

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

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

	September 30, 2020	December 31, 2019
	Unaudited	Audited
CURRENT ASSETS:		
Cash and cash equivalents	\$ 41,494	\$ 34,748
Marketable securities	-	2,128
Short-term bank deposits	2,000	10,000
Trade receivables	34	72
Other receivables and prepaid expenses	1,864	2,079
	<u>45,392</u>	<u>49,027</u>
LONG-TERM ASSETS:		
Long-term deposits	9	9
Operating lease right-of-use-assets	2,077	2,671
Property, plant and equipment, net	2,133	2,583
Intangible assets, net	16,374	17,074
	<u>20,593</u>	<u>22,337</u>
	<u>\$ 65,985</u>	<u>\$ 71,364</u>
CURRENT LIABILITIES:		
Trade payables	\$ 701	\$ 1,001
Employees and payroll accruals	1,730	2,079
Operating lease liability	789	895
Liabilities in respect of government grants	83	37
Deferred revenues and other advances	132	386
Other payables	1,204	1,348
	<u>4,639</u>	<u>5,746</u>
LONG-TERM LIABILITIES:		
Operating lease liability	1,672	2,076
Liabilities in respect of government grants	3,604	3,325
	<u>5,276</u>	<u>5,401</u>
SHAREHOLDERS' EQUITY:		
Ordinary shares of NIS 0.02 par value:		
Authorized - 150,000,000 ordinary shares; Issued and outstanding - 31,645,083 at September 30, 2020 and 25,754,297 at December 31, 2019.	177	142
Share premium and other capital reserve	215,907	205,904
Accumulated deficit	(171,154)	(155,902)
Equity attributable to equity holders of the Company	44,930	50,144
Non-controlling interests	11,140	10,073
Total equity	<u>56,070</u>	<u>60,217</u>
	<u>\$ 65,985</u>	<u>\$ 71,364</u>

CONDENSED CONSOLIDATED INTERIM 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,
	2020	2019	2020	2019	2019
	Unaudited				Audited
Revenues	\$ 689	\$ 637	\$ 316	\$ 97	\$ 753
Cost of revenues	228	253	75	81	334
Gross profit	461	384	241	16	419
Operating expenses:					
Research and development, net	12,476	10,627	3,998	3,603	15,791
Business development	2,002	1,420	564	450	2,029
General and administrative	3,620	2,622	1,232	876	3,765
Total operating expenses	18,098	14,669	5,794	4,929	21,585
Operating loss	(17,637)	(14,285)	(5,553)	(4,913)	(21,166)
Financing income	858	2,517	215	647	2,630
Financing expenses	(657)	(655)	(73)	(265)	(555)
Financing income, net	201	1,862	142	382	2,075
Loss before taxes on income	(17,436)	(12,423)	(5,411)	(4,531)	(19,091)
Taxes on income (tax benefit)	7	-	-	(3)	24
Loss	\$ (17,443)	\$ (12,423)	\$ (5,411)	\$ (4,528)	\$ (19,115)
Attributable to:					
Equity holders of the Company	\$ (15,252)	\$ (12,034)	\$ (4,786)	\$ (4,231)	\$ (18,112)
Non-controlling interests	(2,191)	(389)	(625)	(297)	(1,003)
	\$ (17,443)	\$ (12,423)	\$ (5,411)	\$ (4,528)	\$ (19,115)
Basic and diluted loss per share, attributable to equity holders of the Company	\$ (0.58)	\$ (0.47)	\$ (0.17)	\$ (0.16)	\$ (0.70)
Weighted average number of shares used in computing basic and diluted loss per share	26,161,932	25,754,297	26,977,201	25,754,297	25,754,297

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Nine months ended September 30,		Three months ended September 30,		Year ended December 31,
	2020	2019	2020	2019	2019
	Unaudited				Audited
<u>Cash flows from operating activities</u>					
Loss	\$ (17,443)	\$ (12,423)	\$ (5,411)	\$ (4,528)	\$ (19,115)
Adjustments to reconcile loss to net cash used in operating activities:					
Adjustments to the profit or loss items:					
Depreciation	1,400	1,906	484	591	2,395
Amortization of intangible assets	700	194	234	194	374
Share-based compensation	3,482	802	691	355	1,578
Net financing income	(223)	(2,647)	(154)	(1,025)	(2,414)
Loss from sale of property, plant & equipment	-	12	-	12	12
Taxes on income (tax benefit)	7	-	-	(3)	24
	<u>5,366</u>	<u>267</u>	<u>1,255</u>	<u>124</u>	<u>1,969</u>
Changes in asset and liability items:					
Decrease in trade receivables	38	13	25	-	88
Decrease (increase) in other receivables	141	(600)	(249)	56	(1,250)
Increase in long-term deposits	-	-	-	-	(10)
Increase (decrease) in trade payables	(151)	(190)	83	71	(122)
Increase (decrease) in employees and payroll accruals	(349)	(250)	134	114	(33)
Increase (decrease) in other payables	(93)	(3)	136	75	375
Decrease in deferred revenues and other advances	(254)	(313)	(426)	(120)	(45)
	<u>(668)</u>	<u>(1,343)</u>	<u>(297)</u>	<u>196</u>	<u>(997)</u>
Cash received (paid) during the period for:					
Interest received	291	692	125	637	803
Interest paid	(182)	(198)	(64)	(57)	(302)
Tax received (paid)	(7)	-	-	3	(24)
Net cash used in operating activities	<u>\$ (12,643)</u>	<u>\$ (13,005)</u>	<u>\$ (4,392)</u>	<u>\$ (3,625)</u>	<u>\$ (17,666)</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,
	2020	2019	2020	2019	2019
	Unaudited				Audited
<u>Cash flows from investing activities:</u>					
Purchase of property, plant and equipment	\$ (579)	\$ (518)	\$ (164)	\$ (321)	\$ (900)
Proceeds from sale of marketable securities	2,097	22,828	-	2,833	27,084
Purchase of marketable securities	-	(1,637)	-	-	(1,637)
Proceeds from (investment in) bank deposits, net	8,000	(6,675)	5,000	(6,675)	12,592
Net cash provided by (used in) investing activities	9,518	13,998	4,836	(4,163)	37,139
<u>Cash flows from financing activities:</u>					
Proceeds from exercise of options	13	-	13	-	-
Proceeds from government grants	320	406	145	119	493
Repayment of operating lease liability	(484)	(536)	(155)	(173)	(597)
Issuance of subsidiary's ordinary shares to non-controlling interests	-	10,000	-	10,000	10,000
Issuance of ordinary shares	9,801	-	9,801	-	-
Repayment of government grants	(22)	(586)	(11)	(11)	(590)
Net cash provided by financing activities	9,628	9,284	9,793	9,935	9,306
Exchange rate differences - cash and cash equivalent balances	243	380	183	223	159
Increase in cash and cash equivalents	6,746	10,657	10,420	2,370	28,938
Cash and cash equivalents, beginning of the period	34,748	5,810	31,074	14,097	5,810
Cash and cash equivalents, end of the period	\$ 41,494	\$ 16,467	\$ 41,494	\$ 16,467	\$ 34,748
<u>Significant non-cash activities</u>					
Acquisition of property, plant and equipment	\$ 17	\$ 130	\$ 17	\$ 47	\$ 216
Increase of operating lease right-of-use-assets	--	--	--	--	\$ 3,437
Acquisition of intangible assets from non-controlling interests against issuance of subsidiary's ordinary shares	--	\$ 17,448	--	\$ 17,448	\$ 17,448