

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

| | As of March 31, 2020 | As of December 31, 2019 |
|---|-------------------------|----------------------------|
| | Unaudited | Audited |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | \$ 32,011 | \$ 34,748 |
| Marketable securities | 1,042 | 2,128 |
| Short-term bank deposits | 7,500 | 10,000 |
| Trade receivables | 61 | 72 |
| Other receivables and prepaid expenses | 2,261 | 2,079 |
| | <u>42,875</u> | <u>49,027</u> |
| LONG-TERM ASSETS: | | |
| Long-term deposits | 9 | 9 |
| Operating lease right-of-use-assets | 2,529 | 2,671 |
| Property, plant and equipment, net | 2,391 | 2,583 |
| Intangible assets, net | 16,841 | 17,074 |
| | <u>21,770</u> | <u>22,337</u> |
| | <u>\$ 64,645</u> | <u>\$ 71,364</u> |
| CURRENT LIABILITIES: | | |
| Trade payables | \$ 578 | \$ 1,001 |
| Employees and payroll accruals | 1,440 | 2,079 |
| Operating lease liability | 977 | 895 |
| Liabilities in respect of government grants | 63 | 37 |
| Deferred revenues and other advances | 345 | 386 |
| Other payables | 1,085 | 1,348 |
| | <u>4,488</u> | <u>5,746</u> |
| LONG-TERM LIABILITIES: | | |
| Operating lease liability | 1,735 | 2,076 |
| Liabilities in respect of government grants | 3,485 | 3,325 |
| | <u>5,220</u> | <u>5,401</u> |
| SHAREHOLDERS' EQUITY: | | |
| Ordinary shares of NIS 0.02 par value: | | |
| Authorized – 150,000,000 ordinary shares; Issued and outstanding – 25,754,297 shares at March 31, 2020, and December 31, 2019 | 142 | 142 |
| Share premium and other capital reserve | 205,964 | 205,904 |
| Accumulated deficit | (162,130) | (155,902) |
| Equity attributable to equity holders of the Company | 43,976 | 50,144 |
| Non-controlling interests | 10,961 | 10,073 |
| Total equity | <u>54,937</u> | <u>60,217</u> |
| | <u>\$ 64,645</u> | <u>\$ 71,364</u> |

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

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

| | Three months ended | | Year ended |
|--|--------------------|------------|--------------|
| | March 31, | | December 31, |
| | 2020 | 2019 | 2019 |
| | Unaudited | | Audited |
| Revenues | \$ 75 | \$ 348 | \$ 753 |
| Cost of revenues | 39 | 71 | 334 |
| Gross profit | 36 | 277 | 419 |
| Operating expenses: | | | |
| Research and development, net | 4,587 | 3,544 | 15,791 |
| Business development | 970 | 493 | 2,029 |
| General and administrative | 1,337 | 909 | 3,765 |
| Total operating expenses | 6,894 | 4,946 | 21,585 |
| Operating loss | (6,858) | (4,669) | (21,166) |
| Financing income | 137 | 1,199 | 2,630 |
| Financing expenses | (487) | (282) | (555) |
| Financing income (expenses), net | (350) | 917 | 2,075 |
| Loss before taxes on income | (7,208) | (3,752) | (19,091) |
| Taxes on income | 6 | 2 | 24 |
| Loss | \$ (7,214) | \$ (3,754) | \$ (19,115) |
| Attributable to: | | | |
| Equity holders of the Company | (6,228) | (3,709) | (18,112) |
| Non-controlling interests | (986) | (45) | (1,003) |
| | \$ (7,214) | \$ (3,754) | \$ (19,115) |
| Basic and diluted loss per share | \$ (0.24) | \$ (0.15) | \$ (0.70) |
| Weighted average number of shares used in computing basic and diluted loss per share | 25,754,297 | 25,754,297 | 25,754,297 |

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

| | Three months ended | | Year ended |
|---|--------------------|-----------------|------------------|
| | March 31, | | December 31, |
| | 2020 | 2019 | 2019 |
| | Unaudited | | Audited |
| <u>Cash flows from operating activities:</u> | | | |
| Loss | \$ (7,214) | \$ (3,754) | \$ (19,115) |
| Adjustments to reconcile loss to net cash used in operating activities: | | | |
| Adjustments to the profit or loss items: | | | |
| Depreciation | 420 | 638 | 2,395 |
| Amortization of Intangible assets | 233 | - | 374 |
| Share-based compensation | 1,934 | 203 | 1,578 |
| Net financing expense (income) | 401 | (1,013) | (2,414) |
| Loss from sale of property, plant & equipment | - | - | 12 |
| Taxes on income | 6 | 2 | 24 |
| | <u>2,994</u> | <u>(170)</u> | <u>1,969</u> |
| Changes in asset and liability items: | | | |
| Decrease in trade receivables | 11 | 122 | 88 |
| Increase in other receivables | (157) | (758) | (1,250) |
| Increase in long-term deposits | - | - | (10) |
| Decrease in trade payables | (274) | (318) | (122) |
| Decrease in employees and payroll accruals | (639) | (404) | (33) |
| Increase (decrease) in other payables | (212) | (52) | 375 |
| Decrease in deferred revenues and other advances | (41) | (58) | (45) |
| | <u>(1,312)</u> | <u>(1,468)</u> | <u>(997)</u> |
| Cash received (paid) during the period for: | | | |
| Interest received | 112 | 34 | 803 |
| Interest paid | (50) | - | (302) |
| Taxes paid | (6) | - | (24) |
| | <u>(5,476)</u> | <u>(5,358)</u> | <u>(17,666)</u> |
| <u>Cash flows from investing activities:</u> | | | |
| Purchase of property, plant and equipment | (291) | (83) | (900) |
| Proceeds from sale of marketable securities | 1,044 | 6,229 | 27,084 |
| Purchase of marketable securities | - | - | (1,637) |
| Proceeds from bank deposits, net | 2,500 | - | 12,592 |
| | <u>\$ 3,253</u> | <u>\$ 6,146</u> | <u>\$ 37,139</u> |

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

| | Three months ended March 31, | | Year ended December 31, |
|---|---|-----------------|------------------------------------|
| | 2020 | 2019 | 2019 |
| | Unaudited | | Audited |
| <u>Cash flows from financing activities:</u> | | | |
| Proceeds from government grants | \$ 175 | \$ 197 | \$ 493 |
| Issuance of subsidiary's ordinary shares to non-controlling interests | - | - | 10,000 |
| Repayment of operating lease liability | (177) | (234) | (597) |
| Repayment of government grants | - | (29) | (590) |
| Net cash provided by (used in) financing activities | (2) | (66) | 9,306 |
| Exchange rate differences - cash and cash equivalent balances | (512) | 56 | 159 |
| Increase (decrease) in cash and cash equivalents | (2,737) | 778 | 28,938 |
| Cash and cash equivalents, beginning of the period | 34,748 | 5,810 | 5,810 |
| Cash and cash equivalents, end of the period | <u>\$ 32,011</u> | <u>\$ 6,588</u> | <u>\$ 34,748</u> |
| <u>Significant non-cash activities</u> | | | |
| Acquisition of property, plant and equipment | <u>\$ 17</u> | <u>\$ 14</u> | <u>\$ 216</u> |
| Increase of operating lease right-of-use-assets | <u>-</u> | <u>-</u> | <u>\$ 3,437</u> |
| Acquisition of intangible assets | <u>-</u> | <u>-</u> | <u>\$ 17,448</u> |