THERAPIX
BIOSCIENCES



Therapix Biosciences Ltd.

Quarterly Report

2nd Quarter | 2016







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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].**

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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 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, in keeping with several other projects which the Company has already chosen to undertake in this area. In this context, the Company aims to pursue clinical research and development activities for cannabinoid-based therapies (by itself and/or through subcontractors and/or business collaborations), in order to achieve repurposing, repositioning and improvement of existing approved cannabinoid molecule-based drugs thereby minimizing the inherent risks of developing drugs that are based on new molecules as well as reducing the costs of development. 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) (see paragraph 4.2 below). In addition, in the Reporting Period, the Company took steps for the transfer of the Anti-CD3 technology, which is not part of the activity discussed above (see more details in paragraph 5.7 below).

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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).

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 Pharmaceuticals Ltd. ("**Dekel**") the advance shares based on the terms of the license agreement signed with Dekel[7].

2.2 Off-market transactions conducted by interested parties in the Interim Period

2.2.1 The Company is not aware of any off-market transactions conducted by interested parties of the Company in the Company's shares in the Interim Period.

2.3 General

2.3.1 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[8].

2.3.2 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 promoting 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[9].

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7 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).

8 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.

9 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

3.1.1 On April 1, 2016, the officer in charge of finances was appointed as CFO[10].

3.1.2 On July 28, 2016, the Company convened a meeting of its shareholders, among others, to approve the reappointment of the acting external director, Mr. Zohar Heiblum, for an additional term (under the same terms)[11].

3.2 Issuance of options

3.2.1 On May 31, 2016, the Company's Board approved the allocation of a total of 210,000 options to five consultants of the Company[12].

3.3 Extension of the Company's directors' and officers' liability insurance policy. On May 31, 2016, following the approval of the Remuneration Committee, the Company's Board approved the renewal of the Company's directors' and officers' liability insurance policy for an additional year until May 31, 2017, with respect to all directors and officers in the Company, as they will be from time to time, including officers who are or may be considered controlling shareholders in the Company[13]. The policy was approved in keeping with the terms of the master agreement underlying the engagement in insurance policies[14].

3.4 Convening a special annual general meeting. On July 28, 2016, the Company convened a general meeting of its shareholders, among others, to amend the Company's articles of association regarding cancellation and compensation arrangements underlying administrative enforcement proceedings[15].

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

11 See the Company's meeting notice report of July 28, 2016 (TASE reference: 2016-01-093013).

12 See the Company's immediate report of June 1, 2016 (TASE reference: 2016-01-042378).

13 See the Company's immediate report of June 1, 2016 (TASE reference: 2016-01-042192).

14 See the Company's immediate report of June 2, 2015 (TASE reference: 2015-01-038442). The master agreement was approved on June 10, 2015 by the general meeting of the Company's shareholders.

15 See the Company's report meeting notice of July 28, 2016 (TASE reference: 2016-01-093013) and its amendment of August 4, 2016 (TASE reference: 2016-01-098074).

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

4.1 Preparations for the beginning of the clinical 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 ("**the technology**" and "**the license agreement**", respectively)[16], and with the termination of the technology's preclinical development phase[17], the Company is preparing to develop a product based on the technology in the context of human clinical trials. The Company estimates that the ability of PEA to decrease and even prevent part of the side effects attributed to THC, together with the therapeutic activity of THC will improve the efficacy and safety of the combined therapy and the product that will be developed by it. The Company intends to develop a product that will combine cannabinoids (a combination of THC and PEA) to treat neurological conditions with emphasis on Tourette's syndrome[18].

As per the Company's best estimate, the choice of Tourette's syndrome indication will ultimately allow product development under the accelerated regulatory path of the US Food and Drug Administration ("**FDA**") (under an orphan drug program). Accordingly, on June 2, 2016, the Company filed an application with the FDA for orphan drug designation for the drug being developed by it (THX-TS01) based on the technology for treating the symptoms of Tourette's syndrome, combining cannabinoids and cannabinoid-based molecules (combination of THC and PEA). As of the Report Date, the Company is in talks with the FDA for the approval of the regulatory orphan drug designation path as discussed above[19]. At this stage, the Company cannot assess whether the requested regulatory orphan drug designation path will be approved, at what terms (if at all) and/or the timeframe for obtaining the requested approval.

Simultaneously with pursuing its development plans, the Company is acting to commence clinical trials in the United States in the second half of 2016, subject to obtaining all the necessary approvals, including FDA approval for initiating THX-TS01 trials (an additional trial is expected to be launched in Europe in the second quarter of 2017). At the end of July 2016, an IND application[20] and a trial protocol were filed to the FDA by a group of US researchers in the context of their collaboration with the Company.

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16 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: 2015-01-038487) and paragraph 20.1 to Chapter A (Description of the Corporation's Business) to the Annual Report.

17 See the Company's immediate report of February 17, 2016 (TASE reference: 2016-01-029458).

18 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).

19 To the best of the Company's knowledge, based on its regulatory counsel, orphan drug designation approval for a drug under development offers several benefits such as, among others, seven-year FDA-administered market Orphan Drug Exclusivity (ODE); tax benefits; participation in development costs; regulatory protocol assistance - fast registration path; and waived FDA fees.

20 IND - Investigational New Drug - application for initiation of a drug investigation process by the FDA to begin the clinical trial phase on humans filed by researchers on behalf of the Company (not by the Company itself).

In the context of the Company's preparations for conducting clinical trials, the Company is planning to enter into engagements with medical centers for conducting the trials and 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[21].

The first trial to be conducted in the United States is expected to be a phase IIa open-label single-arm clinical trial for the QD oral administration of the drug over a period of 12 weeks (about three months). The European trial is expected to be a phase IIb randomized controlled double-blind double-arm clinical trial for the QD oral administration of the drug over a period of 12 weeks (about three months). Based on the results of these clinical trials, the Company intends to conduct an additional phase II/III randomized controlled multicenter double-blind double-arm clinical trial to assess the safety, tolerance and efficacy of the QD oral administration of the drug.

4.2 Preparations for beginning the clinical phase of the ultralow dose technology for treating MCI (including Alzheimer's). In the context of the development of the ultralow dose technology pursuant to the license agreement signed between the Company and Ramot ("**the technology**" and "**the license agreement**", respectively)[22], and following the compilation of the data gathered in the technology's preclinical trial phase[23], the Company is finalizing the preparations towards commencing clinical trials of the technology. The Company estimates that a first clinical trial will be initiated in North America in the first quarter of 2017. The trial is expected to be a phase I open-label clinical trial for evaluating the drug's pharmacokinetics and efficacy. The Company then plans to conduct a phase IIa open-label randomized controlled clinical trial to prove the feasibility and assess the safety, tolerance and efficacy of the drug.

<u>Forward-looking information warning</u> - the Company's evaluations discussed above regarding the adaptation of the results of the preclinical trials to clinical trials, the effect of medical products based on the technologies on minimizing and preventing the typical side effects of cannabinoids, additional trials that might be needed for continued development and approval of medical products based on the technologies, regulatory paths 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.

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

22 See details of the license agreement and the technology in the Company's immediate report of February 15, 2016 (TASE reference: 2016-01-027988) and paragraph 20.2 to Chapter A (Description of the Corporation's Business) to the Annual Report.

23 The development of the data was mainly carried out in the framework of the research work conducted by the Tel-Aviv University. See details in the Company's immediate report of February 15, 2016 (TASE reference: 2016-01-027988).

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 technologies and/or demands for repeating clinical trials, failure to achieve the desired regulatory paths for the product's approval (whether in the context of an orphan drug indication or not and/or under an accelerated regulatory path), 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.

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.

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

5.1 License agreement for the entourage technology. See details of progress made in the development activity under the license agreement for the entourage technology in paragraph 4.1 above.

5.2 License agreement for the ultralow dose technology with Ramot. See details of progress made in the development activity under the license agreement for the ultralow dose technology in paragraph 4.2 above.

5.3 Term sheet signed with Rhodes Technologies[24]. 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.

[24] See the Company's immediate report of April 19, 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).

Forward-looking information warning - 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.

5.4 Separation agreement signed with Lara[25]

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 (namely, May 22, 2017) 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)[26] which the Company is in the process of studying (see, for example, paragraph 5.8 below).

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25 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.

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

5.5 License agreement signed with the Tel-Aviv University's technology transfer company 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 at Tel-Aviv University (TAU) Ltd., TAU's technology transfer company ("**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 (formerly: 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[27].

5.6 Binding memorandum of understandings with Swiss pharmaceutical company. On June 7, 2016, the Company entered into a binding memorandum of understandings (in this paragraph: "**the MOU**") with a Swiss pharmaceutical company ("**the Swiss company**") whereby the Swiss company will grant the Company, among others, an irrevocable global exclusive royalty-bearing sublicensable license to use the former's low dose technology which is designed to allow maximum administration and absorption of the active THC through a sublingual tablet. The parties will be holding negotiations and taking steps towards signing a final and detailed license agreement based on the terms prescribed in the MOU, subject, among others, to the successful conclusion of a preliminary clinical trial of the technology and the completion of a proof of concept of the technology[28]. As of the Report Date, the Company is continuing to develop the formulation in cooperation with the Swiss company towards conducting a preliminary clinical trial of the technology. See details of the development stages and the preparations for said clinical trial in paragraph 4.2 above.

5.7 Agreement for the sale of the Anti-CD3 technology. On June 22, 2016, the Company entered into a share transfer agreement (in this paragraph: "**the agreement**") with Orimmune Bio Ltd. (the Company's subsidiary[29]) and Karma Link Ltd.[30] (in this paragraph: "**Orimmune**" and "**the buyer**", respectively; collectively with the Company: "**the parties**") whereby the Company will sell its interests in Orimmune to the buyer and take steps to transfer its rights in the Anti-CD3 technology (mainly consisting of the Company's license from Hadasit Research Services & Development Ltd., the Technology Transfer Company of Hadassah Medical Organization which owns the technology) ("**the license**")[31] and certain assets of the Company underlying the technology's development (in this paragraph: "**the technology**" and "**the transferred assets**", respectively), all under the terms specified below, in keeping with the MOU signed between the parties on April 7, 2016[32].

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27 See complete information of the agreed outline in paragraph 20.7 to the Annual Report.

28 See more details of the MOU in the Company's immediate report of June 8, 2016 (TASE reference: 2016-01-046779).

29 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).

30 The buyer is a private company incorporated in Israel whose controlling shareholder, to the best of the Company's knowledge, is Mr. Ahmed Alimi, who served as director in the Company until February 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 final agreement was approved by both the Company's Audit Committee and by the Board.

31 The license agreement signed between the Company and Hadasit Research Services & Development Ltd. on March 25, 2010. 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).

32 See the Company's immediate reports of April 10, 2016 (TASE reference: 2016-01-045388) and June 19, 2016 (TASE reference: 2016-01-052875).

The agreement mainly consists of the following:

5.7.1 The Company will transfer its entire interests in Orimmune's shares to the buyer and exercise its best effort to assist in the assignment of the license to Orimmune, including certain IP assets developed by the Company in connection with the license, and in obtaining all the necessary approvals (in this paragraph: "**the license assignment process**")[33].

5.7.2 Subject to the completion of the license assignment process:

5.7.2.1 The Company will be entitled to a predetermined rate (which is a low double-digit number) of all receipts which the buyer (and its related parties, as defined in the agreement) will receive from Orimmune or from third parties in connection with the shares and/or assets of Orimmune, up to an aggregate of approximately NIS 40 million. For each receipt in excess of said aggregate amount, the Company will be entitled to a lower rate determined therefrom (also a low double-digit number).

5.7.2.2 The Company will assign to the buyer its right to increase its interests in Orimmune's share capital according to the investment agreement of September 2, 2013 signed between the Company, Orimmune and Acebright Holdings Limited (another shareholder in Orimmune)[34].

5.7.3 During the interim period until the completion of the license assignment process, the buyer will bear the entire payments in respect of the license and/or resulting therefrom (including payments for holding the patents under the license and including payments for a pending patent opposition proceeding involving the license). These amounts are non-recoverable[35]. During the interim period, any revenues that are received by the Company from the technology's commercialization will be delivered to Orimmune, less various fees and expenses payable in respect of the license and additional payments which the Company is entitled to receive, as discussed in paragraph 1.2.2.1 above.

5.7.4 The completion of the agreement is subject, among others, to obtaining the approval of Orimmune's entire shareholders to the agreement's execution and completion and to the parties signing the required engagements. The agreement will be executed within 60 days from the date of signing.

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33 As of the Report Date, the Company and Hadasit are holding joint negotiations with the Chief Scientist for obtaining an approval for the license assignment process, including approval for regulating the registration of the current technology-based IP assets underlying the project's products based on the Chief Scientist's requirements (registration which might be in contrast to the Chief Scientist's grant principles) and there is no certainty that such approval will indeed be obtained and/or at what terms.

34 See details of said investment agreement in paragraph 20.9 to Chapter A (Description of the Corporation's Business) to the Company's 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).

35 Including in respect of costs of defense against the registered patent opposition filed in connection with the license, as detailed in the Company's immediate report of February 4, 2016 (TASE reference: 2016-01-022765).

5.7.5 It is clarified that the completion of the license assignment process is not a condition for the completion of the agreement and failure to complete the license assignment process (subject to the terms of the agreement) will not represent violation of the agreement by the Company.

As of the Report Date, the Company estimates that the expected accounting implications of the completion of the agreement are immaterial. If the agreement is not completed as planned, the Company will consider its continued holding of the technology license, including license termination.

Forward-looking information warning - the Company's information and evaluations discussed above in connection with the completion of the final agreement on the predetermined dates, including the completion of the license assignment process within said dates (or at all), 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 third parties 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 counterparty's failure to sign the engagements for the agreement's completion, the failure to obtain the necessary approvals for the agreement's completion, the failure to complete the license assignment process and to obtain the necessary regulatory and/or other approvals, the failure to obtain the necessary regulatory and/or government approvals and the realization of any of the risk factors described in paragraph 24 to Chapter A to the Annual Report.

5.8 Binding memorandum of understandings with Yissum Research Development Company of the Hebrew University of Jerusalem Ltd. On July 3, 2016, the Company entered into a binding memorandum of understandings (in this paragraph: "**the MOU**") with Yissum Research Development Company of the Hebrew University of Jerusalem Ltd. ("**Yissum**") according to which Yissum will grant the Company an exclusive license to use the technology developed by the Hebrew University of Jerusalem for the nasal administration of cannabinoids to develop, manufacture, sell, distribute, market and commercialize products based on this technology. The parties will hold negotiations and take steps towards signing a final and detailed license agreement based on the terms of the MOU (in this paragraph: "**the final license agreement**")[36]. The engagement in the final license agreement is subject, among others, to the completion of a proof of concept study and evaluation of the technology to the Company's satisfaction and at its expense during a period of 60 days from the date of signing the MOU and to the finalization of the negotiations on the terms of the final license agreement within an additional period of 60 days from said date.

[36] See more details of the MOU in the Company's immediate report of July 4, 2016 (TASE reference: 2016-01-073645).

During these periods, Yissum undertakes not to hold negotiations and/or grant any rights in connection with the technology. The MOU will expire once final agreements are signed (or upon receiving notice by either of the parties of their inability to approve the MOU), or through mutual consent. The Company wishes to use the technology first in the context of the development project of a drug to treat MCI, which it promotes through the ultralow dose technology and auxiliary technologies. This technology may serve as an alternative for the technology which the Company had attempted to use in the past according to the engagement with Lara (see paragraph 5.4 above) and it offers the Company an alternative (and more favorable) administration of the drug as opposed to oral administration which is common among existing drugs in the market. As of the Report Date, the parties are continuing to collaborate towards signing a final license agreement but the signing of such agreement and/or its terms remain uncertain.

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

6.1 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). According to the notice of opposition, the patent does not match the registration, among others, due to its lack of innovation ("**the opposition**"). It should be clarified that 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 ("**the license agreement**")[37]. The notice of opposition was filed anonymously. According to the response to the notice of opposition which was submitted within the allotted timeframe, it was briefly stated that the patent is innovative and therefore the opposition should be dismissed. 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[38]. It should also be noted that the Company has entered into an agreement for the assignment of the license agreement (as discussed in paragraph 5.7 above), subject to the completion of the license agreement, and the costs of such proceeding will no longer be borne by the Company. Furthermore, the technology is not at the focus of the Company's business activity[39] and 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.

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37 For details of the patent, see item 1 in the table of patent applications in paragraph 12 to Chapter A (Description of the Corporation's Business) to the Annual Report.

38 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.

39 See more details in paragraph 1 above.

<u>Forward-looking information warning</u> - 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.

Respectfully,
Therapix Biosciences Ltd.

Date: <u>August 11, 2016</u>

Names of signatories in this Report and their position:

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

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 June 30, 2016 and for the periods of six and 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 six and three months ended June 30, 2016, the Company incurred losses totaling NIS 4,022 thousand and NIS 2,070 thousand, respectively, and has negative cash flows from operating activities totaling NIS 2,956 thousand and NIS 1,645 thousand for those periods, respectively. 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	June 30, 2016	June 30, 2015	December 31, 2015	Explanations
	NIS in thousands			
Current assets	3,513	1,280	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 June 30, 2015 mainly arises from capital raised and the exercise of options at the end of year 2015.
Non-current assets	49	33	42	The increase compared to December 31, 2015 and June 30, 2015 is mainly due to purchases of some fixed assets.
Total assets	**3,562**	**1,313**	**6,501**	
Current liabilities	1,506	1,419	1,994	The decrease compared to December 31, 2015 and June 30, 2015 mainly arises from the classification of the operations of the subsidiary, Orimmune, as held for sale (see also Note 4 to the Interim Financial Statements).
Liabilities for disposal group held for sale	790	-	-	Classification of the operations of the subsidiary, Orimmune, as held for sale (see also Note 4 to the Interim Financial Statements).
Non-current liabilities	-	172	-	The liability as of June 30, 2015 is in respect of Government grants from the OCS which are associated with the Anti-CD3 project. As of the end of 2015, the liability was derecognized.
Equity (deficit) attributable to equity holders of the Company	1,925	70	5,114	The decrease 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 June 30, 2015 is a result of capital raised and exercise of options at the end of 2015, offset by accumulated losses.
Non-controlling interests	(659)	(348)	(607)	The increase in the debit balance with non-controlling interests compared to December 31, 2015 and June 30, 2015 arises from the losses of the subsidiary, Orimmune.
Total equity (deficit)	**1,266**	**(278)**	**4,507**	

* Negative figures are presented in parenthesis, unless expressly stated otherwise.

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	Six months ended June 30, 2016	Six months ended June 30, 2015	Three months ended June 30, 2016	Three months ended June 30, 2015	Year ended December 31, 2015	Explanations
	NIS in thousands					
Research and development expenses, net	1,450	477	865	247	931	The increase in research and development expenses compared to the corresponding periods 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	2,454	2,456	1,140	1,304	5,297	
Other expenses (income), net	100	19	100	9	3,734	Other expenses, net in 2015 mainly arise from allocation of shares to Dekel based on the license agreement (see also Note 3h to the Interim Financial Statements.
Operating loss	**4,004**	**2,952**	**2,105**	**1,551**	**9,962**	
Finance expenses (income), net	18	5	(35)	(12)	15	Finance expenses (income), net in the Reporting Periods mainly arise from exchange rate valuation losses on dollar balances.
Group's share of losses of company accounted for at equity, net	-	197	-	88	197	The investment in an associate, Lara, was derecognized in 2015.
Net loss	**4,022**	**3,154**	**2,070**	**1,627**	**10,174**	

* Negative figures are presented in parenthesis, unless expressly stated otherwise.

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

3.1 Cash flows - the Company is in the development stage and has no sales.

3.2 The cash flows used in operating activities in the six and three months ended June 30, 2016 totaled NIS 2,956 thousand and NIS 1,645 thousand, respectively compared with NIS 2,656 thousand and NIS 1,966 thousand in the corresponding periods of last year, respectively. Cash flows used in investing activities in the Reporting Periods and in the corresponding periods of last year are immaterial. Moreover, there were no cash flows from financing activities in the six and three months ended June 30, 2016 compared with NIS 3,072 thousand and NIS 2,802 thousand in the corresponding periods of last year, respectively.

3.3 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.

3.4 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 3 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.

c. Disclosure of the Company's financial reporting framework

11. Disclosure of events after the reporting date

11.1 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 5 to the Interim Financial Statements and in Chapter A (Update to the Chapter of Description of the Corporation's Business) to this Report.

12. Repurchase plan

12.1 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: August 11, 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 and Company Secretary

Therapix Biosciences Ltd.

Chapter C - Interim Financial Statements

THERAPIX BIOSCIENCES LTD.
(Formerly: NasVax Ltd.)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF JUNE 30, 2016

UNAUDITED

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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 its subsidiaries ("the Group"), which comprises the condensed consolidated statement of financial position as of June 30, 2016 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the periods of six and three months then ended. The Company's board of directors and management are responsible for the preparation and presentation of interim financial information for these periods 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. In the six and three months ended June 30, 2016, the Company incurred losses totaling NIS 4,022 thousand and NIS 2,070 thousand, respectively and has negative cash flows from operating activities totaling NIS 2,956 thousand and NIS 1,645 thousand for those periods, respectively. 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
August 11, 2016

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31, 2015	June 30, 2015	June 30, 2016	Convenience translation into USD (Note 1d) June 30, 2016
	Audited	Unaudited		Unaudited
	NIS in thousands			USD in thousands
ASSETS				
CURRENT ASSETS:				
Cash	6,136	1,032	3,166	823
Restricted cash	44	44	44	11
Accounts receivable	279	204	303	79
	6,459	1,280	3,513	913
NON-CURRENT ASSETS:				
Property, plant and equipment	42	33	49	13
	6,501	1,313	3,562	926

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31, 2015	June 30, 2015	June 30, 2016	Convenience translation into USD (Note 1d) June 30, 2016
	Audited	Unaudited		Unaudited
	NIS in thousands			USD in thousands
LIABILITIES AND EQUITY (DEFICIT)				
CURRENT LIABILITIES:				
Trade payables	1,779	1,162	1,218	317
Other accounts payable	215	257	288	75
	1,994	1,419	1,506	392
Liabilities for disposal group held for sale	-	-	790	205
NON-CURRENT LIABILITIES:				
Liabilities for government grants	-	172	-	-
EQUITY (DEFICIT) ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY:				
Share capital	3,540	2,462	3,560	926
Share premium	95,772	87,562	95,852	24,922
Foreign currency translation reserve	20	20	-	-
Share options	-	330	-	-
Reserve for share-based payment transactions	18,309	15,462	19,010	4,943
Reserve from transactions with non-controlling interests	941	941	941	245
Accumulated deficit	(113,468)	(106,707)	(117,438)	(30,535)
	5,114	70	1,925	501
Non-controlling interests	(607)	(348)	(659)	(172)
Total equity (deficit)	4,507	(278)	1,266	329
	6,501	1,313	3,562	926

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

August 11, 2016			
Date of approval of the financial statements	Asher Shmulewitz Chairman of the Board	Elran Haber CEO	Guy Goldin CFO

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Year ended December 31	Three months ended June 30,		Six months ended June 30,		Convenience translation into USD (Note 1d) Six months ended June 30,
	2015	2015	2016	2015	2016	2016
	Audited	Unaudited				
	NIS in thousands (Except per share data)					USD in thousands
Research and development expenses, net	(931)	(247)	(865)	(477)	(1,450)	(377)
General and administrative expenses	(5,297)	(1,304)	(1,140)	(2,456)	(2,454)	(638)
	(6,228)	(1,551)	(2,005)	(2,933)	(3,904)	(1,015)
Other expenses	(3,734)	-	(100)	(19)	(100)	(26)
Operating loss	(9,962)	(1,551)	(2,105)	(2,952)	(4,004)	(1,041)
Finance income	20	12	35	-	23	6
Finance expenses	(35)	-	-	(5)	(41)	(11)
Group's share of losses of company accounted or at equity, net	(197)	(88)	-	(197)	-	-
Loss	(10,174)	(1,627)	(2,070)	(3,154)	(4,022)	(1,046)
Attributable to:						
Equity holders of the Company	(9,877)	(1,611)	(2,033)	(3,116)	(3,970)	(1,032)
Non-controlling interests	(297)	(16)	(37)	(38)	(52)	(14)
	(10,174)	(1,627)	(2,070)	(3,154)	(4,022)	(1,046)
Basic and diluted loss per share attributable to equity holders of the Company	(0.43)	(0.07)	(0.06)	(0.15)	(0.11)	(0.03)

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended December 31	Three months ended June 30,		Six months ended June 30,		Convenience translation into USD (Note 1d) Six months ended June 30,
	2015	2015	2016	2015	2016	2016
	Audited	Unaudited				
		NIS in thousands				USD in thousands
Loss	(10,174)	(1,627)	(2,070)	(3,154)	(4,022)	(1,046)
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	10	15	(20)	10	(20)	(5)
Total other comprehensive income (loss)	10	15	(20)	10	(20)	(5)
Total comprehensive loss	(10,164)	(1,612)	(2,090)	(3,144)	(4,042)	(1,051)
Attributable to:						
Equity holders of the Company	(9,867)	(1,596)	(2,053)	(3,106)	(3,990)	(1,037)
Non-controlling interests	(297)	(16)	(37)	(38)	(52)	(14)
	(10,164)	(1,612)	(2,090)	(3,144)	(4,042)	(1,051)

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 for share-based payment transactions	Foreign currency translation reserve	Share options	Reserve for 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 income	-	-	-	10	-	-	-	10	-	10
Total comprehensive loss	-	-	-	10	-	-	(9,877)	(9,867)	(297)	(10,164)
Issuance of shares (1)	806	4,858	-	-	-	-	-	5,664	-	5,664
Exercise of share options into shares	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) Net of issuance expenses of NIS 84 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 for share-based payment transactions	Foreign currency translation reserve	Share options	Reserve for transactions with non-controlling interests	Accumulated deficit	Total	Non-controlling interests	Total equity
	Unaudited									
	NIS in thousands									
Balance at April 1, 2015	1,892	83,411	15,257	5	2,249	941	(105,096)	(1,341)	(332)	(1,673)
Loss	-	-	-	-	-	-	(1,611)	(1,611)	(16)	(1,627)
Total other comprehensive loss	-	-	-	15	-	-	-	15		15
Total comprehensive loss	-	-	-	15	-	-	(1,611)	(1,596)	(16)	(1,612)
Issuance of shares and share options (1)	440	1,714	-	-	-	-	-	2,154	-	2,154
Exercise of share options	130	846	-	-	(328)	-	-	648	-	648
Expiration of share options	-	1,591	-	-	(1,591)	-	-	-	-	-
Cost of share-based payment	-	-	205	-	-	-	-	205	-	205
Balance at June 30, 2015	2,462	87,562	15,462	20	330	941	(106,707)	70	(348)	(278)

	Attributable to equity holders of the Company									
	Share capital	Share premium	Reserve for share-based payment transactions	Foreign currency translation reserve	Share options	Reserve for transactions with non-controlling interests	Accumulated deficit	Total	Non-controlling interests	Total equity
	Unaudited									
	NIS in thousands									
Balance at April 1, 2016	3,540	95,772	18,608	20	-	941	(115,405)	3,476	(622))	2,854
Loss	-	-	-	-	-	-	(2,033)	(2,033)	(37)	(2,070)
Total other comprehensive loss	-	-	-	(20)	-	-	-	(20)	-	(20)
Total comprehensive loss	-	-	-	(20)	-	-	(2,033)	(2,053)	(37)	(2,090)
Cost of share-based payment	20	80	402	-	-	-	-	502	-	502
Balance at June 30, 2016	3,560	95,852	19,010	-	-	941	(117,438)	1,925	(659)	1,266

(1) Net of issuance expenses of NIS 30 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 for share-based payment transactions	Foreign currency translation reserve	Share options	Reserve for transactions with non-controlling interests	Accumulated deficit	Total	Non-controlling interests	Total equity
	Unaudited									
	NIS in thousands									
Balance at January 1, 2015	1,841	80,460	15,215	10	4,981	941	(103,591)	(143)	(310)	(453)
Loss	-	-	-	-	-	-	(3,116)	(3,116)	(38)	(3,154)
Total other comprehensive loss	-	-	-	10	-	-		10	-	10
Total comprehensive loss				10			(3,116)	(3,106)	(38)	(3,144)
Issuance of shares and share options (1)	490	1,907	-	-	-	-	-	2,397	-	2,397
Exercise of share options	131	875	-	-	(331)	-	-	675	-	675
Expiration of share options		4,320	-	-	(4,320)	-	-	-	-	-
Cost of share-based payment	-	-	247	-	-	-	-	247	-	247
Balance at June 30, 2015	2,462	87,562	15,462	20	330	941	(106,707)	70	(348)	(278)

	Attributable to equity holders of the Company									
	Share capital	Share premium	Reserve for share-based payment transactions	Foreign currency translation reserve	Share options	Reserve for transactions with non-controlling interests	Accumulated deficit	Total	Non-controlling interests	Total equity
	Unaudited									
	NIS in thousands									
Balance at January 1, 2016	3,540	95,772	18,309	20	-	941	(113,468)	5,114	(607)	4,507
Loss	-	-	-	-	-	-	(3,970)	(3,970)	(52)	(4,022)
Total other comprehensive loss	-	-	-	(20)	-	-	-	(20)	-	(20)
Total comprehensive loss	-	-	-	(20)	-	-	(3,970)	(3,990)	(52)	(4,042)
Cost of share-based payment	20	80	701	-	-	-	-	801	-	801
Balance at June 30, 2016	3,560	95,852	19,010	-	-	941	(117,438)	1,925	(659)	1,266

(1) Net of issuance expenses of NIS 33 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 for share-based payment transactions**	**Foreign currency translation reserve**	**Share options**	**Reserve for transactions with non-controlling interests**	**Accumulated deficit**	**Total**	**Non-controlling interests**	**Total equity**
	Unaudited									
	Convenience translation (Note 1d) into USD in thousands									
Balance at January 1, 2016	920	24,902	4,761	5	-	245	(29,503)	1,330	(158)	1,172
Loss	-	-	-	-	-	-	(1,032)	(1,032)	(14)	(1,046)
Total other comprehensive loss	-	-	-	(5)	-	-	-	(5)	-	(5)
Total comprehensive loss	-	-	-	(5)	-	-	(1,032)	(1,037)	(14)	(1,051)
Cost of share-based payment	5	21	182	-	-	-	-	208	-	208
Balance at June 30, 2016	926	24,923	4,943	-	-	245	(30,535)	501	(171)	329

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31	Three months ended June 30,		Six months ended June 30,		Convenience translation into USD (Note 1d) Six months ended June 30,
	2015	2015	2016	2015	2016	2016
	Audited	Unaudited				
		NIS in thousands				USD in thousands
Cash flows from operating activities:						
Loss	(10,174)	(1,627)	(2,070)	(3,154)	(4,022)	(1,046)
Adjustments to reconcile loss to net cash used in operating activities:						
Depreciation and amortization	11	5	4	16	7	2
Loss from sale of equipment	19	-	-	19	-	-
Cost of share-based payment	4,438	205	502	247	801	208
Change in liability to the Chief Scientist	(191)	2	-	16	-	-
Finance expenses, net	35	-	(20)	-	(20)	(5)
Group's share of losses of company accounted for at equity	197	88	-	197	-	-
	4,509	300	486	495	788	205
Changes in operating assets and liabilities:						
Increase in accounts receivable	(177)	(112)	(160)	(102)	(24)	(6)
Increase (decrease) in trade payables	597	(627)	6	(20)	155	40
Increase in other accounts payable	83	99	93	125	147	38
	503	(640)	(61)	3	278	72
Net cash used in operating activities	(5,162)	(1,967)	(1,645)	(2,656)	(2,956)	(769)

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31	Three months ended June 30,		Six months ended June 30,		Convenience translation into USD (Note 1d) Six months ended June 30,
	2015	2015	2016	2015	2016	2016
	Audited	Unaudited				
		NIS in thousands				USD in thousands
Cash flows from investing activities:						
Proceeds from sale of equipment	2	-	-	2	-	-
Purchase of equipment	(4)	-	(1)	-	(14)	(4)
Net cash provided by (used in) investing activities	(2)	-	(1)	2	(14)	(4)
Cash flows from financing activities:						
Proceeds from issuance of share capital and share options (net of issuance expenses)	5,664	2,154	-	2,397	-	-
Exercise of share options	5,022	648	-	675	-	-
Net cash provided by financing activities	10,686	2,802	-	3,072	-	-
Increase (decrease) in cash	5,522	835	(1,646)	418	(2,970)	(772)
Cash at the beginning of the period	614	197	4,812	614	6,136	1,595
Cash at the end of the period	6,136	1,032	3,166	1,032	3,166	823

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 June 30, 2016 and for the six and three months 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.) ("the Company") was incorporated in Israel and commenced its operations on August 23, 2004. Until March 2014, the Company focused mainly on developing several innovative immunotherapy products and 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 drug for treating Tourette's syndrome using the entourage technology and is preparing to develop a cannabinoid-based drug for treating mild cognitive impairment using the ultralow dose technology.

c. In the six and three months ended June 30, 2016, the Company incurred losses totaling NIS 4,022 thousand and NIS 2,070 thousand, respectively and has negative cash flows from operating activities totaling NIS 2,956 thousand and NIS 1,645 thousand for those periods, respectively. The Company also has an accumulated deficit of NIS 117,438 thousand and continuing operating losses. As discussed in paragraph 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 obtaining the necessary regulatory approvals. Also, since its inception, the Company has not generated any 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 funding from external sources. According to management, this dependency will continue until the Company is able to finance its operations by selling its products or commercializing the technology it owns.

The balance of cash held by the Company may not be sufficient to finance its operating activities, which raises substantial doubt about 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 including existing shareholders by allocating Company securities.

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 1:- GENERAL (Cont.)

d. Convenience translation into U.S. dollars ("dollars", "USD" or "$")

For the convenience of the reader, the reported New Israeli Shekel (NIS) amounts as of June 30, 2016, and for the six and three months then ended have been translated into dollars at the Bank of Israel's representative rate of exchange for June 30, 2016 ($ 1 = NIS 3.846). The dollar amounts presented in these financial statements should not be construed as representing amounts that are receivable or payable in dollars or convertible into dollars, unless otherwise indicated. The dollars amounts were rounded to whole numbers for convenience.

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 ("Ramot"), 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 mild cognitive impairment (MCI) 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).

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

c. On February 16, 2016, the Company's Board approved a grant of 1,050,000 options as follows: 700,000 options to the Company's CEO, 250,000 to the Chairman of the Company's Board, 50,000 to a director of the Company and 50,000 to a former director. The options granted vest over a period of three years. The fair value of the options at the grant date was estimated at approximately NIS 789 thousand (the fair value of the options granted to the CEO, the Chairman of the Board and each of the directors was NIS 510 thousand, NIS 199 thousand and NIS 40 thousand, respectively). The fair value was calculated using the Black-Scholes model based on an exercise price determined for each optionee, expected volatility 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 expected life of 10 years. Total share-based payment expenses recorded in the six months ended June 30, 2016 in respect of the above grant were approximately NIS 247 thousand.

d. On February 16, 2016, the Company's Board approved a grant of 1,220,000 options as follows: 800,000 options to three of its officers, 300,000 options to three employees and 120,000 to a Company consultant. The options vest over a period of three years except for the 120,000 options that were granted to the consultant which vest over a period of two years. Each option is exercisable for an exercise price ranging between NIS 0.995 and NIS 1.061 per share. The fair value at the grant date was estimated at approximately NIS 882 thousand, calculated using the Black -Scholes model based on an exercise price determined for each optionee, expected volatility 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 expected life of 10 years. Total share-based payment expenses recorded in the six months ended June 30, 2016 in respect of the above grant were approximately NIS 325 thousand.

e. On March 22, 2016, the Company's Board approved a grant of 150,000 options to an officer. The options vest over a period 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 an exercise price of NIS 1.011, expected volatility 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 expected life of 10 years. Total share-based payment expenses recorded in the six months ended June 30, 2016 in respect of the above grant were approximately NIS 29 thousand.

f. On April 3, 2016, in keeping with a master approval granted by the Company's Board, 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 19 thousand, calculated using the Black-Scholes model based on an exercise price of NIS 1, expected volatility of 53.36% at the grant date, a price per share of NIS 0.894 at the grant date and risk-free interest rate of 0.51% a year. Total share-based payment expenses recorded in the six months ended June 30, 2016 in respect of the above grant were approximately NIS 19 thousand.

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

g. On May 31, 2016, the Company's Board approved the grant of 210,000 options to several of the Company's consultants, out of which 150,000 options were effectively granted. The options granted are immediately exercisable, of which 70,000 options are exercisable for one year from their date of grant and the remaining options are exercisable for 10 years from their date of grant. The fair value at the grant date was estimated at approximately NIS 62 thousand, calculated using the Black-Scholes model based on an exercise price of NIS 1.03, expected volatility ranging between 53.04% and 74.07% at the grant date, a price per share of NIS 0.869 at the grant date and risk-free interest rate of 0.62%-1.97% a year. Total share-based payment expenses recorded in the six months ended June 30, 2016 in respect of the above grant were approximately NIS 62 thousand.

h. Further to the matter discussed in Note 15b to the Company's annual consolidated financial statements, on May 16, 2016, after obtaining the TASE's approval and as part of the conditions of the license agreement with Dekel Pharmaceuticals Ltd. ("Dekel") which became effective on August 19, 2015, and in order to fulfill the commitment of the Company to Dekel under the license agreement, the Company issued to Dekel 200,000 shares associated with the payment of the advance according to the license agreement.

i. On May 22, 2016, the Company and Lara Pharm Ltd. ("Lara") signed a settlement and termination agreement ("the settlement agreement") according to which, among others, the Company will remain a shareholder in Lara, holding 27.314% of Lara's issued and outstanding share capital as of the date of signing the settlement agreement (while waiving a certain number of shares in Lara which will be forfeited). Lara's founder (as defined in the settlement agreement) was granted a call option for a period of one year from the date of signing the settlement agreement (namely, until May 22, 2017) to purchase the Company's entire interests in Lara for $ 500 thousand (representing a 100% return of the Company's investment in Lara). Also according to the settlement agreement, the Company's representative on Lara's board of directors will resign. Accordingly, the Company lost its material influence in Lara, and as of June 30, 2016, the balance of the investment in Lara in the Company's books is nil.

NOTE 4:- DISPOSAL GROUP HELD FOR SALE

On June 22, 2016, the Company entered into a share transfer agreement ("the agreement") with Orimmune Bio Ltd. ("the subsidiary") and Karma Link Ltd., whose controlling shareholder served as director in the Company until February 2016 ("the buyer") whereby the Company will sell its interests in the subsidiary to the buyer and take steps to transfer its rights in the Anti-CD3 technology (mainly consisting of the Company's license from Hadasit Research Services & Development Ltd., the Technology Transfer Company of Hadassah Medical Organization which owns the technology) ("the license") and certain assets of the Company underlying the technology's development ("the technology" and "the transferred assets", respectively), all under the terms specified below.

The agreement mainly consists of the following:

1. The Company will transfer its entire interests in the subsidiary's shares to the buyer and exercise its best effort to assist in the assignment of the license to the subsidiary, including certain IP assets developed by the Company in connection with the license, and in obtaining all the necessary approvals.

2. Subject to the completion of the license assignment process described above, the Company will be entitled to a predetermined rate (which is a low double-digit number) of all receipts which the buyer (and its related parties, as defined in the agreement) will receive from the subsidiary or from third parties in connection with the shares and/or assets of the subsidiary, up to an aggregate of approximately NIS 40 million. For each receipt in excess of said aggregate amount, the Company will be entitled to a lower rate determined therefrom (also a low double-digit number).

3. The Company will assign to the buyer its right to increase its interests in the subsidiary's share capital according to the investment agreement of September 2, 2013 signed between the Company, the subsidiary and Acebright Holdings Limited (another shareholder in the subsidiary). During the interim period until the completion of the license assignment process, the buyer will bear the entire payments in respect of the license and/or resulting therefrom (including payments for holding the patents under the license and including payments for a pending patent opposition proceeding involving the license). These amounts are non-recoverable. During the interim period, any revenues that are received by the Company from the technology's commercialization will be delivered to the subsidiary, less various fees and expenses payable in respect of the license and additional payments which the Company is entitled to receive.

The completion of the agreement is subject, among others, to obtaining the approval of the subsidiary's entire shareholders to the agreement's execution and completion and to the parties signing the required engagements. The agreement will be executed within 60 days from the date of signing. It is clarified that the completion of the license assignment process is not a condition for the completion of the agreement and failure to complete the license assignment process (subject to the terms of the agreement) will not represent violation of the agreement by the Company.

NOTE 4:- DISPOSAL GROUP HELD FOR SALE (Cont.)

As of the reporting date, the Company estimates that the expected accounting implications of the completion of the agreement are immaterial.

As of the date of signing the financial statements, the agreement has not yet been completed.

Accordingly, the Company classified the subsidiary's operation as classified for sale. The group of liabilities classified as held for sale is as follows:

	June 30, 2016	
	Unaudited	
	NIS in thousands	Convenience translation into USD in thousands
Liabilities		
Trade payables	716	186
Other accounts payable	74	19
	790	205

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THERAPIX BIOSCIENCES LTD.
(Formerly: NasVax Ltd.)

PRESENTATION OF FINANCIAL INFORMATION FROM

THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

ATTRIBUTABLE TO THE COMPANY

AS OF JUNE 30, 2016

Kost Forer Gabbay & Kasierer
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Haifa 3309502, Israel

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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 June 30, 2016 and for the periods of six and three months 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 above conclusion, we draw attention to the matter discussed in paragraph (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. In the six and three months ended June 30, 2016, the Company incurred losses totaling NIS 3,970 thousand and NIS 2,033 thousand, respectively and has negative cash flows from operating activities totaling NIS 2,936 thousand and NIS 1,636 thousand for the periods the ended, respectively. These factors, along with other factors detailed in said paragraph, 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
August 11, 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 June 30, 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 Statements of Financial Position
Attributable to the Company

	June 30,		December 31,
	2016	2015	2015
	Unaudited		Audited
	NIS in thousands		
ASSETS			
CURRENT ASSETS:			
Cash	3,165	1,009	6,115
Restricted cash	44	44	44
Accounts receivable	303	202	271
	3,512	1,255	6,430
NON-CURRENT ASSETS:			
Receivables from subsidiaries	5,749	5,235	5,525
Investment in associate	-	-	-
Property, plant and equipment	49	33	42
	5,798	5,268	5,567
	9,310	6,523	11,997
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Trade payables	1,217	999	1,540
Other accounts payable	288	257	215
	1,505	1,256	1,755
Liabilities for disposal group held for sale	351	-	-
NON-CURRENT LIABILITIES:			
Government grants	-	172	-
Liabilities less assets attributable to subsidiaries	5,529	5,025	5,128
	5,529	5,197	5,128
EQUITY ATTRIBUTABLE TO THE COMPANY	1,925	70	5,114
	9,310	6,523	11,997

August 11, 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 Profit or Loss Attributable to the Company

	Six months ended June 30,		Three months ended June 30,		Year ended December 31,
	2016	2015	2016	2015	2015
	Unaudited				Audited
	NIS in thousands				
Research and development expenses, net	(1,148)	(209)	(641)	(127)	(443)
General and administrative expenses	(2,432)	(2,351)	(1,136)	(1,275)	(5,185)
	(3,580)	(2,560)	(1,777)	(1,402)	(5,628)
Other expenses, net	(100)	(18)	(100)	-	(3,733)
Operating loss	(3,680)	(2,578)	(1,877)	(1,402)	(9,361)
Finance income	153	132	100	63	276
Finance expenses	(42)	(2)	-	15	(22)
Company's share of losses of investees (including impairment of goodwill), net	(401)	(668)	(256)	(287)	(770)
Loss attributable to the Company	(3,970)	(3,116)	(2,033)	(1,611)	(9,877)

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

	Six months ended June 30,		Three months ended June 30,		Year ended December 31,
	2016	2015	2016	2015	2015
	Unaudited				Audited
	NIS in thousands				
Cash flows from the Company's operating activities:					
Loss attributable to the Company	(3,970)	(3,116)	(2,033)	(1,611)	(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	7	15	4	6	11
Loss from sale of property, plant and equipment	-	19	-	-	19
Cost of share-based payment	801	247	502	207	4,438
Increase in balance of liability to the Chief Scientist	-	16	-	2	-
Finance expenses, net	(20)	-	(20)	-	34
Change in liability to the Chief Scientist	-	-	-	-	(191)
Company's share of losses of investees, net	401	668	256	287	770
	1,189	965	742	502	5,081
Changes in the Company's asset and liability items:					
Increase in accounts receivable	(256)	(659)	(267)	(373)	(1,017)
Increase (decrease) in trade payables	28	26	(97)	(581)	567
Increase in other accounts payable	73	125	19	97	83
	(155)	(508)	(345)	(857)	(367)
Net cash used in operating activities	(2,936)	(2,659)	(1,636)	(1,966)	(5,163)

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

	Six months ended June 30,		Three months ended June 30,		Year ended December 31,
	2016	2015	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	(14)	-	(1)	-	(4)
Net cash provided by (used in) investing activities	(14)	2	(1)	-	(2)
Cash flows from the Company's financing activities:					
Issuance of share capital and share options (less issuance expenses)	-	2,397	-	2,179	5,022
Exercise of share options	-	675	-	621	5,664
Net cash provided by financing activities	-	3,072	-	2,800	10,686
Increase (decrease) in cash	(2,950)	415	(1,637)	834	5,521
Cash at the beginning of the period	6,115	594	4,802	175	594
Cash at the end of the period	3,165	1,009	3,165	1,009	6,115

a. General

This separate financial information has been prepared in a condensed format as of June 30, 2016 and for the periods of six and three months 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.

In the six and three months ended June 30, 2016, the Company incurred losses totaling NIS 3,970 thousand and NIS 2,033 thousand, respectively and has negative cash flows from operating activities totaling NIS 2,936 thousand and NIS 1,636 thousand for the periods the ended, respectively.

The balance of cash held by the Company 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.

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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 second 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: August 11, 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 second 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: August 11, 2016

CPA Guy Goldin, CFO and Company Secretary

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