



CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

U.S. dollars in thousands

	June 30, 2024	December 31, 2023
	Unaudited	Audited
CURRENT ASSETS:		
Cash and cash equivalents	\$ 9,484	\$ 20,772
Short-term bank deposits	11,424	10,291
Trade receivables	376	357
Other receivables and prepaid expenses	3,696	2,973
Inventories	794	76
	<u>25,774</u>	<u>34,469</u>
LONG-TERM ASSETS:		
Long-term deposits and other receivables	30	28
Investment accounted for using the equity method	100	-
Right-of-use-assets	729	980
Property, plant and equipment, net	1,650	2,455
Intangible assets, net	12,685	13,169
	<u>15,194</u>	<u>16,632</u>
	<u>\$ 40,968</u>	<u>\$ 51,101</u>
CURRENT LIABILITIES:		
Trade payables	\$ 957	\$ 1,785
Employees and payroll accruals	2,333	2,537
Lease liability	558	853
Liabilities in respect of government grants	681	388
Deferred revenues and other advances	548	362
Other payables	816	1,019
	<u>5,893</u>	<u>6,944</u>
LONG-TERM LIABILITIES:		
Lease liability	252	285
Liabilities in respect of government grants	4,247	4,426
Deferred revenues and other advances	244	393
Convertible SAFE	10,392	10,368
	<u>15,135</u>	<u>15,472</u>
SHAREHOLDERS' EQUITY:		
Ordinary shares of NIS 0.2 par value:		
Authorized – 15,000,000 ordinary shares; Issued and outstanding – 5,096,760 shares as of June 30, 2024, and 5,079,313 (*) shares as of December 31, 2023	287	286
Share premium and other capital reserve	269,648	269,353
Accumulated deficit	(266,868)	(257,586)
	<u>3,067</u>	<u>12,053</u>
Equity attributable to equity holders of the Company	3,067	12,053
Non-controlling interests	<u>16,873</u>	<u>16,632</u>
	<u>19,940</u>	<u>28,685</u>
Total equity	<u>\$ 40,968</u>	<u>\$ 51,101</u>

(*) Shares and per share amounts have been retroactively adjusted to reflect the reverse stock split

CONSOLIDATED INTERIM STATEMENTS OF PROFIT OR LOSS

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

	Six months ended June 30,		Three months ended June 30,		Year ended December 31,
	2024	2023	2024	2023	2023
	Unaudited				Audited
Revenues	\$ 5,104	\$ 1,295	\$ 914	\$ 654	\$ 5,640
Cost of revenues	847	783	537	461	1,692
Gross profit	4,257	512	377	193	3,948
Operating expenses:					
Research and development, net	8,817	10,169	4,016	5,369	20,777
Sales and marketing	1,920	1,728	928	928	3,611
General and administrative	3,184	3,312	1,530	1,797	6,068
Other expenses	524	-	5	-	-
Total operating expenses, net	14,445	15,209	6,479	8,094	30,456
Operating loss	(10,188)	(14,697)	(6,102)	(7,901)	(26,508)
Financing income	667	699	260	391	1,486
Financing expenses	(288)	(785)	(122)	(247)	(965)
Financing income (expenses), net	379	(86)	138	144	521
Share of loss from equity accounted investment	(20)	-	(20)	-	-
Loss before taxes on income	(9,829)	(14,783)	(5,984)	(7,757)	(25,987)
Taxes on income (tax benefit)	1	(24)	1	21	(33)
Loss	\$ (9,830)	\$ (14,759)	\$ (5,985)	\$ (7,778)	\$ (25,954)
Attributable to:					
Equity holders of the Company	\$ (9,282)	\$ (13,294)	\$ (5,419)	\$ (7,023)	\$ (23,879)
Non-controlling interests	(548)	(1,465)	(566)	(755)	(2,075)
	\$ (9,830)	\$ (14,759)	\$ (5,985)	\$ (7,778)	\$ (25,954)
Basic and diluted loss per share, attributable to equity holders of the Company (*)	\$ (1.82)	\$ (3.18)	\$ (1.06)	\$ (1.68)	\$ (5.20)
Weighted average number of shares used in computing basic and diluted loss per share (*)	5,087,029	4,177,554	5,090,993	4,185,242	4,589,386

(*) Shares and per share amounts have been retroactively adjusted to reflect the reverse stock split

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,
	2024	2023	2024	2023	2023
	Unaudited				Audited
<u>Cash flows from operating activities</u>					
Loss	\$ (9,830)	\$ (14,759)	\$ (5,985)	\$ (7,778)	\$ (25,954)
Adjustments to reconcile loss to net cash used in operating activities:					
Adjustments to the profit or loss items:					
Depreciation	800	807	374	406	1,641
Amortization of intangible assets	484	481	239	241	971
Share-based compensation	999	1,219	460	801	1,877
Revaluation of convertible SAFE	24	220	49	26	254
Net financing expenses (income)	(222)	6	(28)	60	(666)
Loss (gain) from sale of property, plant and equipment	524	(26)	5	-	(26)
Share of loss from equity accounted investment	20	-	20	-	-
Taxes on income (tax benefit)	1	(24)	1	21	(33)
	<u>2,630</u>	<u>2,683</u>	<u>1,120</u>	<u>1,555</u>	<u>4,018</u>
Changes in asset and liability items:					
Decrease (increase) in trade receivables	(19)	170	163	72	(9)
Decrease (increase) in other receivables	(725)	84	(546)	375	(1,445)
Decrease (increase) in inventories	(718)	317	(78)	342	490
Decrease in deferred taxes	-	-	-	-	94
Increase (decrease) in trade payables	(762)	26	(77)	(95)	742
Increase (decrease) in employees and payroll accruals	(204)	172	(99)	117	550
Increase (decrease) in other payables	(214)	(162)	(153)	297	(534)
Increase (decrease) in deferred revenues and other advances	(84)	(73)	(13)	(81)	(288)
	<u>(2,726)</u>	<u>534</u>	<u>(803)</u>	<u>1,027</u>	<u>(400)</u>
Cash received (paid) during the period for:					
Interest received	402	283	231	145	905
Interest paid	(41)	(66)	(18)	(30)	(115)
Taxes paid	-	(10)	-	(10)	(31)
	<u>-</u>	<u>(10)</u>	<u>-</u>	<u>(10)</u>	<u>(31)</u>
Net cash used in operating activities	\$ (9,565)	\$ (11,335)	\$ (5,455)	\$ (5,091)	\$ (21,577)

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,
	2024	2023	2024	2023	2023
	Unaudited				Audited
<u>Cash flows from investing activities:</u>					
Purchase of property, plant and equipment	\$ (172)	(483)	(31)	(124)	\$ (785)
Proceeds from sale of marketable securities	-	6,924	-	6,287	6,924
Purchase of marketable securities	-	(503)	-	(503)	(503)
Proceeds from sale of property, plant and equipment	10	26	-	-	26
Withdrawal from (investment in) bank deposits, net	(990)	(13,560)	3,241	(13,560)	(10,200)
Net cash provided by (used in) investing activities	\$ (1,152)	\$ (7,596)	\$ 3,210	\$ (7,900)	\$ (4,538)
<u>Cash flows from financing activities:</u>					
Issuance of a subsidiary preferred shares to non-controlling interests	-	9,523	-	9,523	9,523
Proceeds from issuance of ordinary shares, net of issuance expenses	86	336	83	68	8,449
Repayment of lease liability	(462)	(413)	(231)	(207)	(836)
Proceeds from government grants	-	1,089	-	1,063	1,089
Repayment of government grants	(142)	(35)	(3)	-	(73)
Net cash provided by (used in) financing activities	(518)	10,500	(151)	10,447	18,152
Exchange rate differences - cash and cash equivalent balances	(53)	(316)	(35)	(223)	(245)
Decrease in cash and cash equivalents	(11,288)	(8,747)	(2,431)	(2,767)	(8,208)
Cash and cash equivalents, beginning of the period	20,772	28,980	11,915	23,000	28,980
Cash and cash equivalents, end of the period	\$ 9,484	\$ 20,233	\$ 9,484	\$ 20,233	\$ 20,772
<u>Significant non-cash activities</u>					
Acquisition of property, plant and equipment	\$ 15	\$ 90	\$ 15	\$ 21	\$ 81
Investment in equity-accounted investee with corresponding deferred revenues	\$ 120	\$ -	\$ -	\$ -	\$ -
Increase of right-of-use asset recognized with corresponding lease liability	\$ 184	\$ 135	\$ 54	\$ 64	\$ 194