

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	December 31, 2019	December 31, 2018
	Unaudited	Audited
CURRENT ASSETS:		
Cash and cash equivalents	\$ 34,748	\$ 5,810
Marketable securities	2,128	26,065
Short-term bank deposits	10,000	22,592
Trade receivables	72	160
Other receivables and prepaid expenses	2,079	861
	<u>49,027</u>	<u>55,488</u>
LONG-TERM ASSETS:		
Long-term deposits	9	19
Operating lease right-of-use-assets	2,671	-
Property, plant and equipment, net	2,583	3,187
Intangible assets, net	17,074	-
	<u>22,337</u>	<u>3,206</u>
	<u>\$ 71,364</u>	<u>\$ 58,694</u>
CURRENT LIABILITIES:		
Trade payables	\$ 1,001	\$ 1,015
Employees and payroll accruals	2,071	2,081
Operating lease liability	895	-
Liabilities in respect of government grants	37	988
Deferred revenues and other advances	386	412
Other payables	1,339	935
	<u>5,729</u>	<u>5,431</u>
LONG-TERM LIABILITIES:		
Operating lease liability	2,076	-
Liabilities in respect of government grants	3,325	2,898
Deferred revenues and other advances	9	28
Severance pay liability, net	8	31
	<u>5,418</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 December 31, 2019 and December 31, 2018, respectively	142	142
Share premium and other capital reserve	205,904	187,701
Accumulated deficit	(155,902)	(137,790)
	<u>50,144</u>	<u>50,053</u>
Equity attributable to equity holders of the Company	50,144	50,053
Non-controlling interests	10,073	253
	<u>60,217</u>	<u>50,306</u>
Total equity	60,217	50,306
	<u>\$ 71,364</u>	<u>\$ 58,694</u>

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

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

	Year ended December 31,		Three months ended December 31,	
	2019	2018	2019	2018
	Unaudited	Audited	Unaudited	
Revenues	\$ 753	\$ 1,747	\$ 116	\$ 635
Cost of revenues	334	1,452	81	627
Gross profit	419	295	35	8
Operating expenses:				
Research and development, net	15,791	14,686	5,164	3,858
Business development	2,029	2,084	609	474
General and administrative	3,765	3,514	1,143	943
Total operating expenses	21,585	20,284	6,916	5,275
Operating loss	(21,166)	(19,989)	(6,881)	(5,267)
Financing income	2,461	1,413	269	217
Financing expenses	(386)	(2,206)	(56)	(783)
Financing income (expenses), net	2,075	(793)	213	(566)
Loss before taxes on income	(19,091)	(20,782)	(6,668)	(5,833)
Taxes on income (tax benefit)	24	30	24	(4)
Loss	<u>\$ (19,115)</u>	<u>\$ (20,812)</u>	<u>\$ (6,692)</u>	<u>\$ (5,829)</u>
Attributable to:				
Equity holders of the Company	(18,112)	(20,758)	(6,078)	(5,801)
Non-controlling interests	(1,003)	(54)	(614)	(28)
	<u>\$ (19,115)</u>	<u>\$ (20,812)</u>	<u>\$ (6,692)</u>	<u>\$ (5,829)</u>
Basic and diluted loss per share, attributable to equity holders of the Company	<u>\$ (0.70)</u>	<u>\$ (0.81)</u>	<u>\$ (0.24)</u>	<u>\$ (0.23)</u>
Weighted average number of shares used in computing basic and diluted loss per share	<u>25,754,297</u>	<u>25,753,411</u>	<u>25,754,297</u>	<u>25,754,297</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Year ended		Three months ended	
	December 31,		December 31,	
	2019	2018	2019	2018
	<u>Unaudited</u>	<u>Audited</u>	<u>Unaudited</u>	
<u>Cash flows from operating activities</u>				
Loss	\$ (19,115)	\$ (20,812)	\$ (6,692)	\$ (5,829)
Adjustments to reconcile loss to net cash used in operating activities:				
Adjustments to the profit or loss items:				
Depreciation	2,395	2,020	489	513
Amortization of Intangible assets	374	-	180	-
Share-based compensation	1,578	1,731	776	360
Net financing expenses (income)	(2,414)	694	232	544
Loss from sale of property, plant & equipment	12	-	-	-
Taxes on income (tax benefit)	24	30	24	(4)
	<u>1,969</u>	<u>4,475</u>	<u>1,701</u>	<u>1,413</u>
Changes in asset and liability items:				
Decrease (increase) in trade receivables	88	(28)	75	76
Decrease (increase) in other receivables	(1,250)	95	(650)	716
Decrease (increase) in long-term deposits	(10)	-	(10)	2
Increase (decrease) in trade payables	(122)	(114)	68	303
Decrease in severance pay liability, net	(23)	-	(20)	-
Increase (decrease) in employees and payroll accruals	(10)	(132)	237	172
Increase in other payables	375	183	378	173
Increase (decrease) in deferred revenues and other advances	(45)	(165)	268	(194)
	<u>(997)</u>	<u>(161)</u>	<u>346</u>	<u>1,248</u>
Cash received (paid) during the period for:				
Interest received	803	1,360	111	221
Taxes paid, net	(24)	(23)	(24)	-
Net cash used in operating activities	<u>(17,364)</u>	<u>(15,161)</u>	<u>(4,558)</u>	<u>(2,947)</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Year ended December 31,		Three months ended December 31,	
	2019	2018	2019	2018
	Unaudited	Audited	Unaudited	
<u>Cash flows from investing activities</u>				
Purchase of property, plant and equipment	\$ (900)	\$ (374)	\$ (382)	\$ (118)
Proceeds from sale of marketable securities	27,084	63,639	4,257	30,205
Purchase of marketable securities	(1,637)	(31,700)	-	(17,299)
Proceeds from (investment in) bank deposits, net	12,592	(14,212)	19,267	(10,092)
Net cash provided by investing activities	37,139	17,353	23,142	2,696
<u>Cash flows from financing activities</u>				
Proceeds from exercise of options	-	9	-	-
Proceeds from government grants	493	354	87	133
Issuance of subsidiary ordinary shares	10,000	-	-	-
Repayment of operating lease liability	(899)	-	(165)	-
Repayment of government grants	(590)	(66)	(4)	(1)
Net cash provided by (used in) financing activities	9,004	297	(82)	132
Exchange rate differences - cash and cash equivalent balances	159	(114)	(221)	219
Increase in cash and cash equivalents	28,938	2,375	18,281	100
Cash and cash equivalents, beginning of the period	5,810	3,435	16,467	5,710
Cash and cash equivalents, end of the period	\$ 34,748	\$ 5,810	\$ 34,748	\$ 5,810
<u>Significant non-cash activities</u>				
Acquisition of property, plant and equipment	\$ 216	\$ 80	\$ 216	\$ 80
Increase of operating lease right-of-use-assets	\$ 3,437	-	\$ 88	-
Acquisition of intangible assets	\$ 17,448	-	-	-