

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	June 30, 2019	December 31, 2018
	Unaudited	Audited
CURRENT ASSETS:		
Cash and cash equivalents	\$ 14,097	\$ 5,810
Marketable securities	9,088	26,065
Short-term bank deposits	22,592	22,592
Trade receivables	147	160
Other receivables and prepaid expenses	1,871	861
	<u>47,795</u>	<u>55,488</u>
LONG-TERM ASSETS:		
Long-term deposits	-	19
Operating lease right-of-use-assets	3,206	-
Property, plant and equipment, net	2,453	3,187
	<u>5,659</u>	<u>3,206</u>
	<u>\$ 53,454</u>	<u>\$ 58,694</u>
CURRENT LIABILITIES:		
Trade payables	\$ 748	\$ 1,015
Employees and payroll accruals	1,735	2,095
Operating lease liability	716	-
Liabilities in respect of government grants	457	988
Deferred revenues and other advances	238	412
Other payables	819	921
	<u>4,713</u>	<u>5,431</u>
LONG-TERM LIABILITIES:		
Operating lease liability	2,638	-
Liabilities in respect of government grants	3,209	2,898
Deferred revenues and other advances	9	28
Severance pay liability, net	27	31
	<u>5,883</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 at June 30, 2019 and December 31, 2018, respectively	142	142
Share premium and other capital reserve	188,039	187,701
Accumulated deficit	(145,593)	(137,790)
Equity attributable to equity holders of the Company	42,588	50,053
Non-controlling interests	270	253
Total equity	<u>42,858</u>	<u>50,306</u>
	<u>\$ 53,454</u>	<u>\$ 58,694</u>

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

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

	Six months ended June 30,		Three months ended June 30,		Year ended December 31,
	2019	2018	2019	2018	2018
	Unaudited				Audited
Revenues	\$ 540	\$ 745	\$ 192	\$ 379	\$ 1,747
Cost of revenues	172	549	101	265	1,452
Gross profit	368	196	91	114	295
Operating expenses:					
Research and development, net	7,024	6,945	3,480	3,460	14,686
Business development	970	1,084	477	486	2,084
General and administrative	1,746	1,786	837	841	3,514
Total operating expenses	9,740	9,815	4,794	4,787	20,284
Operating loss	(9,372)	(9,619)	(4,703)	(4,673)	(19,989)
Financing income	1,870	868	671	335	1,413
Financing expenses	(390)	(1,388)	(108)	(418)	(2,206)
Financing income (expenses), net	1,480	(520)	563	(83)	(793)
Loss before taxes on income	(7,892)	(10,139)	(4,140)	(4,756)	(20,782)
Taxes on income	3	16	1	13	30
Loss	\$ (7,895)	\$ (10,155)	\$ (4,141)	\$ (4,769)	\$ (20,812)
Attributable to:					
Equity holders of the Company	\$ (7,803)	-	\$ (4,094)	-	\$ (20,758)
Non-controlling interests	(92)	-	(47)	-	(54)
	\$ (7,895)	-	\$ (4,141)	-	\$ (20,812)
Basic and diluted loss per share, attributable to equity holders of the Company	\$ (0.31)	\$ (0.39)	\$ (0.16)	\$ (0.19)	\$ (0.81)
Weighted average number of shares used in computing basic and diluted loss per share	25,754,297	25,752,505	25,754,297	25,752,505	25,753,411

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Six months ended June 30,		Three months ended June 30,		Year ended December 31,
	2019	2018	2019	2018	2018
	Unaudited				Audited
<u>Cash flows from operating activities</u>					
Loss	\$ (7,895)	\$ (10,155)	\$ (4,141)	\$ (4,769)	\$ (20,812)
Adjustments to reconcile loss to net cash used in operating activities:					
Adjustments to the profit or loss items:					
Depreciation	1,315	1,001	677	505	2,020
Share-based compensation	447	721	244	375	1,731
Net financing expense (income)	(1,619)	497	(608)	86	694
Taxes on income	3	16	1	13	30
	<u>146</u>	<u>2,235</u>	<u>314</u>	<u>979</u>	<u>4,475</u>
Changes in asset and liability items:					
Decrease (increase) in trade receivables	13	3	(109)	60	(28)
Decrease (increase) in other receivables	(656)	(752)	102	(130)	95
Increase in long-term deposits	-	(2)	-	(2)	-
Increase (decrease) in trade payables	(261)	(104)	57	126	(114)
Increase (decrease) in employees and payroll accruals	(360)	(313)	45	-	(182)
Increase (decrease) in other payables	(80)	(192)	(26)	84	233
Decrease in severance pay liability, net	(4)	-	(5)	-	-
Increase (decrease) in deferred revenues and other advances	(193)	256	(135)	86	(165)
	<u>(1,541)</u>	<u>(1,104)</u>	<u>(71)</u>	<u>224</u>	<u>(161)</u>
Cash received (paid) during the period for:					
Interest received	55	821	21	288	1,360
Taxes paid	(3)	(17)	(3)	(10)	(23)
Net cash used in operating activities	<u>(9,238)</u>	<u>(8,220)</u>	<u>(3,880)</u>	<u>(3,288)</u>	<u>(15,161)</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Six months ended June 30,		Three months ended June 30,		Year ended December 31,
	2019	2018	2019	2018	2018
	<u>Unaudited</u>				<u>Audited</u>
<u>Cash flows from investing activities:</u>					
Purchase of property, plant and equipment	\$ (197)	\$ (153)	\$ (114)	\$ (105)	\$ (374)
Proceeds from sale of marketable securities	19,994	21,097	13,765	13,875	63,639
Purchase of marketable securities	(1,637)	(3,155)	(1,637)	(951)	(31,700)
Proceeds from (investment in) bank deposits, net	-	1,880	-	-	(14,212)
Net cash provided by investing activities	<u>18,160</u>	<u>19,669</u>	<u>12,014</u>	<u>12,819</u>	<u>17,353</u>
<u>Cash flows from financing activities:</u>					
Proceeds from exercise of options	-	9	-	-	9
Proceeds from government grants	287	153	90	96	354
Repayment of operating lease liability	(504)	-	(270)	-	-
Repayment of government grants	(575)	(44)	(546)	-	(66)
Net cash provided by (used in) financing activities	<u>(792)</u>	<u>118</u>	<u>(726)</u>	<u>96</u>	<u>297</u>
Exchange rate differences - cash and cash equivalent balances	<u>157</u>	<u>(271)</u>	<u>101</u>	<u>(249)</u>	<u>(114)</u>
Increase in cash and cash equivalents	8,287	11,296	7,509	9,378	2,375
Cash and cash equivalents, beginning of the period	<u>5,810</u>	<u>3,435</u>	<u>6,588</u>	<u>5,353</u>	<u>3,435</u>
Cash and cash equivalents, end of the period	<u>\$ 14,097</u>	<u>\$ 14,731</u>	<u>\$ 14,097</u>	<u>\$ 14,731</u>	<u>\$ 5,810</u>
<u>Significant non-cash activities</u>					
Acquisition of property, plant and equipment	<u>\$ 52</u>	<u>\$ 81</u>	<u>\$ 52</u>	<u>\$ 81</u>	<u>\$ 80</u>