

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	As of March 31, 2019	As of December 31, 2018
	Unaudited	Audited
CURRENT ASSETS:		
Cash and cash equivalents	\$ 6,588	\$ 5,810
Marketable securities	20,828	26,065
Short-term bank deposits	22,592	22,592
Trade receivables	38	160
Other receivables and prepaid expenses	1,795	861
	<u>51,841</u>	<u>55,488</u>
LONG-TERM ASSETS:		
Long-term deposits	-	19
Operating lease right-of-use-assets	3,050	-
Property, plant and equipment, net	2,744	3,187
	<u>5,794</u>	<u>3,206</u>
	<u>\$ 57,635</u>	<u>\$ 58,694</u>
CURRENT LIABILITIES:		
Trade payables	\$ 641	\$ 1,015
Employees and payroll accruals	1,690	2,095
Operating lease liability	673	-
Liabilities in respect of government grants	1,008	988
Deferred revenues and other advances	373	412
Other payables	862	921
	<u>5,247</u>	<u>5,431</u>
LONG-TERM LIABILITIES:		
Liabilities in respect of government grants	3,138	2,898
Operating lease liability	2,454	-
Deferred revenues and other advances	9	28
Severance pay liability, net	32	31
	<u>5,633</u>	<u>2,957</u>
SHAREHOLDERS' EQUITY:		
Ordinary shares of NIS 0.02 par value:		
Authorized – 150,000,000 ordinary shares; Issued and outstanding – 25,754,297 shares at March 31, 2019, and December 31, 2018	142	142
Share premium and other capital reserve	187,884	187,701
Accumulated deficit	(141,499)	(137,790)
Equity attributable to equity holders of the Company	46,527	50,053
Non-controlling interests	228	253
Total equity	<u>46,755</u>	<u>50,306</u>
	<u>\$ 57,635</u>	<u>\$ 58,694</u>

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

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

	Three months ended		Year ended
	March 31,		December 31,
	2019	2018	2018
	Unaudited		Audited
Revenues	\$ 348	\$ 366	\$ 1,747
Cost of revenues	<u>71</u>	<u>284</u>	<u>1,452</u>
Gross profit	<u>277</u>	<u>82</u>	<u>295</u>
Operating expenses:			
Research and development, net	3,544	3,485	14,686
Business development	493	598	2,084
General and administrative	<u>909</u>	<u>945</u>	<u>3,514</u>
Total operating expenses	<u>4,946</u>	<u>5,028</u>	<u>20,284</u>
Operating loss	(4,669)	(4,946)	(19,989)
Financing income	1,199	533	1,413
Financing expenses	<u>(282)</u>	<u>(970)</u>	<u>(2,206)</u>
Financing income (expenses), net	<u>917</u>	<u>(437)</u>	<u>(793)</u>
Loss before taxes on income	(3,752)	(5,383)	(20,782)
Taxes on income	<u>2</u>	<u>3</u>	<u>30</u>
Loss	<u>\$ (3,754)</u>	<u>\$ (5,386)</u>	<u>\$ (20,812)</u>
Attributable to:			
Equity holders of the Company	\$ (3,709)	\$ (5,386)	\$ (20,758)
Non-controlling interests	<u>(45)</u>	<u>-</u>	<u>(54)</u>
	<u>\$ (3,754)</u>	<u>\$ (5,386)</u>	<u>\$ (20,812)</u>
Basic and diluted loss per share	<u>\$ (0.15)</u>	<u>\$ (0.21)</u>	<u>\$ (0.81)</u>
Weighted average number of shares used in computing basic and diluted loss per share	<u>25,754,297</u>	<u>25,750,673</u>	<u>25,753,411</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Three months ended March 31,		Year ended December 31,
	2019	2018	2018
	Unaudited		Audited
<u>Cash flows from operating activities:</u>			
Loss	\$ (3,754)	\$ (5,386)	\$ (20,812)
Adjustments to reconcile loss to net cash used in operating activities:			
Adjustments to the profit or loss items:			
Depreciation	638	496	2,020
Share-based compensation	203	346	1,731
Net financing expense (income)	(1,013)	411	694
Taxes on income	2	3	30
	<u>(170)</u>	<u>1,256</u>	<u>4,475</u>
Changes in asset and liability items:			
Decrease (increase) in trade receivables	122	(57)	(28)
Decrease (increase) in other receivables	(758)	(622)	95
Decrease in trade payables	(318)	(230)	(114)
decrease in employees and payroll accruals	(405)	(551)	(182)
Increase (decrease) in other payables	(52)	(37)	233
Increase (decrease) in severance pay liability, net	1	(1)	-
Increase (decrease) in deferred revenues and other advances	(58)	170	(165)
	<u>(1,468)</u>	<u>(1,328)</u>	<u>(161)</u>
Cash received (paid) during the period for:			
Interest received	34	533	1,360
Taxes paid	-	(7)	(23)
Net cash used in operating activities	<u>(5,358)</u>	<u>(4,932)</u>	<u>(15,161)</u>
<u>Cash flows from investing activities:</u>			
Purchase of property, plant and equipment	(83)	(48)	(374)
Proceeds from sale of marketable securities	6,229	7,222	63,639
Purchase of marketable securities	-	(2,204)	(31,700)
Proceeds from (investment in) bank deposits, net	-	1,880	(14,212)
Net cash provided by investing activities	<u>6,146</u>	<u>6,850</u>	<u>17,353</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Three months ended March 31,		Year ended December 31,
	2019	2018	2018
	Unaudited		Audited
<u>Cash flows from financing activities:</u>			
Proceeds from exercise of options	-	9	9
Proceeds from government grants	197	57	354
Repayment of lease liability	(234)	-	-
Repayment of government grants	(29)	(44)	(66)
Net cash provided by (used in) financing activities	(66)	22	297
Exchange rate differences - cash and cash equivalent balances	56	(22)	(114)
Increase in cash and cash equivalents	778	1,918	2,375
Cash and cash equivalents, beginning of the period	5,810	3,435	3,435
Cash and cash equivalents, end of the period	<u>\$ 6,588</u>	<u>\$ 5,353</u>	<u>\$ 5,810</u>
<u>Significant non-cash activities</u>			
Acquisition of property, plant and equipment	<u>\$ 14</u>	<u>\$ 70</u>	<u>\$ 80</u>