

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

U.S. dollars in thousands

	December 31, 2025	December 31, 2024
CURRENT ASSETS:		
Cash and cash equivalents	\$ 12,956	\$ 15,301
Restricted cash	32	10
Trade receivables	317	1,091
Other receivables and prepaid expenses	1,565	2,064
Deferred expenses related to issuance of warrants	551	1,304
Inventories	210	1,819
	<u>15,631</u>	<u>21,589</u>
LONG-TERM ASSETS:		
Long-term deposits and other receivables	571	12
Investment accounted for using the equity method	43	82
Deferred expenses related to issuance of warrants	1,165	1,735
Right-of-use-assets	1,824	2,447
Property, plant and equipment, net	812	1,804
Intangible assets, net	-	12,195
	<u>4,415</u>	<u>18,275</u>
	<u>\$ 20,046</u>	<u>\$ 39,864</u>
CURRENT LIABILITIES:		
Trade payables	\$ 639	\$ 1,228
Employees and payroll accruals	861	1,869
Lease liability	716	589
Liabilities in respect of government grants	56	323
Deferred revenues and other advances	17	360
Warrants and pre-funded warrants liability	706	2,876
Convertible SAFE	-	10,371
Other payables	449	1,079
	<u>3,444</u>	<u>18,695</u>
LONG-TERM LIABILITIES:		
Lease liability	1,482	1,914
Liabilities in respect of government grants	3,073	4,327
Deferred revenues and other advances	72	90
	<u>4,627</u>	<u>6,331</u>
SHAREHOLDERS' EQUITY:		
Ordinary shares of NIS 0.2 par value:		
Authorized – 30,000,000 ordinary shares; Issued and outstanding – 8,718,193 shares on December 31, 2025 and 6,514,589 shares on December 31, 2024	488	363
Share premium and other capital reserve	281,986	272,257
Accumulated deficit	<u>(282,556)</u>	<u>(274,071)</u>
Equity attributable to equity holders of the Company	(82)	(1,451)
Non-controlling interests	<u>12,057</u>	<u>16,289</u>
Total equity	<u>11,975</u>	<u>14,838</u>
	<u>\$ 20,046</u>	<u>\$ 39,864</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,	
	2025	2024 (*)	2025	2024 (*)
Revenues	\$ 3,853	\$ 5,577	\$ 314	\$ 1,543
Cost of Revenues:				
Inventory impairment	2,180	-	2,180	-
Other cost of revenues	1,914	2,380	104	692
Total Cost of Revenues	4,094	2,380	2,284	692
Gross profit (loss)	(241)	3,197	(1,970)	851
Operating expenses (income):				
Research and development, net	7,994	12,511	1,827	2,707
Sales and marketing	1,476	1,983	298	351
General and administrative	4,286	6,993	898	1,283
Other expenses (income)	37	514	219	(10)
Total operating expenses, net	13,793	22,001	3,242	4,331
Operating loss	(14,034)	(18,804)	(5,212)	(3,480)
Financing income	2,466	7,393	181	4,734
Financing expenses	(1,891)	(3,358)	(350)	(251)
Financing income (expenses), net	575	4,035	(169)	4,483
Share of loss (gain) of an associate	39	39	(43)	13
Gain (loss) before taxes on income	(13,498)	(14,808)	(5,338)	990
Taxes on income	1	9	-	7
Income (loss) from continuing operations	(13,499)	(14,817)	(5,338)	983
Income (loss) from discontinued operations, net	5,672	(3,237)	(16)	(988)
Loss	\$ (7,827)	\$ (18,054)	\$ (5,354)	\$ (5)
Attributable to:				
Equity holders of the Company	(8,485)	(16,485)	(5,309)	427
Non-controlling interests	658	(1,569)	(45)	(432)
	\$ (7,827)	\$ (18,054)	\$ (5,354)	\$ (5)
Basic and diluted gain (loss) per share from continuing operations, attributable to equity holders of the Company	\$ (1.70)	\$ (2.47)	\$ (0.61)	\$ 0.17
Basic and diluted gain (loss) per share from discontinued operations, attributable to equity holders of the Company	\$ 0.62	\$ (0.43)	\$ (0.002)	\$ (0.11)
Weighted average number of shares used in computing basic and diluted loss per share	7,874,039	5,697,245	8,718,207	6,795,589

(*) Reclassified to conform to the current period presentation, following the classification of certain operations as discontinued operations.

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Year ended December 31,		Three months ended December 31,	
	2025	2024 (*)	2025	2024 (*)
<u>Cash flows from operating activities:</u>				
Loss from continuing operations	\$ (13,499)	\$ (14,817)	\$ (5,338)	\$ 983
Adjustments to reconcile loss to net cash used in operating activities:				
Adjustments to the profit or loss items:				
Depreciation of property, plant and equipment and right-of-use-assets	1,144	1,381	263	441
Share-based compensation	654	1,243	155	263
Remeasurement of Convertible SAFE	(371)	3	-	51
Net financing expenses (income)	(28)	(771)	(49)	(1,013)
Loss (gain) from sale of property, plant and equipment	(209)	525	(27)	2
Impairment of property, plant and equipment	246	-	246	-
Inventory impairment	2,180	-	2,180	-
Revaluation of government grants	40	-	16	-
Excess of initial fair value of pre-funded warrants over transaction proceeds	-	2,684	-	-
Amortization of deferred expenses related to issuance of warrants	1,323	471	334	334
Remeasurement of pre-funded warrants and warrants	(1,781)	(6,529)	(117)	(4,589)
Share of loss of an associate	39	39	(43)	13
Taxes on income (tax benefit)	(6)	9	(7)	7
	<u>3,231</u>	<u>(945)</u>	<u>2,951</u>	<u>(4,491)</u>
Changes in asset and liability items:				
Decrease (increase) in trade receivables	665	(627)	(2)	601
Decrease (increase) in other receivables and prepaid expenses	1,047	806	87	248
Decrease (increase) in inventories	(1,019)	(1,277)	(279)	(380)
Increase (decrease) in trade payables	(259)	(630)	188	(166)
Increase (decrease) in employees and payroll accruals	(756)	(548)	(192)	(397)
Increase (decrease) in other payables	(570)	222	(30)	162
Increase (decrease) in deferred revenues and other advances	(361)	(559)	(5)	(463)
	<u>(1,253)</u>	<u>(2,613)</u>	<u>(233)</u>	<u>(395)</u>
Cash received (paid) during the period for:				
Interest received	338	934	117	398
Interest paid	(193)	(67)	(43)	(10)
Taxes paid	(11)	(11)	-	(11)
Net cash used in continuing operating activities	(11,387)	(17,519)	(2,546)	(3,526)
Net cash used in operating activities of discontinued operations	(2,115)	(2,181)	(140)	(1,035)
Net cash used in operating activities	<u>(13,502)</u>	<u>(19,700)</u>	<u>(2,686)</u>	<u>(4,561)</u>

(*) Reclassified to conform to the current period presentation, following the classification of certain operations as discontinued operations.

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Year ended December 31,		Three months ended December 31,	
	2025	2024 (*)	2025	2024 (*)
<u>Cash flows from investing activities:</u>				
Purchase of property, plant and equipment	(135)	(626)	(6)	(322)
Proceeds from sale of property, plant and equipment	78	10	47	-
Proceeds from finance sub-lease asset	52	-	23	-
Withdrawal from (investment in) bank deposits, net	(1)	10,190	7,399	7,773
Net cash provided by (used in) continuing investing activities	(6)	9,574	7,463	7,451
Net cash provided by investing activities of discontinued operations	17,744	48	2,800	1,307
Net cash provided by investing activities	17,738	9,622	10,263	8,758
<u>Cash flows from financing activities:</u>				
Proceeds from issuance of ordinary shares, pre- funded warrants and warrants	-	5,500	-	-
Proceeds from issuance of ordinary shares, net of issuance expenses	4,283	123	-	-
Repayment of lease liability	(526)	(886)	(133)	(310)
Proceeds from government grants	-	134	-	-
Repayment of convertible SAFE	(10,000)	-	-	-
Repayment of government grants	(244)	(298)	(122)	-
Net cash provided by (used in) continuing financing activities	(6,487)	4,573	(255)	(310)
Net cash provided by (used in) financing activities of discontinued operations	(115)	83	(1)	104
Net cash provided by (used in) financing activities	(6,602)	4,656	(256)	(206)
Exchange rate differences - cash and cash equivalent balances	21	(49)	9	(7)
Increase (decrease) in cash and cash equivalents	(2,345)	(5,471)	7,330	3,984
Cash and cash equivalents, beginning of the period	15,301	20,772	5,626	11,317
Cash and cash equivalents, end of the period	\$ 12,956	\$ 15,301	\$ 12,956	\$ 15,301

(*) Reclassified to conform to the current period presentation, following the classification of certain operations as discontinued operations.

	Year ended December 31,		Three months ended December 31,	
	2025	2024	2025	2024
Acquisition of property, plant and equipment	2	120	-	120
Increase of right-of-use-asset recognized with corresponding lease liability	207	2,307	-	-
Exercise of pre-funded warrants	389	2,289	-	2,289
Derecognition of property, plant and equipment under a finance lease	13	-	-	-
Investment in affiliated Company with corresponding deferred revenues		120	-	-