



Nanox Announces Second Quarter of 2025 Financial Results and Provides Business Update

August 12, 2025

Management to host conference call and webcast Tuesday, August 12, 2025 at 8:30 AM ET

Company continued to grow Nanox.ARC installed base and is on track to meet its year-end system deployment target

PETAH TIKVA, Israel, Aug. 12, 2025 (GLOBE NEWSWIRE) -- NANO-X IMAGING LTD (NASDAQ: NNOX) (“**Nanox**” or the “**Company**”), an innovative medical imaging technology company, today announced results for the second quarter ended June 30, 2025 and provided a business update.

Recent Highlights:

- Generated \$3.0 million in revenue in the second quarter of 2025, compared to \$2.7 million in the second quarter of 2024.
- Grew Nanox.ARC system sales funnel exponentially in the quarter.
- The Company notified the FDA of its intent to submit the TAP2D software module to the FDA through the 510(k) program - a 2D view image output for the Nanox.ARC systems, a practical tool for radiologists.
- New customers include several medical imaging center chains across the U.S., including one of the largest imaging providers in the country which began training its technicians in July.
- Expanded the availability of the Nanox.AI solutions, engaging with AI solution platform providers.
- Advanced footprint in EU countries, finalized successful training in Romania and preparing for the first system shipment.
- Entered into a multi-year Volume Supply Agreement with Fabrinet, a leading global electronics manufacturing services provider, to support the scalable production of Nanox.ARC X.

“Nanox has made progress advancing the deployment of the Nanox.ARC system in the second quarter, and we are on track to meet our yearly deployment target with revenues expected in the second half of 2025. We’re seeing a growing and increasingly robust commercial pipeline, and we’re proud to mark a breakthrough in the European market, with the first system ready for shipment. By expanding our system’s output with a 2D view image, we reaffirm our commitment to continuous product enhancement in line with evolving market needs. Alongside our commercial efforts, we are executing a robust clinical program designed to produce data supporting the use case for the Nanox.ARC technology, and to engage key opinion leaders who can partner with Nanox to drive behavior change in the medical imaging sector. I am proud of our team’s diligent execution of our multi-faceted growth strategy”.

Financial results for three months ended June 30, 2025

For the three months ended June 30, 2025 (the “Reported Period”), the Company reported a net loss of \$14.7 million, compared to a net loss of \$13.6 million for the three months ended June 30, 2024 (which is referred as the “Comparable Period”), representing an increase of \$1.1 million. The increase in net loss was mainly due to the increase of \$0.4 million in our gross loss and \$1.0 million in our finance expense, net which was mitigated by the decrease of \$0.4 million in our operating expenses.

The Company reported revenue of \$3.0 million in the Reported Period, compared to \$2.7 million in the Comparable Period. During the Reported Period, the Company generated revenue through teleradiology services, the sale and deployment of its imaging systems and its AI solutions.

The Company’s gross loss during the Reported Period totaled \$3.2 million (gross loss margin of (107%)) on a GAAP basis, compared to \$2.9 million (gross loss margin of (106%)) in the Comparable Period. Non-GAAP gross loss for the Reported Period was \$0.6 million (gross loss margin of approximately (21%)), compared to gross loss of \$0.2 million (gross loss margin of approximately (9%)) in the Comparable Period.

The Company’s revenue from teleradiology services for the Reported Period was \$2.7 million, compared to revenue of \$2.5 million in the Comparable Period. The Company’s GAAP gross profit from teleradiology services for the Reported Period was \$0.5 million (gross profit margin of approximately 18%), compared to \$0.4 million (gross profit margin of approximately 15%) in the Comparable Period. Non-GAAP gross profit of the Company’s teleradiology services for the Reported Period was \$1.0 million (gross profit margin of approximately 38%) compared to \$0.9 million (gross profit margin of approximately 37%) in the Comparable Period. The increase in the Company’s revenue and gross profit margins from teleradiology services was mainly attributable to customer retention, increased rates and increased volume of the Company’s teleradiology reading services during the weekdays, weekends and nights shifts.

During the Reported Period, the Company generated revenue through the sales and deployment of its imaging systems and OEM services which amounted to \$221 thousand for the Reported Period, with a gross loss of \$1.7 million on a GAAP and non-GAAP basis, compared to revenue of \$68 thousand with a gross loss of \$1.3 million on a GAAP basis and Non-GAAP basis in the Comparable Period.

The Company’s revenue from its AI solutions for the Reported Period was \$96 thousand with a gross loss of \$2.0 million on a GAAP basis, compared to revenue of \$113 thousand with a gross loss of \$2.0 million in the Comparable Period. Non-GAAP gross profit of the Company’s AI solutions for the Reported Period was \$19 thousand, compared to Non-GAAP gross profit of \$57 thousand in the Comparable Period.

Research and development expenses, net, for the Reported and Comparable Periods were \$4.8 million, reflecting no change. There was a decrease of \$0.4 million in share-based compensation and \$0.3 million in expenses related to our development activities which were mitigated by an increase of \$0.3 million in salaries and wages and a decrease of \$0.4 million in grants received.

Sales and marketing expenses for the Reported Period were \$1.2 million compared to \$0.8 million in the Comparable Period which represents an increase of \$0.4 million, mainly due to increase of \$0.3 million in salaries and wages and \$0.1 million in marketing activities with connection to the commercialization in the U.S. market.

General and administrative expenses for the Reported Period were \$5.1 million, compared to \$5.9 million in the Comparable Period. The decrease of \$0.8 million was mainly due to a decrease of \$0.5 million in share based compensation, decrease of \$0.5 million in the Company's legal expenses and a decrease of \$0.2 million in D&O insurance expenses which was mitigated by an increase of \$0.2 million in salaries and wages.

Non-GAAP net loss attributable to ordinary shares for the Reported Period was \$10.9 million, compared to \$8.4 million in the Comparable Period. The increase of \$2.5 million was mainly due to an increase of \$0.4 million in the Non-GAAP gross loss, increase of \$1.0 million in the Non-GAAP operating expenses and increase of \$1.0 million in the Non-GAAP financial expenses.

Non-GAAP gross loss for the Reported Period was \$0.6 million, compared to a non-GAAP gross loss of \$0.2 million in the Comparable Period. Non-GAAP research and development expenses, net for the Reported Period, were \$4.5 million, compared to \$4.1 million in the Comparable Period. Non-GAAP sales and marketing expenses for the Reported Period were \$1.1 million, compared to \$0.5 million in the Comparable Period. Non-GAAP general and administrative expenses for the Reported Period were \$4.5 million, compared to \$4.3 million in the Comparable Period.

The difference between the GAAP and non-GAAP financial measures above is mainly attributable to amortization of intangible assets, share-based compensation, expenses related to an offering and legal fees in connection with the class-action litigation. A reconciliation between GAAP and non-GAAP financial measures for the three and six months periods ended June 30, 2025, and 2024 is provided in the financial results that are part of this press release.

Limited Guidance

Based on current market conditions and assuming that macroeconomic trends, including tariff policy, inflation, interest rate levels and supply chain costs do not materially impede activity in the medical technology industry generally, or for the Company specifically, the Company anticipates that the number of clinical, demo, and commercial units in various stages of deployment will grow to over 100 units by the end of 2025, on a worldwide basis.

Liquidity and Capital Resources

As of June 30, 2025, the Company had total cash, cash equivalents, short-term and long-term deposits, restricted deposits and marketable securities of \$62.6 million, compared to \$83.5 million as of December 31, 2024. During the reported period the Company experienced negative cash flow from operations of \$19.6 million.

Other Assets

As of June 30, 2025 the Company had property and equipment of \$46.1 million, compared to \$45.4 million as of December 31, 2024.

As of June 30, 2025, the Company had intangible assets of \$64.7 million compared to \$70.0 million as of December 31, 2024. The decrease was attributable to the periodic amortization of intangible assets in the amount of \$5.3 million.

Shareholders' Equity

As of June 30, 2025 the Company had approximately 63.9 million shares outstanding compared to 63.8 million shares outstanding as of December 31, 2024.

Conference Call and Webcast Details

Tuesday, August 12, 2025 @ 8:30am ET

Individuals interested in listening to the conference call may do so by joining the live webcast on the Investors section of the Nanox website under Events and Presentations. Alternatively, individuals can register online to receive a dial-in number and personalized PIN to participate in the call. An archived webcast of the event will be available for replay following the event.

About Nanox:

Nanox (NASDAQ: NNOX) is focused on driving the world's transition to preventive health care by bringing a full solution of affordable medical imaging technologies based on advanced AI and proprietary digital X-ray source.

Nanox's vision encompasses expanding the reach of Nanox technology both within and beyond hospital settings, providing a seamless end-to-end solution from scan to diagnosis, leveraging AI to enhance the efficiency of routine medical imaging technology and processes, in order to improve early detection and treatment and maintaining a clinically driven approach. The Nanox ecosystem includes Nanox.ARC – a multi-source digital tomosynthesis system that is cost-effective and user-friendly; an AI-based suite of algorithms that augment the readings of routine CT imaging to highlight early signs often related to chronic diseases, through Nanox's subsidiary, Nanox.AI Ltd; Nanox.CLOUD – a cloud-based software platform that manages and stores data collected by Nanox devices, and provides users with tools for in-depth imaging analysis; Nanox.MARKETPLACE – a proprietary decentralized marketplace through Nanox's subsidiary, USARAD Holdings Inc., that provides remote access to radiology and cardiology experts, and a comprehensive teleradiology services platform. By improving early detection and treatment, Nanox aims to enhance better health outcomes worldwide. For more information, please visit www.nanox.vision

Forward-Looking Statements

This press release may contain forward-looking statements that are subject to risks and uncertainties. All statements that are not historical facts contained in this press release are forward-looking statements. Such statements include, but are not limited to, any statements relating to: guidance with respect to the number of units that the Company will have deployed and operational by the end of the 2025 year; the initiation, timing, progress and results of the Company's research and development, manufacturing, and commercialization activities with respect to its X-ray source technology and the Nanox.ARC; and the ability of the Company to realize the expected benefits of its recent acquisitions and the projected business prospects of the Company and the acquired companies. In some cases, you can identify forward-looking statements by terminology such as "can," "might,"

“believe,” “may,” “estimate,” “continue,” “anticipate,” “intend,” “should,” “plan,” “should,” “could,” “expect,” “predict,” “potential,” or the negative of these terms or other similar expressions. Forward-looking statements are based on information the Company has when those statements are made or management’s good faith belief as of that time with respect to future events and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Factors that could cause actual results to differ materially from those currently anticipated include: risks related to (i) Nanox’s ability to complete development of the Nanox System; (ii) Nanox’s ability to successfully demonstrate the feasibility of its technology for commercial applications; (iii) Nanox’s expectations regarding the necessity of, timing of filing for, and receipt and maintenance of, regulatory clearances or approvals regarding its technology, the Nanox.ARC and Nanox.CLOUD from regulatory agencies worldwide and its ongoing compliance with applicable quality standards and regulatory requirements; (iv) Nanox’s ability to realize the anticipated benefits of its recent acquisitions, which may be affected by, among other things, competition, brand recognition, the ability of the acquired companies to grow and manage growth profitably and retain their key employees; (v) Nanox’s ability to enter into and maintain commercially reasonable arrangements with third-party manufacturers and suppliers to manufacture the Nanox.ARC; (vi) the market acceptance of the Nanox System and the proposed pay-per-scan business model; (vii) Nanox’s expectations regarding collaborations with third-parties and their potential benefits; (viii) Nanox’s ability to conduct business globally; (ix) changes in global, political, economic, business, competitive, market and regulatory forces; (x) risks related to the current war between Israel and Hamas and any worsening of the situation in Israel; (xi) risks relating to macroeconomic factors, including tariff policy, inflation, interest rate levels and supply chain costs; and (xi) potential litigation associated with our transactions.

For a discussion of other risks and uncertainties, and other important factors, any of which could cause Nanox’s actual results to differ from those contained in the Forward-Looking Statements, see the section titled “Risk Factors” in Nanox’s Annual Report on Form 20-F for the year ended December 31, 2024, and subsequent filings with the U.S. Securities and Exchange Commission. The reader should not place undue reliance on any forward-looking statements included in this press release. Except as required by law, Nanox undertakes no obligation to update publicly any forward-looking statements after the date of this press release to conform these statements to actual results or to changes in the Company’s expectations.

Non-GAAP Financial Measures

This press release includes information about certain financial measures that are not prepared in accordance with generally accepted accounting principles in the United States (“GAAP”), including non-GAAP net loss attributable to ordinary shares, non-GAAP cost of revenue, non-GAAP gross profit, non-GAAP gross profit margin, non-GAAP research and development expenses, non-GAAP sales and marketing expenses, non-GAAP general and administrative expenses and non-GAAP basic and diluted loss per share. These non-GAAP measures are not based on any standardized methodology prescribed by GAAP and are not necessarily comparable to similar measures presented by other companies. These non-GAAP measures are adjusted for (as applicable) amortization of intangible assets, share-based compensation expenses, expenses relating to an offering and legal fees in connection with class-action litigation. The Company’s management and board of directors utilize these non-GAAP financial measures to evaluate the Company’s performance. The Company provides these non-GAAP measures of the Company’s performance to investors because management believes that these non-GAAP financial measures, when viewed with the Company’s results under GAAP and the accompanying reconciliations, are useful in identifying underlying trends in ongoing operations. However, these non-GAAP measures are not measures of financial performance under GAAP and, accordingly, should not be considered as alternatives to GAAP measures as indicators of operating performance. Further, these non-GAAP measures should not be considered measures of the Company’s liquidity. A reconciliation of certain GAAP to non-GAAP financial measures has been provided in the tables included in this press release.

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NANO-X IMAGING LTD.
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(U.S. dollars in thousands except share and per share data)

	June 30, 2025	December 31, 2024
	U.S. Dollars in thousands	
Assets		
CURRENT ASSETS:		
Cash and cash equivalents	49,904	39,304
Short-term deposits	-	15,500
Marketable securities	2,045	18,402
Accounts receivables net of allowance for credit losses of \$168 as of June 30, 2025, and \$112 December 31, 2024, respectively.	1,880	1,805
Inventories	2,251	1,493
Prepaid expenses	605	827
Other current assets	795	1,349
TOTAL CURRENT ASSETS	57,480	78,680
NON-CURRENT ASSETS:		

Restricted deposit	364	337
Long-term deposits	10,243	10,000
Property and equipment, net	46,119	45,355
Operating lease right-of-use asset	3,714	3,843
Intangible assets	64,689	69,995
Other non-current assets	1,623	1,792
TOTAL NON-CURRENT ASSETS	<u>126,752</u>	<u>131,322</u>
TOTAL ASSETS	<u><u>184,232</u></u>	<u><u>210,002</u></u>

Liabilities and Shareholders' Equity

CURRENT LIABILITIES:

Short-term loan	3,317	3,061
Accounts payable	2,286	2,209
Accrued expenses	2,977	3,968
Deferred revenue	224	140
Current maturities of operating lease liabilities	908	745
Other current liabilities	4,000	3,849
TOTAL CURRENT LIABILITIES	<u>13,712</u>	<u>13,972</u>

NON-CURRENT LIABILITIES:

Non-current operating lease liabilities	3,729	3,640
Deferred tax liability	2,388	2,576
Other long-term liabilities	845	695
TOTAL NON-CURRENT LIABILITIES	<u>6,962</u>	<u>6,911</u>
TOTAL LIABILITIES	<u>20,674</u>	<u>20,883</u>

SHAREHOLDERS' EQUITY:

Ordinary Shares, par value NIS 0.01 per share 100,000,000 authorized at June 30, 2025 and December 31, 2024, 63,939,620 and 63,762,001 issued and outstanding at June 30, 2025 and December 31, 2024, respectively	181	181
Additional paid-in capital	565,086	562,688
Accumulated other comprehensive gain (loss)	1	(1)
Accumulated deficit	(401,710)	(373,749)
TOTAL SHAREHOLDERS' EQUITY	<u>163,558</u>	<u>189,119</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u><u>184,232</u></u>	<u><u>210,002</u></u>

NANO-X IMAGING LTD. UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

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

	Six Months Ended June 30,		Three Months Ended June 30,	
	2025	2024	2025	2024
REVENUE	5,855	5,252	3,040	2,699
COST OF REVENUE	12,144	10,159	6,280	5,552
GROSS LOSS	(6,289)	(4,907)	(3,240)	(2,853)
OPERATING EXPENSES:				
Research and development, net	9,812	10,032	4,834	4,812
Sales and marketing	2,178	1,634	1,239	834
General and administrative	10,265	10,958	5,127	5,916
Other expenses, net	37	101	51	92
TOTAL OPERATING EXPENSES	22,292	22,725	11,251	11,654
OPERATING LOSS	(28,581)	(27,632)	(14,491)	(14,507)
FINANCIAL INCOME (EXPENSE), net	616	1,646	(149)	856
OPERATING LOSS BEFORE INCOME TAXES	(27,965)	(25,986)	(14,640)	(13,651)

INCOME TAX (EXPENSE) BENEFIT	4	170	(82)	76
NET LOSS	<u>(27,961)</u>	<u>(25,816)</u>	<u>(14,722)</u>	<u>(13,575)</u>
BASIC AND DILUTED LOSS PER SHARE	(0.44)	(0.45)	(0.23)	(0.23)
Weighted average number of basic and diluted ordinary shares outstanding (in thousands)	<u>63,873</u>	<u>57,953</u>	<u>63,910</u>	<u>58,005</u>
Net Loss	(27,961)	(25,816)	(14,722)	(13,575)
Other comprehensive income:				
Unrealized gain from marketable securities	<u>2</u>	<u>253</u>	<u>4</u>	<u>66</u>
Total other comprehensive income:	<u>2</u>	<u>253</u>	<u>4</u>	<u>66</u>
Total comprehensive loss	<u>(27,959)</u>	<u>(25,563)</u>	<u>(14,718)</u>	<u>(13,509)</u>

NANO-X IMAGING LTD.
UNAUDITED CONDENSED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(U.S. dollars in thousands, except share and per share data)

	<u>Ordinary shares</u>		<u>Additional paid-in capital</u>	<u>Accumulated other comprehensive loss</u>	<u>Accumulated deficit</u>	<u>Total</u>
	<u>Number of shares</u>	<u>Amount</u>				
	<u>U.S. Dollars in thousands</u>					
BALANCE AT JANUARY 1, 2025	63,762,001	181	562,688	(1)	(373,749)	189,119
Changes during the period:						
Issuance of ordinary shares upon exercise of RSUs	6,490	*	-	-	-	-
Issuance of ordinary shares upon exercise of options	54,903	*	121	-	-	121
Issuance of ordinary shares due the settlement of contingent earnout	116,226	*	-	-	-	*
Share-based compensation	-	-	2,277	-	-	2,277
Unrealized gain from marketable securities	-	-	-	2	-	2
Net loss for the period	-	-	-	-	(27,961)	(27,961)
BALANCE AT JUNE 30, 2025	<u>63,939,620</u>	<u>181</u>	<u>565,086</u>	<u>1</u>	<u>(401,710)</u>	<u>163,558</u>

	<u>Ordinary shares</u>		<u>Additional paid-in capital</u>	<u>Accumulated other comprehensive loss</u>	<u>Accumulated deficit</u>	<u>Total</u>
	<u>Number of shares</u>	<u>Amount</u>				
BALANCE AT JANUARY 1, 2024	57,778,628	165	515,887	(305)	(320,233)	195,514
Changes during the period:						
Issuance of ordinary shares upon exercise of options	718,495	2	1,604	-	-	1,606
Share-based compensation	-	-	3,578	-	-	3,578
Unrealized gain from marketable securities	-	-	-	253	-	253
Net loss for the period	-	-	-	-	(25,816)	(25,816)
BALANCE AT JUNE 30, 2024	<u>58,497,123</u>	<u>167</u>	<u>521,069</u>	<u>(52)</u>	<u>(346,049)</u>	<u>175,135</u>

* Less than \$1.

	<u>Ordinary shares</u>		<u>Additional paid-in capital</u>	<u>Accumulated other comprehensive deficit</u>	<u>Accumulated deficit</u>	<u>Total</u>
	<u>Number of shares</u>	<u>Amount</u>				
	<u>U.S. Dollars in thousands</u>					
BALANCE AT APRIL 1, 2025	63,819,170	181	563,975	(3)	(386,988)	177,165

Changes during the period:

Issuance of ordinary shares upon exercise of RSUs	3,245	*	-	-	-	-
Issuance of ordinary shares upon exercise of options	979	*	-	-	-	-
Issuance of ordinary shares due to the settlement of contingent earnout	116,226	*	-	-	-	*
Unrealized gain from marketable securities	-	-	-	4	-	4
Share-based compensation	-	-	1,111	-	-	1,111
Net loss for the period	-	-	-	-	(14,722)	(14,722)
BALANCE AT JUNE 30, 2025	<u>63,939,620</u>	<u>181</u>	<u>565,086</u>	<u>1</u>	<u>(401,710)</u>	<u>163,558</u>

* Less than \$1.

	Ordinary shares		Additional paid-in capital	Accumulated other comprehensive deficit	Accumulated deficit	Total
	Number of shares	Amount				
BALANCE AT APRIL 1, 2024	57,779,033	165	517,388	(118)	(332,474)	184,961
Changes during the period:						
Issuance of ordinary shares upon exercise of options	718,090	2	1,580	-	-	1,582
Unrealized gain from marketable securities	-	-	-	66	-	66
Share-based compensation	-	-	2,101	-	-	2,101
Net loss for the period	-	-	-	-	(13,575)	(13,575)
BALANCE AT JUNE 30, 2024	<u>58,497,123</u>	<u>167</u>	<u>521,069</u>	<u>(52)</u>	<u>(346,049)</u>	<u>175,135</u>

* Less than \$1.

NANO-X IMAGING LTD.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(U.S. dollars in thousands)

	Six Months Ended June 30,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss for the period	(27,961)	(25,816)
Adjustments required to reconcile net loss to net cash used in operating activities:		
Share-based compensation	2,277	3,578
Amortization of intangible assets	5,306	5,306
Exchange rate differentials	329	(295)
Depreciation	586	561
Deferred tax liability, net	(188)	(188)
Amortization of premium, discount and accrued interest on marketable securities	64	(76)
Interest on long-term deposits	(243)	-
Loss from disposal of property and equipment	71	171
Changes in Operating Assets and Liabilities:		
Accounts receivable	(75)	(24)
Change in inventories	(63)	(316)
Prepaid expenses and other current assets	776	677
Other non-current assets	30	183
Accounts payable	(322)	(1,733)
Operating lease assets and liabilities	381	(17)
Accrued expenses and other liabilities	(840)	25
Deferred Revenue	84	(4)

Other long-term liabilities	150	30
Net cash used in operating activities	<u>(19,638)</u>	<u>(17,938)</u>
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES:		
Purchase of property and equipment	(1,579)	(996)
Short-term deposits	15,500	-
Purchase of marketable securities	-	(19,794)
Proceeds from maturity of marketable securities	16,295	21,245
Net cash provided by investing activities	<u>30,216</u>	<u>455</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of ordinary shares upon exercise of options	121	45
Net cash provided by financing activities	121	45
EFFECT OF CHANGES IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS	<u>(99)</u>	<u>43</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>10,600</u>	<u>(17,395)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>39,304</u>	<u>56,377</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>49,904</u></u>	<u><u>38,982</u></u>

SUPPLEMENTARY INFORMATION ON ACTIVITIES INVOLVING CASH FLOWS

Cash paid for interest	<u>68</u>	<u>71</u>
Cash paid for income taxes	<u>184</u>	<u>51</u>

SUPPLEMENTARY INFORMATION ON ACTIVITIES NOT INVOLVING CASH FLOWS -

Issuance of ordinary shares upon exercise of options	<u>-</u>	<u>1,561</u>
Operating lease liabilities arising from obtaining operating right-of use assets	<u>93</u>	<u>-</u>
Non-cash purchase of property and equipment	<u>398</u>	<u>-</u>

UNAUDITED RECONCILIATION OF GAAP AND NON-GAAP RESULTS

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

Use of Non-GAAP Financial Measures

The unaudited condensed consolidated financial information is prepared in conformity with GAAP. The Company uses information about certain financial measures that are not prepared in accordance with GAAP, including non-GAAP net loss attributable to ordinary shares, non-GAAP cost of revenue, non-GAAP gross profit (loss), non-GAAP gross profit (loss) margin, non-GAAP research and development expenses, net, non-GAAP sales and marketing expenses, non-GAAP general and administrative expenses, non-GAAP other expenses (income) and non-GAAP basic and diluted loss per share. These non-GAAP measures are adjusted for (as applicable) amortization of intangible assets, share-based compensation expenses, expenses related to an offering and legal fees expenses in connection with class-action litigation. The Company believes that separate analysis and exclusion of the one-off or non-cash impact of the above reconciling items (as applicable) adds clarity to the constituent parts of its performance. The Company reviews these non-GAAP financial measures together with GAAP financial measures to obtain a better understanding of its operating performance. It uses the non-GAAP financial measures for planning, forecasting, and measuring results against the forecast. The Company believes that the non-GAAP financial measures are useful supplemental information for investors and analysts to assess its operating performance. However, these non-GAAP measures are not measures of financial performance under GAAP and, accordingly, should not be considered as alternatives to GAAP measures as indicators of operating performance.

Reconciliation of GAAP net loss attributable to ordinary shares to Non-GAAP net loss attributable to ordinary shares and Non-GAAP basic and diluted loss per share (U.S. dollars in thousands)

	Six Months Ended		Three Months Ended	
	June 30,		June 30,	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
GAAP net loss attributable to ordinary shares	27,961	25,816	14,722	13,575
Non-GAAP adjustments:				
Less: Class-action litigation	33	76	33	44
Less: Amortization of intangible assets	5,306	5,306	2,653	2,653
Less: Offering expenses	-	420	-	420
Less: Share-based compensation	2,277	3,578	1,111	2,101
Non-GAAP net loss attributable to ordinary shares	<u>20,345</u>	<u>16,436</u>	<u>10,925</u>	<u>8,357</u>
NON-GAAP BASIC AND DILUTED LOSS PER SHARE	<u>0.32</u>	<u>0.28</u>	<u>0.17</u>	<u>0.14</u>
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES (in thousands)	<u>63,873</u>	<u>57,953</u>	<u>63,910</u>	<u>58,005</u>

Reconciliation of GAAP cost of revenue to Non-GAAP cost of revenue (U.S. dollars in thousands)

GAAP cost of revenue	12,144	10,159	6,280	5,552
Non-GAAP adjustments:				
Amortization of intangible assets	5,112	5,112	2,556	2,556
Share-based compensation	106	112	48	59
Non-GAAP cost of revenue	<u>6,926</u>	<u>4,935</u>	<u>3,676</u>	<u>2,937</u>

Reconciliation of GAAP gross loss to Non-GAAP gross profit (U.S. dollars in thousands)

GAAP gross loss	(6,289)	(4,907)	(3,240)	(2,853)
Non-GAAP adjustments:				
Amortization of intangible assets	5,112	5,112	2,556	2,556
Share-based compensation	106	112	48	59
Non-GAAP gross profit (loss)	<u>(1,071)</u>	<u>317</u>	<u>(636)</u>	<u>(238)</u>

Reconciliation of GAAP gross loss margin to Non-GAAP gross profit margin (in percentage of revenue)

GAAP gross loss margin	(107)%	(93)%	(107)%	(106)%
Non-GAAP adjustments:				
Amortization of intangible assets	87%	97%	84%	95%
Share-based compensation	2%	2%	2%	2%
Non-GAAP gross profit (loss) margin	<u>(18)%</u>	<u>6%</u>	<u>(21)%</u>	<u>(9)%</u>

Reconciliation of GAAP research and development expenses to Non-GAAP research and development expenses (U.S. dollars in thousands)

GAAP research and development expenses	9,812	10,032	4,834	4,812
Non-GAAP adjustments:				
Share-based compensation	692	1,316	337	727
Non-GAAP research and development expenses	<u>9,120</u>	<u>8,716</u>	<u>4,497</u>	<u>4,085</u>

Reconciliation of GAAP sales and marketing expenses to Non-GAAP sales and marketing expenses (U.S. dollars in thousands)

GAAP sales and marketing expenses	2,178	1,634	1,239	834
Non-GAAP adjustments:				
Amortization of intangible assets	194	194	97	97
Share-based compensation	172	350	88	204
Non-GAAP sales and marketing expenses	<u>1,812</u>	<u>1,090</u>	<u>1,054</u>	<u>533</u>

Reconciliation of GAAP general and administrative expenses to Non-GAAP general and administrative expenses (U.S. dollars in thousands)

GAAP general and administrative expenses	10,265	10,958	5,127	5,916
Non-GAAP adjustments:				
Class-action litigation	33	76	33	44
Offering expenses	-	420	-	420
Share-based compensation	1,307	1,800	638	1,111
Non-GAAP general and administrative expenses	<u>8,925</u>	<u>8,662</u>	<u>4,456</u>	<u>4,341</u>