



**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**U.S. dollars in thousands (except share and per share data)**

	As of June 30,		As of
	2017	2016	December 31,
	Unaudited		2016
			Audited
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	\$ 5,758	\$ 5,533	\$ 3,236
Restricted cash	47	47	47
Marketable securities	65,878	74,801	71,738
Short-term bank deposits	8,017	16,561	13,137
Trade receivables	1,063	80	169
Other receivables	1,058	1,542	1,163
	81,821	98,564	89,490
<b>LONG-TERM ASSETS:</b>			
Long-term deposits	14	16	13
Property, plant and equipment, net	5,611	7,354	6,483
	5,625	7,370	6,496
	\$ 87,446	\$ 105,934	\$ 95,986
<b>CURRENT LIABILITIES:</b>			
Trade payables	\$ 947	\$ 1,364	\$ 1,330
Other payables	2,502	2,495	2,803
Liabilities in respect of government grants	103	766	125
Deferred revenues and other advances	1,081	820	967
	4,633	5,445	5,225
<b>LONG-TERM LIABILITIES:</b>			
Liabilities in respect of government grants	3,416	2,614	3,303
Deferred revenues and other advances	30	157	138
Severance pay liability, net	32	30	31
	3,478	2,801	3,472
<b>SHAREHOLDERS' EQUITY:</b>			
Ordinary shares of NIS 0.02 par value:			
Authorized - 150,000,000 ordinary shares; Issued and			
outstanding – 25,745,371, 25,447,024 and			
25,480,809 shares at June 30, 2017 and 2016 and			
December 31, 2016, respectively			
	142	140	141
Share premium and other capital reserve	184,977	181,985	183,342
Accumulated deficit	(105,784)	(84,437)	(96,194)
	79,335	97,688	87,289
	\$ 87,446	\$ 105,934	\$ 95,986



## 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,
	2017	2016	2017	2016	2016
	Unaudited				Audited
Revenues	\$ 1,899	\$ 3,824	\$ 1,178	\$ 1,808	\$ 6,540
Cost of revenues	1,665	3,090	1,018	1,575	5,639
Gross profit	234	734	160	233	901
Operating expenses:					
Research and development, net	8,018	7,765	4,014	4,040	16,405
Business development	821	790	370	428	1,696
General and administrative	1,821	1,944	943	946	3,889
Total operating expenses	10,660	10,499	5,327	5,414	21,990
Operating loss	(10,426)	(9,765)	(5,167)	(5,181)	(21,089)
Financing income	1,206	2,095	484	761	2,424
Financing expenses	(359)	(165)	(57)	(43)	(891)
Loss before taxes on income	(9,579)	(7,835)	(4,740)	(4,463)	(19,556)
Taxes on income	11	-	3	-	36
Net loss	\$ (9,590)	\$ (7,835)	\$ (4,743)	\$ (4,463)	\$ (19,592)
Basic and diluted net loss per share	\$ (0.37)	\$ (0.31)	\$ (0.18)	\$ (0.18)	\$ (0.77)



## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

U.S. dollars in thousands

	Share capital	Share premium and other capital reserve	Accumulated deficit	Total
	Unaudited			
Balance as of January 1, 2017 (audited)	\$ 141	\$ 183,342	\$ (96,194)	\$ 87,289
Net loss	-	-	(9,590)	(9,590)
Exercise of options	1	669	-	670
Share-based compensation	-	966	-	966
Balance as of June 30, 2017	<u>\$ 142</u>	<u>\$ 184,977</u>	<u>\$ (105,784)</u>	<u>\$ 79,335</u>

	Share capital	Share premium and other capital reserve	Accumulated deficit	Total
	Unaudited			
Balance as of January 1, 2016 (audited)	\$ 140	\$ 180,214	\$ (76,602)	\$ 103,752
Net loss	-	-	(7,835)	(7,835)
Exercise of options	*) -	114	-	114
Share-based compensation	-	1,657	-	1,657
Balance as of June 30, 2016	<u>\$ 140</u>	<u>\$ 181,985</u>	<u>\$ (84,437)</u>	<u>\$ 97,688</u>

\*) Represents an amount lower than \$1

	Share capital	Share premium and other capital reserve	Accumulated deficit	Total
	Unaudited			
Balance as of April 1, 2017	\$ 141	\$ 184,206	\$ (101,041)	\$ 83,306
Net loss	-	-	(4,743)	(4,743)
Exercise of options	1	321	-	322
Share-based compensation	-	450	-	450
Balance as of June 30, 2017	<u>\$ 142</u>	<u>\$ 184,977</u>	<u>\$ (105,784)</u>	<u>\$ 79,335</u>



## CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

U.S. dollars in thousands

	Share capital	Share premium and other capital reserve	Accumulated deficit	Total
	<b>Unaudited</b>			
Balance as of April 1, 2016	\$ 140	\$ 181,170	\$ (79,974)	\$ 101,336
Net loss	-	-	(4,463)	(4,463)
Exercise of options	*) -	29	-	29
Share-based compensation	-	786	-	786
Balance as of June 30, 2016	<u>\$ 140</u>	<u>\$ 181,985</u>	<u>\$ (84,437)</u>	<u>\$ 97,688</u>

\*) Represents an amount lower than \$1

	Share capital	Share premium and other capital reserve	Accumulated deficit	Total
	<b>Audited</b>			
Balance as of January 1, 2016	\$ 140	\$ 180,214	\$ (76,602)	\$ 103,752
Net loss	-	-	(19,592)	(19,592)
Exercise of options	1	185	-	186
Share-based compensation	-	2,943	-	2,943
Balance as of December 31, 2016	<u>\$ 141</u>	<u>\$ 183,342</u>	<u>\$ (96,194)</u>	<u>\$ 87,289</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,
	2017	2016	2017	2016	2016
	Unaudited				Audited
<u>Cash flows from operating activities</u>					
Net loss	\$ (9,590)	\$ (7,835)	\$ (4,743)	\$ (4,463)	\$ (19,592)
Adjustments to reconcile net loss to net cash used in operating activities:					
Adjustments to the profit or loss items:					
Depreciation	1,091	1,176	546	585	2,279
Share-based compensation	966	1,657	450	786	2,943
Net financing income	(1,089)	(2,017)	(524)	(723)	(1,688)
Loss from sale of property, plant and equipment	-	17	-	17	39
Taxes on income	11	-	3	-	36
	<u>979</u>	<u>833</u>	<u>475</u>	<u>665</u>	<u>3,609</u>
Changes in asset and liability items:					
Decrease (increase) in trade receivables	(894)	2,595	(438)	545	2,506
Decrease (increase) in other receivables	50	(477)	770	291	(100)
Decrease (increase) in long-term deposits	(1)	6	(10)	-	9
Increase (decrease) in trade payables	(319)	(241)	110	54	(215)
Increase (decrease) in other payables	(299)	(596)	(656)	160	(303)
Increase in severance pay liability, net	1	4	-	4	5
Increase (decrease) in deferred revenues and other advances	6	119	(50)	-	(81)
Increase in liabilities in respect of government grants	-	115	-	-	115
	<u>(1,456)</u>	<u>1,525</u>	<u>(274)</u>	<u>1,054</u>	<u>1,936</u>
Cash received (paid) during the period for:					
Interest received	1,121	1,154	450	475	2,360
Taxes paid	(11)	-	-	-	(6)
Net cash used in operating activities	<u>(8,957)</u>	<u>(4,323)</u>	<u>(4,092)</u>	<u>(2,269)</u>	<u>(11,693)</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,
	2017	2016	2017	2016	2016
	Unaudited				Audited
<u>Cash flows from investing activities:</u>					
Purchase of property, plant and equipment	\$ (285)	\$ (474)	\$ (87)	\$ (91)	\$ (808)
Proceeds from sale of marketable securities	11,115	11,624	4,829	8,134	23,926
Purchase of marketable securities	(5,327)	(13,750)	(2,623)	(8,465)	(24,561)
Proceeds from bank deposits, net	5,120	2,042	4,000	4,042	5,466
Proceeds from sale of property, plant and equipment	-	-	-	-	5
Net cash provided by (used in) investing activities	10,623	(558)	6,119	3,620	4,028
<u>Cash flows from financing activities:</u>					
Proceeds from exercise of options	670	114	322	29	186
Proceeds from government grants	266	258	165	150	802
Repayment of government grants	(144)	(199)	(50)	-	(333)
Net cash provided by financing activities	792	173	437	179	655
Exchange rate differences - cash and cash equivalent balances	64	20	4	18	25
Increase (decrease) in cash and cash equivalents	2,522	(4,688)	2,468	1,548	(6,985)
Cash and cash equivalents, beginning of the period	3,236	10,221	3,290	3,985	10,221
Cash and cash equivalents, end of the period	\$ 5,758	\$ 5,533	\$ 5,758	\$ 5,533	\$ 3,236
<u>Significant non-cash transactions</u>					
Acquisition of property, plant and equipment	\$ 109	\$ 225	\$ 53	\$ 225	\$ 150