
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

**Pursuant to Rule 13a-16 or 15d-16 of the
Securities Exchange Act of 1934**

For the month of May 2018

Commission File Number: 001-36349

**MediWound
Ltd.**

(Translation of registrant's name into English)

**42 Hayarkon Street
Yavne, 8122745 Israel**

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover 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):

EXPLANATORY NOTE

On May 10, 2018, MediWound Ltd. (the "Company") issued a press release entitled "MediWound Reports First Quarter 2018 Financial Results". A copy of this press release is attached to this Form 6-K as Exhibit 99.1.

In addition, pursuant to the Information Rights Agreement between the Company and Clal Biotechnology Industries Ltd. ("CBI"), dated March 3, 2014 (which was attached to the Company's registration statement as exhibit 4.3), the Company is required to provide CBI with certain information necessary for CBI to meet its obligations under Israeli Securities Law. This Form 6-K includes an Un-Audited Interim Condensed Consolidated Financial Statements as of March 31, 2018, attached as Exhibit 99.2, which was provided by the Company to CBI on May 9, 2018 pursuant to such contractual obligation.

SIGNATURE

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.

MEDIWOUND LTD.

Date: May 10, 2018

By: /s/ Sharon Malka
Name: Sharon Malka
Title: Chief Financial Officer

EXHIBIT INDEX

The following exhibit is filed as part of this Form 6-K:

<u>Exhibit</u>	<u>Description</u>
99.1	Press release dated May 10, 2018 titled "MediWound Reports First Quarter 2018 Financial Results".
99.2	Un-Audited Interim Condensed Consolidated Financial Statements as of March 31, 2018.

**News Release****MediWound Reports First Quarter 2018 Financial Results**

Anticipates completion of enrollment of Phase 3 DETECT Study of NexoBrid® around mid-2018

Conference call begins today at 8:30 a.m. Eastern Time

YAVNE, Israel (May 10, 2018) – MediWound Ltd. (Nasdaq: MDWD), a fully-integrated biopharmaceutical company bringing innovative therapies to address unmet needs in severe burn and wound management, today announced financial results for the first quarter ended March 31, 2018.

Highlights of the First Quarter and Recent Weeks

- Total revenues were \$0.5 million, at the same level of the first quarter of 2017.
- MediWound is currently on track to complete recruitment around mid-year 2018 in its Phase 3 DETECT Study of NexoBrid®. Top-line data currently anticipated around year-end 2018.
- Announced six presentations highlighting positive results achieved by clinicians using NexoBrid® as an effective enzymatic debridement for severe burns at the American Burn Association (ABA) 50th Annual Meeting in Chicago, IL.
 - o Presentations at the ABA highlighted 68 different consensus statements regarding the use and benefits of NexoBrid® by leading burn specialists from prominent burn centers across Europe.
- MediWound is planning to develop NexoBrid for treatment of Sulfur Mustard (chemical warfare agent) injuries based on previously presented animal data.

“We are currently on track to complete recruitment in our Phase 3 DETECT study around mid-2018. We look forward to sharing the topline results of this study, which we currently expect to report around year-end 2018,” said Gal Cohen, MediWound’s President and Chief Executive Officer. “We were also pleased to see the interest at ABA around NexoBrid®, when European burn experts shared with the global attendees their consensus work paper on NexoBrid after treating over 500 patients. The data continues to demonstrate the benefits of NexoBrid across many different aspects of burn care.”

“We are planning to develop NexoBrid for treatment of Sulfur Mustard (chemical warfare agent) injuries based on animal studies presented at the last European Burn Association conference indicating potential benefit of NexoBrid® for the treatment of Sulfur Mustard injuries. MediWound would seek to collaborate on this program with relevant governmental entities.

Stephen T. Wills, MediWound's Chairman, said, "Following the approach by another company to consider a potential strategic transaction, which was announced in our fourth quarter release, we have received preliminary approaches from other strategic parties and we are now engaged in discussions with multiple strategic parties. The Board continues to be advised by Moelis & Company in a thorough evaluation and assessment of these potential strategic transactions. There is no additional information we can share at this stage and there can be no assurances that a definitive agreement between the parties or any other agreement will be reached."

First Quarter Financial Results

Revenues for the first quarter of 2018 were \$0.5 million, at the same level of the first quarter of 2017.

Gross profit for the first quarter of 2018 was \$0.14 million, compared to a gross profit of \$0.20 million in the first quarter of 2017.

Research and development expenses for the first quarter of 2018, net of participations, were \$1.2 million, down 33% compared with \$1.8 million for the first quarter of 2017. The decrease in research and development, net, was as a result of an increase of \$0.6 million in NexoBrid clinical trials expenses which was offset by an increase of \$1.2 million in participation by BARDA in the Company's R&D expenses.

Selling, and general and administrative expenses were \$2.1 million for both the first quarter of 2018 and 2017.

Operating loss was \$3.7 million for both the first quarter of 2018 and 2017. Operating expenses in the first quarter of 2018 included other expenses of \$0.6 million associated with review and analysis of potential strategic transactions.

The Company posted a net loss of \$4.6 million, or (\$0.17) per share, for the first quarter of 2018 compared with a net loss of \$4.3 million, or (\$0.20) per share, for the first quarter of 2017. The increase in net loss was primarily a result of one-time other expenses as mentioned above.

Adjusted EBITDA, as defined below, for the first quarter of 2018 was a loss of \$2.8 million, compared with a loss of \$3.2 million for the first quarter of 2017.

Balance Sheet Highlights

As of March 31, 2018, the Company had cash, cash equivalents and short-term bank deposits of \$32.9 million, compared with \$36.1 million at December 31, 2017.

Throughout 2018, the Company will continue to invest primarily in research and development efforts for EscharEx[®], while NexoBrid[®] research and development programs will be fully funded by BARDA. As a result, cash use for operating activities in 2018 is expected to be in the range of \$14.0 million to \$16.0 million.

Conference Call

MediWound management will host a conference call for investors today, Thursday, May 10, 2018 beginning at 8:30 a.m. Eastern Time to discuss these results and answer questions. Shareholders and other interested parties may participate in the conference call by dialing 800-289-0438 (in the U.S.) 1809 212 883 (Israel), or 323-794-2423 (outside the U.S. & Israel) and entering passcode 370010. The call also will be broadcast live on the Internet on the Company's website at <http://ir.mediwound.com/events-and-presentations>.

A replay of the call will be accessible two hours after its completion through May 24, 2018 by dialing 844-512-2921 (in the U.S.) or 412-317-6671 (outside the U.S.) and entering passcode 370010. The call will also be archived on the Company website for 90 days at www.mediwound.com.

Non-IFRS Financial Measures

To supplement consolidated financial statements prepared and presented in accordance with IFRS, the Company has provided a supplementary non-IFRS measure to consider in evaluating the Company's performance. Management uses Adjusted EBITDA, which it defines as earnings before interest, taxes, depreciation and amortization, impairment, one-time expenses, restructuring and share-based compensation expenses.

Although Adjusted EBITDA is not a measure of performance or liquidity calculated in accordance with IFRS, we believe the non-IFRS financial measures we present provide meaningful supplemental information regarding our operating results primarily because they exclude certain non-cash charges or items that we do not believe are reflective of our ongoing operating results when budgeting, planning and forecasting and determining compensation, and when assessing the performance of our business with our senior management.

However, investors should not consider these measures in isolation or as substitutes for operating income, cash flows from operating activities or any other measure for determining the Company's operating performance or liquidity that is calculated in accordance with IFRS. In addition, because Adjusted EBITDA is not calculated in accordance with IFRS, it may not necessarily be comparable to similarly titled measures employed by other companies. The non-IFRS measures included in this press release have been reconciled to the IFRS results in the tables below.

About MediWound Ltd.

MediWound is a fully-integrated biopharmaceutical company focused on developing, manufacturing and commercializing novel therapeutics based on its patented proteolytic enzyme technology to address unmet needs in the fields of severe burns, chronic and other hard-to-heal wounds. MediWound's first innovative biopharmaceutical product, NexoBrid[®], received marketing authorization from the European Medicines Agency as well as the Israeli and Argentinian Ministries of Health, for removal of dead or damaged tissue, known as eschar, in adults with deep partial and full-thickness thermal burns. NexoBrid[®] represents a new paradigm in burn care management, and clinical trials have demonstrated, with statistical significance, its ability to non-surgically and rapidly remove the eschar earlier and, without harming viable tissues.

MediWound's second innovative product, EscharEx[®] is a topical biological drug being developed for debridement of chronic and other hard-to-heal wounds and is complementary to the large number of existing wound healing products, which require a clean wound bed in order to heal the wound. EscharEx[®] contains the same proteolytic enzyme technology as NexoBrid[®], and benefits from the wealth of existing development data on NexoBrid[®]. In two Phase 2 studies, EscharEx[®] has demonstrated safety and efficacy in the debridement of chronic and other hard-to-heal wounds, within a few daily applications.

For more information, please visit www.mediwound.com.

Cautionary Note Regarding Forward-Looking Statements

This release includes forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, Section 21E of the US Securities Exchange Act of 1934, as amended, and the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that are not historical facts, such as statements regarding assumptions and results related to the regulatory authorizations and launch dates. In some cases, you can identify forward-looking statements by terminology such as “believe,” “may,” “estimate,” “continue,” “anticipate,” “intend,” “should,” “plan,” “expect,” “predict,” “potential,” or the negative of these terms or other similar expressions. Forward-looking statements are based on MediWound’s current knowledge and its present beliefs and expectations regarding possible future events and are subject to risks, uncertainties and assumptions. Actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of several factors. In particular, you should consider the risks discussed under the heading “Risk Factors” in our annual report on Form 20-F for the year ended December 31, 2017 and information contained in other documents filed with or furnished to the Securities and Exchange Commission. You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that future results, levels of activity, performance and events and circumstances reflected in the forward-looking statements will be achieved or will occur. The forward-looking statements made herein speak only as of the date of this announcement and MediWound undertakes no obligation to update publicly such forward-looking statements to reflect subsequent events or circumstances, except as otherwise required by law.

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MediWound, Ltd.
CONDENSED CONSOLIDATED BALANCE SHEETS
U.S. dollars in thousands

	March 31,		December 31,
	2018	2017	2017
	Unaudited	Audited	Audited
Cash, cash equivalents and short term deposits	32,903	25,229	36,069
Accounts and other receivable	3,282	3,276	3,565
Inventories	2,020	991	1,886
Total current assets	38,205	29,496	41,520
Long term deposits	54	44	56
Property, plant and equipment, net	1,949	1,357	1,924
Intangible assets, net	592	729	635
Total long term assets	2,595	2,130	2,615
Total assets	40,800	31,626	44,135
Trade payables and accrued expenses	3,380	2,732	3,251
Other payables	2,914	2,355	2,182
Total current liabilities	6,294	5,087	5,433
Deferred revenues	1,349	995	988
Liabilities in respect of Israeli Innovation Authority grants net of current maturities	7,577	6,997	7,380
Contingent consideration for the purchase of shares net of current maturities	14,208	14,540	14,381
Liability in respect of discontinued operation	6,003	-	6,003
Severance pay liability, net	341	226	330
Total long term liabilities	29,478	22,758	29,082
Shareholders' equity	5,028	3,781	9,620
Total liabilities & shareholder equity	40,800	31,626	44,135

MediWound, Ltd.
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
U.S. dollars in thousands

	Three months ended March 31,	
	2018	2017
	Unaudited	Unaudited
Revenues	520	540
Cost of revenues	381	340
Gross profit	139	200
Operating expenses:		
Research and development, gross	4,040	3,441
Participation by BARDA & IIA	(2,847)	(1,670)
Research and development, net of participations	1,193	1,771
Selling, general & administrative	2,060	2,092
Other expenses	600	-
Operating loss	(3,714)	(3,663)
Financial income (expenses), net	(837)	(651)
Loss for the period	(4,551)	(4,314)
Foreign currency translation adjustments	(10)	(3)
Total comprehensive loss	(4,561)	(4,317)
Basic and diluted loss per share:		
Net loss per share	(0.17)	(0.20)
Weighted average number of ordinary shares used in the computation of basic and diluted loss per share:	27,048	21,930

ADJUSTED EBITDA
U.S. dollars in thousands

	Three months ended March 31,	
	2018	2017
	Unaudited	Unaudited
Loss for the period	(4,551)	(4,314)
Adjustments:		
Other expenses	(600)	-
Financial expenses, net	(837)	(651)
Depreciation and amortization	(135)	(156)
Share-based compensation expenses	(218)	(328)
Total adjustments	(1,790)	(1,135)
Adjusted EBITDA	(2,761)	(3,179)

MediWound, Ltd.
CONDENSED CONSOLIDATED CASH FLOW
U.S. dollars in thousands

	Three months ended	
	March 31,	
	2018	2017
	Unaudited	Unaudited
Cash Flows from Operating Activities:		
Net loss	(4,551)	(4,314)
Adjustments to reconcile net loss to net cash used in continuing operating activities:		
Adjustments to profit and loss items:		
Depreciation and amortization	135	156
Share-based compensation	218	328
Revaluation of liabilities in respect of IIA grants	186	181
Revaluation of contingent consideration for the purchase of shares	543	550
Increase in severance liability, net	11	8
Net financing income	(67)	(86)
Unrealized foreign currency (gain) loss	41	(52)
	1,067	1,085
Changes in asset and liability items:		
Decrease (increase) in trade receivables	73	(40)
Increase in inventories	(134)	(147)
Decrease (increase) in other receivables	118	(555)
Increase in trade payables & accrued expenses	125	1,277
Increase (decrease) in other payables & deferred revenues	171	(2,065)
	353	(1,530)
Net cash used in operating activities	(3,131)	(4,759)
Cash Flows from Investment Activities:		
Purchase of property and equipment	(116)	(196)
Interest received	-	15
Investment in short term bank deposits, net of investments	(22,845)	(19,844)
Net cash used in investing activities	(22,961)	(20,025)
Cash Flows from Financing Activities:		
Proceeds from IIA grants, net of repayments	30	28
Net cash provided by financing activities	30	28
Exchange rate differences on cash and cash equivalent balances	(16)	41
Decrease in cash and cash equivalents	(26,078)	(24,715)
Balance of cash and cash equivalents at the beginning of the period	36,069	28,866
Balance of cash and cash equivalents at the end of the period	9,991	4,151

MEDIWOUND LTD. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF MARCH 31, 2018

IN U.S. DOLLARS IN THOUSANDS

UNAUDITED

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CONDENSED INTERIM CONSOLIDATED BALANCE SHEETS

U.S. dollars in thousands

	March 31,		December 31,
	2018	2017	2017
	Unaudited		Audited
CURRENT ASSETS:			
Cash and cash equivalents	9,991	4,151	36,069
Short-term bank deposits	22,912	21,078	-
Trade receivables	305	367	369
Inventories	2,020	991	1,886
Other receivables	2,977	2,909	3,196
	<u>38,205</u>	<u>29,496</u>	<u>41,520</u>
LONG-TERM ASSETS:			
Long term deposits	54	44	56
Property, plant and equipment, net	1,949	1,357	1,924
Intangible assets, net	592	729	635
	<u>2,595</u>	<u>2,130</u>	<u>2,615</u>
	<u>40,800</u>	<u>31,626</u>	<u>44,135</u>
CURRENT LIABILITIES:			
Trade payables and accrued expenses	3,380	2,732	3,251
Other payables	2,914	2,355	2,182
	<u>6,294</u>	<u>5,087</u>	<u>5,433</u>
LONG-TERM LIABILITIES:			
Deferred revenues	1,349	995	988
Liabilities in respect of IIA grants	7,577	6,997	7,380
Contingent consideration for the purchase of shares	14,208	14,540	14,381
Liability in respect of discontinued operation	6,003	-	6,003
Severance pay liability, net	341	226	330
	<u>29,478</u>	<u>22,758</u>	<u>29,082</u>
SHAREHOLDERS' EQUITY:			
Ordinary shares of NIS 0.01 par value:			
Authorized: 32,244,508 shares as of March 31, 2018, December 31, 2017 and March 31, 2017;			
Issued and Outstanding: 27,047,737 as of March 31, 2018 and December 31, 2017 and			
21,930,449 as of March 31, 2017	75	60	75
Share premium	139,210	115,307	138,992
Foreign currency translation adjustments	(48)	(12)	(38)
Accumulated deficit	(134,209)	(111,574)	(129,409)
	<u>5,028</u>	<u>3,781</u>	<u>9,620</u>
	<u>40,800</u>	<u>31,626</u>	<u>44,135</u>

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

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

	Three months ended March 31,		Year ended December 31,
	2018	2017	2017
	Unaudited		Audited
Revenues	520	540	2,496
Cost of revenues	381	340	1,578
Gross profit	139	200	918
Research and development, net of participations	1,193	1,771	5,462
Selling and marketing	1,071	1,387	5,362
General and administrative	989	705	3,781
Other expenses	600	-	-
Total operating expenses	3,853	3,863	14,605
Operating loss	(3,714)	(3,663)	(13,687)
Financial income	67	113	406
Financial expense	(904)	(764)	(1,252)
Loss from continuing operation	(4,551)	(4,314)	(14,533)
Loss from discontinued operation	-	-	(7,616)
Net loss	(4,551)	(4,314)	(22,149)
Other comprehensive loss:			
Items to be reclassified to profit or loss in subsequent periods:			
Foreign currency translation adjustments	(10)	(3)	(29)
Total comprehensive loss	(4,561)	(4,317)	(22,178)
Basic and diluted loss per share:			
Basic and diluted net loss per share from continuing operations	(0.17)	(0.20)	(0.62)
Basic and diluted net loss per share from discontinued operations	-	-	(0.33)
Total Basic and diluted net loss per share	(0.17)	(0.20)	(0.95)
Weighted average number of ordinary shares used in the computation of basic and diluted loss per share (in thousands):	27,048	21,930	23,341

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

U.S. dollars in thousands

	<u>Share capital</u>	<u>Share premium</u>	<u>Foreign currency translation reserve</u>	<u>Accumulated deficit</u>	<u>Total equity</u>
Balance as of December 31, 2017	75	138,992	(38)	(129,409)	9,620
Cumulative effect adjustment on accumulated deficit as a result of adopting IFRS 15	-	-	-	(249)	(249)
Balance as of January 1, 2018	75	138,992	(38)	(129,658)	9,371
Loss for the period	-	-	-	(4,551)	(4,551)
Other comprehensive loss	-	-	(10)	-	(10)
Total comprehensive loss	-	-	(10)	(4,551)	(4,561)
Share-based compensation	-	218	-	-	218
Balance as of March 31, 2018	<u>75</u>	<u>139,210</u>	<u>(48)</u>	<u>(134,209)</u>	<u>5,028</u>
	<u>Share capital</u>	<u>Share premium</u>	<u>Foreign currency translation reserve</u>	<u>Accumulated deficit</u>	<u>Total equity</u>
Balance as of December 31, 2016	60	114,979	(9)	(107,260)	7,770
Loss for the period	-	-	-	(4,314)	(4,314)
Other comprehensive loss	-	-	(3)	-	(3)
Total comprehensive loss	-	-	(3)	(4,314)	(4,317)
Share-based compensation	-	328	-	-	328
Balance as of March 31, 2017	<u>60</u>	<u>115,307</u>	<u>(12)</u>	<u>(111,574)</u>	<u>3,781</u>

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

U.S. dollars in thousands

	<u>Share capital</u>	<u>Share premium</u>	<u>Foreign currency translation reserve</u>	<u>Accumulated deficit</u>	<u>Total equity</u>
Balance as of December 31, 2016	60	114,979	(9)	(107,260)	7,770
Loss for the period	-	-	-	(22,149)	(22,149)
Other comprehensive loss	-	-	(29)	-	(29)
Total comprehensive loss	-	-	(29)	(22,149)	(22,178)
Exercise of options	*)	7	-	-	7
Issuance of ordinary shares of NIS 0.01 par value net of issuance expenses	15	22,643	-	-	22,658
Share-based compensation	-	1,363	-	-	1,363
Balance as of December 31, 2017	<u>75</u>	<u>138,992</u>	<u>(38)</u>	<u>(129,409)</u>	<u>9,620</u>

*) Represents an amount lower than \$1.

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Three months ended		Year ended
	March 31,		December 31,
	2018	2017	2017
	Unaudited		Audited
Cash Flows from Operating Activities:			
Net loss	(4,551)	(4,314)	(22,149)
Adjustments to reconcile net loss to net cash used in operating activities:			
Adjustments to profit and loss items:			
Loss from discontinued operation	-	-	7,616
Depreciation and amortization	135	156	567
Share-based compensation	218	328	1,363
Revaluation of liabilities in respect of IIA grants	186	181	229
Revaluation of contingent consideration for the purchase of shares	543	550	351
Increase in severance pay liability, net	11	8	111
Net financing income	(67)	(86)	(349)
Un-realized foreign currency (gain) loss	41	(52)	(185)
	1,067	1,085	9,703
Changes in asset and liability items:			
Decrease (increase) in trade receivables	73	(40)	28
Increase in inventories	(134)	(147)	(1,042)
Decrease (increase) in other receivables	118	(555)	(1,227)
Increase (decrease) in trade payables and accrued expenses	125	1,277	(135)
Increase (decrease) in other payables and deferred revenues	171	(2,065)	(70)
	353	(1,530)	(2,446)
Net cash flows used in operating activities	(3,131)	(4,759)	(14,892)
Net cash used in discontinued operating activities	-	-	(1,563)
Net cash used in operating activities	(3,131)	(4,759)	(16,455)

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Three months ended		Year ended
	March 31,		December 31,
	2018	2017	2017
	Unaudited		Audited
<u>Cash Flows from Investing Activities:</u>			
Purchase of property and equipment	(116)	(196)	(1,045)
Purchase of intangible assets	-	-	(30)
Interest received	-	15	349
Proceeds from (investment in) short term bank deposits, net	(22,845)	(19,844)	1,163
Net cash provided by (used in) investing activities	(22,961)	(20,025)	437
<u>Cash Flows from Financing Activities:</u>			
Proceeds from exercise of options	-	-	7
Proceeds from issuance of shares, net	-	-	22,658
Proceeds from the IIA grants, net of re-payment	30	28	330
Net cash provided by financing activities	30	28	22,995
Exchange rate differences on cash and cash equivalent balances	(16)	41	226
Cash and cash equivalents:			
Increase (decrease) in cash and cash equivalents from continuing activities	(26,078)	(24,715)	8,766
Decrease in cash and cash equivalents from discontinued activities	-	-	(1,563)
Balance of cash and cash equivalents at the beginning of the period	36,069	28,866	28,866
Balance of cash and cash equivalents at the end of the period	9,991	4,151	36,069

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

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 1: GENERAL

- a. General description of the company and its operations:

MediWound Ltd. (the "Company" or "MediWound"), is a fully integrated biopharmaceutical company focused on developing, manufacturing and commercializing novel products to address unmet needs in the fields of severe burns, as well as chronic and other hard to heal wounds, connective tissue disorders and other indications.

The Company's innovative biopharmaceutical product, NexoBrid, received marketing authorization from the European Medicines Agency ("EMA") and the Israeli and Argentinean ministries of health for removal of dead or damaged tissue, known as eschar, in adults with deep partial and full thickness thermal burns. The Company sells NexoBrid in Europe and in Israel through its commercial organization and in other territories through local distributors.

- b. The Company has two wholly owned subsidiaries: MediWound Germany GmbH, acting as Europe ("EU") marketing authorization holder and EU sales and marketing arm and MediWound UK Limited, an inactive company. In addition, the Company owns approximately 8% of PolyHeal Ltd., a private life sciences company ("PolyHeal").
- c. The Company's securities are listed for trading on NASDAQ since March 2014. In September, 2017, the Company completed a follow-on public offering. A total of 5,037,664 new ordinary shares were issued in consideration to net proceeds of \$22,658, after deducting underwriter's discounts, commissions and other offering expenses.
- d. The Company has a contract with the U.S. Biomedical Advanced Research and Development Authority ("BARDA"), which was modified on July 2017, for the advancement of the development and manufacturing, as well as the procurement of NexoBrid, as a medical countermeasure as part of BARDA preparedness for mass casualty events. The modified contract includes \$56,000 of funding to support development activities to complete the U.S. Food and Drug Administration (FDA) approval process for NexoBrid for use in thermal burn injuries, as well as \$16,000 for procurement of NexoBrid, which is contingent upon FDA Emergency Use Authorization (EUA) and/or FDA marketing authorization for NexoBrid. In addition, the contract includes options for further funding of up to \$10,000 for expanding NexoBrid's indications and of up to \$50,000 for additional procurement of NexoBrid.

As of March 31, 2018 the Company recorded \$17,750 in funding from BARDA under the contract.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied consistently in the financial statements for all periods presented unless otherwise stated.

a. Basis of presentation of financial statements:

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

b. Basis of preparation of the interim consolidated financial statements:

The interim condensed consolidated financial statements for the three months ended March 31, 2018 have been prepared in accordance with IAS 34 "Interim Financial Reporting".

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as of December 31, 2017 that were included in the Annual Report on Form 20-F filed on March 19, 2018.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2017 that were included in the Annual Report on Form 20-F filed on March 19, 2018, except than the change discussed below.

c. Changes in significant accounting policies

IFRS 15, "Revenue from Contracts with Customers":

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards.

The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The Company generates revenues from direct and indirect sales of its products and from license agreements with its distributors.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Cont.)

1. Revenue from the Sale of products:

The Company contracts with customers for the sale of products which generally include one performance obligation. The Company has concluded that revenue from sale of products should be recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the products. Therefore, the adoption of IFRS 15 did not have an impact on the timing of revenue recognition.

2. Revenue from distribution agreements with Multiple- element:

According to the new Standard, entities need to determine whether the licenses for intellectual property is distinct from other goods and services included in the contract. An analysis of the Company's contracts with its distributors indicates that in the majority of contracts, the Company grants its distributors a right to access its intellectual property as it exists throughout the license period. Accordingly, the Company is expected to recognize revenue from the granting of licenses over the license period, which is identical to the current accounting treatment.

In addition, in accordance with terms of some license agreements, the Company is entitled for up-front payments which are accounted for as deferred revenues and recognized in profit and loss over the license period. According to the new Standard, when long-term advances (exceeding one year) are received for a future service, the Company is required to accrue interest and recognize finance expense on the advances over the period of the contract. Under the legacy revenue recognition guidance the Company did not recognize finance expenses in respect of deferred revenue.

On January 1, 2018, the Company adopted the new standard for all its distribution agreements at the date of initial application, and applied the standard using the modified retrospective approach, with the cumulative effect of applying the new guidance recognized as an adjustment to the opening accumulated deficit balance. Results for reporting periods beginning after January 1, 2018 are presented under the new Standard, while prior period amounts are not adjusted and continue to be reported under the accounting standards in effect for the prior period. The Company recorded a net increase to opening accumulated deficit of \$249 as of January 1, 2018 due to the cumulative impact of adopting the new guidance and in increase of deferred revenues by \$249.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Cont.)

The following table summarizes the impacts of adopting IFRS 15 on the Company's interim statement of financial position as of March 31, 2018 and its interim consolidated statements of comprehensive loss for the three months period ended March 31, 2018 for each of the line items affected.

Impact on the condensed interim consolidated statement of financial position:

	<u>As reported</u>	<u>Adjustments</u>	<u>Amounts without adoption of IFRS 15</u>
Deferred revenues*	1,367	(281)	1,086
Accumulated deficit	(134,209)	281	(133,928)

* Comprised of short term deferred revenues classified in other payable and long term deferred revenues.

Impact on the condensed interim consolidated statement of profit or loss:

	<u>As reported</u>	<u>Adjustments</u>	<u>Amounts without adoption of IFRS 15</u>
Revenues	520	(9)	511
Financial expense	(904)	41	(863)
Net loss	(4,551)	32	(4,519)
Total Basic and diluted net loss per share	(0.17)	(0.0)	(0.17)