regulatory authorizations. Forward-looking statements are based on MediWound's current knowledge and its present beliefs and expectations regarding possible future events and are subject to risks, uncertainties and assumptions. Actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of several factors including, but not limited to, unexpected results of clinical trials, delays or denial in the FDA or the EMA regulatory approval process or additional competition in the market. The forward-looking statements made herein speak only as of the date of this announcement and MediWound undertakes no obligation to update publicly such forward-looking statements to reflect subsequent events or circumstances, except as otherwise required by law.

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- Financial Tables to Follow -

CONDENSED CONSOLIDATED UNAUDITED BALANCE SHEETS

U.S. dollars in thousands

	June 30, 2014	December 31, 2013
CURRENT ASSETS:		
Cash, cash equivalents and short term deposits	73,578	9,553
Accounts receivable	2,564	2,512
Inventories	1,311	-
	<u>77,453</u>	<u>12,065</u>
LONG-TERM ASSETS:		
Long term deposits and deferred costs	161	204
Property, plant and equipment, net	1,204	1,136
Intangible assets, net	966	1,004
Derivative instruments	-	-
Other assets	417	417
	<u>80,201</u>	<u>14,826</u>
CURRENT LIABILITIES:		
Current maturities of Financials Liabilities	305	-
Accounts payables and accruals	2,798	2,023
	<u>3,103</u>	<u>2,023</u>
LONG-TERM LIABILITIES:		
Liabilities in respect of Chief Scientist government grants net of current maturities	6,914	6,604
Contingent consideration for the purchase of treasury shares net of current maturities	17,753	16,800
Warrants to shareholders	-	9,200
Severance pay liability, net	3	3
	<u>24,670</u>	<u>32,607</u>
SHAREHOLDERS' EQUITY (DEFICIT)	<u>52,428</u>	<u>(19,804)</u>
	<u>80,201</u>	<u>14,826</u>
Working capital, net	74,350	10,042

CONDENSED CONSOLIDATED UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME

U.S. dollars in thousands (except share and per share data)

	Six months ended June 30,		Three months ended June 30,	
	2014	2013	2014	2013
Revenues	89	-	39	-
Cost of revenues	893	-	723	-
Gross loss	(804)	-	(684)	-
Operating expenses:				
Research and development, net	2,826	1,736	1,361	979
Selling and marketing	3,725	552	2,110	312
General and administrative	2,263	819	996	408
Total operating expenses	8,814	3,107	4,467	1,699
Operating loss	(9,618)	(3,107)	(5,151)	(1,699)
Financial income	4,552	-	58	-
Financial expense	(1,698)	(2,438)	(936)	(1,553)
Loss from continuing operations	(6,764)	(5,545)	(6,029)	(3,252)
Income (loss) from discontinued operation	-	(1,928)	14	(1,083)
Loss for the period	(6,764)	(7,473)	(6,015)	(4,335)
Foreign currency translation adjustments	7	-	17	-
Total comprehensive loss	(6,757)	(7,473)	(5,998)	(4,335)
Basic and diluted loss per share:				
Loss from continuing operations	(0.37)	(0.36)	(0.28)	(0.21)
Loss from discontinued operation	-	(0.12)	(*)	(0.07)
Net loss per share	<u>(0.37)</u>	<u>(0.48)</u>	<u>(0.28)</u>	<u>(0.28)</u>
Weighted average number of ordinary shares used in the computation of basic and diluted loss per share:	18,524	15,729	21,298	15,751

(*)Represents less than \$ 0.01.

CONDENSED CONSOLIDATED UNAUDITED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Six months ended June 30,		Three months ended June 30,	
	2014	2013	2014	2013
Cash Flows from Operating Activities:				
Net loss	(6,764)	(7,473)	(6,015)	(4,335)
Adjustments to reconcile net loss to net cash used in continuing operating activities:				
Adjustments to profit and loss items:				
Loss (income) from discontinued operation	-	1,928	(14)	1,083
Depreciation and amortization	254	124	137	59
Revaluation of warrants to shareholders	(4,491)	-	-	-
Share-based compensation	2,377	193	1,116	134
Revaluation of liabilities in respect of Chief Scientist government grants	326	447	185	225
Revaluation of contingent consideration for the purchase of treasury shares	1,234	700	648	200
Accrued interest in respect of financial loans	-	1,284	-	1,116
Net financing expenses	(18)	(8)	(4)	(2)
	(318)	4,668	2,068	2,815
Changes in asset and liability items:				
Increase in trade receivables	(14)	-	2	-
Decrease (increase) in other receivables	(126)	155	(134)	130
Increase in inventories	(1,312)	-	(503)	-
Increase in trade payables	89	16	448	214
Increase (decrease) in other payables	682	(323)	(410)	(542)
	(681)	(152)	(597)	(198)
Net cash used in continuing operating activities	(7,763)	(2,957)	(4,544)	(1,718)
Net cash used in (provided by) discontinued operating activities	-	(1,077)	14	(655)
Net cash flows used in operating activities	(7,763)	(4,034)	(4,530)	(2,373)
Cash Flows from Investing Activities:				
Purchase of property and equipment	(284)	(117)	(210)	(92)
Interest received	29	-	26	-
Proceeds from (investment in) short term bank deposits, net of investments	(50,262)	-	(52,762)	-
Net cash provided by (used in) investing activities	(50,517)	(117)	(52,946)	(92)
Cash Flows from Financing Activities:				
Proceeds from exercise of options	208	279	-	-
Proceeds from issuance of shares and warrants, net	71,824	-	(2,258)	-
Proceeds from shareholders' loans	-	3,930	-	2,485
Proceeds from the Chief Scientist government grants	27	-	15	-
Net cash provided by (used in) financing activities	72,059	4,209	(2,243)	2,485
Exchange rate differences on cash and cash equivalent balances	(16)	8	(35)	2
Increase in cash and cash equivalents from continuing activities	13,763	1,143	(59,768)	677
Decrease in cash and cash equivalents from discontinued activities	-	(1,077)	14	(655)
Balance of cash and cash equivalents at the beginning of the period	7,053	337	80,570	381
Balance of cash and cash equivalents at the end of the period	20,816	403	20,816	403
Exercise of cashless warrants into shares	4,709	-	-	-
Treasury shares cancellation against ordinary shares and share premium	34,600	-	34,600	-

ADJUSTED EBITDA

U.S. dollars in thousands

	Six months ended June 30,		Three months ended June 30,	
	2014	2013	2014	2013
Loss for the period	(6,764)	(7,473)	(6,015)	(4,335)
Adjustments:				
Financial (expenses) income, net	2,854	(2,438)	(878)	(1,553)
Other (expenses) income *	-	(1,928)	14	(1,083)
Depreciation and amortization	(254)	(124)	(137)	(59)
Share-based compensation expenses	(2,377)	(193)	(1,116)	(134)
One-time IPO related expenses	(400)	-	-	-
Total adjustments	(177)	(4,683)	(2,117)	(2,829)
Adjusted EBITDA from continuing operation	<u>(6,587)</u>	<u>(2,790)</u>	<u>(3,898)</u>	<u>(1,506)</u>
Stock-based compensation and options expenses:				
Cost of revenues	379	-	190	-
Research and development	323	115	34	95
Selling and marketing	708	-	406	-
General and administrative	967	78	486	39
Share-based compensation continuing operations	<u>2,377</u>	<u>193</u>	<u>1,116</u>	<u>134</u>
Discontinuing operation Equity-based compensation	-	38	-	4
Total share-based compensation expenses	<u>2,377</u>	<u>231</u>	<u>1,116</u>	<u>138</u>

** Loss from discontinued operation*

MEDIWOUND LTD. AND ITS SUBSIDIARIES

INTERIM FINANCIAL STATEMENTS

AS OF JUNE 30, 2014

IN U.S. DOLLARS IN THOUSANDS

UNAUDITED

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CONSOLIDATED BALANCE SHEETS

U.S. dollars in thousands

	June 30,		December 31,
	2014	2013	2013
	Unaudited		
CURRENT ASSETS:			
Cash and cash equivalents	20,816	403	7,053
Short-term bank deposits	52,762	-	2,500
Trade receivables	14	-	-
Inventories	1,311	468	-
Other receivables	2,550	2,426	2,512
	<u>77,453</u>	<u>3,297</u>	<u>12,065</u>
LONG-TERM ASSETS:			
Long term deposits and deferred costs	161	8	204
Derivative instruments	-	14,700	-
Property, plant and equipment, net	1,204	1,197	1,136
Intangible assets, net	966	4,744	1,004
Other assets	417	417	417
	<u>2,748</u>	<u>21,066</u>	<u>2,761</u>
	<u>80,201</u>	<u>24,363</u>	<u>14,826</u>
CURRENT LIABILITIES:			
Current maturities of financial liabilities	305	153	-
Trade payables	1,264	791	1,180
Derivative in respect of convertible loan	-	1,616	-
Loans and convertible loans	-	5,153	-
Accrued expenses and other payables	1,534	1,246	843
	<u>3,103</u>	<u>8,959</u>	<u>2,023</u>
LONG-TERM LIABILITIES:			
Liabilities in respect of Chief Scientist government grants net of current maturities	6,914	6,727	6,604
Contingent consideration for the purchase of treasury shares net of current maturities	17,753	-	16,800
Warrants to shareholders	-	-	9,200
Severance pay liability, net	3	6	3
	<u>24,670</u>	<u>6,733</u>	<u>32,607</u>
SHAREHOLDERS' EQUITY (DEFICIT):			
Ordinary shares of NIS 0.01 par value:			
Authorized: 33,000,000 shares as of June 30, 2013 and December 31, 2013 and 32,244,508 as of June 30, 2014; Issued: 15,818,709, 15,769,487 and 21,297,844 shares respectively; Outstanding: 15,818,709, 15,013,995 and 21,297,844 shares respectively			
	59	9	11
Share premium	106,570	48,196	62,229
Treasury shares	-	-	(34,600)
Foreign currency translation adjustments	(25)	-	(32)
Accumulated deficit	(54,176)	(39,534)	(47,412)
	<u>52,428</u>	<u>8,671</u>	<u>(19,804)</u>
	<u>80,201</u>	<u>24,363</u>	<u>14,826</u>

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

U.S. dollars in thousands (except share data)

	Six months ended June 30,		Three months ended June 30,		Year ended December 31,
	2014	2013	2014	2013	2013
	Unaudited				
Revenues	89	-	39	-	-
Cost of revenues	893	-	723	-	-
Gross loss	(804)	-	(684)	-	-
Operating expenses:					
Research and development, net of participations	2,826	1,736	1,361	979	3,635
Selling and marketing	3,725	552	2,110	312	2,259
General and administrative	2,263	819	996	408	1,687
Total operating expenses	(8,814)	(3,107)	(4,467)	(1,699)	(7,581)
Operating loss	(9,618)	(3,107)	(5,151)	(1,699)	(7,581)
Financial income	4,552	-	58	-	2,401
Financial expense	(1,698)	(2,438)	(936)	(1,553)	(3,321)
Loss from continuing operations	(6,764)	(5,545)	(6,029)	(3,252)	(8,501)
Income (Loss) from discontinued operation	-	(1,928)	14	(1,083)	(6,850)
Loss for the period	(6,764)	(7,473)	(6,015)	(4,335)	(15,351)
Other comprehensive loss:					
Items to be reclassified to profit or loss in subsequent periods:					
Foreign currency translation adjustments	7	-	17	-	(32)
Total other comprehensive income (loss)	7	-	17	-	(32)
Total comprehensive loss	(6,757)	(7,473)	(5,998)	(4,335)	(15,383)
Basic and diluted loss per share:					
Loss from continuing operations	(0.37)	(0.36)	(0.28)	(0.21)	(0.54)
Loss from discontinued operation	-	(0.12)	(*)	(0.07)	(0.44)
Net loss per share	(0.37)	(0.48)	(0.28)	(0.28)	(0.98)
Weighted average number of ordinary shares used in the computation of basic and diluted loss per share (**)	18,524	15,729	21,298	15,751	15,671

(*) Represents less than \$ 0.01.

(**) All ordinary shares, options, warrants and earnings (losses) per share amounts have been adjusted retroactively, see note 1(c).

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

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

U.S. dollars in thousands (except share data)

	<u>Share capital</u>	<u>Share premium</u>	<u>Treasury shares</u>	<u>Foreign currency translation reserve</u>	<u>Accumulated deficit</u>	<u>Total equity</u>
	Unaudited					
Balance as of January 1, 2014	11	62,229	(34,600)	(32)	(47,412)	(19,804)
Loss for the period	-	-	-	-	(6,764)	(6,764)
Other comprehensive income	-	-	-	7	-	7
Total comprehensive loss	-	-	-	7	(6,764)	(6,757)
Exercise of options	(*)	208	-	-	-	208
Exercise of warrants	1	4,711	-	-	-	4,712
Issuance of shares, net	17	71,675	-	-	-	71,692
Effect of share split	32	(32)	-	-	-	-
Treasury shares cancellation	(2)	(34,598)	34,600	-	-	-
Share-based compensation	-	2,377	-	-	-	2,377
Balance as of June 30, 2014 (unaudited)	<u>59</u>	<u>106,570</u>	<u>-</u>	<u>(25)</u>	<u>(54,176)</u>	<u>52,428</u>
	<u>Share capital</u>	<u>Share premium</u>	<u>Treasury shares</u>	<u>Foreign currency translation reserve</u>	<u>Accumulated deficit</u>	<u>Total equity</u>
	Unaudited					
Balance as of January 1, 2013	9	47,686	-	-	(32,061)	15,634
Total comprehensive loss	-	-	-	-	(7,473)	(7,473)
Exercise of options	(*)	279	-	-	-	279
Share-based compensation	-	231	-	-	-	231
Balance as of June 30, 2013 (unaudited)	<u>9</u>	<u>48,196</u>	<u>-</u>	<u>-</u>	<u>(39,534)</u>	<u>8,671</u>

(*) Represents less than \$ 1.

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

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

U.S. dollars in thousands

	<u>Share capital</u>	<u>Share premium</u>	<u>Treasury shares</u>	<u>Foreign currency translation reserve</u>	<u>Accumulated deficit</u>	<u>Total equity</u>
Balance as of April 1, 2014 (unaudited)	61	140,052	(34,600)	(42)	(48,161)	57,310
Loss for the period	-	-	-	-	(6,015)	(6,015)
Other comprehensive income	-	-	-	17	-	17
Total comprehensive loss	-	-	-	17	(6,015)	(5,998)
Treasury shares cancellation	(2)	(34,598)	34,600	-	-	-
Share-based compensation	-	1,116	-	-	-	1,116
Balance as of June 30, 2014 (unaudited)	<u>59</u>	<u>106,570</u>	<u>-</u>	<u>(25)</u>	<u>(54,176)</u>	<u>52,428</u>
	<u>Share capital</u>	<u>Share premium</u>	<u>Treasury shares</u>	<u>Foreign currency translation reserve</u>	<u>Accumulated deficit</u>	<u>Total equity</u>
Balance as of April 1, 2013 (unaudited)	9	48,058	-	-	(35,199)	12,868
Total comprehensive loss	-	-	-	-	(4,335)	(4,335)
Share-based compensation	-	138	-	-	-	138
Balance as of June 30, 2013 (unaudited)	<u>9</u>	<u>48,196</u>	<u>-</u>	<u>-</u>	<u>(39,534)</u>	<u>8,671</u>

(*) Represents less than \$ 1.

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

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

U.S. dollars in thousands

	<u>Share capital</u>	<u>Share premium</u>	<u>Treasury shares</u>	<u>Foreign currency translation reserve</u>	<u>Accumulated deficit</u>	<u>Total equity</u>
Balance as of January 1, 2013	9	47,686	-	-	(32,061)	15,634
Loss for the period	-	-	-	-	(15,351)	(15,351)
Other comprehensive loss	-	-	-	(32)	-	(32)
Total comprehensive loss	-	-	-	(32)	(15,351)	(15,383)
Exercise of options	(*)	279	-	-	-	279
Purchase of treasury shares	-	-	(34,600)	-	-	(34,600)
Share-based compensation	-	607	-	-	-	607
Issuance of shares, net	2	13,657	-	-	-	13,659
Balance as of December 31, 2013	<u>11</u>	<u>62,229</u>	<u>(34,600)</u>	<u>(32)</u>	<u>(47,412)</u>	<u>(19,804)</u>

(*) Represents less than \$ 1.

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Six months ended June 30,		Three months ended June 30,		Year ended December 31,
	2014	2013	2014	2013	2013
	Unaudited				
Cash flows from operating activities:					
Net loss	(6,764)	(7,473)	(6,015)	(4,335)	(15,351)
Adjustments to reconcile net loss to net cash used in continuing operating activities:					
Adjustments to profit and loss items:					
Loss (income) from discontinued operation	-	1,928	(14)	1,083	6,850
Depreciation and amortization	254	124	137	59	336
Revaluation of warrants to shareholders	(4,491)	-	-	-	820
Share-based compensation	2,377	193	1,116	134	531
Revaluation of liabilities in respect of Chief Scientist government grants	326	447	185	225	(106)
Revaluation of contingent consideration for the purchase of treasury shares	1,234	700	648	200	(2,400)
Accrued interest in respect of financial loans	-	1,284	-	1,116	1,669
Net financing expenses	(18)	(8)	(4)	(2)	(35)
	(318)	4,668	2,068	2,815	7,665
Changes in asset and liability items:					
Decrease (increase) in trade receivables	(14)	-	2	-	-
Decrease (Increase) in other receivables	(126)	155	(134)	130	(532)
Increase in inventories	(1,312)	-	(503)	-	-
Increase in trade payables	89	16	448	214	405
Increase (decrease) in other payables	682	(323)	(410)	(542)	(262)
	(681)	(152)	(597)	(198)	(389)
Net cash used in continuing operating activities	(7,763)	(2,957)	(4,544)	(1,718)	(8,075)
Net cash provided by (used in) discontinued operating activities	-	(1,077)	14	(655)	(1,665)
Net cash flows used in operating activities	(7,763)	(4,034)	(4,530)	(2,373)	(9,740)

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Six months ended June 30,		Three months ended June 30,		Year ended December 31,
	2014	2013	2014	2013	2013
	Unaudited				
Cash Flows from Investing Activities:					
Purchase of property and equipment	(284)	(117)	(210)	(92)	(268)
Purchase of intangible assets	-	-	-	-	(90)
Interest received	29	-	26	-	3
Net investments in short term bank deposits	(50,262)	-	(52,762)	-	(2,500)
Net cash used in investing activities	(50,517)	(117)	(52,946)	(92)	(2,855)
Cash Flows from Financing Activities:					
Proceeds from exercise of options	208	279	-	-	279
Proceeds from issuance of shares and warrants, net	71,824	-	(2,258)	-	15,800
Proceeds from shareholders' loans	-	3,930	-	2,485	3,930
Repayment of shareholders' loans	-	-	-	-	(915)
Deferred issuance costs	-	-	-	-	(129)
Proceeds from the Chief Scientist government grants	27	-	15	-	276
Net cash provided by (use in) financing activities	72,059	4,209	(2,243)	2,485	19,241
Exchange rate differences on cash and cash equivalent balances	(16)	8	(35)	2	70
Increase (decrease) in cash and cash equivalents from continuing activities	13,763	1,128	(59,768)	660	8,381
Increase (decrease) in cash and cash equivalents from discontinued activities	-	(1,062)	14	(638)	(1,665)
Balance of cash and cash equivalents at the beginning of the period	7,053	337	80,570	381	337
Balance of cash and cash equivalents at the end of the period	20,816	403	20,816	403	7,053
Non-cash activities:					
Treasury shares cancellation against share premium	34,600	-	34,600	-	-
Exercise of cashless warrants into shares	4,709	-	-	-	-
Contingent consideration for the purchase of treasury shares	-	-	-	-	19,200
Exercise of derivative instrument into treasury shares	-	-	-	-	15,400
Conversion of loans and realization of derivatives into shares and warrants	-	-	-	-	6,239

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

NOTES TO FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

NOTE 1: GENERAL

- a. General description of the company and its operations:

MediWound Ltd. (the "Company" or "MediWound"), is a fully integrated biopharmaceutical company focused on developing, manufacturing and commercializing novel products to address unmet needs in the fields of severe burns, chronic and other hard to heal wounds. The Company's first innovative biopharmaceutical product, NexoBrid, received marketing authorization from the European Medicines Agency for removal of dead or damaged tissue, known as eschar, in adults with deep partial and full-thickness thermal burns and was launched in Europe in December 2013. As a result, The company has generated initial sales of its products in Europe during the six months ended June 30, 2014.
- b. The Company has two wholly-owned subsidiaries: MediWound Germany GmbH, acting as EU marketing authorization holder and EU sales and marketing arm and MediWound UK Limited, an inactive company. In addition, the Company owns 7.5% of PolyHeal Ltd., a private life sciences company ("PolyHeal").
- c. On March 3, 2014, the Company effected a bonus share distribution under which: (i) two and eight tenths (2.8) bonus shares were issued for each ordinary share outstanding prior to such distribution; and (ii) the conversion rate for each preferred share, option and warrant was adjusted to reflect such bonus share distribution. For accounting purposes, this transaction was recorded as a stock split and accordingly (unless otherwise noted), all ordinary shares, options, warrants and earnings (losses) per share amounts have been adjusted retroactively for all periods presented in these financial statements.
- d. On March 25, 2014, the Company closed its initial public offering (IPO) in the United States and listing on the NASDAQ Global Select Market of 5,750,000 new ordinary shares. The public offering price was \$14.00 per share. After deducting the underwriting discount and the offering expenses, the net proceeds from the offering amounted to \$71,700. The number of shares offered included the underwriters' option to purchase an additional 750,000 shares at the offering price that was exercised prior to closing.
- e. Upon the closing of this IPO the Company issued 336,591 ordinary shares pursuant to the exercise of 1,066,735 warrants held by certain of our shareholders, including (1) the exercise of 433 warrants into 433 ordinary shares at an exercise price of \$6.72 per share and the receipt of proceeds by us related to such exercise and (2) the cashless exercise of 1,066,302 warrants into 336,158 ordinary shares at a weighted average exercise price of \$9.58 per share.
- f. On June 12, 2014, the Company effected a cancellation of 755,492 dormant Ordinary Shares nominal value NIS 0.01, that were previously repurchased and was held by the Company as treasury shares.

NOTES TO FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied consistently in the financial statements for all periods presented unless otherwise stated.

Basis of preparation of the interim consolidated financial statements

The interim condensed financial statements for the six and three months ended June 30, 2014 have been prepared in accordance with generally accepted accounting principles for the preparation of financial statements for interim periods, as prescribed in IAS 34, "Interim Financial Reporting", and in accordance with the disclosure requirements of Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970.

The significant accounting policies and methods of computation adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the annual consolidated financial statements.

NOTE 3:- INVENTORIES

	June 30,		December 31,
	2014	2013*)	2013
Raw materials	261	388	-
Finished goods	1,050	80	-
	1,311	468	-

*) The inventory balances as of June 30, 2013 are related to PolyHeal discontinued operation.