

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	September 30, 2019	December 31, 2018
	Unaudited	Audited
CURRENT ASSETS:		
Cash and cash equivalents	\$ 16,467	\$ 5,810
Marketable securities	6,386	26,065
Short-term bank deposits	29,268	22,592
Trade receivables	147	160
Other receivables and prepaid expenses	1,560	861
	53,828	55,488
LONG-TERM ASSETS:		
Long-term deposits	8	19
Operating lease right-of-use-assets	2,963	-
Property, plant and equipment, net	2,389	3,187
Intangible assets, net	17,255	-
	22,615	3,206
	\$ 76,443	\$ 58,694
CURRENT LIABILITIES:		
Trade payables	\$ 820	\$ 1,015
Employees and payroll accruals	1,848	2,095
Operating lease liability	960	-
Liabilities in respect of government grants	79	988
Deferred revenues and other advances	118	412
Other payables	904	921
	4,729	5,431
LONG-TERM LIABILITIES:		
Operating lease liability	2,273	-
Liabilities in respect of government grants	3,270	2,898
Deferred revenues and other advances	9	28
Severance pay liability, net	28	31
	5,580	2,957
SHAREHOLDERS' EQUITY:		
Ordinary shares of NIS 0.02 par value:		
Authorized - 150,000,000 ordinary shares; Issued and outstanding - 25,754,297 at September 30, 2019 and December 31, 2018, respectively	142	142
Share premium and other capital reserve	205,772	187,701
Accumulated deficit	(149,824)	(137,790)
	56,090	50,053
Equity attributable to equity holders of the Company		
Non-controlling interests	10,044	253
	66,134	50,306
Total equity		
	\$ 76,443	\$ 58,694

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,
	2019	2018	2019	2018	2018
	Unaudited				Audited
Revenues	\$ 637	\$ 1,112	\$ 97	\$ 367	\$ 1,747
Cost of revenues	253	825	81	276	1,452
Gross profit	384	287	16	91	295
Operating expenses:					
Research and development, net	10,627	10,828	3,603	3,883	14,686
Business development	1,420	1,610	450	526	2,084
General and administrative	2,622	2,571	876	785	3,514
Total operating expenses	14,669	15,009	4,929	5,194	20,284
Operating loss	(14,285)	(14,722)	(4,913)	(5,103)	(19,989)
Financing income	2,517	1,196	647	328	1,413
Financing expenses	(655)	(1,423)	(265)	(35)	(2,206)
Financing income (expenses), net	1,862	(227)	382	293	(793)
Loss before taxes on income	(12,423)	(14,949)	(4,531)	(4,810)	(20,782)
Taxes on income (tax benefit)	-	34	(3)	18	30
Loss	<u>\$ (12,423)</u>	<u>\$ (14,983)</u>	<u>\$ (4,528)</u>	<u>\$ (4,828)</u>	<u>\$ (20,812)</u>
Attributable to:					
Equity holders of the Company	\$ (12,034)	\$ (14,957)	\$ (4,231)	\$ (4,802)	\$ (20,758)
Non-controlling interests	(389)	(26)	(297)	(26)	(54)
	<u>\$ (12,423)</u>	<u>\$ (14,983)</u>	<u>\$ (4,528)</u>	<u>\$ (4,828)</u>	<u>\$ (20,812)</u>
Basic and diluted loss per share, attributable to equity holders of the Company	<u>\$ (0.47)</u>	<u>\$ (0.58)</u>	<u>\$ (0.16)</u>	<u>\$ (0.19)</u>	<u>\$ (0.81)</u>
Weighted average number of shares used in computing basic and diluted loss per share	<u>25,754,297</u>	<u>25,753,111</u>	<u>25,754,297</u>	<u>25,754,297</u>	<u>25,753,411</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,
	2019	2018	2019	2018	2018
	Unaudited				Audited
<u>Cash flows from operating activities</u>					
Loss	\$ (12,423)	\$ (14,983)	\$ (4,528)	\$ (4,828)	\$ (20,812)
Adjustments to reconcile loss to net cash used in operating activities:					
Adjustments to the profit or loss items:					
Depreciation	1,906	1,507	591	506	2,020
Amortization of Intangible —intangible assets	194	-	194	-	-
Share-based compensation	802	1,371	355	650	1,731
Net financing expense (income)	(2,647)	150	(1,025)	(347)	694
Loss from sale of property, plant & equipment	12	-	12	-	-
Taxes on income (<u>tax benefit</u>)	-	34	(3)	18	30
	<u>267</u>	<u>3,062</u>	<u>124</u>	<u>827</u>	<u>4,475</u>
Changes in asset and liability items:					
Decrease (increase) in trade receivables	13	(104)	-	(107)	(28)
Decrease (increase) in other receivables	(600)	(621)	56	131	95
Increase in long-term deposits	-	(2)	-	-	-
Increase (decrease) in trade payables	(190)	(417)	71	(313)	(114)
Increase (decrease) in employees and payroll accruals	(247)	(206)	113	114	(182)
Increase (decrease) in other payables	(3)	(88)	75	97	233
Increase (decrease) in severance pay liability, net	(3)	-	1	-	-
Increase (decrease) in deferred revenues and other advances	(313)	29	(120)	(227)	(165)
	<u>(1,343)</u>	<u>(1,409)</u>	<u>196</u>	<u>(305)</u>	<u>(161)</u>
Cash received (paid) during the period for:					
Interest received	692	1,139	637	318	1,360
Taxes paid	-	(23)	3	(6)	(23)
Net cash used in operating activities	<u>(12,807)</u>	<u>(12,214)</u>	<u>(3,568)</u>	<u>(3,994)</u>	<u>(15,161)</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,
	2019	2018	2019	2018	2018
	Unaudited				Audited
<u>Cash flows from investing activities:</u>					
Purchase of property, plant and equipment	\$ (518)	\$ (256)	\$ (321)	\$ (103)	\$ (374)
Proceeds from sale of marketable securities	22,828	33,434	2,833	12,337	63,639
Purchase of marketable securities	(1,637)	(14,401)	-	(11,246)	(31,700)
Investment in bank deposits, net	(6,675)	(4,120)	(6,675)	(6,000)	(14,212)
Net cash provided by (used in) investing activities	13,998	14,657	(4,163)	(5,012)	17,353
<u>Cash flows from financing activities:</u>					
Proceeds from exercise of options	-	9	-	-	9
Proceeds from government grants	406	221	119	68	354
Repayment of operating lease liability	(734)	-	(230)	-	-
Issuance of subsidiary's ordinary shares to non-controlling interests	10,000	-	10,000	-	-
Repayment of government grants	(586)	(65)	(11)	(21)	(66)
Net cash provided by financing activities	9,086	165	9,878	47	297
Exchange rate differences - cash and cash equivalent balances	380	(333)	223	(62)	(114)
Increase (decrease) in cash and cash equivalents	10,657	2,275	2,370	(9,021)	2,375
Cash and cash equivalents, beginning of the period	5,810	3,435	14,097	14,731	3,435
Cash and cash equivalents, end of the period	\$ 16,467	\$ 5,710	\$ 16,467	\$ 5,710	\$ 5,810
<u>Significant non-cash activities</u>					
Acquisition of property, plant and equipment	\$ 130	\$ 130	\$ 47	\$ 130	\$ 80
Acquisition of intangible assets from non-controlling interests against issuance of subsidiary's ordinary shares	\$ 17,449	\$ -	\$ 17,449	\$ -	\$ -