

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	As of June 30,		As of
	2018	2017	December 31,
	Unaudited		2017
			Audited
CURRENT ASSETS:			
Cash and cash equivalents	\$ 14,731	\$ 5,758	\$ 3,435
Marketable securities	41,040	65,878	59,940
Short-term bank deposits	6,500	8,017	8,380
Trade receivables	129	1,063	132
Other receivables and prepaid expenses	1,683	1,105	904
	<u>64,083</u>	<u>81,821</u>	<u>72,791</u>
LONG-TERM ASSETS:			
Long-term deposits	21	14	19
Property, plant and equipment, net	3,986	5,611	4,792
	<u>4,007</u>	<u>5,625</u>	<u>4,811</u>
	<u>\$ 68,090</u>	<u>\$ 87,446</u>	<u>\$ 77,602</u>
CURRENT LIABILITIES:			
Trade payables	\$ 1,048	\$ 947	\$ 1,110
Other payables	2,429	2,502	2,934
Liabilities in respect of government grants	676	103	104
Deferred revenues and other advances	793	1,081	516
	<u>4,946</u>	<u>4,633</u>	<u>4,664</u>
LONG-TERM LIABILITIES:			
Liabilities in respect of government grants	3,091	3,416	3,438
Deferred revenues and other advances	68	30	89
Severance pay liability, net	32	32	33
	<u>3,191</u>	<u>3,478</u>	<u>3,560</u>
SHAREHOLDERS' EQUITY:			
Ordinary shares of NIS 0.02 par value:			
Authorized - 150,000,000 ordinary shares; Issued and outstanding – 25,754,297, 25,745,371 and 25,750,547 shares at June 30, 2018 and 2017 and December 31, 2017, respectively	142	142	142
Share premium and other capital reserve	186,998	184,977	186,268
Accumulated deficit	(127,187)	(105,784)	(117,032)
	<u>59,953</u>	<u>79,335</u>	<u>69,378</u>
	<u>\$ 68,090</u>	<u>\$ 87,446</u>	<u>\$ 77,602</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,
	2018	2017	2018	2017	2017
	Unaudited				Audited
Revenues	\$ 745	\$ 1,899	\$ 379	\$ 1,178	\$ 3,381
Cost of revenues	549	1,665	265	1,018	2,845
Gross profit	196	234	114	160	536
Operating expenses:					
Research and development, net	6,945	8,018	3,460	4,014	16,987
Business development	1,084	821	486	370	1,686
General and administrative	1,786	1,821	841	943	3,810
Total operating expenses	9,815	10,660	4,787	5,327	22,483
Operating loss	(9,619)	(10,426)	(4,673)	(5,167)	(21,947)
Financing income	868	1,206	335	484	2,125
Financing expenses	(1,388)	(359)	(418)	(57)	(1,005)
Loss before taxes on income	(10,139)	(9,579)	(4,756)	(4,740)	(20,827)
Taxes on income	16	11	13	3	11
Loss	<u>\$ (10,155)</u>	<u>\$ (9,590)</u>	<u>\$ (4,769)</u>	<u>\$ (4,743)</u>	<u>\$ (20,838)</u>
Basic and diluted loss per share	<u>\$ (0.39)</u>	<u>\$ (0.37)</u>	<u>\$ (0.19)</u>	<u>\$ (0.18)</u>	<u>\$ (0.81)</u>
Weighted average number of shares used in computing basic and diluted loss per share	25,752,505	25,596,863	25,754,297	25,691,852	25,673,276

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Six months ended June 30,		Three months ended June 30,		Year ended December 31,
	2018	2017	2018	2017	2017
	Unaudited				Audited
<u>Cash flows from operating activities</u>					
Loss	\$ (10,155)	\$ (9,590)	\$ (4,769)	\$ (4,743)	\$ (20,838)
Adjustments to reconcile loss to net cash used in operating activities:					
Adjustments to the profit or loss items:					
Depreciation	1,001	1,091	505	546	2,145
Share-based compensation	721	966	375	450	2,244
Net financing expense (income)	497	(1,089)	86	(524)	(1,454)
Taxes on income	16	11	13	3	11
	<u>2,235</u>	<u>979</u>	<u>979</u>	<u>475</u>	<u>2,946</u>
Changes in asset and liability items:					
Decrease (increase) in trade receivables	3	(894)	60	(438)	37
Decrease (increase) in other receivables	(752)	50	(130)	770	221
Increase in long-term deposits	(2)	(1)	(2)	(10)	(6)
Increase (decrease) in trade payables	(104)	(319)	126	110	(86)
Increase (decrease) in other payables	(505)	(298)	84	(656)	138
Increase (decrease) in deferred revenues and other advances	(10)	6	(180)	(50)	(500)
	<u>(1,370)</u>	<u>(1,456)</u>	<u>(42)</u>	<u>(274)</u>	<u>(196)</u>
Cash received (paid) during the period for:					
Interest received	821	1,121	288	450	2,173
Taxes paid	(17)	(11)	(10)	-	(14)
Net cash used in operating activities	<u>(8,486)</u>	<u>(8,957)</u>	<u>(3,554)</u>	<u>(4,092)</u>	<u>(15,929)</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,
	2018	2017	2018	2017	2017
	Unaudited				Audited
<u>Cash flows from investing activities:</u>					
Purchase of property, plant and equipment	\$ (153)	\$ (285)	\$ (105)	\$ (87)	\$ (590)
Proceeds from sale of marketable securities	21,097	11,115	13,875	4,829	22,737
Purchase of marketable securities	(3,155)	(5,327)	(951)	(2,623)	(11,659)
Proceeds from bank deposits, net	1,880	5,120	-	4,000	4,757
Proceeds from government grants	266	-	266	-	-
Net cash provided by investing activities	<u>19,935</u>	<u>10,623</u>	<u>13,085</u>	<u>6,119</u>	<u>15,245</u>
<u>Cash flows from financing activities:</u>					
Proceeds from exercise of options	9	670	-	322	683
Proceeds from government grants	153	266	96	165	339
Repayment of government grants	(44)	(144)	-	(50)	(208)
Net cash provided by financing activities	<u>118</u>	<u>792</u>	<u>96</u>	<u>437</u>	<u>814</u>
Exchange rate differences - cash and cash equivalent balances	<u>(271)</u>	<u>64</u>	<u>(249)</u>	<u>4</u>	<u>69</u>
Increase in cash and cash equivalents	11,296	2,522	9,378	2,468	199
Cash and cash equivalents, beginning of the period	<u>3,435</u>	<u>3,236</u>	<u>5,353</u>	<u>3,290</u>	<u>3,236</u>
Cash and cash equivalents, end of the period	<u>\$ 14,731</u>	<u>\$ 5,758</u>	<u>\$ 14,731</u>	<u>\$ 5,758</u>	<u>\$ 3,435</u>