

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

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

	As of March 31,		As of
	2018	2017	December 31,
	Unaudited		Audited
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	\$ 5,353	\$ 3,290	\$ 3,435
Marketable securities	54,090	68,014	59,940
Short-term bank deposits	6,500	12,017	8,380
Trade receivables	189	625	132
Other receivables and prepaid expenses	1,523	1,933	904
	<u>67,655</u>	<u>85,879</u>	<u>72,791</u>
<b>LONG-TERM ASSETS:</b>			
Long-term deposits	19	4	19
Property, plant and equipment, net	4,375	6,017	4,792
	<u>4,394</u>	<u>6,021</u>	<u>4,811</u>
	<u>\$ 72,049</u>	<u>\$ 91,900</u>	<u>\$ 77,602</u>
<b>CURRENT LIABILITIES:</b>			
Trade payables	\$ 911	\$ 778	\$ 1,110
Other payables	2,342	3,161	2,934
Liabilities in respect of government grants	712	696	104
Deferred revenues and other advances	687	1,033	516
	<u>4,652</u>	<u>5,668</u>	<u>4,664</u>
<b>LONG-TERM LIABILITIES:</b>			
Liabilities in respect of government grants	2,930	2,766	3,438
Deferred revenues and other advances	88	128	89
Severance pay liability, net	32	32	33
	<u>3,050</u>	<u>2,926</u>	<u>3,560</u>
<b>SHAREHOLDERS' EQUITY:</b>			
Ordinary shares of NIS 0.02 par value:			
Authorized – 150,000,000 ordinary shares; Issued and outstanding – 25,754,297, 25,626,809 and 25,750,547 shares at March 31, 2018 and 2017 and December 31, 2017, respectively	142	141	142
Share premium and other capital reserve	186,623	184,206	186,268
Accumulated deficit	(122,418)	(101,041)	(117,032)
	<u>64,347</u>	<u>83,306</u>	<u>69,378</u>
	<u>\$ 72,049</u>	<u>\$ 91,900</u>	<u>\$ 77,602</u>

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS**

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

	Three Months Ended March, 31		Year ended December 31,
	2018	2017	2017
	Unaudited		Audited
Revenues	\$ 366	\$ 721	\$ 3,381
Cost of revenues	<u>284</u>	<u>647</u>	<u>2,845</u>
Gross profit	<u>82</u>	<u>74</u>	<u>536</u>
Operating expenses:			
Research and development, net	3,485	4,004	16,987
Business development	598	451	1,686
General and administrative	<u>945</u>	<u>878</u>	<u>3,810</u>
Total operating expenses	<u>5,028</u>	<u>5,333</u>	<u>22,483</u>
Operating loss	(4,946)	(5,259)	(21,947)
Financing income	533	722	2,125
Financing expenses	<u>(970)</u>	<u>(302)</u>	<u>(1,005)</u>
Loss before taxes on income	(5,383)	(4,839)	(20,827)
Taxes on income	<u>3</u>	<u>8</u>	<u>11</u>
Loss	<u>\$ (5,386)</u>	<u>\$ (4,847)</u>	<u>\$ (20,838)</u>
Basic and diluted loss per share	<u>\$ (0.21)</u>	<u>\$ (0.19)</u>	<u>\$ (0.81)</u>
Weighted average number of shares used in computing basic and diluted loss per share	<u>25,750,673</u>	<u>25,500,471</u>	<u>25,673,276</u>

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

U.S. dollars in thousands

	Three Months ended		Year ended
	March, 31		December 31,
	2018	2017	2017
	Unaudited		Audited
<u>Cash flows from operating activities:</u>			
Loss	\$ (5,386)	\$ (4,847)	\$ (20,838)
Adjustments to reconcile loss to net cash used in operating activities:			
Adjustments to the profit or loss items:			
Depreciation	496	545	2,145
Share-based compensation	346	516	2,244
Net financing expense (income)	411	(565)	(1,454)
Taxes on income	3	8	11
	<u>1,256</u>	<u>504</u>	<u>2,946</u>
Changes in asset and liability items:			
Decrease (increase) in trade receivables	(57)	(456)	37
Decrease (increase) in other receivables	(622)	(720)	221
Decrease (increase) in long-term deposits	-	9	(6)
Decrease in trade payables	(230)	(429)	(86)
Increase (decrease) in other payables	(588)	357	136
Increase (decrease) in severance pay liability, net	(1)	1	2
Increase (decrease) in deferred revenues and other advances	170	56	(500)
	<u>(1,328)</u>	<u>(1,182)</u>	<u>(196)</u>
Cash received (paid) during the period for:			
Interest received	533	671	2,173
Taxes paid	(7)	(11)	(14)
Net cash used in operating activities	<u>(4,932)</u>	<u>(4,865)</u>	<u>(15,929)</u>
<u>Cash flows from investing activities:</u>			
Purchase of property, plant and equipment	(48)	(198)	(590)
Proceeds from sale of marketable securities	7,222	6,286	22,737
Purchase of marketable securities	(2,204)	(2,704)	(11,659)
Proceeds from bank deposits, net	1,880	1,120	4,757
Net cash provided by investing activities	<u>6,850</u>	<u>4,504</u>	<u>15,245</u>

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

U.S. dollars in thousands

	<b>Three Months ended March, 31</b>		<b>Year ended December 31,</b>
	<b>2018</b>	<b>2017</b>	<b>2017</b>
	<b>Unaudited</b>		<b>Audited</b>
<u>Cash flows from financing activities:</u>			
Proceeds from exercise of options	9	348	683
Proceeds from government grants	57	101	339
Repayment of government grants	(44)	(94)	(208)
Net cash provided by financing activities	22	355	814
Exchange rate differences - cash and cash equivalent balances	(22)	60	69
Increase in cash and cash equivalents	1,918	54	199
Cash and cash equivalents, beginning of the period	3,435	3,236	3,236
Cash and cash equivalents, end of the period	<u>\$ 5,353</u>	<u>\$ 3,290</u>	<u>\$ 3,435</u>