



CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

U.S. dollars in thousands

	December 31, 2023 <u>(Unaudited)</u>	December 31, 2022 <u>(Audited)</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 20,772	\$ 28,980
Short-term bank deposits	10,291	-
Marketable securities	-	6,375
Trade receivables	357	348
Other receivables and prepaid expenses	2,973	1,482
Inventories	76	566
	<u>34,469</u>	<u>37,751</u>
LONG-TERM ASSETS:		
Long-term deposits and other receivables	28	74
Deferred taxes	-	94
Right-of-use-assets	980	1,568
Property, plant and equipment, net	2,455	2,499
Intangible assets, net	13,169	14,140
	<u>16,632</u>	<u>18,375</u>
	<u>\$ 51,101</u>	<u>\$ 56,126</u>
CURRENT LIABILITIES:		
Trade payables	\$ 1,785	\$ 1,036
Employees and payroll accruals	2,537	1,987
Lease liability	853	884
Liabilities in respect of government grants	388	79
Deferred revenues and other advances	362	22
Other payables	1,019	1,617
	<u>6,944</u>	<u>5,625</u>
LONG-TERM LIABILITIES:		
Lease liability	285	932
Liabilities in respect of government grants	4,426	4,665
Other advances	393	-
Convertible SAFE	10,368	10,114
	<u>15,472</u>	<u>15,711</u>
SHAREHOLDERS' EQUITY:		
Ordinary shares of NIS 0.02 par value:		
Authorized – 150,000,000 ordinary shares; Issued and outstanding – 50,584,888 shares on December 31, 2023 and 41,260,439 shares on December 31, 2022	286	235
Share premium and other capital reserve	269,353	261,402
Accumulated deficit	(257,586)	(233,707)
	<u>12,053</u>	<u>27,930</u>
Equity attributable to equity holders of the Company		
Non-controlling interests	<u>16,632</u>	<u>6,860</u>
Total equity	<u>28,685</u>	<u>34,790</u>
	<u>\$ 51,101</u>	<u>\$ 56,126</u>

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

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

	Year ended December 31,		Three months ended December 31,	
	2023	2022	2023	2022
	(Unaudited)	(Audited)	(Unaudited)	
Revenues	\$ 5,640	\$ 1,675	\$ 578	\$ 660
Cost of revenues	<u>1,692</u>	<u>909</u>	<u>398</u>	<u>364</u>
Gross profit	<u>3,948</u>	<u>766</u>	<u>180</u>	<u>296</u>
Operating expenses (income):				
Research and development, net	20,777	20,792	5,545	4,753
Sales and marketing	3,611	3,933	1,033	1,168
General and administrative	6,068	6,482	1,230	1,657
Other income	<u>-</u>	<u>(3,500)</u>	<u>-</u>	<u>(3,500)</u>
Total operating expenses, net	<u>30,456</u>	<u>27,707</u>	<u>7,808</u>	<u>4,078</u>
Operating loss	<u>(26,508)</u>	<u>(26,941)</u>	<u>(7,628)</u>	<u>(3,782)</u>
Financing income	1,486	516	358	169
Financing expenses	<u>(965)</u>	<u>(3,329)</u>	<u>(71)</u>	<u>(163)</u>
Financing income (expenses), net	<u>521</u>	<u>(2,813)</u>	<u>287</u>	<u>6</u>
Loss before taxes on income	(25,987)	(29,754)	(7,341)	(3,776)
Taxes on income (tax benefit)	<u>(33)</u>	<u>90</u>	<u>(4)</u>	<u>45</u>
Loss	<u>\$ (25,954)</u>	<u>\$ (29,844)</u>	<u>\$ (7,337)</u>	<u>\$ (3,821)</u>
Attributable to:				
Equity holders of the Company	(23,879)	(26,638)	(6,601)	(2,998)
Non-controlling interests	<u>(2,075)</u>	<u>(3,206)</u>	<u>(736)</u>	<u>(823)</u>
	<u>\$ (25,954)</u>	<u>\$ (29,844)</u>	<u>\$ (7,337)</u>	<u>\$ (3,821)</u>
Basic and diluted loss per share, attributable to equity holders of the Company	<u>\$ (0.52)</u>	<u>\$ (0.65)</u>	<u>\$ (0.13)</u>	<u>\$ (0.07)</u>
Weighted average number of shares used in computing basic and diluted loss per share	<u>45,685,619</u>	<u>41,210,184</u>	<u>50,584,888</u>	<u>41,234,438</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Year ended December 31,		Three months ended December 31,	
	2023 (Unaudited)	2022 (Audited)	2023 (Unaudited)	2022 (Unaudited)
<u>Cash flows from operating activities:</u>				
Loss	\$ (25,954)	\$ (29,844)	\$ (7,337)	\$ (3,821)
Adjustments to reconcile loss to net cash used in operating activities:				
Adjustments to the profit or loss items:				
Depreciation	1,641	1,513	418	396
Amortization of Intangible assets	971	1,067	245	245
Share-based compensation	1,877	1,186	113	291
Revaluation of convertible SAFE	254	114	77	114
Net financing expenses (income)	(666)	2,979	(460)	(149)
Decrease in accrued bank interest	-	7	-	-
Gain from sale of property, plant and equipment	(26)	-	-	-
Taxes on income (tax benefit)	(33)	90	(4)	45
	<u>4,018</u>	<u>6,956</u>	<u>389</u>	<u>942</u>
Changes in asset and liability items:				
Decrease (increase) in trade receivables	(9)	(67)	988	104
Decrease (increase) in other receivables	(1,445)	1,113	(1,025)	670
Decrease (increase) in inventories	490	(474)	37	(401)
Decrease (increase) in deferred taxes	94	(94)	94	(94)
Increase (decrease) in trade payables	742	(469)	563	131
Increase (decrease) in employees and payroll accruals	550	(675)	478	(337)
Increase (decrease) in other payables	(534)	48	(67)	634
Decrease in deferred revenues and other advances	(288)	(153)	(478)	(338)
	<u>(400)</u>	<u>(771)</u>	<u>590</u>	<u>369</u>
Cash received (paid) during the period for:				
Interest received	905	186	472	68
Interest (paid) received, net	(115)	(165)	(23)	191
Taxes paid	(31)	(40)	(16)	(6)
	<u>(21,577)</u>	<u>(23,678)</u>	<u>(5,925)</u>	<u>(2,257)</u>
Net cash used in operating activities	\$ (21,577)	\$ (23,678)	\$ (5,925)	\$ (2,257)

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Year ended December 31,		Three months ended December 31,	
	2023	2022	2023	2022
	(Unaudited)	(Audited)	(Unaudited)	
<u>Cash flows from investing activities:</u>				
Purchase of property, plant and equipment	\$ (785)	\$ (1,171)	\$ (86)	\$ (199)
Proceeds from sale of marketable securities	6,924	12,356	-	4
Purchase of marketable securities	(503)	(911)	-	(252)
Proceeds from sale of property, plant and equipment	26	-	-	-
Withdrawal from (investment in) bank deposits, net	(10,200)	3,000	(500)	-
Net cash provided by (used in) investing activities	(4,538)	13,274	(586)	(447)
<u>Cash flows from financing activities:</u>				
Issuance of a subsidiary preferred shares to non-controlling interests	9,523	-	-	-
Proceeds from issuance of ordinary shares, net of issuance expenses	8,449	21	45	21
Proceeds from issuance of convertible SAFE	-	10,000	-	-
Proceeds from exercise of options	-	7	-	-
Repayment of lease liability	(836)	(803)	(212)	(437)
Proceeds from government grants	1,089	149	20	60
Repayment of government grants	(73)	(31)	-	-
Net cash provided by (used in) financing activities	18,152	9,343	(147)	(356)
Exchange rate differences - cash and cash equivalent balances	(245)	(2,284)	99	180
Decrease in cash and cash equivalents	(8,208)	(3,345)	(6,559)	(2,880)
Cash and cash equivalents beginning of the period	28,980	32,325	27,331	31,860
Cash and cash equivalents end of the period	<u>\$ 20,772</u>	<u>\$ 28,980</u>	<u>\$ 20,772</u>	<u>\$ 28,980</u>
<u>Significant non-cash activities</u>				
Acquisition of property, plant and equipment	<u>\$ 81</u>	<u>\$ 74</u>	<u>\$ 81</u>	<u>\$ 74</u>
Increase of right-of-use-asset recognized with corresponding lease liability	<u>\$ 194</u>	<u>\$ 90</u>	<u>\$ 59</u>	<u>\$ 71</u>