THERAPIX
BIOSCIENCES



Therapix Biosciences Ltd.

Quarterly Report

1st Quarter | 2016







CONTENTS

Chapter A	**Update to the Chapter of Description of the Corporation's Business**
Chapter B	**The Report of the Board of Directors on the State of the Corporation's Affairs for the Interim Period**
Chapter C	**Interim Financial Statements**
Chapter D	**Letters of Representation**

As of the Report Date, Therapix Biosciences Ltd. ("the Company") is a "small corporation" in accordance with the conditions stipulated in Regulation 5c to the Israeli Securities Regulations (Periodic and Immediate Reports), 1970 ("the Regulations"). According to the decision of the Company's Board, the Company adopts and applies (to the extent that such application is relevant or irrelevant to the Company) several exemptions prescribed in the Regulations as follows:

1. **Increasing the materiality threshold in connection with the attachment of valuations to 20%[1];**
2. **Increasing the minimum requirement for attachment of financial statements of material associates to interim financial statements to 40% (the materiality threshold for attaching annual financial statements is (remains) 20%[2];**
3. **Exemption from adopting the provisions of the Second Addendum to the Regulations regarding (details of the exposure to market risks and their management (the Galai Report))[3];**
4. **Cancelling the duty to issue a report on internal control and an auditors' report on internal control thereby allowing the Company to attach only letters of representation that are limited in scope[4].**

---

1 Regulation 5d(b)(1) to the Regulations. Pursuant to the ISA Staff legal resolution SLB 105-23, as last updated on July 16, 2014, regarding parameters for testing the materiality of valuations (and the interpretation of this legal position as last updated on December 27, 2015), "a very material valuation in a small corporation" is defined as a valuation:

(a) whose subject matter represents at least 20% of the Company's total assets; **or**

(b) whose effect of the change in value on the net income or comprehensive income, as applicable, represents at least 20% of total net income or comprehensive income, respectively, **and** the effect of said change represents at least 10% of the Corporation's equity.

2 Regulation 5d(b)(2) to the Regulations.

3 Regulation 5d(b)(3) to the Regulations.

4 Regulation 5d(b)(4) to the Regulations.

Therapix Biosciences Ltd.

Chapter A - Update to the Chapter of Description of the Corporation's Business to the Periodic Report for 2015[5] of Therapix Biosciences Ltd.[6]

("**the Annual Report**" and "**the Company**", respectively)

1. Update to paragraph 1 (the Corporation's activities and description of its business development) in Chapter A to the Annual Report

1.1 The Company's business strategy focuses on cannabinoids - in keeping with the Company's business strategy to identify and invest in promising bio-pharma technologies[7], effective from August 2015, the Company decided to focus on developing approved drugs based on cannabinoid molecules. In the Reporting Period, the Company continued to concentrate its business activity on creating and enhancing a portfolio of technologies and assets based on cannabinoid therapeutics[8], in keeping with several other projects which the Company has already chosen to undertake in this area[9]. Therefore, as of the Report Date, the Company is promoting two main development programs: a program for developing a cannabinoid-based drug with an indication for Tourette's syndrome (by itself and/or through collaborating with third parties), using the entourage effect technology which is licensed by the Company (see paragraph 4.1 below), and a program for developing a cannabinoid-based drug with an indication for mild cognitive impairment (MCI) (including for delaying/preventing cognitive impairment and its deterioration to Alzheimer's)[10].

---

5 The Company's Periodic Report for 2015 published on the MAGNA on March 23, 2016 (TASE reference: 2016-01-012633) ("**the Annual Report**").

6 The update was prepared in conformity with Regulation 39a to the Securities Regulations (Periodic and Immediate Reports), 1970 and consists of material changes or developments in the Company's business affairs, on any matters or events that occurred in the interim period and as of the date of issuing this update that require disclosure in the Annual Report (which has not been provided).

7 See more details of the change in the Company's business strategy effective from March 2014 in paragraph 1 to Chapter A (Description of the Corporation's Business) to the Annual Report.

8 Cannabinoids are a diverse group of chemical compounds that operate on specific receptors in the body (CB1 and CB2). This family includes molecules that are derived from the cannabis plant (phytocannabinoids) (the most known ones being THC and CBD) and molecules that are naturally produced in the human and animal body (endocannabinoids) (such as AEA and 2-AG). Dozens of molecules have been identified as part of the cannabinoid family. Cannabinoids participate in a large number of physiological processes and are used for treating a wide range of medical conditions. See more information in paragraphs 7 and 8 to Chapter A (Description of the Corporation's Business) to the Annual Report.

9 See details of the Company's existing projects in this area as of the Report Date in paragraphs 8, 11 and 12 to the Annual Report.

10 See the Company's immediate report of June 28, 2015 (TASE reference: 2015-01-057522).

1.2 Nonbinding memorandum of understandings for the sale of the Anti-CD3 technology[11]. The Company is continuing to exercise efforts for identifying business partners, strategic investors or other prospective transactions involving the Anti-CD3 technology which is not at the focus of the Company's operations[12]. In this context, on April 7, 2016, the Company and Karma Link Ltd.[13] (in this paragraph - "**the seller**" and "**the buyer**", respectively; collectively - "**the parties**") signed a nonbinding memorandum of understandings (in this paragraph - "**the MOU**") for the sale of the Company's assets underlying the Anti-CD3 technology (which mostly consist of the Company's license and certain Company assets relating to the development of the technology) (in this paragraph - "**the technology**" and "**the transferred assets**", respectively). The MOU is contingent on the fulfillment of several suspending conditions (as detailed below) and on entering into final and binding agreements on the sale of the technology (in this paragraph - "**the binding agreement**"). According to the MOU, the Company will complete the transfer of the technology to the subsidiary, Orimmune Bio ("**Orimmune**") and sell its entire holdings in Orimmune to the buyer[14]; the completion of the transfer of the technology to Orimmune will be carried out in keeping with the signing of the investment agreement of September 2, 2013 between the Company and Acebright Holdings Limited ("**the Chinese corporation**") and subject to its terms. The completion of the bonding agreement will be subject to obtaining the Chinese corporation's approval[15] as well as to several suspending conditions as follows: (1) obtaining the approval of the Chief Scientist for executing and completing the binding agreement based on the terms of the license received by the Company from Hadasit, the Technology Transfer Company of Hadassah Medical Organization which owns the technology ("**Hadasit**"), all in keeping with the terms of the license agreement signed between the Company and Hadasit on March 25, 2010[16]; and (2) obtaining the Chinese corporation's approval for executing and completing the binding agreement.

---

11 See the Company's immediate report of April 10, 2016 (TASE reference: 2016-01-045388).

12 See more information on the key focuses of the Company's strategy in the Company's immediate report of August 4, 2015 (TASE reference: 2015-01-088677)

13 To the best of the Company's knowledge, Karma Link is a private company incorporated in Israel whose controlling shareholder, Mr. Ahmed Alimi, served as director in the Company until February 14, 2016. For caution sake only, it should be clarified that in view of Mr. Alimi's relatively short past service as director in the Company, the engagement in the MOU was approved in advance by both the Company's Audit Committee and the Board.

14 As of the Report Date, the Company holds about 83.58% of Orimmune's issued and outstanding share capital (about 90% on a fully diluted basis).

15 See details of the investment agreement with the Chinese corporation in paragraph 20.9 to Chapter A (Description of the Corporation's Business) to the Company's Periodic Report for 2015 of March 23, 2016 (TASE reference: 2016-01-012633) ("**the Annual Report**") and the Company's immediate reports of September 3, 2013 (TASE reference: 2013-01-136041), October 6, 2013 (TASE reference: 2013-01-158064) and December 23 and 25, 2013 (TASE references: 2013-01-104890 and 2013-01-107896).

16 See details of the license agreement with Hadasit in paragraph 20.8 to Chapter A (Description of the Corporation's Business) to the Annual Report and the Company's immediate report of March 28, 2010 (TASE reference: 2010-01-432594).

Among others, the final agreement will include the seller's (the Company's) right of first refusal in connection with a transaction for the sale of the transferred technology as well as the Company's right to receive a certain percentage as determined in the binding agreement from all proceeds derived to the buyer from Orimmune[17]. As long as the MOU is in effect, the buyer will bear all the payments relating to the technology (including payments relating to holding the technology's patents)[18]. Also according to the MOU, if a binding agreement is not signed within two months from the date of signing the MOU (or any later date as agreed upon between the parties), the MOU will expire and will no longer apply to any of the parties. However, it should be clarified that although the MOU does not have a binding legal status, the buyer's undertaking to bear the costs of the technology as discussed above will remain in effect and the Company will not be required to refund such amounts to the buyer assuming that the MOU does not mature into a binding agreement. As of the Report Date, the parties are holding negotiations on signing a binding agreement within the timeframe established in the MOU (or any later date as agreed upon between the parties, if any).

Forward-looking information warning - the Company's information and evaluations discussed above on whether the MOU will mature into a final and binding agreement or on the final terms of such binding agreement and their implications on the Company's operations, including the Company's forecasts, assessments and/or plans in connection therewith all represent forward-looking information, as this term is defined in the Israeli Securities Law, 1968, which involves a high degree of uncertainty and is based, among others, on outside factors and numerous variables which are not necessarily under the Company's control and therefore, the above information and evaluations might not materialize in practice and/or might not materialize in full and/or might materialize in a manner that is materially different from that originally evaluated or anticipated. Among the factors that are liable to cause the above information and evaluations not to materialize as anticipated are failure to complete the negotiations between the Company and the buyer and/or failure to reach understandings on a final and binding agreement to both parties' satisfaction, failure to obtain regulatory and/or government approvals, nonfulfillment of the suspending conditions in a timely manner and/or at all, the buyer's failure to meet its obligations to bear future payments defined in the MOU or the realization of any of the risk factors detailed in paragraph 24 to Chapter A (Description of the Corporation's Business) to the Annual Report.

---

17 The percentage was determined according to certain brackets, namely a low double-digit number up to a certain cumulative amount that will be determined in the binding agreement (a rate which is double the Company's total investment in the transferred assets) and a lower double-digit number on any additional proceeds subsequently derived to the buyer.

18 Including regarding costs arising from defending the technology's registered patents against any opposition, as detailed in the Company's immediate report of February 4, 2016 (TASE reference: 2016-01-107896).

2. Update to paragraph 3 (the investments in the Company's capital and transactions in its shares) in Chapter A to the Annual Report

Following is a description of the investments in the Company's capital made in the Reporting Period and any other material off-market transactions conducted by interested parties in the Company in the Company's shares, to the best of the Company's knowledge:

2.1 Investments in the Company's capital

2.1.1 On May 15, 2016, the Company allocated to Dekel the advance shares based on the terms of the license agreement signed with Dekel[19].

2.2 General

2.2.1 In early January 2016, the Company began dealing with a new market maker[20].

2.2.2 As part of the Company's plan to enhance the accessibility of foreign investors to the Company's activities and in keeping with its new business strategy, in late 2014, the Company completed the process of listing its Level 1 ADRs on the OTCQB in the US. Each ADR is comprised of 20 Ordinary shares of the Company which are traded OTC in the US under the symbol of THXBY[21].

2.2.3 In the Interim Period, as in its ordinary course of business, the Company continued to examine borrowing alternatives for financing its operating and business activities, among others, as part of the Company's plans to expand the accessibility of additional (local and/or foreign) investors to the Company's operations and technologies under development. The Company occasionally examines its available financing options and alternatives, including by raising private and/or public capital, in Israel and/or abroad (including the potential registration of its securities in a main stock exchange in the US), all based on the Company's needs and the decisions of its Board[22].

---

19 See the Company's immediate reports of February 25, 2016 (TASE reference: 2016-01-035353), March 30, 2016 (TASE reference: 2016-01-020238), April 7, 2016 (TASE reference: 2016-01-044311), May 15, 2016 (TASE reference: 2016-01-025587) and May 18, 2016 (TASE reference: 2016-01-028662). See also an immediate report on a material private placement performed by the Company of February 25, 2016 (TASE reference: 2016-01-035353) (and its amendments: TASE reference: 2016-01-0202038 and TASE reference: 2016-01-044311).

20 See the Company's immediate report of December 31, 2015 (TASE reference: 2015-01-193044).

21 See the Company's immediate reports of May 28, 2014 (TASE reference: 2014-01-075777) and July 20, 2014 (TASE reference: 2014-01-117225). See also link to the OTCQB's website at http://www.otcmarkets.com/stock/THXBY/quote.

22 In this context it should be noted that on March 22, 2016, the Company's Board authorized the Company's management to explore additional potential private capital raising options under predetermined master principles. It should be clarified that as of the Report Date, there is no possibility of verifying whether the Company's management will be able to execute such capital raising rounds, if at all, or with which factors and under which terms.

3. Update to paragraph 14 (human capital) in Chapter A to the Annual Report

3.1 Appointments. On April 1, 2016, the officer in charge of finances was appointed as CFO[23].

3.2 Issuance of options to employees and consultants

3.2.1 On February 16, 2016, the Company's Board approved the allocation of a total of 1,220,000 unregistered options which are each exercisable into one Ordinary share of the Company to several officers, employees and a consultant of the Company[24].

3.2.2 On February 14, 2016, following the approval of the Company's Remuneration Committee and Board, the general meeting of the Company's shareholders approved the allocation of a total of 1,050,000 options to officers and directors in the Company (including a former director)[25].

3.2.3 On March 22, 2016, the Company's Board approved the allocation of a total of 300,000 options to an officer and a consultant in the Company[26].

4. Update to paragraph 21 (legal proceedings) in Chapter A to the Annual Report

4.1 On February 3, 2016, the Company received a notice of opposition ("**the notice of opposition**") from the European Patent Office (EPO) in connection with a European divisional patent application underlying the Anti-CD3 technology ("**the patent**" and "**the technology**", respectively). The patent was included in the group of patents whose rights were licensed to the Company pursuant to an exclusive international license for Hadasit's technology[27]. The notice of opposition was filed anonymously. According to the notice of opposition, the holders of the patent rights may respond to the opposition by the end of May 2016 (the Company applied for a two-month extension). It should be clarified that the opposition was raised in connection with the divisional patent only and in Europe only. Other patents pertaining to the technology and included in the license agreement (based on which the Company had previously conducted additional R&D activity) are also registered in other territories, including the US, Europe, Japan, Australia and Canada and their window of filing oppositions has ended)[28].

---

23 See the Company's immediate report of March 23, 2016 (TASE reference: 2016-01-012285).

24 See the Company's immediate reports of February 17, 2016 (TASE reference: 2016-01-029593), March 30, 2016 (TASE reference: 2016-01-020244) and April 7, 2016 (TASE reference: 2016-01-044248).

25 See the Company's immediate reports of January 20, 2014 (TASE reference: 2014-01-014932), January 28, 2016 (TASE reference: 2016-01-019615) and February 14, 2016 (TASE reference: 2016-01-027946).

26 See the Company's immediate reports of March 23, 2016 (TASE reference: 2016-01-013221) and April 4, 2016 (TASE reference: 2016-01-041326).

27 For details of the patent, see no. 1 in the table of patent applications in paragraph 12 to Chapter A (Description of the Corporation's Business) to the Annual Report.

28 See details of the main patents underlying the license agreement in the tables in paragraph 12 to Chapter A (Description of the Corporation's Business) to the Annual Report.

The Company is currently studying the patent opposition and intends to consult its professional advisors on its options for handling the opposition process (given that according to the MOU discussed in paragraph 1.2 above and subject to signing a binding agreement, the Company relies on the fact that the expenses relating to the proceeding will not be levied on the Company but rather on the party that will assume its responsibility). It should be noted that as of the Report Date, this technology is not at the focus of the Company's business operations and the Company has long been attempting to recruit potential collaborations and/or investments for this technology (see, for example, paragraph 1.2 above)[29]. Accordingly, the Company estimates that the patent opposition in itself (as opposed to the need to protect the patent rights such as in counter-opposition processes and the related costs) will not have a material effect on the Company's operations.

Forward-looking information warning - the Company's evaluations regarding the chances of the notice of opposition to the European patent to prevail and the effect of the opposition process on the Company's operations (including the related costs involving the defense of patent rights) represent forward-looking information, as this term is defined in the Securities Law, whose materialization is uncertain. In practice, there is no guarantee that the European Patent Office will accept the notice of opposition, among others, following a thorough investigation of the existing evidence in the opposition case and the decision that the grounds for the opposition are not sufficient for cancelling the European patent for policy or other considerations.

4.2 For details of the separation agreement with Lara-Pharm Ltd., see paragraph 6.4 above.

5. Update to paragraph 11 (research and development) in Chapter A to the Annual Report

5.2 Conclusion of the preclinical phase of the entourage technology. In the context of the development of the entourage technology under the license agreement signed between the Company and Dekel Pharmaceuticals Ltd. ("**the technology**", "**the license agreement**" and "**Dekel**", respectively)[30], on February 16, 2016, the Company received the analysis report of the end results of the proof of concept study conducted on preclinical models (animals) (in this paragraph - "**the study**"). The study examined synergistic effect of PEA (Palmitoylethanolamide) and THC (Tetrahydrocannabinol) combination via the measurement of behavioral parameters and pain relief features. The study demonstrated that administering THC by itself produced limited beneficial action, in addition to side effects in most of the tested measures. However, due to the entourage effect, a combination of PEA and THC showed greater efficacy compared with the control group or groups treated with THC by itself. The combined administration of PEA together with THC significantly decreased part of the side effects attributed to THC, including uncontrollable movement and anxiety attacks in some of the tested dosages. In addition, the combined administration of PEA prevented the increase in body weight that is induced by using THC by itself. The study further indicated that the combination of PEA and THC increased the pain relief features of THC. The ability of PEA to reduce and even prevent some of the typical side effects of THC, together with an increase in the therapeutic action of THC, will improve the efficacy and safety profile of the combined treatment.

---

29 For more information see also paragraph 1 above.

30 See details of the license agreement and the technology in Appendix E to the Company's (revised) transaction report of June 2, 2015 (TASE reference: 2015-038487).

The Company is acting to develop a unique treatment combining THC and PEA for treating Tourette's syndrome[31]. As per the Company's estimate, the choice of Tourette's syndrome represents an indication that will ultimately allow product development under the FDA's accelerated regulatory path (under an orphan drug program). As of the Report Date, the Company is preparing to conduct clinical trials and is also in the process of planning the trial, drafting the trial protocol and entering into engagements with medical centers for conducting the trial. In this context, the Company has been engaging with world renowned advisors and experts in the field of psychiatry, specializing in Tourette's syndrome, to assist the Company in planning and leading the clinical trial in collaboration with the Company, including in contacting the relevant authorities and factors[32]. Subject to completing the above preparations, the Company estimates that the first clinical trial will begin in the second half of 2016.

Forward-looking information warning - the Company's evaluations discussed above regarding the adaptation of the results of the preclinical trial to clinical trials, the effect of medical products based on the technology on minimizing and preventing the typical side effects of cannabinoids, additional trials that might be needed for continued development and approval of a medical product based on the technology, regulatory tracks that will be required for product development as above, dates of beginning clinical trials of said products and/or their completion (including proof of safety and/or efficacy on humans), completion of the valuation processes and entering into engagements with relevant factors, obtaining the required approvals for the trials, dates of receiving product marketing approvals and dates of beginning product sales in the various markets, including the Company's forecasts, deadlines, evaluations and/or plans in connection therewith all represent forward-looking information, as this term is defined in the Securities Law, which is based on numerous and variable factors, including evaluations of third parties which are not under the control of the Company. In practice, the Company's evaluations, in whole or in part, could materially differ from the above evaluations. Among the factors that are liable to cause the Company's valuations to be materially different are the need for and/or prolongation of additional preclinical and clinical trials for the products being developed by the Company based on the technology and/or demands for repeating clinical trials, failure to achieve the desired regulatory track for the product's approval (not as an orphan drug), failure to demonstrate the product's clinical efficacy and/or safety on time and/or at all, change and/or aggravation of the approval policy of regulatory authorities with respect to approving and registering the products based on the technology for marketing, the duration of obtaining product marketing approval (if at all), failure to obtain the additional financing required for completion of development of the products and/or failure to enter into strategic collaboration agreements for completing the development of the medical product (including through sublicenses), entry of other competitors to the target markets of the products, change in the structure of the competition in the target markets of the products and other risk factors applicable to the Company's operations, as detailed in paragraph 24 to Chapter A (Description of the Corporation's Business) to the Annual Report.

---

31 Tourette's syndrome is a neurological disorder characterized by involuntary movements and vocalizations, involuntary muscular contractions (tics) and extreme stigmatization. First symptoms are diagnosed already in childhood, at the ages of 3 to 9. See more details in the Company's immediate report of August 4, 2015 (TASE reference: 2015-01-088677).

32 See the Company's immediate report of May 24, 2016 (TASE reference: 2016-01-032166).

It should also be emphasized that there is no certainty that additional preclinical and/or clinical trials will yield successful results, which in turn might require making adjustments to the Company's R&D plans, budgets and timetables and that the Company is exposed to additional risk factors, as described in paragraph 24 to Chapter A (Description of the Corporation's Business) to the Annual Report, which might significantly affect the Company's evaluations as above either jointly or severally.

6. Update to paragraph 20 (material agreements) in Chapter A to the Annual Report

6.1 License agreement regarding Ramot's technology for treating cognitive deficits (including Alzheimer's)[33]

On February 14, 2016, the Company and Ramot at Tel-Aviv University Ltd., the Tel-Aviv University's Technology Transfer Company ("**Ramot**", collectively with the Company in this paragraph - "**the parties**"), signed a binding and final agreement for conducting research and for the grant of an R&D and commercialization license regarding Ramot's cannabinoid-based technology for treating cognitive deficits using ultralow doses of tetrahydrocannabinol (THC) (in this paragraph - "**the technology**" and "**the license agreement**" or "**the agreement**", respectively). The principal terms of the license agreement are as follows:

1. The license agreement - Ramot will grant the Company an exclusive international royalty-bearing license, which can be sublicensed, to use the technology (including the yields of the research project as defined below) for research, development, manufacture, use, commercialization, sublicensing, sale and import of products based on the technology (in this report - "**the products**").

   1.1 The Company will manage and finance (on its own and/or through third parties) the technology's R&D processes for the development and manufacture of medical products based on the development stages and milestones determined in the agreement (which can be modified and updated as stipulated in the agreement).

   1.2 The development stages include, among others, the development of the formulations for the different products and the preparation of proof of concept clinical trials and early phase clinical trials for the purpose of filing applications and obtaining regulatory drug and/or product marketing approvals ("**the development plan**").

   1.3 Failure to meet any of the milestones underlying the products as set forth in the development plan and/or failure to finance the development plan based on the terms stipulated in the agreement will allow Ramot to cancel the agreement (according to the terms set forth therein).

---

[33] See the Company's immediate reports of June 28, 2015 (TASE reference: 2015-01-057522) and February 15, 2016 (TASE reference: 2016-01-027988).

2. IP - the core technology is owned by Ramot and the products of the auxiliary research project (as defined below) will all be owned by Ramot. Their use will be in accordance with the provisions of the license agreement. Any other IP designed, created, developed, produced, registered or incurred not in connection with and/or due to the involvement of the TAU's staff or Ramot's staff (during their employment in the project) will be exclusively owned by the Company. Ramot will be responsible for handling and maintaining the patents in consultation with the Company whereas the Company will bear the underlying patent expenses based on the method and terms determined in the agreement. The license agreement includes certain exceptions regarding the Company's liability to bear expenses and mechanisms to allow such exceptions. The agreement also provides IP protection mechanisms and regulates the payment of the underlying expenses.

3. Royalties - the Company will pay Ramot royalties on sales of the products at a low single-digit rate[34] for a period until the later of 15 years from the date of first commercial sale (of a certain product in a certain country) or the date of expiration of the last patent underlying the technology and the research program (in a certain country).

4. Additional payments - according to the agreement, the Company has an obligation to pay additional future non-recurring amounts to Ramot, among others, after meeting material milestones in connection with the development of the first product (such as meeting a clinical and/or regulatory milestone)[35], for the grant of sublicenses and when reaching certain product sales targets.

5. Auxiliary research project - the license agreement also consists of an auxiliary research project in respect of the technology (to be conducted by the chief researcher) in the TAU whose principal aim is to test the method of operation of preclinical models in a controlled manned using pharmacological and biochemical parameters for the administration of ultralow doses of THC for treating MCI which is liable to deteriorate to Alzheimer's. The Company will bear the costs of the research program[36].

6. Agreement expiration/early termination - the license agreement will expire once the Company completes all the payments pursuant to the agreement (following which the license will no longer be exclusive) or if it is terminated early due to one of the predetermined causes (and based on the predetermined mechanisms), among others due to failure to meet the milestones set forth in the development plan and/or material violation of the agreement by any of the parties (which is not rectified within the predetermined timeframe).

7. The license agreement also contains other standard provisions that are practiced in this type of agreement regarding confidentiality, indemnity and insurance, information rights, supervision and control reporting, assignment rights to licensed parties etc.

---

34 Subject to deductions, reductions and/or increases under certain circumstances stipulated in the agreement such as payment of royalties to a third party, filing a patent opposition etc.

35 Such as beginning of pivotal clinical trial, beginning of Phase II clinical trials, obtaining FDA product approval and obtaining initial regulatory product marketing approval as stated above.

36 The milestones underlying the auxiliary research project include, among others, diagnosis, profiling and control of the research products, pharmacological and biochemical tests and preclinical trials. The budget approved by the parties is in the amount of approximately NIS 240 thousand to be paid in installments based on the milestones underlying the auxiliary research project.

As of the Report Date, the Company is making progress in developing the product according to the license agreement and progress has been made in preparing for the development of formulations and for launching clinical trials. Simultaneously it should be noted that the Company intends to continue to exercise efforts towards obtaining FDA approval based on the 505(b)(2) accelerated regulatory path.

Forward-looking information warning - the Company's information and evaluations discussed above in connection with the R&D plans, the research project, the products under development and their intended uses, including the success of their development, the estimated deadlines of performance and/or completion of the expected milestones in the coming year and/or at all, the estimated costs of the completion of the milestones, the size of the target markets and/or medical indications and/or relevant regulatory tracks underlying product development, including the Company's forecasts, deadlines, evaluations and/or plans in connection therewith all represent forward-looking information, as this term is defined in the Securities Law, which involves a high degree of uncertainty and is based, among others, on outside factors and various variables which are not necessarily under the Company's control and therefore it is possible that the execution of the license agreement and/or the completion of the development of a medical product thereunder, the compliance with milestones and/or their expected costs, the dates and deadlines underlying the completion of development, the assessments of relevant market sizes and/or obtaining regulatory product marketing approvals will not materialize in practice and/or will not materialize in full and/or will materialize in a manner that is materially different from that originally evaluated or anticipated. Among the factors that are liable to cause the Company's information and evaluations not to materialize as expected we should mention the failure to complete the development of a medical product (including in the context of preclinical and/or clinical trials) and/or the requirements to conduct repeated trials, the failure to obtain the necessary regulatory approvals in a timely manner and/or at all, disagreements with regulatory authorities regarding the results of clinical trials, change and/or aggravation of regulatory approval policies for medical products under development, the failure to obtain the needed additional financing to complete product development and/or failure to reach strategic collaboration agreements for the completion of the medical product development (including through the grant of sublicenses), noncompliance with predetermined preclinical and/or clinical trial targets, failure to obtain the required financing at the time and scope needed for continued development, the arrival of new competitors in the market of the medical product under development, change in the structure of competition in the medical product's target market and the realization of any of the risk factors described in paragraph 24 to Chapter A to the Annual Report. It should also be emphasized that there is no guarantee that preclinical and/or clinical trials will be successful and their failure might require revising R&D programs, budgets and deadlines which exposes the Company to other risk factors as described in paragraph 24 to Chapter A to the Annual Report, all of which are liable to materially affect the Company's evaluations, severally and jointly.

6.2 License agreement for the entourage technology[37]

On August 19, 2015, all the suspending conditions[38] underlying the license agreement signed between the Company and Dekel Pharmaceuticals Ltd. ("**Dekel**", collectively with the Company - "**the parties**") for licensing Dekel's technology and IP and for the grant of an option for Dekel to invest in the Company (by itself and/or through others) were met ("**the approved outline**" and "**the license agreement**", respectively). The license agreement consists of a combined outline which sets forth terms for licensing Dekel's technology (the entourage effect) and for Dekel's capital investment in the Company (by itself and/or through others) by allocating immediately vesting and contingent options that are exercisable into Ordinary shares of the Company according to their terms and that allow, assuming they are exercised, financing the technology's R&D activity. The purpose of the license agreement is to allow the Company to develop the technology and simultaneously raise the capital it needs[39]. The term sheet, the approved outline and the final license agreement with Dekel were all presented to the approval of the Company's authorized entities, including the general meeting of the Company's shareholders which approved the engagement and all the commercial terms included in the license agreement on June 10, 2015[40]. As of the Report Date, the Company has completed the preclinical trial preparations and is now acting to promote the development plan of a cannabinoid-based medical product with an indication for Tourette's syndrome (by itself and/or through third parties) using the entourage technology based on the clinical phase determined in the license agreement. See also paragraph 5.1 above.

6.3 Term sheet signed with Rhodes Technologies[41]

Following to the Company's report of December 20, 2015 on the signing of a nonbinding term sheet between the Company and Rhodes Technologies, of the Purdue Pharma Group ("**the term sheet**"), the parties extended the validity of the term sheet by 60 days (to June 20, 2016). As of the Report Date, the parties are continuing to collaborate in order to promote the signing of a final agreement but there is no certainty that such agreement will indeed be signed and/or at what terms.

---

37 See details in the Company's transaction report of April 21, 2015 (TASE reference: 2015-01-003744) and the meeting notice report amended on April 30, 2015 (TASE reference: 2015-01-009879). See supplementary information of the license agreement in a supplementary report to the transaction report and the Company's meeting notice report of June 2, 2015 (TASE reference: 2015-01-038487). See details of the results of the general meeting which approved the Dekel license transaction in an immediate report of the results of the general meeting for the approval a transaction with a controlling shareholder of June 10, 2015 (TASE reference: 2015-01-045570). The TASE's approval for the allocation of the securities underlying the license agreement was obtained on June 19, 2015, as stated in the Company's immediate report of the same date (TASE reference: 2015-01-100422).

38 See the Company's immediate report of August 19, 2015 (TASE reference: 2015-01-100422). It should be clarified that as of the Report Date, the Company has not yet applied to the TASE to receive its approval for registering the advance shares (as discussed in the license agreement) and Dekel has agreed that obtaining the TASE's approval for registering the advance shares will not represent a suspending condition for the license agreement to become effective. See more details in the Company's immediate report of August 19, 2015 (TASE reference: 2015-01-100521).

39 See more details of the approved outline and the binding term sheet in the Company's immediate report of January 12, 2015 (TASE reference: 2015-01-010099) and in paragraph 19.2 to Chapter A (Description of the Corporation's Business) to the Annual Report.

40 See the Company's immediate report of August 19, 2015 (TASE reference: 2015-01-100422).

41 See the Company's immediate report of April 18, 2016 (TASE reference: 2016-01-051487). For details of the term sheet, see the Company's immediate report of December 21, 2015 (TASE reference: 2015-01-184680).

<u>Forward-looking information warning</u> - the Company's information and evaluations discussed above in connection with the signing of a final and binding agreement based on the term sheet and/or the terms of the final agreement and its implications on the Company, including the Company's forecasts, deadlines, evaluations and/or plans in connection therewith all represent forward-looking information, as this term is defined in the Securities Law, which involves a great degree of uncertainty and is based, among others, on outside factors and various variables which are not necessarily under the Company's control and therefore it is possible that such information and evaluations will not materialize in practice and/or will not materialize in full and/or will materialize in a manner that is materially different from that originally evaluated or anticipated. Among the factors that are liable to cause the Company's information and evaluations not to materialize as expected we should mention the failure to complete the negotiations between the Company and the US corporation and/or failure to reach understandings regarding the terms of a final and binding agreement to the satisfaction of both parties, the failure to obtain the necessary regulatory and/or government approvals, the absence of the necessary funding for conducting and/or completing the product's R&D activity, the failure of the preclinical and/or clinical trials of the product under development, the aggravation of regulatory approval policies in the market of the product under development, disagreements with authorities regarding the required regulatory outline of the product under development and/or prolongation of the process of obtaining regulatory approvals and the realization of any of the risk factors described in paragraph 24 to Chapter A to the Annual Report.

6.4 <u>Separation agreement signed with Lara</u>[42]

Following to the Company's updates on the negotiations being held with Lara-Pharm Ltd. ("**Lara**") for the agreed contractual separation between the parties, on May 22, 2016, the parties signed a separation agreement ("**the separation agreement**") whereby, among others, the Company will remain a shareholder in Lara and will continue to hold 27.314% of Lara's issued and outstanding share capital as of the date of signing the separation agreement (by waiving an additional number of shares that will be forfeited). According to the separation agreement, the founder of Lara (as defined in the original investment agreement) will have a call option for a period of one year from the date of signing the separation agreement to purchase these entire interests for US$ 500 thousand (representing a 100% return on the Company's investment in Lara). Also according to the separation agreement, the Company's representative on Lara's board will resign. As discussed in the Company's previous reports, the Company argues that effectively, the cancellation of the original agreement (and the separation agreement) does not have a material impact on the Company's continued business operations from any aspect (accounting, business or otherwise) or on the sustainability of its R&D activity involving cannabinoid-based medical products since the Company has various efficient alternatives for continuing to develop products for improved administration of cannabinoid-based drugs that are not based on Lara's technology (namely, pulmonary administration)[43] which the Company is in the process of studying.

---

42 See the Company's immediate reports of April 2, 2014 (TASE reference: 2014-01-035922), June 16, 2014 (TASE reference: 2014-01-091608), June 23, 2014 (TASE reference: 2014-01-097152) and August 16, 2015 (TASE reference: 2015-01-097029). See additional details of Lara and its business affairs, including a description of its market structure, developed products and R&D stage in the Company's immediate report of August 11, 2014 (TASE reference: 2014-01-131130). See also paragraph 20.5 to Chapter A (Description of the Corporation's Business) to the Annual Report.

43 Such as nasally, orally, sublingually or other form of pulmonary administration.

6.5 License agreement signed with Ramot regarding the BBS technology. In keeping with the steps taken by the parties according to the agreed outline for the transfer of the Company's developments according to the license agreement from the Company to Ramot (including the transfer of patents and other issues required for completing the transfer of the license back to Ramot), on May 11, 2016, the Company obtained the approval of the National Authority for technological Innovation (which replaced the Chief Scientist at the Ministry of Economy) for the completion of the transfer of the rights and obligations to Ramot pursuant to the license agreement and the agreed outline. See full details of the agreed outline in paragraph 20.7 to Chapter A (Description of the Corporation's Business) to the Annual Report.

6.6 License agreement signed with Hadasit regarding the Anti-CD3 technology. Following to the Annual Report, based on the provisions of the agreement regarding the rights under the license agreement signed with Hadasit, the Company undertook to finance the maintenance of the patents underlying the technology and pay fixed annual license fees, all in amounts that are immaterial to the Company. Also according to the license agreement, based on the predetermined timeframe, the Company was supposed to develop the technology with adequate commercial diligence to prepare it for various clinical trials and invest the amounts established in the license agreement in the development. It should be clarified that as of the Report Date, the Company has not yet begun Phase IIb clinical trials and is continuing to work in collaboration and transparency with Hadasit with respect to the project in an attempt to identify business development opportunities (such as business cooperation, strategic investments or other transactions) in the field of immunotherapy for the Anti-CD3 technology, which is not at the core of the Company's business activity. To the best estimate of the Company, as of the Report Date, the Company receives Hadasit's full and complete cooperation in this respect. See details of the MOU signed for the sale of the Company's assets in connection with the Anti-CD3 technology in paragraph 1.2 above.

6.7 Investment agreements signed by the Company's subsidiaries with Acebright. Further to the annual Report, the Company continues to take steps for the transfer of the Anti-CD3 technology to the Company's subsidiary, as determined in the investment agreements signed with Acebright in late 2013 and as of the Report Date, the process has not yet been completed. See details of the MOU signed for the sale of the Company's assets in connection with the Anti-CD3 technology in paragraph 1.2 above.

Respectfully,
Therapix Biosciences Ltd.

Date: May 31, 2016

Names of signatories in this Report and their position:

Dr. Ascher Shmulewitz, Chairman of the Board
Dr. Elran Haber, CEO
CPA Guy Goldin, CFO

Therapix Biosciences Ltd.

Chapter B - the Report of the Board of Directors on the State of the Corporation's Affairs for the Interim Period

The Company's Board of Directors is hereby pleased to present the report of the Board of Directors on the state of affairs of Therapix Biosciences Ltd. (collectively with its subsidiaries - "**the Company**" or "**Therapix**") as of March 31, 2016 and for the period of three months then ended ("**the Report Date**" and "**the Interim Period**", respectively), prepared in conformity with the Israeli Securities Regulations (Periodic and Immediate Reports), 1970 ("**the Board of Directors' Interim Report**" and "**the Report Regulations**", respectively). The Board of Directors' Interim Report is attached to the interim consolidated financial statements ("**the Interim Financial Statements**") under the assumption that the readers of this report also have at their disposal the Interim Financial Statements. The financial data from the Interim Financial Statements attributable to the Company are also attached to this report ("**the Separate Interim Financial Statements**"; collectively with the Interim Financial Statements, as applicable - "**the Financial Statements**"). This Report should be read in conjunction with the Company's Financial Statements as of December 31, 2015 and with the Report of the Board of Directors on the State of the Corporation's Affairs for the year ended December 31, 2015 ("**the Annual Financial Statements**" and "**the Annual Board of Directors' Report**", respectively) which are included in the Company's Periodic Report for 2015 ("**the Annual Report**").

a. The Board's explanations for the state of the Company's affairs, operating results, equity and cash flows

1. The financial position

The Company's auditors draw attention to the matter discussed in Note 1c to the Financial Statements according to which in the three months ended March 31, 2016, the Company incurred losses totaling NIS 1,952 thousand and has negative cash flows from operating activities totaling NIS 1,311 thousand. These factors, along with other factors detailed in that Note, raise substantial doubt as to the Company's ability to continue to operate as a going concern. The Financial Statements do not include any adjustments to the carrying amounts and classifications of assets and liabilities that would result if the Company was unable to continue as a going concern.

Explanations to changes in financial position (NIS in thousands)

Item	March 31, 2016	March 31, 2015	December 31, 2015	Explanations
	NIS in thousands			
Current assets	4,999	333	6,459	The decrease compared to December 31, 2015 mainly arises from the decrease in cash balances used in operating activities. The increase compared to March 31, 2015 mainly arises from capital raised and the exercise of options at the end of year 2015.
Non-current assets	52	111	42	The increase compared to December 31, 2015 is mainly due to purchases of some fixed assets. The decrease compared to March 31, 2015 is mainly a result of the derecognition of the investment in Lara during year 2015.
Total assets	**5,051**	**444**	**6,501**	
Current liabilities	2,197	1,947	1,994	The increase compared to December 31, 2015 and March 31, 2015 mainly arises from liabilities resulting from the increase in R&D activity (clinical trial preparations).
Non-current liabilities	-	170	-	The decrease in non-current liabilities compared to March 31, 2015 derives from the derecognition of a liability in respect of Government grants from the OCS in connection with the Anti-CD3 project due to uncertainty involving potential sales in the foreseeable future.
Equity (deficit) attributable to equity holders of the Company	3,476	(1,341)	5,114	The increase in equity attributable to equity holders of the Company compared to December 31, 2015 mainly results from the loss for the period. The increase in equity attributable to equity holders of the Company compared to March 31, 2015 is mainly a result of capital raised and exercise of options at the end of 2015.
Non-controlling interests	(622)	(332)	(607)	The increase in the debit balance with non-controlling interests compared to December 31, 2015 and March 31, 2015 arises from the losses of the subsidiary, Orimmune.
Total equity (deficit)	**2,854**	**(1,673)**	**4,507**	

* Negative figures are presented in parenthesis.

2. **Operating results (developments in profit and loss items)**

2.1 The Company is a development stage company which does not generate sales.

2.2 Following are explanations for the main changes in the Company's operating results (presented in a table format):

Item	Three months ended March 31, 2016	Three months ended March 31, 2015	Year ended December 31, 2015	Explanations
	NIS in thousands			
Research and development expenses, net	585	230	931	The increase in research and development expenses compared to the corresponding period of 2015 arises mainly from the increase in payroll expenses, share-based payment expenses and subcontractor expenses, due to increase in R&D activity (clinical trial preparations).
General and administrative expenses	1,314	1,152	5,297	The increase compared to the corresponding period of 2015 mainly arises from share-based payment expenses.
Other expenses (income), net	-	19	3,734	
Operating loss	**1,899**	**1,401**	**9,962**	
Finance expenses, net	53	17	15	The increase compared to the corresponding period of 2015 mainly arises from exchange rate valuation losses on dollar balances.
Group's share of losses of company accounted for at equity, net	-	109	197	
Net loss	**1,952**	**1,527**	**10,174**	

* Negative figures are presented in parenthesis.

3. **Liquidity, cash flows and financing resources**

3.1 Cash flows - the Company is in the development stage and has no sales. The cash flows used in operating activities in the three months ended March 31, 2016 totaled NIS 1,311 thousand compared with NIS 691 thousand in the corresponding period of last year. Cash flows provided by investing activities in the three months ended March 31, 2016 totaled NIS 13 thousand compared with NIS 2 thousand in the corresponding period of last year. There were no cash flows from financing activities in the three months ended March 31, 2016 compared with cash flows provided by financing activities totaling NIS 272 thousand in the corresponding period of last year.

3.2 Since its inception, the Company financed its activities using the capital raised from the public, private placements and grants received from the Chief Scientist. The capital was mainly used in the Company's research and development and operating activities.

3.3 The cash balance held by the Company may not be sufficient to finance its operating activities. These factors raise substantial doubt as to the Company's ability to continue to operate as a "going concern". See Note 1c to the Financial Statements.

4. **Issues to which the Company's auditor draws attention in the auditors' review report**

Due to the Company's accumulated losses and negative cash flows from operating activities, as discussed in Note 1c to the Company's Financial Statements, in the auditors' review report, the Company's auditor draws attention to the existence of doubts as to the Company's ability to continue as a "going concern", as discussed in paragraph 2 above.

5. **Remuneration of interested parties and senior officers**

In the Interim Period, there were no material changes compared to the information provided in the Annual Board of Directors' Report regarding the examination of the remuneration terms of officers in the Company, the reasonableness of the remuneration and the correlation between the remuneration of officers and interested parties in the Company and their contribution to the Company, as required by Regulation 21 to the Israeli Securities Regulations (Periodic and Immediate Reports), 1970, other than the matters described in paragraph 3 to Chapter A (Update to the Chapter of Description of the Corporation's Business) to this Report.

b. Corporate governance aspects

6. Details of directors with accounting and financial expertise

6.1 On August 24, 2014, the Company's Board decided that the minimum required number of directors (including external directors) with accounting and financial expertise in the Board ("**the minimum number**") should be one.

6.2 In the Interim Period and as of the Report Date, the number of directors with accounting and financial expertise was not below the minimum number.

7. Independent directors

7.1 In the Interim Period, the Company did not adopt in its articles of association the directive in Section 219(e) to the Israeli Companies Law, 1999 ("**the Companies Law**") regarding the rate of independent directors.

7.2 As of the Report Date, the Company has three independent directors, of whom two external directors. As of the Report Date, the independent directors represent half of the members of the Board.

8. Update on events or matters that are subject to Regulation 37a2(a) to the Report Regulations

8.1 In the Interim Period and as of the Report Date, the Company did not report any event or matter which might have occurred on a later date than the original report ("**the original report**") date which requires disclosure.

8.2 Without derogating from the aforementioned, see Chapter A (update to the Chapter of Description of the Corporation's Business) in this Report above for an update of the Company's activities and material changes that occurred during the Interim Period.

9. Disclosure of the Company's internal auditor

9.1 The Company's internal auditor meets all the provisions of sections 3(a) and 8 to the Israeli Internal Audit Law, 1992 ("**the Internal Audit Law**") and the requirements of section 146(b) to the Companies Law and serves as a senior officer in the Company by virtue of applicable law.

9.2 In the Interim Period and as of the Report Date, there was no material change regarding the Company's internal auditor and/or the scope of his work compared to the disclosure provided in the Annual Board of Directors' Report.

10. Details of outstanding certificates of liability

10.1 In the Interim Period and as of the Report Date, the Company has no outstanding certificates of liability.

11. Details of the financial statement approval process

11.1 The Company's management prepared the Financial Statements and the Company's auditor reviewed them. The entity in the Company in charge of entity-level controls and of the approval of the Financial Statements is the Board.

11.2 As of the Report Date, the members of the Company's Board consist of: Dr. Ascher Shmulewitz (Chairman of the Board), Mr. Avi Meizler (director), Mr. Michael Jesselson (director), Mr. Zohar Heiblum (external director), Mr. Amit Berger (external director) and Dr. Yafit Stark (independent director).

11.3 Pursuant to the provisions of the Companies Regulations (Provisions and Conditions underlying the Financial Statement Approval Process), 2010 ("**the Financial Statement Approval Regulations**"), the Company's Audit Committee was also appointed as the Company's Financial Statement Review Committee (in this paragraph, "**the Committee**"). As of the Report Date, the Committee consists of three members: Mr. Zohar Heiblum (Chairman of the Committee), Dr. Yafit Stark and Mr. Amit Berger.

11.4 The approval of the Financial Statements took place in two meetings as follows: (a) a meeting of the Financial Statement Review Committee; (b) a meeting of the Board for discussing and approving the Financial Statements in view of the Committee's recommendations and comments.

11.5 The Committee met on May 22, 2016 and was attended by all the Committee members (excluding Dr. Yafit Stark), the Company's external auditor and the Company's officers. The Committee concluded that the Financial Statements are prepared in compliance with applicable laws. The Committee held a comprehensive and fundamental discussion of the critical reporting issues and also formulated its recommendations to the Board for the financial statement approval process, including reviewing the need to continue to adopt the "small corporation" exemptions, examining the evaluations and estimates made in connection with the Financial Statements, the internal controls over financial reporting, the completeness and adequacy of disclosures in the Financial Statements, the accounting policies adopted and the accounting treatment of critical processes in the Company, including the going concern warning in the Company's Financial Statements through the Company's CFO's comprehensive presentation and review. The external auditor addressed the issues presented in the meeting. The Committee discussed the accounting policies and presentation and disclosure in the Financial Statements including the separate financial information of the Company.

11.6 The Board's meeting of May 31, 2016 which discussed, among others, the approval of the Financial Statements, was attended by all Board members (except Mr. Meizler). In addition to the Board's members, the meeting was also attended by the Company's external auditors, officers and other holders of positions in the Company who were available and prepared to answer any question raised by the Board's members. In this meeting, the Board discussed the Committee's recommendations, reviewed the Company's financial results, financial position and cash flows and was presented with data on the Company's activities compared to previous periods reviewed. In particular, a discussion was held regarding the Company's going concern warning and expected cash flows needed for its continued operations. A discussion was also held regarding the valuation which had been attached to the Financial Statements. The timeframe for delivering the Committee's recommendations to the Board's members - about three business days before the Board's meeting - was judged to be a reasonable timeframe for delivering recommendations in view of their scope and complexity. During the Board's meeting for approving the Financial Statements, the Company's CFO provided a detailed review of the main financial data presented in the Financial Statements, the major changes in the financial data in the Interim Period, the accounting policies applied and any changes therein (if any) and the adoption of the proper disclosure principle in the Financial Statements and accompanying information, including in all matters relating to the completeness and adequacy of the disclosure and reporting in the Financial Statements. Also a discussion about the Company's cash flows was held as well as a detailed debate about possible financial resources to be used by the Company for executing its short-term plans and Management's intention to raise additional capital in the backdrop of the Company's going concern warning in the Financial Statements. In the discussion, the Company's Management replied to questions from the Board's members and the external auditor addressed the Financial Statements in general and specifically the going concern warning. At the end of the discussion, once it became clear that the Financial Statements properly reflect the Company's business position and operating results, the Board adopted the Committee's recommendations and approved the Company's Financial Statements.

11.7 In the Board's meeting mentioned above, the Board discussed the recent enactment of Regulation 3b to the Financial Statement Approval Regulations ("**the Regulation**"). According to the Regulation, companies that are legally defined as "small corporations" are entitled to an exemption whereby they are not required to appoint a financial statement review committee and have the financial statements discussed and approved by the Board only ("**the exemption**"). The Company's Board approved that as of the Report Date the Company is meeting the preliminary conditions in the Regulation for qualifying for the exemption and decided to adopt it. Accordingly, the Board approved the elimination of the Financial Statement Review Committee, effective prospectively, such that subject to meeting all the other conditions in the Regulation on the date of approval of the Company's Financial Statements, the Financial Statements will be discussed and approved by the Board only.

c. Disclosure of the Company's financial reporting framework

12. Disclosure of events after the reporting date

12.1 To the best of the Company's knowledge, there were no material events which occurred after the reporting date, other than those mentioned in Note 4 to the Interim Financial Statements and in Chapter A (Update to the Chapter of Description of the Corporation's Business) to this Report.

13. Repurchase plan

13.1 During the Reporting Period and as of the Report Date, the Company has no plans to repurchase its securities nor has it reported any such repurchase plans, based on the definition of the term "purchase" in Regulation 10(b)(2)(i) to the Regulations.

The Company's Board thanks the Company's employees and managers for their contribution to promoting the Company's business.

Date: May 31, 2016

Names of signatories on this Report and their position:

Dr. Ascher Shmulewitz, Chairman of the Board
Dr. Elran Haber, CEO
CPA Guy Goldin, CFO

Therapix Biosciences Ltd.

Chapter C - Interim Financial Statements

THERAPIX BIOSCIENCES LTD.
(Formerly: NasVax Ltd.)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF MARCH 31, 2016

UNAUDITED

INDEX

	Page
Review of Interim Consolidated Financial Statements	**2**
Consolidated Statements of Financial Position	**3 - 4**
Consolidated Statements of Profit or Loss	**5**
Consolidated Statements of Comprehensive Income	**6**
Consolidated Statements of Changes in Equity	**7 - 8**
Consolidated Statements of Cash Flows	**9 - 10**
Notes to Interim Consolidated Financial Statements	**11 - 13**

- - - - - - - - - - -

Kost Forer Gabbay & Kasierer
2 Pal Yam St.
Haifa 3309511, Israel

Tel: 972-(4)8655400
Fax: 972-(3)5663344
ey.com

Auditors' review report to the shareholders of
Therapix Biosciences Ltd. (formerly: NasVax Ltd.)

Introduction

We have reviewed the accompanying financial information of Therapix Biosciences Ltd. (formerly: NasVax Ltd.) and subsidiaries ("the Group"), which comprises the condensed consolidated statement of financial position as of March 31, 2016 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three months period then ended. The Company's board of directors and management are responsible for the preparation and presentation of interim financial information for this period in accordance with IAS 34, "Interim Financial Reporting" and are responsible for the preparation of this interim financial information in accordance with Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Review Standard 1 of the Institute of Certified Public Accountants in Israel, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards in Israel and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

In addition to the abovementioned, based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not comply, in all material respects, with the disclosure requirements of Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970.

Without qualifying our above conclusion, we draw attention to the matter discussed in Note 1c to the financial statements. For the three months period ended March 31, 2016, the Company incurred losses totaling NIS 1,952 thousand and it had negative cash flow from operating activities totaling NIS 1,311 thousand. These factors, along with other factors detailed in that Note, raise substantial doubt as to the Company's ability to continue as a going concern. Management's plans with respect to these matters are discussed in Note 1c. The financial statements do not include any adjustments to the carrying amounts and classifications of assets and liabilities that would result if the Company was unable to continue as a going concern.

Haifa, Israel
May 31, 2016

KOST FORER GABBAY & KASIERER
A Member of Ernst & Young Global

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	March 31,		December 31,
	2016	2015	2015
	Unaudited		Audited
	NIS in thousands		
ASSETS			
CURRENT ASSETS:			
Cash	4,812	197	6,136
Restricted cash	44	44	44
Accounts receivable	143	92	279
	4,999	333	6,459
NON-CURRENT ASSETS:			
Investment in company accounted for at equity	-	73	-
Property, plant and equipment	52	38	42
	52	111	42
	5,051	444	6,501

The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	March 31,		December 31,
	2016	2015	2015
	Unaudited		Audited
	NIS in thousands		
LIABILITIES AND EQUITY (DEFICIT)			
CURRENT LIABILITIES:			
Trade payables	1,928	1,789	1,779
Other accounts payable	269	158	215
	2,197	1,947	1,994
NON-CURRENT LIABILITIES:			
Government grants	-	170	-
EQUITY (DEFICIT) ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY:			
Share capital	3,540	1,892	3,540
Share premium	95,772	83,411	95,772
Capital reserve from financial statements of foreign operation	20	5	20
Share options	-	2,249	-
Reserve from share-based payment transactions	18,608	15,257	18,309
Reserve from transactions with non-controlling interests	941	941	941
Accumulated deficit	(115,405)	(105,096)	(113,468)
	3,476	(1,341)	5,114
Non-controlling interests	(622)	(332)	(607)
Total equity (deficit)	2,854	(1,673)	4,507
	5,051	444	6,501

The accompanying notes are an integral part of the interim consolidated financial statements.

May 31, 2016			
Date of approval of the financial statements	Asher Shmulewitz Chairman of the Board	Elran Haber CEO	Guy Goldin CFO

CONSOLIDATED STATEMENTS PROFIT OR LOSS

	Three months ended March 31,		Year ended December 31,
	2016	2015	2015
	Unaudited		Audited
	NIS in thousands (except per share data)		
Research and development expenses, net	(585)	(230)	(931)
General and administrative expenses	(1,314)	(1,152)	(5,297)
	(1,899)	(1,382)	(6,228)
Other expenses	-	(19)	(3,734)
Operating loss	(1,899)	(1,401)	(9,962)
Finance income	-	-	20
Finance expenses	(53)	(17)	(35)
Group's share of losses of company accounted for at equity, net	-	(109)	(197)
Loss	(1,952)	(1,527)	(10,174)
Attributable to:			
Equity holders of the Company	(1,937)	(1,505)	(9,877)
Non-controlling interests	(15)	(22)	(297)
	(1,952)	(1,527)	(10,174)
Basic and diluted loss per share attributable to equity holders of the Company (in NIS)	(0.05)	(0.08)	(0.43)

The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS COMPREHENSIVE INCOME

	Three months ended March 31,		Year ended December 31,
	2016	2015	2015
	Unaudited		Audited
	NIS in thousands		
Net loss	(1,952)	(1,527)	(10,174)
Amounts that will be reclassified or that are reclassified to profit or loss when specific conditions are met:			
Adjustments arising from translating financial statements of foreign operations	-	(5)	10
Total other comprehensive income (loss)	-	(5)	10
Total comprehensive loss	(1,952)	(1,532)	(10,164)
Attributable to:			
Equity holders of the Company	(1,937)	(1,510)	(9,867)
Non-controlling interests	(15)	(22)	(297)
	(1,952)	(1,532)	(10,164)

The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to equity holders of the Company									
	Share capital	Share premium	Reserve from share-based payment transactions	Capital reserve from financial statements of foreign operation	Share options	Reserve from transactions with non-controlling interests	Accumulated deficit	Total	Non-controlling interests	Total equity
	Unaudited									
	NIS in thousands									
Balance at January 1, 2016 (audited)	3,540	95,772	18,309	20	-	941	(113,468)	5,114	(607)	4,507
Loss	-	-	-	-	-	-	(1,937)	(1,937)	(15)	(1,952)
Total comprehensive loss	-	-	-	-	-	-	(1,937)	(1,937)	(15)	(1,952)
Cost of share-based payment	-	-	299	-	-	-	-	299	-	299
Balance at March 31, 2016	3,540	95,772	18,608	20	-	941	(115,405)	3,476	(622)	2,854
Balance at January 1, 2015 (audited)	1,841	80,460	15,215	10	4,981	941	(103,591)	(143)	(310)	(453)
Loss	-	-	-	-	-	-	(1,505)	(1,505)	(22)	(1,527)
Total other comprehensive loss	-	-	-	(5)	-	-	-	(5)	-	(5)
Total comprehensive loss	-	-	-	(5)	-	-	(1,505)	(1,510)	(22)	(1,532)
Issue of shares and share options (1)	50	193	2	-	-	-	-	245	-	245
Exercise of share options	1	29	-	-	(3)	-	-	27	-	27
Expiration of share options	-	2,729	-	-	(2,729)	-	-	-	-	-
Cost of share-based payment	-	-	40	-	-	-	-	40	-	40
Balance at March 31, 2015	1,892	83,411	15,257	5	2,249	941	(105,096)	(1,341)	(332)	(1,673)

(1) Less issuance expenses of NIS 5 thousand.

The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to equity holders of the Company									
	Share capital	Share premium	Reserve from share-based payment transactions	Capital reserve from financial statements of foreign operation	Share options	Reserve from transactions with non-controlling interests	Accumulated deficit	Total	Non-controlling interests	Total equity
	Audited									
	NIS in thousands									
Balance at January 1, 2015	1,841	80,460	15,215	10	4,981	941	(103,591)	(143)	(310)	(453)
Loss							(9,877)	(9,877)	(297)	(10,174)
Other comprehensive loss	-	-	-	10	-	-	-	10	-	10
Total comprehensive loss	-	-	-	10	-	-	(9,877)	(9,867)	(297)	(10,164)
Issue of shares (1)	806	4,858	-	-	-	-	-	5,664	-	5,664
Exercise of share options	893	6,134	(1,344)	-	(661)	-	-	5,022	-	5,022
Expiration of share options	-	4,320	-	-	(4,320)	-	-	-	-	-
Cost of share-based payment	-		4,438	-	-	-	-	4,438	-	4,438
Balance at December 31, 2015	3,540	95,772	18,309	20	-	941	(113,468)	5,114	(607)	4,507

(1) Less issuance expenses of NIS 84 thousand.

The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended March 31,		Year ended December 31,
	2016	2015	2015
	Unaudited		Audited
	NIS in thousands		
Cash flows from operating activities:			
Loss	(1,952)	(1,527)	(10,174)
Adjustments to reconcile loss to net cash used in operating activities:			
Adjustments to the profit or loss items:			
Depreciation and amortization	3	10	11
Loss from sale of property, plant and equipment	-	20	19
Cost of share-based payment	299	40	4,438
Write down of liability to the Chief Scientist	-	14	(191)
Finance expenses, net	-	-	35
Group's share of losses of company accounted for at equity	-	109	197
	302	193	4,509
Changes in operating asset and liability items:			
Decrease (increase) in accounts receivable	136	10	(177)
Increase in trade payables	149	607	597
Increase in other accounts payable	54	26	83
	339	643	503
Net cash used in operating activities	(1,311)	(691)	(5,162)

The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended March 31,		Year ended December 31,
	2016	2015	2015
	Unaudited		Audited
	NIS in thousands		
Cash flows from investing activities:			
Proceeds from sale of property, plant and equipment	-	2	2
Purchase of property, plant and equipment	(13)	-	(4)
Net cash provided by (used in) investing activities	(13)	2	(2)
Cash flows from financing activities:			
Issue of share capital and share options (less issuance expenses)	-	245	5,664
Exercise of share options	-	27	5,022
Net cash provided by financing activities	-	272	10,686
Increase (decrease) in cash	(1,324)	(417)	5,522
Cash at the beginning of the period	6,136	614	614
Cash at the end of the period	4,812	197	6,136

The accompanying notes are an integral part of the interim consolidated financial statements.

NOTE 1:- GENERAL

a. These financial statements have been prepared in a condensed format as of March 31, 2016 and for the three months period then ended ("interim consolidated financial statements"). These financial statements should be read in conjunction with the Company's annual financial statements as of December 31, 2015 and for the year then ended and accompanying notes ("annual consolidated financial statements").

b. Therapix Biosciences Ltd. (formerly: NasVax Ltd.) was incorporated in Israel and commenced its operations on August 23, 2004. Until March 2014, the Company acted mainly in developing several innovative immunotherapy products and it owns patents in the immunotherapy field. In August 2015, the Company revised its business strategy according to which it will focus on developing approved drugs based on cannabinoid molecules.

The Company is a specialized pharmaceutical company focusing on the development of approved drugs based on cannabinoid molecules. The Company is developing a cannabinoid based medical product for the Tourette syndrome using the entourage technology and is preparing to develop a cannabinoid based medical product for deterioration in cognitive functioning (including the Alzheimer's disease) using the ultralow dose technology.

c. For the three months period ended March 31, 2016, the Company incurred losses totaling NIS 1,952 thousand and it had negative cash flow from operating activities totaling NIS 1,311 thousand. Also, the Company had accumulated deficit totaling NIS 115,405 thousand and recurring operating losses. As discussed in b above, the Company's business strategy is to focus on developing approved drugs based on cannabinoid molecules.

These activities involve, among others, continuous development efforts and pertinent regulatory approvals. Also, from the date of commencement of operation, the Company did not generate cash flows from the sale of its products to sustain its activities. Accordingly, the Company's continued operation is dependent on its ability to raise external funding sources. The Company's management believes that this dependency will continue until the Company will be able to finance its operation by selling its products or commercializing the technology it owns.

The balance of cash at the Company's hands may not be sufficient to finance its operating activities. These factors raise substantial doubt as to the Company's ability to continue as a "going concern".

The Company's management is focusing on securing the Company's financial stability, among others, by exploring the alternative of raising capital from private investors by issuing the Company's securities including from existing shareholders.

The financial statements do not include any adjustments to the carrying amounts and classifications of assets and liabilities that would result if the Company was unable to continue as a going concern.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of the interim consolidated financial statements:

The interim consolidated financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting" and in accordance with the disclosure requirements of Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970.

NOTE 3:- EVENTS DURING THE REPORTING PERIOD

a. On January 28, 2016, 161,875 options which had been granted to consultants expired.

b. On February 14, 2016, the Company and Ramot at Tel-Aviv University Ltd., the Tel-Aviv University's technology transfer company, signed a definitive and binding agreement for conducting research and for granting a research and development and commercialization license regarding Ramot's cannabinoid-based technology for treating deterioration in cognitive functioning through administration of ultralow doses of THC cannabinoid. According to the license agreement, Ramot will grant the Company an exclusive, international royalty-bearing license which can be sublicensed to use the technology (including the yields of the research project as defined below) for research, development, manufacture, use, commercialization, sublicensing, sale and import of products based on the technology. As consideration, the Company will manage and finance (on its own and/or through third parties) the technology's research and development process for the development and manufacture of medical products based on the development stages and milestones determined in the agreement (which can be modified and revised as stipulated in the agreement).

c. On February 16, 2016, the Company's Board approved to grant 1,050,000 options to the Company's CEO (700,000 options), to the Company's chairman (250,000 options), to a director (50,000 options) and to a former director (50,000 options). The grant of options was approved by the Board pursuant to the approval of the general meeting of February 14, 2016. The fair value at the grant date was estimated at approximately NIS 789 thousand (fair value of options granted to the CEO, chairman and each director - NIS 510 thousand, NIS 199 thousand and NIS 40 thousand, respectively), calculated using the Black & Scholes model based on the exercise price determined for each optionee, standard deviation of 74.07% at the grant date, a price per share of NIS 0.94 at the grant date, risk-free interest rate of 1.97% a year and life of 10 years. Total share-based payment expenses recorded during the period in respect of the above grant were approximately NIS 144 thousand.

d. On February 16, 2016, the Company's Board approved to grant 1,220,000 options to three officers (800,000 options), to three employees (300,000 options) and to a consultant (120,000 options). The options vest over three years except 120,000 options that were granted to consultant with vesting terms of two years. Each option is exercisable at the exercise price of NIS 0.995-NIS 1.061.

NOTE 3:- EVENTS DURING THE REPORTING PERIOD (Cont.)

The fair value at the grant date was estimated at approximately NIS 882 thousand, calculated using the Black & Scholes model based on the exercise price determined for each optionee, standard deviation of 74.07% at the grant date, a price per share of NIS 0.94 at the grant date, risk-free interest rate of 1.97% a year and life of 10 years. Total share-based payment expenses recorded during the period in respect of the above grant were approximately NIS 148 thousand.

e. On March 22, 2016, the Company's Board approved to grant 150,000 options to an officer. The options were granted with vesting terms of three years. The fair value at the grant date was estimated at approximately NIS 104 thousand, calculated using the Black & Scholes model based on the exercise price of NIS 1.011, standard deviation of 74.07% at the grant date, a price per share of NIS 0.905 at the grant date, risk-free interest rate of 1.97% a year and life of 10 years. Total share-based payment expenses recorded during the period in respect of the above grant were approximately NIS 3 thousand.

NOTE 4:- EVENTS AFTER THE REPORTING PERIOD

a. On April 3, 2016, based on the Board's principle approval, 150,000 options were granted to a company that is controlled by the Company's consultant. The options granted may be exercised immediately and expire on December 31, 2016. The fair value at the grant date was estimated at approximately NIS 29 thousand, calculated using the Black & Scholes model based on the exercise price of NIS 1, standard deviation of 74.07% at the grant date, a price per share of NIS 0.894 at the grant date and risk-free interest rate of 1.97% a year.

b. On April 7, 2016, the Company and Karma Link signed a nonbinding memorandum of understanding for the sale of all Company's assets underlying the Anti-CD3 technology (which mostly consist of the Company's license and certain Company assets related to the development of the technology). The nonbinding memorandum of understanding is contingent on the fulfillment of several suspending conditions and on entering into a definitive and binding detailed agreement on the sale of that technology.

c. In furtherance to the matter discussed in Note 15b to the Company's annual financial statements, on May 16, 2016 after obtaining the TASE approval and as part of the conditions of the license agreement with Dekel Pharmaceuticals Ltd. (an interested party in the Company) ("Dekel") which became effective on August 19, 2015, and in order to fulfill the contingent liability of the Company to Dekel under the license agreement, the Company allocated to Dekel 200,000 shares associated with the payment of the advance according to the license agreement.

THERAPIX BIOSCIENCES LTD.
(Formerly: NasVax Ltd.)

PRESENTATION OF FINANCIAL INFORMATION FROM

THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

ATTRIBUTABLE TO THE COMPANY

AS OF MARCH 31, 2016

Kost Forer Gabbay & Kasierer
2 Pal Yam St.
Haifa 3309511, Israel

Tel: 972-(4)8654000
Fax: 972-(3)5663344
ey.com

To
The shareholders of Therapix Biosciences Ltd. (formerly: NasVax Ltd.)

Dear Sirs/ Mmes.,

Re: Special Report to the Review of the Separate Interim Financial Information in accordance with Regulation 38d to the Israeli Securities Regulations (Periodic and Immediate Reports), 1970

Introduction

We have reviewed the separate interim financial information disclosed in accordance with Regulation 38d to the Israeli Securities Regulations (Periodic and Immediate Reports), 1970 of Therapix Biosciences Ltd. (formerly: NasVax Ltd.) ("the Company") as of March 31, 2016 and for the three months period then ended. The Company's board of directors and management are responsible for the separate interim financial information. Our responsibility is to express a conclusion on the separate interim financial information based on our review.

Scope of review

We conducted our review in accordance with Review Standard 1 of the Institute of Certified Public Accountants in Israel, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of the separate interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards in Israel and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the separate interim financial information is not prepared, in all material respects, in accordance with Regulation 38d to the Israeli Securities Regulations (Periodic and Immediate Reports), 1970.

Without qualifying our conclusion, we draw attention to the matter discussed in a to the additional information to the separate financial data and financial information attributable to the Company itself from the Group's consolidated financial statements. For the three months period ended March 31, 2016, the Company incurred losses totaling NIS 1,937 thousand and it had negative cash flow from operating activities totaling NIS 1,300 thousand. These factors, along with other factors detailed in a, raise substantial doubt as to the Company's ability to continue as a "going concern". Management's plans with respect to these matters are discussed in a. The separate financial data and financial information attributable to the Company itself from the Group's consolidated financial statements do not include any adjustments to the carrying amounts and classifications of assets and liabilities that would result if the Company was unable to continue as a "going concern".

Haifa, Israel
May 31, 2016

KOST FORER GABBAY & KASIERER
A Member of Ernst & Young Global

Special Report in accordance with Regulation 38d

Financial Data and Financial Information from the

Interim Consolidated Financial Statements Attributable to the Company

Below is separate financial data and financial information attributable to the Company from the Group's interim consolidated financial statements as of March 31, 2016, published as part of the periodic reports ("consolidated financial statements") presented in accordance with Regulation 38d to the Israeli Securities Regulations (Periodic and Immediate Reports), 1970.

Financial Data from the Consolidated Balance Sheets
Attributable to the Company

	March 31,		December 31,
	2016	2015	2015
	Unaudited		Audited
	NIS in thousands		
ASSETS			
CURRENT ASSETS:			
Cash	4,802	175	6,115
Restricted cash	44	44	44
Accounts receivable	143	91	271
	4,989	310	6,430
NON-CURRENT ASSETS:			
Receivables from subsidiaries	5,642	4,973	5,525
Investment in associate	-	73	-
Property, plant and equipment	52	38	42
	5,694	5,084	5,567
	10,683	5,394	11,997
LIABILITIES AND EQUITY (DEFICIT)			
CURRENT LIABILITIES:			
Trade payables	1,665	1,580	1,540
Other accounts payable	269	160	215
	1,934	1,740	1,755
NON-CURRENT LIABILITIES:			
Government grants	-	170	-
Liabilities less assets attributable to subsidiaries	5,273	4,825	5,128
	5,273	4,995	5,128
EQUITY (DEFICIT) ATTRIBUTABLE TO THE COMPANY	3,476	(1,341)	5,114
	10,683	5,394	11,997

May 31, 2016			
Date of approval of the financial statements	Asher Shmulewitz Chairman of the Board	Elran Haber CEO	Guy Goldin CFO

Financial Data from the Consolidated Statements of Comprehensive Income Attributable to the Company

	Three months ended March 31,		Year ended December 31,
	2016	2015	2015
	Unaudited		Audited
	NIS in thousands		
Research and development expenses, net	(507)	(82)	(443)
General and administrative expenses	(1,296)	(1,076)	(5,185)
	(1,803)	(1,158)	(5,628)
Other income	-	(18)	(3,733)
Operating loss	(1,803)	(1,176)	(9,361)
Finance income	64	68	276
Finance expenses	(53)	(17)	(22)
Company's share of losses of investees (including impairment of goodwill), net	(145)	(380)	(770)
Loss attributable to the Company	(1,937)	(1,505)	(9,877)

Financial Data from the Consolidated Statements of Cash Flows
Attributable to the Company

	Three months ended March 31,		Year ended December 31,
	2016	2015	2015
	Unaudited		Audited
	NIS in thousands		
Cash flows from the Company's operating activities:			
Loss attributable to the Company	(1,937)	(1,505)	(9,877)
Adjustments to reconcile loss to net cash used in the Company's operating activities:			
Adjustments to the Company's profit or loss items:			
Depreciation and amortization	3	10	11
Loss from sale of property, plant and equipment	-	19	19
Cost of share-based payment	299	40	4,438
Increase in balance of liability to the Chief Scientist	-	14	-
Finance expenses, net	-	-	34
Write down of liability to the Chief Scientist	-	-	(191)
Company's share of losses of investees, net	145	380	770
	447	463	5,081
Changes in the Company's asset and liability items:			
Decrease (increase) in accounts receivable	11	(286)	(1,017)
Increase in trade payables	125	607	567
Increase in other accounts payable	54	28	83
	190	349	(367)
Net cash used in operating activities	(1,300)	(693)	(5,163)

Financial Data from the Consolidated Statements of Cash Flows Attributable to the Company

	Three months ended March 31,		Year ended December 31,
	2016	2015	2015
	Unaudited		Audited
	NIS in thousands		
Cash flows from the Company's investing activities:			
Proceeds from sale of property, plant and equipment	-	2	2
Purchase of property, plant and equipment	(13)	-	(4)
Net cash provided by (used in) investing activities	(13)	2	(2)
Cash flows from the Company's financing activities:			
Issue of share capital and share options (less issuance expenses)	-	245	5,022
Exercise of share options	-	27	5,664
Net cash provided by financing activities	-	272	10,686
Increase (decrease) in cash	(1,313)	(419)	5,521
Cash at the beginning of the period	6,115	594	594
Cash at the end of the period	4,802	175	6,115

a. General

This separate financial information has been prepared in a condensed format as of March 31, 2016 and for the three months period then ended in accordance with Regulation 38d to the Israeli Securities Regulations (Periodic and Immediate Reports), 1970. This separate financial information should be read in conjunction with the annual financial statements as of December 31, 2015 and for the year then ended and the accompanying additional information.

For the three months period ended March 31, 2016, the Company incurred losses totaling NIS 1,955 thousand and it had negative cash flow from operating activities totaling NIS 1,300 thousand.

The balance of cash at the Company's hands may not be sufficient to finance its operating activities in the period beyond 12 months after the date of the approval of the financial statements. These factors raise substantial doubt as to the Company's ability to continue as a "going concern".

In the past, the Company financed its operations by raising capital from private and institutional sources and by collaborating with leading multinational corporations in the industry. The Company's management is focusing on securing the Company's financial stability, among others, by regularly exploring one or more of the above alternatives.

The separate financial data and financial information attributable to the Company itself from the Group's consolidated financial statements do not include any adjustments to the carrying amounts and classifications of assets and liabilities that would result if the Company was unable to continue as a "going concern".

b. Events During the Reporting Period

See Note 3 to the interim consolidated financial statements.

c. Events After the Reporting Period

See Note 4 to the interim consolidated financial statements.

- - - - - - - - - - - - - -

F:\W2000\w2000\60633903\M\16\E3-THERAPIX-Solo.docx

Therapix Biosciences Ltd.

Chapter D - Letters of Representation

Chief Executive Officer's Statement:
Pursuant to Regulation 5d(4)(b)-(c) and Regulation 38c(d)(1) to the Israel Securities Regulations (Periodic and Immediate Reports), 1970

Letter of Representation
Chief Executive Officer's Statement

I, Elran Haber, certify that:

1. I have reviewed the Interim Report of Therapix Biosciences Ltd. ("**the Company**") for the first quarter of 2016 ("**the Reports**");

2. To the best of my knowledge, the Reports do not contain any untrue statement of a material fact or omit to state a material fact necessary not to make the statements made therein, in light of the circumstances under which such statements were made, misleading with respect to the period covered by the Reports.

3. To the best of my knowledge, the financial statements and other financial information included in the Reports fairly present, in all material respects, the financial position, results of operations and cash flows of the Company as of and for the periods presented in the Reports.

4. I have disclosed to the Company's auditors, the Company's Board of Directors and the Company's Board's Audit Committee (which also acts as the Financial Statement Review Committee) any fraud, whether or not material, that involves the CEO or anyone directly subordinate to the CEO or that involves other employees who have a significant role in the Company's internal control over financial reporting and disclosure.

There is nothing in the aforesaid to derogate from my responsibility or the responsibility of anyone else, pursuant to any law.

Date: May 31, 2016

Dr. Elran Haber, CEO

Chief Financial Officer's Statement:
Pursuant to Regulation 5d(4)(b)-(c) and Regulation 38c(d)(1) to the Israel Securities Regulations (Periodic and Immediate Reports), 1970

Letter of Representation
Chief Financial Officer's Statement

I, Guy Goldin, certify that:

1. I have reviewed the Interim Financial Statements and other financial information included in the Interim Report of Therapix Biosciences Ltd. ("**the Company**") for the first quarter of 2016 ("**the Reports**" or "**the Interim Reports**");

2. To the best of my knowledge, the Interim Financial Statements and other financial information included in the Interim Reports do not contain any untrue statement of a material fact or omit to state a material fact necessary not to make the statements made therein, in light of the circumstances under which such statements were made, misleading with respect to the period covered by the Reports.

3. To the best of my knowledge, the Interim Financial Statements and other financial information included in the Interim Reports fairly present, in all material respects, the financial position, results of operations and cash flows of the Company as of and for the periods presented in the Reports.

4. I have disclosed to the Company's auditors, the Company's Board of Directors and the Company's Board's Audit Committee (which also acts as the Financial Statement Review Committee) any fraud, whether or not material, that involves the CEO or anyone directly subordinate to the CEO or that involves other employees who have a significant role in the Company's internal control over financial reporting and disclosure.

There is nothing in the aforesaid to derogate from my responsibility or the responsibility of anyone else, pursuant to any law.

Date: May 31, 2016

CPA Guy Goldin, CFO and Company Secretary

F:\W2000\w2000\60633903\OTR\16\אנגלית\דוח דירקטוריון רבעון 1.docx