

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

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

	June 30, 2020	December 31, 2019
	Unaudited	Audited
CURRENT ASSETS:		
Cash and cash equivalents	\$ 31,074	\$ 34,748
Marketable securities	-	2,128
Short-term bank deposits	7,000	10,000
Trade receivables	59	72
Other receivables and prepaid expenses	1,711	2,079
	<u>39,844</u>	<u>49,027</u>
LONG-TERM ASSETS:		
Long-term deposits	9	9
Operating lease right-of-use-assets	2,303	2,671
Property, plant and equipment, net	2,341	2,583
Intangible assets, net	16,609	17,074
	<u>21,262</u>	<u>22,337</u>
	<u>\$ 61,106</u>	<u>\$ 71,364</u>
CURRENT LIABILITIES:		
Trade payables	\$ 718	\$ 1,001
Employees and payroll accruals	1,596	2,079
Operating lease liability	829	895
Liabilities in respect of government grants	52	37
Deferred revenues and other advances	558	386
Other payables	1,068	1,348
	<u>4,821</u>	<u>5,746</u>
LONG-TERM LIABILITIES:		
Operating lease liability	1,787	2,076
Liabilities in respect of government grants	3,524	3,325
	<u>5,311</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 at June 30, 2020 and December 31, 2019, respectively	142	142
Share premium and other capital reserve	205,990	205,904
Accumulated deficit	(166,370)	(155,902)
Equity attributable to equity holders of the Company	39,762	50,144
Non-controlling interests	11,212	10,073
Total equity	<u>50,974</u>	<u>60,217</u>
	<u>\$ 61,106</u>	<u>\$ 71,364</u>

CONDENSED CONSOLIDATED INTERIM 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,
	2020	2019	2020	2019	2019
	Unaudited				Audited
Revenues	\$ 373	\$ 540	\$ 298	\$ 192	\$ 753
Cost of revenues	153	172	114	101	334
Gross profit	220	368	184	91	419
Operating expenses:					
Research and development, net	8,478	7,024	3,891	3,480	15,791
Business development	1,438	970	468	477	2,029
General and administrative	2,388	1,746	1,051	837	3,765
Total operating expenses	12,304	9,740	5,410	4,794	21,585
Operating loss	(12,084)	(9,372)	(5,226)	(4,703)	(21,166)
Financing income	643	1,870	506	671	2,630
Financing expenses	(584)	(390)	(97)	(108)	(555)
Financing income, net	59	1,480	409	563	2,075
Loss before taxes on income	(12,025)	(7,892)	(4,817)	(4,140)	(19,091)
Taxes on income	7	3	1	1	24
Loss	<u>\$ (12,032)</u>	<u>\$ (7,895)</u>	<u>\$ (4,818)</u>	<u>\$ (4,141)</u>	<u>\$ (19,115)</u>
Attributable to:					
Equity holders of the Company	\$ (10,468)	\$ (7,803)	\$ (4,238)	\$ (4,094)	\$ (18,112)
Non-controlling interests	(1,564)	(92)	(580)	(47)	(1,003)
	<u>\$ (12,032)</u>	<u>\$ (7,895)</u>	<u>\$ (4,818)</u>	<u>\$ (4,141)</u>	<u>\$ (19,115)</u>
Basic and diluted loss per share, attributable to equity holders of the Company	<u>\$ (0.41)</u>	<u>\$ (0.31)</u>	<u>\$ (0.16)</u>	<u>\$ (0.16)</u>	<u>\$ (0.70)</u>
Weighted average number of shares used in computing basic and diluted loss per share	<u>25,754,297</u>	<u>25,754,297</u>	<u>25,754,297</u>	<u>25,754,297</u>	<u>25,754,297</u>

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Six months ended June 30,		Three months ended June 30,		Year ended December 31,
	2020	2019	2020	2019	2019
	Unaudited				Audited
<u>Cash flows from operating activities</u>					
Loss	\$ (12,032)	\$ (7,895)	\$ (4,818)	\$ (4,141)	\$ (19,115)
Adjustments to reconcile loss to net cash used in operating activities:					
Adjustments to the profit or loss items:					
Depreciation	916	1,315	496	677	2,395
Amortization of intangible assets	465	-	233	-	374
Share-based compensation	2,792	447	857	244	1,578
Net financing income	(69)	(1,619)	(470)	(608)	(2,414)
Loss from sale of property, plant & equipment	-	-	-	-	12
Taxes on income	7	3	1	1	24
	<u>4,111</u>	<u>146</u>	<u>1,117</u>	<u>314</u>	<u>1,969</u>
Changes in asset and liability items:					
Decrease (increase) in trade receivables	13	13	2	(109)	88
Decrease (increase) in other receivables	390	(656)	547	102	(1,250)
Increase in long-term deposits	-	-	-	-	(10)
Increase (decrease) in trade payables	(234)	(261)	40	57	(122)
Increase (decrease) in employees and payroll accruals	(483)	(364)	156	40	(33)
Increase (decrease) in other payables	(229)	(80)	(17)	(26)	375
Increase (decrease) in deferred revenues and other advances	172	(193)	213	(135)	(45)
	<u>(371)</u>	<u>(1,541)</u>	<u>941</u>	<u>(71)</u>	<u>(997)</u>
Cash received (paid) during the period for:					
Interest received	166	55	54	21	803
Interest paid	(118)	(138)	(68)	(67)	(302)
Taxes paid	(7)	(3)	(1)	(1)	(24)
Net cash used in operating activities	<u>\$ (8,251)</u>	<u>\$ (9,376)</u>	<u>\$ (2,775)</u>	<u>\$ (3,945)</u>	<u>\$ (17,666)</u>

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Six months ended June 30,		Three months ended June 30,		Year ended December 31,
	2020	2019	2020	2019	2019
	Unaudited				Audited
<u>Cash flows from investing activities:</u>					
Purchase of property, plant and equipment	\$ (415)	\$ (197)	\$ (124)	\$ (114)	\$ (900)
Proceeds from sale of marketable securities	2,097	19,994	1,053	13,765	27,084
Purchase of marketable securities	-	(1,637)	-	(1,637)	(1,637)
Proceeds from bank deposits, net	3,000	-	500	-	12,592
Net cash provided by investing activities	4,682	18,160	1,429	12,014	37,139
<u>Cash flows from financing activities:</u>					
Proceeds from government grants	175	287	-	90	493
Issuance of subsidiary's ordinary shares to non-controlling interests	-	-	-	-	10,000
Repayment of operating lease liability	(329)	(366)	(152)	(205)	(597)
Repayment of government grants	(11)	(575)	(11)	(546)	(590)
Net cash provided by (used in) financing activities	(165)	(654)	(163)	(661)	9,306
Exchange rate differences - cash and cash equivalent balances	60	157	572	101	159
Increase (decrease) in cash and cash equivalents	(3,674)	8,287	(937)	7,509	28,938
Cash and cash equivalents, beginning of the period	34,748	5,810	32,011	6,588	5,810
Cash and cash equivalents, end of the period	\$ 31,074	\$ 14,097	\$ 31,074	\$ 14,097	\$ 34,748
<u>Significant non-cash activities</u>					
Acquisition of property, plant and equipment	\$ 117	\$ 52	\$ 117	\$ 52	\$ 216
Increase of operating lease right-of-use-assets	-	-	-	-	\$ 3,437
Acquisition of intangible assets	-	-	-	-	\$ 17,448