

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	As of September 30, 2018	As of December 31, 2017
	Unaudited	Audited
CURRENT ASSETS:		
Cash and cash equivalents	\$ 5,710	\$ 3,435
Marketable securities	40,001	59,940
Short-term bank deposits	12,500	8,380
Trade receivables	236	132
Other receivables and prepaid expenses	1,566	904
	<u>60,013</u>	<u>72,791</u>
LONG-TERM ASSETS:		
Long-term deposits	21	19
Property, plant and equipment, net	3,632	4,792
	<u>3,653</u>	<u>4,811</u>
	<u>\$ 63,666</u>	<u>\$ 77,602</u>
CURRENT LIABILITIES:		
Trade payables	\$ 784	\$ 1,110
Other payables	2,652	2,934
Liabilities in respect of government grants	1,028	104
Deferred revenues and other advances	598	516
	<u>5,062</u>	<u>4,664</u>
LONG-TERM LIABILITIES:		
Liabilities in respect of government grants	2,761	3,438
Deferred revenues and other advances	36	89
Severance pay liability, net	32	33
	<u>2,829</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 and 25,750,547 shares at September 30, 2018 and December 31, 2017, respectively	142	142
Share premium and other capital reserve	187,349	186,268
Accumulated deficit	(131,989)	(117,032)
	<u>55,502</u>	<u>69,378</u>
Equity attributable to equity holders of the Company		
Non-Controlling interests	<u>273</u>	<u>-</u>
Total equity	<u>55,775</u>	<u>69,378</u>
	<u>\$ 63,666</u>	<u>\$ 77,602</u>

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

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

	Nine months ended September 30,		Three months ended September 30,		Year ended December 31,
	2018	2017	2018	2017	2017
	Unaudited				Audited
Revenues	\$ 1,112	\$ 2,647	\$ 367	\$ 748	\$ 3,381
Cost of revenues	825	2,211	276	546	2,845
Gross profit	287	436	91	202	536
Operating expenses:					
Research and development, net	10,828	12,319	3,883	4,301	16,987
Business development	1,610	1,264	526	443	1,686
General and administrative	2,571	2,781	785	960	3,810
Total operating expenses	15,009	16,364	5,194	5,704	22,483
Operating loss	(14,722)	(15,928)	(5,103)	(5,502)	(21,947)
Financing income	1,196	1,769	328	563	2,125
Financing expenses	(1,423)	(444)	(35)	(85)	(1,005)
Loss before taxes on income	(14,949)	(14,603)	(4,810)	(5,024)	(20,827)
Taxes on income	34	11	18	-	11
Loss	<u>\$ (14,983)</u>	<u>\$ (14,614)</u>	<u>\$ (4,828)</u>	<u>\$ (5,024)</u>	<u>\$ (20,838)</u>
Attributable to:					
Equity holders of the Company	(14,957)	(14,614)	(4,802)	(5,024)	(20,838)
Non-controlling interests	(26)	-	(26)	-	-
	<u>\$ (14,983)</u>	<u>\$ (14,614)</u>	<u>\$ (4,828)</u>	<u>\$ (5,024)</u>	<u>\$ (20,838)</u>
Basic and diluted loss per share, attributable to equity holders of the parent	<u>\$ (0.58)</u>	<u>\$ (0.57)</u>	<u>\$ (0.19)</u>	<u>\$ (0.20)</u>	<u>\$ (0.81)</u>
Weighted average number of shares used in computing basic and diluted loss per share	<u>25,753,111</u>	<u>25,647,266</u>	<u>25,754,297</u>	<u>25,745,887</u>	<u>25,673,276</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Nine months ended September 30,		Three months ended September 30,		Year ended December 31,
	2018	2017	2018	2017	2017
	Unaudited				Audited
<u>Cash flows from operating activities</u>					
Loss	\$ (14,983)	\$ (14,614)	\$ (4,828)	\$ (5,024)	\$ (20,838)
Adjustments to reconcile loss to net cash used in operating activities:					
Adjustments to the profit or loss items:					
Depreciation	1,507	1,624	506	533	2,145
Share-based compensation	1,371	1,648	650	682	2,244
Net financing expense (income)	150	(1,579)	(347)	(490)	(1,454)
Taxes on income	34	11	18	-	11
	<u>3,062</u>	<u>1,704</u>	<u>827</u>	<u>725</u>	<u>2,946</u>
Changes in asset and liability items:					
Decrease (increase) in trade receivables	(104)	(799)	(107)	95	37
Decrease (increase) in other receivables	(621)	177	131	127	221
Increase in long-term deposits	(2)	(2)	-	(1)	(6)
Decrease in trade payables	(417)	(381)	(313)	(62)	(86)
Increase (decrease) in other payables	(294)	(122)	211	177	138
Increase (decrease) in deferred revenues and other advances	29	5	(227)	(1)	(500)
	<u>(1,409)</u>	<u>(1,121)</u>	<u>(305)</u>	<u>335</u>	<u>(196)</u>
Cash received (paid) during the period for:					
Interest received	1,139	1,682	318	561	2,173
Taxes paid	(23)	(14)	(6)	(3)	(14)
Net cash used in operating activities	<u>(12,214)</u>	<u>(12,363)</u>	<u>(3,994)</u>	<u>(3,406)</u>	<u>(15,929)</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Nine months ended September 30,		Three months ended September 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	\$ (256)	\$ (442)	\$ (103)	\$ (157)	\$ (590)
Proceeds from sale of marketable securities	33,434	13,812	12,337	2,697	22,737
Purchase of marketable securities	(14,401)	(6,208)	(11,246)	(881)	(11,659)
Proceeds from (investment in) bank deposits, net	(4,120)	3,620	(6,000)	(1,500)	4,757
Net cash provided by (used in) investing activities	<u>14,657</u>	<u>10,782</u>	<u>(5,012)</u>	<u>159</u>	<u>15,245</u>
<u>Cash flows from financing activities</u>					
Proceeds from exercise of options	9	682	-	12	683
Proceeds from government grants	221	266	68	-	339
Repayment of government grants	(65)	(208)	(21)	(64)	(208)
Net cash provided by (used in) financing activities	<u>165</u>	<u>740</u>	<u>47</u>	<u>(52)</u>	<u>814</u>
Exchange rate differences - cash and cash equivalent balances	<u>(333)</u>	<u>62</u>	<u>(62)</u>	<u>(2)</u>	<u>69</u>
Increase (decrease) in cash and cash equivalents	2,275	(779)	(9,021)	(3,301)	199
Cash and cash equivalents, beginning of the period	<u>3,435</u>	<u>3,236</u>	<u>14,731</u>	<u>5,758</u>	<u>3,236</u>
Cash and cash equivalents, end of the period	<u>\$ 5,710</u>	<u>\$ 2,457</u>	<u>\$ 5,710</u>	<u>\$ 2,457</u>	<u>\$ 3,435</u>