



CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

U.S. dollars in thousands

	March 31, 2025 Unaudited	December 31, 2024
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 7,495	\$ 15,301
Short-term bank deposits	2,354	10
Trade receivables	2,640	1,091
Other receivables and prepaid expenses	651	2,064
Deferred expenses related to issuance of warrants	1,209	1,304
Inventories	2,152	1,819
	16,501	21,589
LONG-TERM ASSETS:		
Long-term deposits and other receivables	162	12
Investment in an associate	80	82
Deferred expenses related to issuance of warrants	1,505	1,735
Right-of-use-assets	2,480	2,447
Property, plant and equipment, net	1,621	1,804
Intangible assets, net	11,955	12,195
	17,803	18,275
TOTAL ASSETS	\$ 34,304	\$ 39,864
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Trade payables	\$ 592	\$ 1,228
Employees and payroll accruals	1,622	1,869
Lease liabilities	670	589
Liabilities in respect of government grants	353	323
Deferred revenues and other advances	209	360
Warrants and pre-funded warrants liability	1,169	2,876
Convertible SAFE	10,371	10,371
Other payables	613	1,079
	15,599	18,695
LONG-TERM LIABILITIES:		
Lease liabilities	1,922	1,914
Liabilities in respect of government grants	4,302	4,327
Deferred revenues and other advances	86	90
	6,310	6,331
TOTAL LIABILITIES	\$ 21,909	\$ 25,026

CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**U.S. dollars in thousands****SHAREHOLDERS' EQUITY:**

Ordinary shares of NIS 0.2 par value:		
Authorized – 15,000,000 ordinary shares; Issued and outstanding – 6,672,173 ordinary shares on March 31, 2025 and 6,514,589 ordinary shares on December 31, 2024		
	372	363
Share premium and other capital reserves	272,641	272,257
Accumulated deficit	<u>(276,658)</u>	<u>(274,071)</u>
Equity attributable to equity holders of the Company	<u>(3,645)</u>	<u>(1,451)</u>
Non-controlling interests	<u>16,040</u>	<u>16,289</u>
TOTAL EQUITY	<u>12,395</u>	<u>14,838</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 34,304</u>	<u>\$ 39,864</u>

CONSOLIDATED INTERIM STATEMENTS OF PROFIT OR LOSS

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

	Three months ended March 31,		Year ended December 31,
	2025	2024	2024
	Unaudited		
Revenues	\$ 2,444	\$ 4,190	\$ 8,511
Cost of revenues	<u>1,614</u>	<u>310</u>	<u>2,683</u>
Gross profit	<u>830</u>	<u>3,880</u>	<u>5,828</u>
Operating expenses (income):			
Research and development, net	3,208	4,801	16,648
Sales and marketing	645	992	3,425
General and administrative	1,294	1,654	7,441
Other expenses (income)	<u>(191)</u>	<u>519</u>	<u>524</u>
Total operating expenses, net	<u>4,956</u>	<u>7,966</u>	<u>28,038</u>
Operating loss	<u>(4,126)</u>	<u>(4,086)</u>	<u>(22,210)</u>
Financing income	1,603	407	7,546
Financing expenses	<u>(464)</u>	<u>(166)</u>	<u>(3,342)</u>
Financing income, net	<u>1,139</u>	<u>241</u>	<u>4,204</u>
Share of loss of an associate	<u>2</u>	<u>-</u>	<u>39</u>
Loss before taxes on income	(2,989)	(3,845)	(18,045)
Taxes on income	<u>-</u>	<u>-</u>	<u>9</u>
Loss	<u>\$ (2,989)</u>	<u>\$ (3,845)</u>	<u>\$ (18,054)</u>
Attributable to:			
Equity holders of the Company	(2,587)	(3,863)	(16,485)
Non-controlling interests	<u>(402)</u>	<u>18</u>	<u>(1,569)</u>
	<u>\$ (2,989)</u>	<u>\$ (3,845)</u>	<u>\$ (18,054)</u>
Basic and diluted loss per share, attributable to equity holders of the Company (*)	<u>\$ (0.38)</u>	<u>\$ (0.76)</u>	<u>\$ (2.89)</u>
Weighted average number of shares used in computing basic and diluted loss per share (*)	<u>6,798,173</u>	<u>5,083,116</u>	<u>5,697,245</u>

(*) Shares and per share amounts have been retroactively adjusted to reflect the 1:10 reserve stock split and the changes in par value from NIS 0.02 to par value of NIS 0.2, effected on July 25, 2024.

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**U.S. dollars in thousands**

	Three months ended March 31,		Year ended December 31,
	2025	2024	2024
	Unaudited		
<u>Cash flows from operating activities:</u>			
Loss	\$ (2,989)	\$ (3,845)	\$ (18,054)
Adjustments to reconcile loss to net cash used in operating activities:			
Adjustments to the profit or loss items:			
Depreciation and amortization of property, plant and equipment and right-of-use-assets	339	426	1,530
Amortization of intangible assets	240	245	974
Share-based compensation	316	539	1,795
Remeasurement of Convertible SAFE	-	(25)	3
Net financing income	1	(194)	(689)
Loss from sale of property, plant and equipment	-	519	524
Gain from deduction of right-of-use asset and subsequent investment in sub-lease asset	(191)	-	-
Excess of initial fair value of pre-funded warrants over transaction proceeds	-	-	2,684
Amortization of deferred expenses related to issuance of warrants	326	-	471
Remeasurement of pre-funded warrants and warrants	(1,477)	-	(6,529)
Share of loss of an associate	2	-	39
Taxes on income	-	-	9
	<u>(444)</u>	<u>1,510</u>	<u>811</u>
<u>Changes in asset and liability items:</u>			
Increase in trade receivables	(1,549)	(182)	(734)
Decrease (increase) in other receivables and prepaid expenses	1,467	(179)	925
Increase in inventories	(333)	(640)	(1,743)
Decrease in trade payables	(515)	(685)	(596)
Decrease in employees and payroll accruals	(247)	(105)	(668)
Increase (decrease) in other payables	(466)	(61)	62
Decrease in deferred revenues and other advances	(155)	(71)	(559)
	<u>(1,798)</u>	<u>(1,923)</u>	<u>(3,313)</u>
Cash received (paid) during the year for:			
Interest received	95	171	934
Interest paid	(46)	(23)	(67)
Taxes paid	-	-	(11)
Net cash used in operating activities	<u>\$ (5,182)</u>	<u>\$ (4,110)</u>	<u>\$ (19,700)</u>

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**U.S. dollars in thousands**

Three months ended March 31,		Year ended December 31,
2025	2024	2024
Unaudited		

Cash flows from investing activities:

Purchase of property, plant and equipment	\$ (122)	\$ (141)	\$ (626)
Proceeds from sale of property, plant and equipment	-	10	58
Proceeds from finance sub -lease asset	2	-	-
Proceeds from short-term bank deposits	-	1,210	27,340
Investment in short-term bank deposits	(2,326)	(5,441)	(17,150)

Net cash provided by (used in) investing activities	(2,446)	(4,362)	9,622
---	---------	---------	-------

Cash flows from financing activities:

Proceeds from issuance of ordinary shares, pre-funded warrants and warrants	-	-	5,500
Proceeds from issuance of ordinary shares, net of issuance expenses	-	3	123
Repayment of lease liabilities	(143)	(231)	(901)
Proceeds from government grants	106	-	232
Repayment of government grants	(122)	(139)	(298)

Net cash provided by (used in) financing activities	(159)	(367)	4,656
---	-------	-------	-------

Exchange rate differences on balances of cash and cash equivalent balances	(19)	(18)	(49)
--	------	------	------

Decrease in cash and cash equivalents	(7,806)	(8,857)	(5,471)
---------------------------------------	---------	---------	---------

Cash and cash equivalents at the beginning of the period	15,301	20,772	20,772
--	--------	--------	--------

Cash and cash equivalents at the end of the period	\$ 7,495	\$ 11,915	\$ 15,301
--	----------	-----------	-----------

Significant non-cash activities

Purchase of property, plant and equipment	\$ -	\$ 22	\$ 120
Right-of-use asset recognized with corresponding lease liability	\$ 207	\$ 130	\$ 2,307
Exercise of pre-funded warrants	\$ 229	\$ -	\$ 2,289
Derecognition of property, plant and equipment under a finance lease	\$ 13	\$ -	\$ -
Investment in affiliated company with corresponding deferred revenues	\$ -	\$ 120	\$ 120