

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

U.S. dollars in thousands

	June 30, 2022	December 31, 2021
	Unaudited	Audited
CURRENT ASSETS:		
Cash and cash equivalents	\$ 28,867	\$ 32,325
Short-term bank deposits	-	3,000
Marketable securities	6,383	18,541
Trade receivables	111	281
Inventories	162	92
Other receivables and prepaid expenses	2,182	2,651
	<u>37,705</u>	<u>56,890</u>
LONG-TERM ASSETS:		
Long-term deposits	24	25
Right-of-use-assets	1,808	2,109
Property, plant and equipment, net	2,495	2,073
Intangible assets, net	14,630	15,207
	<u>18,957</u>	<u>19,414</u>
	<u>\$ 56,662</u>	<u>\$ 76,304</u>
CURRENT LIABILITIES:		
Trade payables	\$ 1,324	\$ 1,463
Employees and payroll accruals	2,384	2,662
Lease liability	754	974
Liabilities in respect of government grants	126	89
Deferred revenues and other advances	16	175
Other payables	937	1,519
	<u>5,541</u>	<u>6,882</u>
LONG-TERM LIABILITIES:		
Lease liability	1,367	1,695
Liabilities in respect of government grants	4,357	4,307
	<u>5,724</u>	<u>6,002</u>
SHAREHOLDERS' EQUITY:		
Ordinary shares of NIS 0.02 par value:		
Authorized – 150,000,000 ordinary shares; Issued and outstanding – 41,202,018 shares as of June 30, 2022 and 41,170,168 shares as of December 31, 2021	234	234
Share premium and other capital reserve	260,880	260,488
Accumulated deficit	(224,165)	(207,069)
Equity attributable to equity holders of the Company	<u>36,949</u>	<u>53,653</u>
Non-controlling interests	<u>8,448</u>	<u>9,767</u>
Total equity	<u>45,397</u>	<u>63,420</u>
	<u>\$ 56,662</u>	<u>\$ 76,304</u>

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

U.S. dollars in thousands

	Six months ended June 30,		Three months ended June 30,		Year ended December 31,
	2022	2021	2022	2021	2021
	Unaudited				Audited
Revenues	\$ 549	\$ 468	\$ 312	\$ 135	\$ 930
Cost of revenues	425	399	262	128	767
Gross profit	124	69	50	7	163
Operating expenses:					
Research and development, net	11,043	9,283	5,417	4,986	21,125
Business development	1,870	1,242	962	672	2,738
General and administrative	3,273	3,249	1,678	1,795	7,253
Total operating expenses	16,186	13,774	8,057	7,453	31,116
Operating loss	(16,062)	(13,705)	(8,007)	(7,446)	(30,953)
Financing income	485	617	444	565	1,935
Financing expenses	(3,243)	(919)	(2,153)	(14)	(1,414)
Financing income (expenses), net	(2,758)	(302)	(1,709)	551	521
Loss before taxes on income	(18,820)	(14,007)	(9,716)	(6,895)	(30,432)
Taxes on income	40	11	38	3	13
Loss	\$ (18,860)	\$ (14,018)	\$ (9,754)	\$ (6,898)	\$ (30,445)
Attributable to:					
Equity holders of the Company	\$ (17,096)	(12,812)	(8,821)	(6,210)	(27,793)
Non-controlling interests	(1,764)	(1,206)	(933)	(688)	(2,652)
	\$ (18,860)	\$ (14,018)	\$ (9,754)	\$ (6,898)	\$ (30,445)
Basic and diluted loss per share, attributable to equity holders of the Company	\$ (0.42)	\$ (0.32)	\$ (0.21)	\$ (0.15)	\$ (0.69)
Weighted average number of shares used in computing basic and diluted loss per share	41,195,024	39,778,174	41,202,018	40,580,563	40,433,303



CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Six months ended June 30,		Three months ended June 30,		Year ended December 31,
	2022	2021	2022	2021	2021
	Unaudited				Audited
<u>Cash flows from operating activities</u>					
Loss	\$ (18,860)	\$ (14,018)	\$ (9,754)	\$ (6,898)	\$ (30,445)
Adjustments to reconcile loss to net cash used in operating activities:					
Adjustments to the profit or loss items:					
Depreciation	717	672	371	342	1,302
Amortization of intangible assets	577	462	242	232	932
Share-based compensation	830	1,089	419	558	2,609
Net financing expenses (income)	3,139	(7)	2,033	(893)	(884)
Increase (decrease) in accrued bank interest	7	-	-	(12)	11
Pre-funded warrants issuance expenses	-	212	-	212	-
Loss from derecognition of property, plant and equipment	-	-	-	-	121
Taxes on income	40	11	38	3	13
	<u>5,310</u>	<u>2,439</u>	<u>3,103</u>	<u>442</u>	<u>4,104</u>
Changes in asset and liability items:					
Decrease (increase) in trade receivables	170	14	55	11	(59)
Decrease in other receivables	463	1,007	551	289	637
Decrease (increase) in inventories	(70)	-	10	-	(92)
Increase (decrease) in trade payables	(172)	355	(6)	232	625
Increase (decrease) in employees and payroll accruals	(278)	(318)	(272)	(180)	127
Increase (decrease) in other payables	(593)	(278)	(147)	(23)	290
Increase (decrease) in deferred revenues and other advances	(159)	(21)	(99)	-	128
	<u>(639)</u>	<u>759</u>	<u>92</u>	<u>329</u>	<u>1,656</u>
Cash received (paid) during the period for:					
Interest received	80	145	31	76	297
Interest paid	(227)	(138)	(103)	(81)	(315)
Taxes paid	(29)	(11)	(27)	(3)	(13)
	<u>(176)</u>	<u>(1)</u>	<u>(99)</u>	<u>(8)</u>	<u>(131)</u>
Net cash used in operating activities	\$ (14,365)	\$ (10,824)	\$ (6,658)	\$ (6,135)	\$ (24,716)

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Six months ended June 30,		Three months ended June 30,		Year ended December 31,
	2022	2021	2022	2021	2021
	<u>Unaudited</u>				<u>Audited</u>
<u>Cash flows from investing activities:</u>					
Purchase of property, plant and equipment	(747)	(407)	(305)	(224)	(847)
Proceeds from sale of marketable securities	12,149	406	2,725	205	4,395
Purchase of marketable securities	(659)	(20,990)	(659)	(709)	(23,114)
Withdrawal from (investment in) bank deposits	3,000	-	-	9,500	(1,000)
Net cash provided by (used in) investing activities	<u>\$ 13,743</u>	<u>\$ (20,991)</u>	<u>\$ 1,761</u>	<u>\$ 8,772</u>	<u>\$ (20,566)</u>
<u>Cash flows from financing activities:</u>					
Proceeds from issuance of ordinary shares, net of issuance expenses	-	27,922	-	814	29,582
Proceeds from exercise of options	7	460	-	15	484
Repayment of lease liability	(492)	(316)	(369)	(149)	(580)
Proceeds from government grants	30	380	-	257	824
Repayment of government grants	(14)	(20)	-	-	(34)
Net cash provided by (used in) financing activities	<u>(469)</u>	<u>28,426</u>	<u>(369)</u>	<u>937</u>	<u>30,276</u>
Exchange rate differences - cash and cash equivalent balances	<u>(2,367)</u>	<u>(85)</u>	<u>(1,880)</u>	<u>539</u>	<u>1,102</u>
Increase (decrease) in cash and cash equivalents	(3,458)	(3,474)	(7,146)	4,113	(13,904)
Cash and cash equivalents, beginning of the period	<u>32,325</u>	<u>46,229</u>	<u>36,013</u>	<u>38,642</u>	<u>46,229</u>
Cash and cash equivalents, end of the period	<u><u>\$ 28,867</u></u>	<u><u>\$ 42,755</u></u>	<u><u>\$ 28,867</u></u>	<u><u>\$ 42,755</u></u>	<u><u>\$ 32,325</u></u>
<u>Significant non-cash activities</u>					
Acquisition of property, plant and equipment	<u>\$ 66</u>	<u>\$ 42</u>	<u>\$ 66</u>	<u>\$ 42</u>	<u>\$ 32</u>
Increase of right-of-use asset recognized with corresponding lease liability	<u>\$ 30</u>	<u>\$ 317</u>	<u>\$ -</u>	<u>\$ 155</u>	<u>\$ 841</u>
Exercise of pre-funded warrants	<u>-</u>	<u>\$ 4,365</u>	<u>-</u>	<u>-</u>	<u>\$ 4,365</u>