
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16
OR 15d-16 UNDER THE SECURITIES EXCHANGE ACT OF 1934**

For the month of August 2018

Commission file number: 001-38556

ENTERA BIO LTD.

(Exact Name of Registrant as Specified in Its Charter)

**Kiryat Hadassah
Minrav Building – Fifth Floor
Jerusalem, Israel**
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

CONTENTS

Exhibits 99.1 and 99.2 to this Report on Form 6-K shall be deemed to be incorporated by reference into the registration statement on Form F-1 (Registration Number 333-221472) of Entera Bio Ltd. and to be a part thereof from the date on which this report is filed, to the extent not superseded by documents or reports subsequently filed or furnished.

Exhibit 99.3 to this Report on Form 6-K shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act.

Exhibit

[Exhibit 99.1: Unaudited Condensed Consolidated Interim Financial Information for the Period Ended June 30, 2018.](#)

[Exhibit 99.2: Management’s Discussion and Analysis of Financial Condition and Results of Operation for the Period Ended June 30, 2018.](#)

[Exhibit 99.3: Press release dated August 20, 2018.](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ENTERA BIO LTD.
(Registrant)

By: /s/ Dr. Phillip Schwartz
Name: Dr. Phillip Schwartz
Title: Chief Executive Officer

Date: August 20, 2018

ENTERA BIO LTD.
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)
AS OF June 30, 2018

ENTERA BIO LTD.
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)
AS OF June 30, 2018

TABLE OF CONTENTS

	Page
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) – U.S DOLLARS IN THOUSANDS (\$):	
Condensed consolidated statements of financial position	2
Condensed consolidated statements of comprehensive loss (income)	3
Condensed consolidated statements of changes in capital deficiency	4
Condensed consolidated statements of cash flows	5-6
Notes to the condensed consolidated financial statements	7-12

ENTERA BIO LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(UNAUDITED)

	June 30	December 31
	2018	2017
	U.S. dollars in thousands	
A s s e t s		
CURRENT ASSETS:		
Cash and cash equivalents	6,471	11,746
Other current assets	1,017	671
TOTAL CURRENT ASSETS	7,488	12,417
NON-CURRENT ASSETS:		
Property and equipment	248	207
Intangible assets	654	654
TOTAL NON-CURRENT ASSETS	902	861
TOTAL ASSETS	8,390	13,278
Liabilities net of capital deficiency		
CURRENT LIABILITIES:		
Accounts payable:		
Trade	262	596
Other	1,766	1,424
TOTAL CURRENT LIABILITIES	2,028	2,020
NON-CURRENT LIABILITIES:		
Convertible loan	3,925	3,893
Preferred shares	30,905	33,455
Warrants to purchase preferred shares and shares	5,020	5,398
Severance pay obligations, net	66	70
TOTAL NON-CURRENT LIABILITIES	39,916	42,816
TOTAL LIABILITIES	41,944	44,836
COMMITMENTS AND CONTINGENCIES		
CAPITAL DEFICIENCY:		
Ordinary Shares, NIS 0.01 par value:		
Authorized - as of June 30, 2018 and December 31, 2017, 1,000,000 shares; issued and outstanding as of June 30, 2018, and December 31, 2017-34,544 shares	*	*
Accumulated other comprehensive income	41	41
Other reserves	7,896	7,361
Additional paid in capital	2,915	2,853
Accumulated deficit	(44,406)	(41,813)
TOTAL CAPITAL DEFICIENCY	(33,554)	(31,558)
TOTAL LIABILITIES NET OF CAPITAL DEFICIENCY	8,390	13,278

* Represents an amount less than one thousand.

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

ENTERA BIO LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS (INCOME)
(UNAUDITED)

	Six months ended June 30		Three months ended June 30	
	2018	2017	2018	2017
	U.S. dollars in thousands			
RESEARCH AND DEVELOPMENT EXPENSES	4,658	1,280	1,765	601
GENERAL AND ADMINISTRATIVE EXPENSES (INCOME)	854	2,894	(409)	2,392
OPERATING LOSS	5,512	4,174	1,356	2,993
FINANCIAL EXPENSES (INCOME):				
Income from change in fair value of financial liabilities at fair value	(2,896)	(479)	(2,876)	(742)
Other financial expenses (income), net	(23)	71	(43)	8
FINANCIAL INCOME, net	(2,919)	(408)	(2,919)	(734)
NET COMPREHENSIVE LOSS (INCOME) FOR THE PERIOD	2,593	3,766	(1,563)	2,259
	U.S. dollars		U.S. dollars	
LOSS (INCOME) PER ORDINARY SHARE -				
Basic	75.06	109.02	(45.25)	65.39
Diluted	91.14	123.86	13.97	77.87
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING -				
Basic	34,544	34,544	34,544	34,544
Diluted	36,427	47,320	74,161	44,766

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

ENTERA BIO LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN CAPITAL DEFICIENCY
(UNAUDITED)

	<u>Number of Ordinary Shares</u>	<u>Ordinary Shares-Amount</u>	<u>Accumulated other comprehensive income</u>	<u>Other reserve</u>	<u>Additional paid in capital</u>	<u>Accumulated deficit</u>	<u>Total</u>
	U.S dollars in thousands						
BALANCE AT JANUARY 1, 2017	34,544	*	41	2,844	2,485	(30,616)	(25,246)
CHANGES FOR SIX MONTHS ENDED JUNE 30, 2017:							
Net loss for the period	-	-	-	-	-	(3,766)	(3,766)
Share-based compensation	-	-	-	2,247	-	-	2,247
BALANCE AT JUNE 30, 2017	<u>34,544</u>	<u>*</u>	<u>41</u>	<u>5,091</u>	<u>2,485</u>	<u>(34,382)</u>	<u>(26,765)</u>
BALANCE AT JANUARY 1, 2018	34,544	*	41	7,361	2,853	(41,813)	(31,558)
CHANGES FOR SIX MONTHS ENDED JUNE 30, 2018:							
Net loss for the period						(2,593)	(2,593)
Share-based compensation	-	-	-	597	-	-	597
Reclassification of capital contribution from controlling shareholder	-	-	-	(51)	51	-	-
Reclassification due to share-based compensation forfeited	-	-	-	(11)	11	-	-
BALANCE AT JUNE 30, 2018	<u>34,544</u>	<u>*</u>	<u>41</u>	<u>7,896</u>	<u>2,915</u>	<u>(44,406)</u>	<u>(33,554)</u>

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

ENTERA BIO LTD.
CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENTS
(UNAUDITED)

	Six months ended June 30	
	2018	2017
	(Unaudited)	
	U.S dollars in thousands	
CASH FLOWS USED IN OPERATING ACTIVITIES:		
Net loss for the period	(2,593)	(3,766)
Adjustments required to reflect net cash used in operating activities (see appendix A)	(2,614)	1,916
Net cash used in operating activities	<u>(5,207)</u>	<u>(1,850)</u>
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES:		
Decrease in restricted deposits	-	1,054
Purchase of property and equipment	(68)	(47)
Net cash provided by (used in) investing activities	<u>(68)</u>	<u>1,007</u>
CASH FLOWS USED IN FINANCING ACTIVITIES:		
Payment for maturity of Convertible loans	-	(980)
Net cash used in financing activities	<u>-</u>	<u>(980)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(5,275)	(1,823)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	11,746	4,163
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>6,471</u>	<u>2,340</u>

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

ENTERA BIO LTD.
CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENTS
(UNAUDITED)

Six months ended June 30	
2018	2017
(Unaudited)	
U.S dollars in thousands	

APPENDIX A:

Adjustments required to reflect net cash used in operating activities:		
Depreciation	27	19
Gain from change in fair value of financial liabilities at fair value	(2,896)	(479)
Financial expenses	32	47
Net changes in severance pay	(4)	5
Share-based compensation	597	2,247
	<u>(2,244)</u>	<u>1,839</u>
Changes in working capital:		
Increase in other current assets	(346)	(219)
Increase (decrease) in accounts payable and accruals:		
Trade	(334)	202
	<u>342</u>	<u>168</u>
	<u>(338)</u>	<u>151</u>
Cash used for operating activities -		
Interest paid	(32)	(74)
	<u>(2,614)</u>	<u>1,916</u>

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

ENTERA BIO LTD.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1 - GENERAL INFORMATION:

General:

- a. Entera Bio Ltd. (the "Company") was incorporated on June 1, 2010.

The Company is a clinical-stage biopharmaceutical company, focused on the development and commercialization of orally delivered large molecule therapeutics in areas with significant unmet medical needs. Currently the Company is focused on the development of oral capsules for the treatment of hypoparathyroidism and osteoporosis.

On January 8, 2018, the Company incorporated Entera Bio Inc. a fully owned subsidiary based in Delaware USA.

Initial Public Offering (IPO)–

On June 29, 2018 the Company filed final prospectus with the Securities and Exchange Commission ("SEC"). On July 2, 2018 the Company Completed the IPO in the NASDAQ Capital Market (the "NASDAQ"), for further information see note 7.

- b. Since the Company is engaged in research and development activities, it has not yet derived income from its activity and has incurred through June 30, 2018, accumulated losses in the amount of \$44,406 thousand. The Company also has negative working capital and has cash outflows from operating activities. The Company's management is of the opinion that its available funds as of June 30, 2018 and the net proceeds from the IPO (as detailed in note 7) are sufficient to support the Company's ongoing operations for at least 12 months. Nevertheless, The Company requires substantial additional funding in order to continue its research and development programs. These factors raise substantial doubt as to the Company's ability to continue as a going concern.

Management is in the process of evaluating various financing alternatives in the public or private equity markets, as the Company will need to finance future research and development activities and general and administrative expenses through fund raising. However, there is no certainty about the Company's ability to obtain such funding.

The financial information has been prepared on a going concern basis, which assumes the Company will continue to realize its assets and discharge its liabilities in the normal course of business. If the Company does not raise the requisite funds, it will need to curtail or cease operation. These financial statements do not include any adjustments that may be necessary should the Company be unable to continue as a going concern.

NOTE 2 - BASIS OF PREPARATION

The Company's condensed consolidated interim financial statements as of June 30, 2018 and for the six months then ended (the "interim financial statements") have been prepared in accordance with International Accounting Standard No. 34, "Interim Financial Reporting" ("IAS 34"). These interim financial statements, which are unaudited, do not include all disclosures necessary for a complete presentation of financial position, comprehensive loss (income), changes in capital deficiency and cash flows in conformity with generally accepted accounting principles. The condensed consolidated interim financial statements should be read in conjunction with the Company's annual financial statements as of December 31, 2017 and for the year then ended and their accompanying notes, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB.

The results of operations for the six months ended June 30, 2018 are not necessarily indicative of the results that may be expected for the entire fiscal year or for any other interim period.

ENTERA BIO LTD.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and calculation methods applied in the preparation of the interim financial statements are consistent with those applied in the preparation of the annual financial statements as of December 31, 2017 and for the year then ended.

NOTE 4 – FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS:

a. Financial risk factors

The Company's activities expose it to a variety of financial risks.

The condensed interim financial statements do not include all financial risk information and disclosures required in the annual financial statements; they should be read in conjunction with the Company's annual financial statements as of December 31, 2017.

There have been no changes in the risk management policies since the year end.

b. Fair value estimates

The following table presents the Company's liabilities that are measured at fair value:

	Financial liabilities at fair value through profit or loss (Level 3)	Financial liabilities at amortized cost	Total
	U.S. dollars in thousands		
As of June 30, 2018:			
Trade and other payable	-	2,028	2,028
Convertible loan	3,925	-	3,925
Preferred shares	30,905	-	30,905
Warrants to purchase preferred shares and shares	5,020	-	5,020
	<u>39,850</u>	<u>2,028</u>	<u>41,878</u>
As of December 31, 2017:			
Trade and other payable	-	2,020	2,020
Convertible loan	3,893	-	3,893
Preferred shares	33,455	-	33,455
Warrants to purchase preferred shares and shares	5,398	-	5,398
	<u>42,746</u>	<u>2,020</u>	<u>44,766</u>

ENTERA BIO LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(UNAUDITED)

NOTE 4 – FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued):

The Company prepared a valuation of the financial liabilities presented above (a Level 3 valuation). The debt component of the convertible loan was valued based on the discounting of future payments of the debt. The convertible components of convertible loan (conversion option to the Company's ordinary shares), preferred shares and warrants were valued based on a combination of the Probability-Weighted Expected Return Method and Back Solve option pricing method model. The following parameters were used:

	<u>June 30,</u> <u>2018</u>	<u>December</u> <u>31,</u> <u>2017</u>
Price per share*	\$ 819	\$ 908.78
Volatility	62%	55%
Probability of entering Phase 2b/3	NA	70%
Probability for IPO	100%	85%

* The price per share as of June 30, 2018 was based on market approach since the Company's ordinary shares started trading in NASDAQ on June 28, 2018, (prior to the closing of the IPO – see note 7).

As of December 31, 2017, the valuation of the Company's financial liabilities was based on the market approach by using the price per share of 908.78 per preferred B share (see Note 8(b) to the 2017 financial statements) as a basis for the fair market value.

NOTE 5 – SHARE BASED COMPENSATION

- A. On January 10, 2018, the Company appointed Dr. Eric Lang as the Company's Chief Medical Officer, effective January 15, 2018. In connection with Dr. Lang's appointment as the Company's new Chief Medical Officer, the Company's Board of Directors granted Dr. Lang options to purchase 850 ordinary shares at an exercise price of \$820 per share. The options vest over 4 years from the date of grant; 1/4 vest on the date of grant and the remaining vest in twelve equal quarterly installments following the first anniversary of the applicable grant date. The fair value of the options at the date of grant was \$420 thousand.
- B. In January 2018, the Company granted options to purchase 250 ordinary shares to a certain consultant, with an exercise price of \$273.88. The options vested immediately. The fair value of the options at the date of grant was \$138 thousand.
- C. The resignation of Mr. Beshar, the Chairman of the board took effect on June 27, 2018, prior to the effectiveness of the final prospectus of the Company. According to the Mr. Beshar's options terms, options which have yet to fully vest are forfeited and were recognized in the financial statements as a reverse of expense under the General and Administrative line item in the amount of \$1,326 thousand.

ENTERA BIO LTD.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 5 – SHARE BASED COMPENSATION (CONTINUED):

- D. Prior to the closing of the IPO the Company's board of directors and shareholders of the Company approved a new Share Incentive Plan (the "New Plan"), subject to the closing of the IPO (see note 7) and has reserved 1,371,398 number of Ordinary Shares, of the Company for allocation of stock options, restricted share units, restricted share awards and performance-based awards (the "Option"), to employees and non-employees. for issuance under the New Plan each Option is exercisable to one ordinary share.

Any option granted under the Plan that is not exercised within 10 years from the date upon which it becomes exercisable will expire.

NOTE 6 - BASIC AND DILUTED LOSS PER SHARE

Basic

Basic loss (income) per share is calculated by dividing the result attributable to equity holders of the Company by the weighted average number of Ordinary Shares in issue during the period.

Diluted

All outstanding options, 2012 Convertible Loan, preferred shares, warrants to issue preferred shares B and warrants to issue preferred shares A have been excluded from the calculation of the diluted loss per share for the six months ended June 30, 2018 since their effect was anti-dilutive. The total number of shares related to the outstanding options, 2012 Convertible Loan, preferred shares, warrants to issue preferred shares B and warrants to issue preferred shares A excluded from the calculation of diluted loss per share was 75,869 for the six months ended June 30, 2018.

All outstanding options, 2012 Convertible Loan, warrants to Preferred Shares B and warrants to issue preferred shares A have been excluded from the calculation of the diluted income per share for the three months ended June 30, 2018 since their effect was anti-dilutive. The total number of shares related to the outstanding options, 2012 Convertible Loan, warrants to Preferred Shares B and warrants to issue preferred shares A excluded from the calculation of diluted income per share was 38,164 for the three months ended June 30, 2018.

All outstanding options and 2012 Convertible Loan have been excluded from the calculation of the diluted loss per share for the six months ended June 30, 2017 since their effect was anti-dilutive. The total number of ordinary shares related to the outstanding options and 2012 Convertible Loan excluded from the calculation of diluted loss per share was 14,057 for the six months ended June 30, 2017.

All outstanding options, 2012 Convertible Loan and warrants to preferred shares A have been excluded from the calculation of the diluted loss per share for the three months ended June 30, 2017 since their effect was anti-dilutive. The total number of ordinary shares related to the outstanding options, 2012 Convertible Loan and warrants to preferred shares A excluded from the calculation of diluted loss per share was 17,139 for the three months ended June 30, 2017.

ENTERA BIO LTD.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 6 - BASIC AND DILUTED LOSS PER SHARE (continued):

	Six months ended June 30		Three months ended June 30	
	2018	2017	2018	2017
	U.S. dollars (except for share numbers)			
Loss (Income) attributable to equity holders of the Company	2,593,000	3,766,000	(1,563,000)	2,259,000
Less:				
Income from change in fair value of financial liabilities at fair value	(727,000)	(2,095,000)	(2,599,000)	(1,227,000)
Loss used for the computation of diluted loss per share	3,320,000	5,861,000	1,036,000	3,486,000
Weighted average number of Ordinary Shares used in the computation of basic loss (income) per share	34,544	34,544	34,544	34,544
Add:				
Weighted average number of additional shares issuable upon the assumed conversion of:				
Preferred shares	-	10,222	37,734	10,222
Warrants to issue preferred shares and shares	1,883	2,554	1,883	-
	1,883	12,776	39,617	10,222
Weighted average number of Shares used in the computation of diluted loss per share	36,427	47,320	74,161	44,766
Basic loss (income) per Share	75.06	109.02	(45.25)	65.39
Diluted loss per Share	91.14	123.86	13.97	77.87

ENTERA BIO LTD.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 7 - SUBSEQUENT EVENTS

On June 28, 2018 the Company offered through an IPO 1,400,000 ordinary shares and 1,400,000 warrants (the “warrants”) to purchase up to 700,000 ordinary shares for a gross consideration of \$11.2 million before issuance costs (\$9.3 million net of issuance costs which include \$0.9 million to the underwriter and an additional \$1 million of other issuance costs). The ordinary shares and warrants sold in units (each a “unit”), with each unit consisting of one ordinary share and one warrant to purchase 0.5 of an ordinary share. The public offering price was \$8.00 per unit. The warrants are exercisable immediately at an exercise price of \$8.40 per share and will expire five years from the date of issuance, subject to certain exceptions.

The ordinary shares and warrants were immediately separable and issued separately and started to trade following the effectiveness of the registration statement on June 28, 2018.

The closing of the IPO was on July 2, 2018 following which the Company was entitled to receive the proceeds from the IPO. The ordinary shares listed on the NASDAQ under the symbol “ENTX” and the warrants under the symbol “ENTXW”. Certain actions were completed in connection with the closing of the IPO, including:

- A. A 1-for- 130 split of the Company's ordinary shares.
- B. The Company’s outstanding 2012 Convertible loans were automatically converted into 622,180 Ordinary Shares of the Company.
- C. The Company's Series A Preferred Shares, Series B Preferred Shares and Series B-1 Preferred Shares were automatically converted into 1,328,860, 1,856,790 and 1,719,770, Ordinary Shares of the Company, respectively.
- D. The Company's Warrants for Series A preferred shares, Warrants to Series B preferred shares and Warrants to Series B-1 preferred shares were automatically converted into 343,200, 756,340 and 467,220 warrants, respectively, to purchase Ordinary Shares of the Company.
- E. Existing options to purchase Series A preferred shares and warrants to purchase Series A preferred shares, granted to certain holders of our Series A preferred shares that are exercisable upon the closing of this offering, were automatically converted into options to purchase 387,530 ordinary shares and into warrants to purchase 85,931 ordinary shares.

On July 26, 2018, the Company's underwriters exercised their overallotment option to purchase 210,000 warrants to purchase 105,000 Ordinary Shares of the Company for a total consideration of \$2,100

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our condensed consolidated financial statements and the related notes to the financial statements, which are included in this Report of Foreign Private Issuer on form 6-K. You should also read the following discussion in conjunction with the information contained in our prospectus filed with the Securities and Exchange Commission on June 29, 2018 (the "Prospectus") including the financial statements as of December 31, 2017 and their accompanying notes including therein, includes in our prospectus. We have prepared our financial statements in accordance with IFRS as issued by IASB.

This Report of Foreign Private Issuer on Form 6-K of Entera Bio Ltd. Includes forward looking statements that relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Forward-looking statements include all statements that are not historical facts and can be identified by words such as, but not limited to, "believe," "expect," "anticipate," "estimate," "intend," "plan," "targets," "likely," "will," "would," "could," and similar expressions or phrases. We have based these forward-looking statements largely on our management's current expectations and future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs.

Forward-looking statements include, but are not limited to, statements about:

- our operation as a development stage company with limited operating history and a history of operating losses and our ability to fund our operations going forward;
 - our ability to develop and advance product candidates into, and successfully complete, clinical studies;
 - uncertainty surrounding whether any of our product candidates will receive regulatory approval, which is necessary before they can be commercialized, including that we will be able to demonstrate to regulators the clinical superiority of EB612 over Natpara, which is required to overcome Natpara's drug exclusivity;
 - our competitive position, especially with respect to Natpara, our key competitor for hypoparathyroidism treatment;
 - our recurring losses from operations have raised substantial doubt regarding our ability to continue as a going concern absent access to sources of liquidity;
 - our ability to use and expand our drug delivery technology to other product candidates;
 - the pricing and reimbursement of our product candidates, if approved;
 - our being subject to ongoing regulatory obligations if our products secure regulatory approval;
 - our ability to develop sales, marketing and distribution infrastructure;
 - our reliance on third parties to conduct our clinical trials and on third-party suppliers to supply or produce our product candidates;
 - our ability to achieve market acceptance for our product candidates;
 - our ability to obtain and maintain adequate intellectual property rights and adequately protect and enforce such rights;
 - our ability to retain key personnel and recruit additional qualified personnel;
 - our expectations about cash use;
 - our ability to manage growth; and
 - other risk factors discussed under "Risk Factors" in our Prospectus.
-
-

All forward-looking statements in this Report of Foreign Private Issuer on Form 6-K involve risks, assumptions and uncertainties and made as of the date of this Report of Foreign Private Issuer on Form 6-K. You should not rely upon forward-looking statements as predictors of future events. The occurrence of the events described, and the achievement of expected results, depend on many events, some or all of which are not predictable or within our control. Actual results may differ materially from expected results. See the sections below “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Prospectus or a more complete discussion of these risks, assumptions and uncertainties and for other risks and uncertainties. These risks, assumptions and uncertainties are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors also could harm our results. All of the forward-looking statements we have included in this Report of Foreign Private Issuer on Form 6-K are based on information available to us on the date of this Report of Foreign Private Issuer on Form 6-K. We undertake no obligation, and specifically decline any obligation, to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this Report of Foreign Private Issuer on Form 6-K or in our Prospectus might not occur.

All references to “we,” “us,” “our,” “Entera”, “the Company” and “our Company” in this Report of Foreign Private Issuer on Form 6-K are to Entera Bio Ltd. And its U.S. subsidiary Entera Bio Inc., unless the context otherwise requires.

Overview

We are a clinical-stage biopharmaceutical company focused on the development and commercialization of orally delivered large molecule therapeutics for use in orphan indications and other areas with significant unmet medical need. We are initially applying our technology to develop an oral formulation of parathyroid hormone, or PTH, which has been approved in the United States in injectable form for over a decade. Our lead oral PTH product candidate, EB612, has successfully completed a Phase 2a trial for hypoparathyroidism, a rare condition in which the body fails to produce sufficient amounts of PTH. We are currently conducting a clinical trial to evaluate the PK/PD profile of various EB612 dose regimens. Upon the completion and evaluation of our PK/PD clinical trial and subject to receipt of additional funding, we expect in the future to initiate a Phase 2b/3 clinical trial of EB612 in hypoparathyroidism which would potentially support a submission for regulatory approval of EB612. The FDA and the EMA have granted EB612 orphan drug designation for the treatment of hypoparathyroidism. We are also developing an additional oral PTH product candidate, EB613, for the treatment of osteoporosis. Our intent is to seek FDA guidance on our proposed clinical trial design as part of a Pre-IND meeting in the fourth quarter of 2018. In addition, we intend to use our technology as a platform for the oral delivery of other protein and large molecule therapeutics as well as novel therapeutics. We intend to utilize future funds, as available, to prepare EB612 for advanced clinical studies and ultimately for regulatory approval.

Financial Results

Comparison of Six Month Period Ended June 30, 2018 and 2017

	(unaudited)		Increase (Decrease)	
	Six Months Ended			
	June 30,			
	2018	2017	\$	%
(In thousands, except for percentage information)				
Expenses:				
Research and development	\$ 4,658	\$ 1,280	\$ 3,378	263.9%
General and administrative	854	2,894	(2,040)	(70.5)%
Operating loss	5,512	4,174	1,338	32.06%
Financial income, net	(2,919)	(408)	(2,511)	—
Net loss	<u>\$ 2,593</u>	<u>\$ 3,766</u>	<u>\$ (1,123)</u>	<u>(31.15)%</u>

Research and development expenses. Research and development expenses for the six months ended June 30, 2018 were \$4.7 million, compared to \$1.3 million for the six months ended June 30, 2017, an increase of \$3.4 million, or 263.9%. The increase in research and development expenses was primarily due to an increase of \$1.3 million in salaries and related employee expenses, of which \$0.8 million resulted from an increase in share-based compensation expenses. An increase of \$1.5 million for materials, clinical manufacturing and production's capabilities, an increase in subcontractors and CROs of \$0.3 million of which \$0.5 million were expenses for Part 1 of a Phase 2 PK/PD Study in Hypoparathyroidism offset by \$0.2 million decrease in other subcontractors and CROs expenses. In addition, there was an increase of \$0.3 million in other Research and development expenses mainly for consulting with regard to regulations.

General and administrative expenses. General and administrative expenses for the six months ended June 30, 2018 were \$0.9 million, compared to \$2.9 million for the six months ended June 30, 2017, a decrease of \$2.0 million, or 70.5%. The decrease in general and administrative expenses was primarily due to a decrease of \$2.5 million in share-based compensation expenses of which a decrease of \$1.3 million due to a reversal of compensation recorded on previous period as a result of termination of services by Mr. Luke Beshar our previous Chairman of the board. This decrease offset by an increase of \$0.2 million for director's and officer's insurance and \$0.2 million of legal, accounting and consulting services for our previous financing efforts.

Financial income. Financial income, net for the six months ended June 30, 2018 was \$2.9 million, compared to a financial income, net of \$0.4 million for the six months ended June 30, 2017. Financial income, net for the six months ended June 30, 2018 resulted mainly from the change in the fair value of convertible loans, preferred shares and warrants to purchase preferred shares and shares that were recorded as a financial liability at fair value through profit or loss. During the six months ended June 30, 2018 and 2017, we recorded a gain of \$2.9 million and \$0.5 million, respectively, on the fair value of financial liabilities.

Comprehensive loss. Comprehensive loss for the six months ended June 30, 2018 was approximately \$2.6 million, compared with approximately \$3.8 million in the same period in 2017 a decrease of approximately \$1.2 million, or 31.15%.

Basic and Diluted Loss per share for the six months ended June 30, 2018 was \$75.06 and \$91.14, respectively, compared with \$109.02 and \$123.86 for the six months ended June 30, 2017.

Comparison of Three Month Period Ended June 30, 2018 and 2017

	(unaudited)		Increase (Decrease)	
	Three Months Ended			
	June 30,			
	2018	2017	\$	%
(In thousands, except for percentage information)				
Expenses:				
Research and development	\$ 1,765	\$ 601	\$ 1,164	193.6%
General and administrative	(409)	2,392	(2,801)	(117.1)%
Operating loss	1,356	2,993	(1,637)	(54.7)%
Financial income, net	(2,919)	(734)	(2,511)	—
Net loss (Income)	\$ (1,563)	\$ 2,259	\$ (3,822)	(169.2)%

Research and development expenses Research and development expenses for the three months ended June 30, 2018 were \$1.8 million, compared to \$0.6 million for the three months ended June 30, 2017, an increase of \$1.2 million, or 193.7%. The increase in research and development expenses was primarily due to an increase of \$0.5 million in salaries and related employee expenses, of which \$0.3 million resulted from an increase in share-based compensation expenses, an increase of approximately \$0.4 million for the Part 1 of a Phase 2 PK/PD Study in Hypoparathyroidism and increase of \$0.3 million in other Research and development expenses mainly for consulting with regard to regulations

General and administrative expenses (income). General and administrative income for the three months ended June 30, 2018 were \$0.4 million, compared to general and administrative expenses of \$2.4 million for the three months ended June 30, 2017, a decrease in expenses of \$2.8 million, or 117.1 %. The decrease in general and administrative expenses was primarily due to a decrease of \$2.9 million in share-based compensation expenses of which a decrease of \$1.3 million due to a reversal of compensation recorded on previous period as a result of termination of services by Mr. Luke Beshar our previous Chairman of the board. This decrease is offset mainly by an increase of \$0.1 million for director's and officer's insurance.

Financial income, net. Financial income, net for the three months ended June 30, 2018 was \$2.9 million, compared to a financial income, net of \$0.7 million for the three months ended June 30, 2017. Financial income, net for the three months ended June 30, 2018 resulted mainly from the change in the fair value of convertible loans, preferred shares and warrants to purchase preferred shares and shares that were recorded as a financial liability at fair value through profit or loss. During the three months ended June 30, 2018 and 2017, we recorded a gain of \$2.9 million and \$0.7 million, respectively, on the fair value of financial liabilities.

Comprehensive loss (income), net. Comprehensive income for the three months ended June 30, 2018, was approximately \$1.6 million, compared with a comprehensive loss of approximately \$2.3 million in the same period in 2017 an increase in income (or decrease in loss) of approximately \$3.9 million, or 169.2%.

Basic and Diluted Loss (income) per share.

Basic income per share for the three months ended June 30, 2018 was \$45.25 and Diluted loss per share for the three months ended June 30, 2018 was \$13.97 compared with a basic and diluted loss per share of \$65.39 and \$77.87 , respectively , for the three months ended June 30, 2017.

Liquidity and Capital Resources

Since our inception through June 30, 2018, we have raised a total of \$31.3 million through private offerings, convertible loans and grants from governmental authorities.

On July 2, 2018 the Company completed an IPO in which the company offered 1,400,000 ordinary shares and 1,400,000 warrants to purchase up to 700,000 ordinary shares for a gross consideration of \$11.2 million before issuance costs. Total net proceeds were \$9.3 million (net of underwriting commissions and other offering expenses in the amount of \$1.9 million). The IPO completed on July 2, 2018.

As of June 30, 2018, prior to the completion of the IPO, we had cash and cash equivalents of approximately \$6.5 million. As of December 31, 2017, we had cash and cash equivalents of approximately \$11.7 million.

Net Cash used in operating activities for the six months ended June 30, 2018 was \$5.2 million, consisting primarily of our operating loss of \$5.5million arising mainly from research and development expenses and general and administrative expenses, partially offset by \$0.6 million of share-based compensation and by a \$0.3 million increase in working capital.

Net Cash used in operating activities for the six months ended June 30, 2017 was \$1.9 million, consisting primarily of our operating loss of \$4.2 million arising mainly from research and development expenses and general and administrative expenses, partially offset by \$2.2 million of share-based compensation, a \$0.1 million decrease in working capital

The increase in cash used in operating activities for the six months ended June 30, 2018 compared to the same period of 2017, was mainly due to an increase of \$0.4 million in expenses for salaries and related employee expenses in addition to an increase of \$1.5 million for materials, clinical manufacturing and production's capabilities, and other payments for working capital including for professional services and other expenses.

Net Cash Provided by (Used in) Investing Activities

Net Cash used in investing activities for the six months ended June 30, 2018 were \$68 thousands for purchase of property and equipment.

Net Cash used in investing activities for the six months ended June 30, 2017 consisted primarily of f a decrease in restricted deposits of \$1.1 million used for the repayment of a portion of the 2015 Convertible Loan in February 2017.

Net Cash Provided (Used in) by Financing Activities

No Cash provided by or used in financing activities for the six months ended June 30, 2018.

Net Cash used in financing activities for the six months ended June 30, 2017 resulted from a \$1.0 million decrease from the repayment of a portion of the 2015 Convertible Loan.

Entera Bio Ltd.

Phillip Schwartz, CEO
Tel: +972-2- 532-7151
phillip@enterabio.com

INTERNATIONAL INVESTOR RELATIONS

Bob Yedid
LifeSci Advisors, LLC
646-597-6989
bob@lifesciadvisors.com

**Entera Bio Reports Second Quarter 2018 Financial Results
and Operating Update**

- *Closed Initial Public Offering on July 2, 2018*
- *Completed Part 1 of a Phase 2 PK/PD Study in Hypoparathyroidism Patients*
- *Mr. Gerald Lieberman was Appointed as Chairman of the Board of Directors*

JERUSALEM (August 20, 2018) – Entera Bio Ltd. (NASDAQ: ENTX and ENTXW) today announced its second quarter 2018 financial results and provided an operating update.

“We are happy to have successfully completed our IPO in July 2018. We intend to invest the additional capital and resources to advance our clinical programs for oral formulations of PTH for hypoparathyroidism and osteoporosis,” stated Dr. Phillip Schwartz, CEO. “Now that treatment of subjects for Part 1 of our PK/PD Study is complete, we plan to analyze these data and thereafter anticipate discussing with the FDA to finalize the design and parameters of our development program, including the pivotal study in hypoparathyroidism.”

“This PK/PD study is designed to confirm Entera’s ability to orally deliver a protein therapeutic, PTH 1-34, and to maintain its appropriate biological effect in patients with hypoparathyroidism. Increases in serum calcium as well as decreases in serum phosphate are usually the result of the biological activity of PTH. The ability to orally deliver biologic molecules, has been exceptionally difficult to achieve for many companies,” continued Dr. Schwartz.

Recent Highlights

The Company completed the treatment of patients in the first part of the PK/PD study in hypoparathyroidism patients with its oral parathyroid hormone (PTH) drug, EB612. In part 1 of the Phase 2 study, ten patients completed two treatment visits, including three overnight stays each during which patients received various dose regimens of EB612 with or without a 100 microgram injection of Natpara administered on a separate visit. Throughout the treatment visits, patients were continuously monitored and various tests were performed, including blood and urine sampling.

The second and final part of the study will evaluate selected dose regimens chosen based on the results of the trial’s first part. The results from this Phase 2 PK/PD trial will provide input for the design of our anticipated pivotal clinical trial.

In the fourth quarter of 2018, the Company expects to meet with the FDA to discuss the development of oral PTH/ EB613 for the treatment of osteoporosis and seek guidance regarding clinical endpoints necessary for the approval of EB613 for the treatment of osteoporosis. Based on recently reported guidance by the FDA, the Company believes that pivotal studies with a primary endpoint of bone mineral density may be sufficient for the approval of EB613. The Company expects the FDA to give guidance on our proposed clinical endpoints and the duration of therapy necessary for approval of EB613 for the treatment of osteoporosis in the pre-IND meeting.

Effective as of August 6, 2018, Mr. Gerald Lieberman was appointed to the role of chairman of the board of directors. He joined the Entera board in 2014. Mr. Lieberman brings a depth of operational, finance and public company experience to the chairman role, including executive roles at both AllianceBernstein as chief operating officer, and Fidelity Investments and chief financial officer. He also currently serves on the board of Teva Pharmaceutical Industries Ltd. From 2011 to 2014, he served on the board of directors of Forest Laboratories Inc., which was acquired by Actavis plc in 2014.

Six months ended June 30, 2018 Financial Results

Research and development expenses for the six months ended June 30, 2018 were \$4.7 million, compared to \$1.3 million for the six months ended June 30, 2017, an increase of \$3.4 million, or 263.9%. The increase in research and development expenses was primarily due to an increase of \$1.3 million in salaries and related employee expenses, of which \$0.8 million resulted from an increase in share-based compensation expenses. An increase of \$1.5 million for materials, clinical manufacturing and production's capabilities, an increase in subcontractors and CROs of \$0.3 million of which \$0.5 million were expenses for Part 1 of a Phase 2 PK/PD Study in Hypoparathyroidism offset by \$0.2 million decrease in other subcontractors and CROs expenses. In addition there was an increase of \$0.3 million in other research and development expenses mainly for consulting with regard to regulations.

General and administrative expenses for the six months ended June 30, 2018 were \$0.9 million, compared to \$2.9 million for the six months ended June 30, 2017, a decrease of \$2.0 million, or 70.5%. The decrease in general and administrative expenses was primarily due to a decrease of \$2.5 million in share-based compensation expenses, of which a decrease of \$1.3 million due to a reversal of compensation recorded on previous period as a result of termination of services by Mr. Luke Beshar our previous Chairman of the board. This decrease was offset by an increase of \$0.2 million for director's and officer's insurance and \$0.2 million of legal, accounting and consulting services for our previous financing efforts.

Financial income, net for the six months ended June 30, 2018 was \$2.9 million, compared to a financial income, net of \$0.4 million for the six months ended June 30, 2017. Financial income, net for the six months ended June 30, 2018 resulted mainly from the change in the fair value of convertible loans, preferred shares and warrants to purchase preferred shares and shares that were recorded as a financial liability at fair value through profit or loss. During the six months ended June 30, 2018 and 2017, we recorded a gain of \$2.9 million and \$0.5 million, respectively, on the fair value of financial liabilities.

Comprehensive loss for the six months ended June 30, 2018 was approximately \$2.6 million, compared with approximately \$3.8 million in the same period in 2017 a decrease of approximately \$1.2 million, or 31.15%.

Basic and diluted loss per share for the six months ended June 30, 2018 was \$75.06 and \$91.14, respectively, compared with basic and diluted loss per share of \$109.02 and \$123.86, respectively, for the six months ended June 30, 2017. Since the closing of the IPO was on July 2, 2018, the Basic and Diluted loss per share for six months ended on June 30, 2018 are based on amount of shares pre-IPO split at a ratio of 1:130 of the Company's ordinary shares.

Three months ended June 30, 2018 financial results

Research and development expenses for the three months ended June 30, 2018 were \$1.8 million, compared to \$0.6 million for the three months ended June 30, 2017, an increase of \$1.2 million, or 193.7%. The increase in research and development expenses was primarily due to an increase of \$0.5 million in salaries and related employee expenses, of which \$0.3 million resulted from an increase in share-based compensation expenses, an increase of approximately \$0.4 million for the Part 1 of a Phase 2 PK/PD Study in hypoparathyroidism and increase of \$0.3 million in other research and development expenses mainly for consulting with regard to regulations.

General and administrative income for the three months ended June 30, 2018 were \$0.4 million, compared to general and administrative expenses of \$2.4 million for the three months ended June 30, 2017, a decrease in expenses of \$2.8 million, or 117.1 %. The decrease in general and administrative expenses was primarily due to a decrease of \$2.9 million in share-based compensation expenses, of which a decrease of \$1.3 million due to a reversal of compensation recorded on previous period as a result of termination of services by Mr. Luke Beshar, our previous Chairman of the board. This decrease was offset slightly by an increase of \$0.1 million for director's and officer's insurance expenses.

Financial income net for the three months ended June 30, 2018 was \$2.9 million, compared to a financial income, net of \$0.7 million for the three months ended June 30, 2017. Financial income, net for the three months ended June 30, 2018 resulted mainly from the change in the fair value of convertible loans, preferred shares and warrants to purchase preferred shares and shares that were recorded as a financial liability at fair value through profit or loss. During the three months ended June 30, 2018 and 2017, we recorded a gain of \$2.9 million and \$0.7 million, respectively, on the fair value of financial liabilities.

Comprehensive income for the three months ended June 30, 2018 was approximately \$1.6 million, compared with a comprehensive loss of approximately \$2.3 million in the same period in 2017, an increase in income (or decrease in loss) of approximately \$3.9 million, or 169.2%.

Basic income per share for the three months ended June 30, 2018 was \$45.25 and diluted loss per share for the three months ended June 30, 2018 was \$13.97 compared with a basic and diluted loss per share of \$65.39 and \$77.87, respectively, for the three months ended June 30, 2017. Since the closing of the IPO was on July 2, 2018, the basic and diluted loss per share for three months ended on June 30, 2018 are based on amount of shares pre-IPO split at a ratio of 1:130 of the Company's ordinary shares.

As of June 30, 2018, prior to the completion of the IPO, the Company had cash and cash equivalents of approximately \$6.5 million. Subsequent to the end of the quarter, on July 2, 2018, the Company completed an IPO in which the company offered 1,400,000 ordinary shares and 1,400,000 warrants to purchase up to 700,000 ordinary shares for total net proceeds of \$9.3 million (net of underwriting commissions and other offering expenses in the amount of \$1.9 million). On July 26, 2018, the Company's underwriters exercised their overallotment option to purchase 210,000 warrants to purchase 105,000 Ordinary Shares of the Company for a total consideration of \$2,100.

About Entera Bio Ltd.

Entera Bio is a clinical-stage biopharmaceutical company focused on the development and commercialization of orally delivered large molecule therapeutics for use in orphan indications and other areas with significant unmet medical needs. The Company is initially applying its technology to develop an oral formulation of parathyroid hormone (PTH) for hypoparathyroidism (EB612) and osteoporosis (EB613).

Forward Looking Statements

This press release contains "forward-looking statements." Words such as "may," "should," "could," "would," "predicts," "potential," "continue," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates," and similar expressions, as well as statements in future tense, often signify forward-looking statements. Forward-looking statements should not be read as a guarantee of future performance or results and may not be accurate indications of when such performance or results will be achieved. Forward-looking statements are based on information that the Company has when those statements are made or management's good faith belief as of that time with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. For a discussion of these and other risks that could cause such differences and that may affect the realization of forward-looking statements, please refer to the "Special Note Regarding Forward-Looking Statements" and "Risk Factors" in the Company's Registration Statement on Form F-1 and other filings with the Securities and Exchange Commission (SEC). Investors and security holders are urged to read these documents free of charge on the SEC's web site at <http://www.sec.gov>. The Company assumes no obligation to publicly update or revise its forward-looking statements as a result of new information, future events or otherwise.

Contact:

Bob Yedid
LifeSci Advisors, LLC
646-597-6989
bob@lifesciadvisors.com

ENTERA BIO LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(UNAUDITED)

	June 30 2018	December 31 2017
	U.S. dollars in thousands	
A s s e t s		
CURRENT ASSETS:		
Cash and cash equivalents	6,471	11,746
Other current assets	1,017	671
TOTAL CURRENT ASSETS	7,488	12,417
NON-CURRENT ASSETS:		
Property and equipment	248	207
Intangible assets	654	654
TOTAL NON-CURRENT ASSETS	902	861
TOTAL ASSETS	8,390	13,278
Liabilities net of capital deficiency		
CURRENT LIABILITIES:		
Accounts payable:		
Trade	262	596
Other	1,766	1,424
TOTAL CURRENT LIABILITIES	2,028	2,020
NON-CURRENT LIABILITIES:		
Convertible loan	3,925	3,893
Preferred shares	30,905	33,455
Warrants to purchase preferred shares and shares	5,020	5,398
Severance pay obligations, net	66	70
TOTAL NON-CURRENT LIABILITIES	39,916	42,816
TOTAL LIABILITIES	41,944	44,836
COMMITMENTS AND CONTINGENCIES		
CAPITAL DEFICIENCY:		
Ordinary Shares, NIS 0.01 par value:		
Authorized - as of June 30, 2018 and December 31, 2017, 1,000,000 shares; issued and outstanding as of June 30, 2018, and December 31, 2017-34,544 shares	*	*
Accumulated other comprehensive income	41	41
Other reserves	7,896	7,361
Additional paid in capital	2,915	2,853
Accumulated deficit	(44,406)	(41,813)
TOTAL CAPITAL DEFICIENCY	(33,554)	(31,558)
TOTAL LIABILITIES NET OF CAPITAL DEFICIENCY	8,390	13,278

* Represents an amount less than one thousand.

ENTERA BIO LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS (INCOME)
(UNAUDITED)

	Six months ended		Three months ended	
	June 30		June 30	
	2018	2017	2018	2017
	U.S. dollars in thousands			
RESEARCH AND DEVELOPMENT EXPENSES	4,658	1,280	1,765	601
GENERAL AND ADMINISTRATIVE EXPENSES (INCOME)	854	2,894	(409)	2,392
OPERATING LOSS	5,512	4,174	1,356	2,993
FINANCIAL EXPENSES (INCOME):				
Income from change in fair value of financial liabilities at fair value	(2,896)	(479)	(2,876)	(742)
Other financial expenses (income), net	(23)	71	(43)	8
FINANCIAL INCOME, net	(2,919)	(408)	(2,919)	(734)
NET COMPREHENSIVE LOSS (INCOME) FOR THE PERIOD	2,593	3,766	(1,563)	2,259
	U.S. dollars		U.S. dollars	
LOSS (INCOME) PER ORDINARY SHARE -				
Basic	75.06	109.02	(45.25)	65.39
Diluted	91.14	123.86	13.97	77.87
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING -				
Basic	34,544	34,544	34,544	34,544
Diluted	36,427	47,320	74,161	44,766

ENTERA BIO LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN CAPITAL DEFICIENCY
(UNAUDITED)

	<u>Number of Ordinary Shares</u>	<u>Ordinary Shares-Amount</u>	<u>Accumulated other comprehensive income</u>	<u>Other reserve</u>	<u>Additional paid in capital</u>	<u>Accumulated deficit</u>	<u>Total</u>
	U.S dollars in thousands						
BALANCE AT JANUARY 1, 2017	34,544	*	41	2,844	2,485	(30,616)	(25,246)
CHANGES FOR SIX MONTHS ENDED JUNE 30, 2017:							
Net loss for the period	-	-	-	-	-	(3,766)	(3,766)
Share-based compensation	-	-	-	2,247	-	-	2,247
BALANCE AT JUNE 30, 2017	<u>34,544</u>	<u>*</u>	<u>41</u>	<u>5,091</u>	<u>2,485</u>	<u>(34,382)</u>	<u>(26,765)</u>
BALANCE AT JANUARY 1, 2018	34,544	*	41	7,361	2,853	(41,813)	(31,558)
CHANGES FOR SIX MONTHS ENDED JUNE 30, 2018:							
Net loss for the period						(2,593)	(2,593)
Share-based compensation	-	-	-	597	-	-	597
Reclassification of capital contribution from controlling shareholder	-	-	-	(51)	51	-	-
Reclassification due to share-based compensation forfeited	-	-	-	(11)	11	-	-
BALANCE AT JUNE 30, 2018	<u>34,544</u>	<u>*</u>	<u>41</u>	<u>7,896</u>	<u>2,915</u>	<u>(44,406)</u>	<u>(33,554)</u>

ENTERA BIO LTD.
CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENTS
(UNAUDITED)

	Six months ended June 30	
	2018	2017
	(Unaudited)	
	U.S dollars in thousands	
CASH FLOWS USED IN OPERATING ACTIVITIES:		
Net loss for the period	(2,593)	(3,766)
Adjustments required to reflect net cash used in operating activities (see appendix A)	(2,614)	1,916
Net cash used in operating activities	(5,207)	(1,850)
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES:		
Decrease in restricted deposits	-	1,054
Purchase of property and equipment	(68)	(47)
Net cash provided by (used in) investing activities	(68)	1,007
CASH FLOWS USED IN FINANCING ACTIVITIES:		
Payment for maturity of Convertible loans	-	(980)
Net cash used in financing activities	-	(980)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(5,275)	(1,823)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	11,746	4,163
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	6,471	2,340

ENTERA BIO LTD.
CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENTS
(UNAUDITED)

Six months ended June 30	
2018	2017
(Unaudited)	
U.S dollars in thousands	

APPENDIX A:

Adjustments required to reflect net cash used in operating activities:

Depreciation	27	19
Gain from change in fair value of financial liabilities at fair value	(2,896)	(479)
Financial expenses	32	47
Net changes in severance pay	(4)	5
Share-based compensation	597	2,247
	(2,244)	1,839
Changes in working capital:		
Increase in other current assets	(346)	(219)
Increase (decrease) in accounts payable and accruals:		
Trade	(334)	202
Other	342	168
	(338)	151
Cash used for operating activities -		
Interest paid	(32)	(74)
	(2,614)	1,916