

CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

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

	September 30, 2022	December 31, 2021
	Unaudited	Audited
CURRENT ASSETS:		
Cash and cash equivalents	\$ 31,860	\$ 32,325
Marketable securities	6,090	18,541
Short-term bank deposits	-	3,000
Trade receivables	452	281
Inventories	165	92
Other receivables and prepaid expenses	2,205	2,651
	<u>40,772</u>	<u>56,890</u>
LONG-TERM ASSETS:		
Long-term deposits	21	25
Right-of-use-assets	1,639	2,109
Property, plant and equipment, net	2,571	2,073
Intangible assets, net	14,385	15,207
	<u>18,616</u>	<u>19,414</u>
	<u>\$ 59,388</u>	<u>\$ 76,304</u>
CURRENT LIABILITIES:		
Trade payables	\$ 977	\$ 1,463
Employees and payroll accruals	2,324	2,662
Lease liability	884	974
Liabilities in respect of government grants	94	89
Deferred revenues and other advances	360	175
Other payables	944	1,519
	<u>5,583</u>	<u>6,882</u>
LONG-TERM LIABILITIES:		
Lease liability	1,043	1,695
Liabilities in respect of government grants	4,464	4,307
Convertible SAFE	10,000	-
	<u>15,507</u>	<u>6,002</u>
SHAREHOLDERS' EQUITY:		
Ordinary shares of NIS 0.02 par value:		
Authorized – 150,000,000 ordinary shares; Issued and outstanding – 41,215,944 shares as of September 30, 2022 and 41,170,168 shares as of December 31, 2021	234	234
Share premium and other capital reserves	261,052	260,488
Accumulated deficit	(230,709)	(207,069)
Equity attributable to equity holders of the Company	<u>30,577</u>	<u>53,653</u>
Non-controlling interests	<u>7,721</u>	<u>9,767</u>
Total equity	<u>38,298</u>	<u>63,420</u>
	<u>\$ 59,388</u>	<u>\$ 76,304</u>

CONSOLIDATED INTERIM STATEMENTS OF PROFIT OR LOSS

U.S. dollars in thousands

	Nine months ended September 30,		Three months ended September 30,		Year ended December 31,
	2022	2021	2022	2021	2021
	Unaudited				Audited
Revenues	\$ 1,015	\$ 619	\$ 466	\$ 151	\$ 930
Cost of revenues	545	500	120	101	767
Gross profit	470	119	346	50	163
Operating expenses:					
Research and development, net	16,039	15,109	4,996	5,826	21,125
Business development	2,765	2,018	895	776	2,738
General and administrative	4,825	5,253	1,552	2,004	7,253
Total operating expenses	23,629	22,380	7,443	8,606	31,116
Operating loss	(23,159)	(22,261)	(7,097)	(8,556)	(30,953)
Financing income	679	997	194	380	1,935
Financing expenses	(3,498)	(1,078)	(255)	(159)	(1,414)
Financing income (expenses), net	(2,819)	(81)	(61)	221	521
Loss before taxes on income	(25,978)	(22,342)	(7,158)	(8,335)	(30,432)
Taxes on income	45	19	5	8	13
Loss	\$ (26,023)	\$ (22,361)	\$ (7,163)	\$ (8,343)	\$ (30,445)
Attributable to:					
Equity holders of the Company	(23,640)	(20,422)	(6,544)	(7,610)	(27,793)
Non-controlling interests	(2,383)	(1,939)	(619)	(733)	(2,652)
	\$ (26,023)	\$ (22,361)	\$ (7,163)	\$ (8,343)	\$ (30,445)
Basic and diluted loss per share, attributable to equity holders of the Company	\$ (0.57)	\$ (0.51)	\$ (0.16)	\$ (0.19)	\$ (0.69)
Weighted average number of shares used in computing basic and diluted loss per share	41,202,049	40,184,407	41,215,944	40,847,117	40,433,303

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,
	2022	2021	2022	2021	2021
	Unaudited				Audited
<u>Cash flows from operating activities</u>					
Loss	\$ (26,023)	\$ (22,361)	\$ (7,163)	\$ (8,343)	\$ (30,445)
Adjustments to reconcile loss to net cash used in operating activities:					
Adjustments to the profit or loss items:					
Depreciation	1,117	985	400	313	1,302
Amortization of intangible assets	822	697	245	235	932
Share-based compensation	895	1,872	65	783	2,609
Pre-funded warrants issuance expenses	-	212	-	-	-
Net financing expenses (income)	3,128	(363)	(11)	(346)	(884)
Decrease in accrued bank interest	7	15	-	5	11
Loss from derecognition of property, plant and equipment	-	-	-	-	121
Taxes on income	45	19	5	8	13
	<u>6,014</u>	<u>3,437</u>	<u>704</u>	<u>998</u>	<u>4,104</u>
Changes in asset and liability items:					
Decrease (increase) in trade receivables	(171)	71	(341)	57	(59)
Decrease (increase) in other receivables	443	1,428	(20)	421	637
Increase in inventories	(73)	-	(3)	-	(92)
Increase (decrease) in trade payables	(600)	987	(428)	632	625
Increase (decrease) in employees and payroll accruals	(338)	(174)	(60)	144	127
Increase (decrease) in other payables	(586)	24	7	302	290
Increase (decrease) in deferred revenues and other advances	185	(47)	344	(26)	128
	<u>(1,140)</u>	<u>2,289</u>	<u>(501)</u>	<u>1,530</u>	<u>1,656</u>
Cash received (paid) during the period for:					
Interest received	118	245	38	100	297
Interest paid	(356)	(225)	(129)	(87)	(315)
Tax paid	(34)	(19)	(5)	(8)	(13)
Net cash used in operating activities	<u>\$ (21,421)</u>	<u>\$ (16,634)</u>	<u>\$ (7,056)</u>	<u>\$ (5,810)</u>	<u>\$ (24,716)</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,
	2022	2021	2022	2021	2021
	Unaudited				Audited
<u>Cash flows from investing activities:</u>					
Purchase of property, plant and equipment	\$ (972)	\$ (587)	\$ (225)	\$ (180)	\$ (847)
Proceeds from sale of marketable securities	12,352	1,017	203	611	4,395
Purchase of marketable securities	(659)	(21,404)	-	(414)	(23,114)
Withdrawal from (investment in) bank deposits	3,000	(1,600)	-	(1,600)	(1,000)
Net cash provided by (used in) investing activities	<u>13,721</u>	<u>(22,574)</u>	<u>(22)</u>	<u>(1,583)</u>	<u>(20,566)</u>
<u>Cash flows from financing activities:</u>					
Proceeds from issuance of ordinary shares, net of issuance expenses	-	29,582	-	1,660	29,582
Proceeds from exercise of options	7	476	-	16	484
Repayment of lease liability	(366)	(437)	126	(121)	(580)
Proceeds from government grants	89	792	59	412	824
Repayment of government grants	(31)	(34)	(17)	(14)	(34)
Convertible SAFE	10,000	-	10,000	-	-
Net cash provided by financing activities	<u>9,699</u>	<u>30,379</u>	<u>10,168</u>	<u>1,953</u>	<u>30,276</u>
Exchange rate differences - cash and cash equivalent balances	<u>(2,464)</u>	<u>233</u>	<u>(97)</u>	<u>318</u>	<u>1,102</u>
Increase (decrease) in cash and cash equivalents	(465)	(8,596)	2,993	(5,122)	(13,904)
Cash and cash equivalents, beginning of the period	<u>32,325</u>	<u>46,229</u>	<u>28,867</u>	<u>42,755</u>	<u>46,229</u>
Cash and cash equivalents, end of the period	<u>\$ 31,860</u>	<u>\$ 37,633</u>	<u>\$ 31,860</u>	<u>\$ 37,633</u>	<u>\$ 32,325</u>
<u>Significant non-cash activities</u>					
Acquisition of property, plant and equipment	<u>\$ 146</u>	<u>\$ 59</u>	<u>\$ 80</u>	<u>\$ 17</u>	<u>\$ 32</u>
Increase (decrease) of right-of-use asset recognized with corresponding lease liability	<u>\$ 19</u>	<u>\$ 775</u>	<u>\$ (11)</u>	<u>\$ 775</u>	<u>\$ 841</u>
Exercise of pre-funded warrants	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 4,365</u>