

## CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

	June 30, 2023	December 31, 2022
	Unaudited	Audited
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 20,233	\$ 28,980
Marketable securities	-	6,375
Short-term bank deposits	13,641	-
Trade receivables	178	348
Other receivables and prepaid expenses	1,419	1,482
Inventories	249	566
	35,720	37,751
<b>LONG-TERM ASSETS:</b>		
Long-term deposits and other receivables	53	74
Deferred taxes	-	94
Right-of-use-assets	1,319	1,568
Property, plant and equipment, net	2,589	2,499
Intangible assets, net	13,659	14,140
	17,620	18,375
	\$ 53,340	\$ 56,126
<b>CURRENT LIABILITIES:</b>		
Trade payables	\$ 1,078	\$ 1,036
Employees and payroll accruals	2,159	1,987
Lease liability	894	884
Liabilities in respect of government grants	541	79
Deferred revenues and other advances	392	22
Other payables	1,327	1,617
	6,391	5,625
<b>LONG-TERM LIABILITIES:</b>		
Lease liability	585	932
Liabilities in respect of government grants	4,343	4,665
Other advances	578	-
Convertible SAFE	10,334	10,114
	15,840	15,711
<b>SHAREHOLDERS' EQUITY:</b>		
Ordinary shares of NIS 0.02 par value:		
Authorized – 150,000,000 ordinary shares; Issued and outstanding – 41,724,467 shares as of June 30, 2023 and 41,260,439 shares as of December 31, 2022	237	235
Share premium and other capital reserve	261,052	261,402
Accumulated deficit	(247,001)	(233,707)
	14,288	27,930
Equity attributable to equity holders of the Company		
Non-controlling interests	16,821	6,860
	31,109	34,790
Total equity		
	\$ 53,340	\$ 56,126

## CONSOLIDATED INTERIM STATEMENTS OF PROFIT OR LOSS

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

	Six months ended June 30,		Three months ended June 30,		Year ended December 31,
	2023	2022	2023	2022	2022
	Unaudited				Audited
Revenues	\$ 1,295	\$ 549	\$ 654	\$ 312	\$ 1,675
Cost of revenues	783	425	461	262	909
Gross profit	512	124	193	50	766
Operating expenses (income):					
Research and development, net	10,169	11,043	5,369	5,417	20,792
Sales and marketing	1,728	1,870	928	962	3,933
General and administrative	3,312	3,273	1,797	1,678	6,482
Other income	-	-	-	-	(3,500)
Total operating expenses, net	15,209	16,186	8,094	8,057	27,707
Operating loss	(14,697)	(16,062)	(7,901)	(8,007)	(26,941)
Financing income	699	485	391	444	516
Financing expenses	(785)	(3,243)	(247)	(2,153)	(3,329)
Financing income (expenses), net	(86)	(2,758)	144	(1,709)	(2,813)
Loss before taxes on income	(14,783)	(18,820)	(7,757)	(9,716)	(29,754)
Taxes on income (tax benefit)	(24)	40	21	38	90
Loss	\$ (14,759)	\$ (18,860)	\$ (7,778)	\$ (9,754)	\$ (29,844)
Attributable to:					
Equity holders of the Company	\$ (13,294)	\$ (17,096)	\$ (7,023)	\$ (8,821)	\$ (26,638)
Non-controlling interests	(1,465)	(1,764)	(755)	(933)	(3,206)
	\$ (14,759)	\$ (18,860)	\$ (7,778)	\$ (9,754)	\$ (29,844)
Basic and diluted loss per share, attributable to equity holders of the Company	\$ (0.32)	\$ (0.42)	\$ (0.17)	\$ (0.21)	\$ (0.65)
Weighted average number of shares used in computing basic and diluted loss per share	41,567,298	41,195,024	41,644,182	41,202,018	41,210,184

## CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

**U.S. dollars in thousands**

	Six months ended June 30,		Three months ended June 30,		Year ended December 31,
	2023	2022	2023	2022	2022
	Unaudited				Audited
<u>Cash flows from operating activities</u>					
Loss	\$ (14,759)	\$ (18,860)	\$ (7,778)	\$ (9,754)	\$ (29,844)
Adjustments to reconcile loss to net cash used in operating activities:					
Adjustments to the profit or loss items:					
Depreciation	807	717	406	371	1,513
Amortization of intangible assets	481	577	241	242	1,067
Share-based compensation	1,219	830	801	419	1,186
Revaluation of convertible SAFE	220	-	26	-	114
Net financing expenses	6	3,146	60	2,033	2,986
Loss from sale of property, plant and equipment	(26)	-	-	-	-
Taxes on income (tax benefit)	(24)	40	21	38	90
	<u>2,683</u>	<u>5,310</u>	<u>1,555</u>	<u>3,103</u>	<u>6,956</u>
Changes in asset and liability items:					
Decrease (increase) in trade receivables	170	170	72	55	(67)
Decrease in other receivables	84	463	375	551	1,113
Decrease (increase) in inventories	317	(70)	342	10	(474)
Increase in deferred taxes	-	-	-	-	(94)
Increase (decrease) in trade payables	26	(172)	(95)	(6)	(469)
Increase (decrease) in employees and payroll accruals	172	(278)	117	(272)	(675)
Increase (decrease) in other payables	(162)	(593)	297	(147)	48
Decrease in deferred revenues and other advances	(73)	(159)	(81)	(99)	(153)
	<u>534</u>	<u>(639)</u>	<u>1,027</u>	<u>92</u>	<u>(771)</u>
Cash received (paid) during the period for:					
Interest received	283	80	145	31	186
Interest paid	(66)	(227)	(30)	(103)	(165)
Taxes paid	(10)	(29)	(10)	(27)	(40)
Net cash used in operating activities	<u>\$ (11,335)</u>	<u>\$ (14,365)</u>	<u>\$ (5,091)</u>	<u>\$ (6,658)</u>	<u>\$ (23,678)</u>

## CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Six months ended June 30,		Three months ended June 30,		Year ended December 31,
	2023	2022	2023	2022	2022
	<u>Unaudited</u>				<u>Audited</u>
<u>Cash flows from investing activities:</u>					
Purchase of property, plant and equipment	(483)	(747)	(124)	(305)	\$ (1,171)
Proceeds from sale of marketable securities	6,924	12,149	6,287	2,725	12,356
Purchase of marketable securities	(503)	(659)	(503)	(659)	(911)
Proceeds from sale of property, plant and equipment	26	-	-	-	-
Withdrawal from (investment in) bank deposits	(13,560)	3,000	(13,560)	-	3,000
Net cash provided by (used in) investing activities	<u>\$ (7,596)</u>	<u>\$ 13,743</u>	<u>\$ (7,900)</u>	<u>\$ 1,761</u>	<u>\$ 13,274</u>
<u>Cash flows from financing activities:</u>					
Issuance of a subsidiary preferred shares to non-controlling interests	9,523	-	9,523	-	-
Proceeds from issuance of ordinary shares, net of issuance expenses	336	-	68	-	21
Proceeds from issuance of convertible SAFE	-	-	-	-	10,000
Proceeds from exercise of options	-	7	-	-	7
Repayment of lease liability	(413)	(492)	(207)	(369)	(803)
Proceeds from government grants	1,089	30	1,063	-	149
Repayment of government grants	(35)	(14)	-	-	(31)
Net cash provided by (used in) financing activities	<u>10,500</u>	<u>(469)</u>	<u>10,447</u>	<u>(369)</u>	<u>9,343</u>
Exchange rate differences - cash and cash equivalent balances	<u>(316)</u>	<u>(2,367)</u>	<u>(223)</u>	<u>(1,880)</u>	<u>(2,284)</u>
Decrease in cash and cash equivalents	(8,747)	(3,458)	(2,767)	(7,146)	(3,345)
Cash and cash equivalents, beginning of the period	<u>28,980</u>	<u>32,325</u>	<u>23,000</u>	<u>36,013</u>	<u>32,325</u>
Cash and cash equivalents, end of the period	<u>\$ 20,233</u>	<u>\$ 28,867</u>	<u>\$ 20,233</u>	<u>\$ 28,867</u>	<u>\$ 28,980</u>
<u>Significant non-cash activities</u>					
Acquisition of property, plant and equipment	<u>\$ 90</u>	<u>\$ 66</u>	<u>\$ 21</u>	<u>\$ 66</u>	<u>\$ 74</u>
Increase of right-of-use asset recognized with corresponding lease liability	<u>\$ 135</u>	<u>\$ 30</u>	<u>\$ 64</u>	<u>\$ -</u>	<u>\$ 90</u>