
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of April 2024

Commission File Number: 001-39461

NANO-X IMAGING LTD

Ofer Tech Park
94 Shlomo Shmeltzer Road
Petach Tikva
Israel 4970602
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

On April 1, 2024, NANO-X IMAGING LTD (the “Company”) issued a press release, a copy of which is attached hereto as Exhibit 99.1, and incorporated herein by reference.

In the press release the Company uses certain financial measures that are not prepared in accordance with generally accepted accounting principles in the United States (“GAAP”). The non-GAAP financial measures that appear in the press release exclude among other things legal and other related expenses in relation to the following legal matters.

For information on other components that were excluded in preparation of the non-GAAP financial measures, please refer to the press release.

Legal Proceedings

In September 2020, two securities class action complaints were filed in the United States District Court for the Eastern District of New York against the Company and certain then-current officers and a director, which were subsequently consolidated and captioned as *White v. Nano-X Imaging Ltd. et al.*, Case No. 1:20-cv-04355 (the “White Action”), alleging violations of securities laws on behalf of all persons and entities that purchased or otherwise acquired the Company’s publicly traded securities between August 21, 2020 and September 15, 2020, and seeking unspecified damages. In addition, on October 5, 2021, a class action complaint was filed in the United States District Court for the Eastern District of New York against the Company and certain of its officers, captioned *McLaughlin v. Nano-X Imaging Ltd. et al.*, Case No. 1:21-cv-05517 (the “McLaughlin Action”). The amended complaint in that action, filed on April 12, 2022, alleges that defendants violated the federal securities laws in connection with certain disclosures concerning the cost of the Nanox.ARC system as well as the comparison of the Nanox.ARC to CT scanners, among other allegations. The Lead Plaintiff in the McLaughlin Action seeks to represent a class of investors who purchased the Company’s publicly-traded securities between August 21, 2020 and November 17, 2021. The Company entered into a term sheet on April 28, 2023, to settle all shareholder class action litigation related to the McLaughlin Action and the consolidated White Action. On June 2, 2023, the Company entered into a formal settlement agreement to settle the McLaughlin Action and the consolidated White Action for \$8 million. On October 31, 2023, Magistrate Judge Kuo preliminarily approved the settlement and on February 15, 2024, held a final approval hearing, during which she requested that the parties submit updated settlement claims information by letter on or before February 29, 2024 for incorporation into a final report and recommendation. The parties submitted the letter on February 29, 2024. The settlement remains subject to court approval among other conditions. Due to the settlement agreement, during December ,2023 the Company deposited \$5 million and D&O insurance carrier deposited \$3 million in a trust account in connection with the settlement agreement. Therefore, as of December 31, 2023, the Company had no accrual in connection with the settlement agreement.

The Division of Enforcement of the U.S. Securities & Exchange Commission (the “SEC” or the “Commission”) conducted an investigation to determine whether there had been any violations of the federal securities laws, relating to the development cost of the Company’s Nanox.ARC prototypes, as well as the Company’s estimate for the cost of assembling the final Nanox.ARC product at scale, among other things. The Company and the late Mr. Ran Poliakine, former Chairman of the Board of Directors of the Company, have reached final agreements with the SEC staff to settle this matter, which agreements were approved by the United States District Court for the Southern District of New York in October 2023. The Company paid a civil penalty in the amount of \$650,000 and was permanently enjoined from violating Section 17(a)(2) of the Securities Act of 1933 (the “Securities Act”) and Section 13(a) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Rules 12b-20 and 13a-1 thereunder. Mr. Poliakine paid disgorgement of \$240,000, together with prejudgment interest of \$26,836.39, paid a civil penalty of \$150,000, and was permanently enjoined from violating Section 17(a)(2) of the Securities Act and aiding and abetting any violation of Section 13(a) of the Exchange Act and Rules 12b-20 and 13a-1 thereunder.

On May 1, 2023, the Company received a notice alleging several causes of action, including breach of a consulting agreement between the claimant and Nanox Imaging PLC (the “Gibraltar Entity”) that was entered into in 2015. The claimant’s demand from the Company is for the payment of approximately \$1.26 million for unpaid consulting fees from the Gibraltar Entity and approximately \$25 million connection with his claimed entitlement to securities in the Gibraltar Entity. On or about December 21, 2023, a claim was filed in Israel against the Company, the Gibraltar Entity and the late Mr. Ran Poliakine, based on allegations previously dismissed by a U.S. court in the State of California. The Company reiterates its strong denial of the plaintiff’s baseless claims and emphasizes that the Company was never a party to the consulting agreement with the plaintiff. In addition, the Company is not responsible for any potential liabilities of the Gibraltar Entity, which is a separate legal entity. The Company is currently reviewing and analyzing the claim filed in Israel and will take all necessary steps to vigorously defend itself against these unfounded allegations. The Company remains confident in its legal position and is committed to protecting its shareholders and stakeholders.

The GAAP financial statements tables contained in the press release attached to this Report on Form 6-K are incorporated by reference the Company’s Registration Statements on [Form F-3](#), File No. 333-271688, and [Form S-8](#), File No. 333-248322.

EXHIBIT INDEX

| Exhibit No. | Exhibit |
|--------------------|---|
| 99.1 | Press release, dated April 1, 2024. |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NANO-X IMAGING LTD

By: /s/ Ran Daniel

Name: Ran Daniel

Title: Chief Financial Officer

Date: April 1, 2024



Nanox Announces Fourth Quarter of 2023 Financial Results and Provides Business Update

Nanox Launches Nanox.ARC in United States with Installations Across Five States, Marking a Major Advancement in Medical Imaging

Management to host conference call and webcast Monday, April 1, 2024 at 8:30 AM ET

PETAH TIKVA, Israel— April 1, 2024 — NANO-X IMAGING LTD (NASDAQ: NNOX) (“**Nanox**” or the “**Company**”), an innovative medical imaging technology company, today announced results for the fourth quarter ended December 31, 2023 and provided a business update.

Fourth Quarter 2023 Highlights and Recent Developments:

- Generated \$2.4 million in revenue in the fourth quarter of 2023, compared to \$2.1 million in the fourth quarter of 2022.
- Made significant progress in US deployment, with multiple Nanox.ARC systems now deployed in 5 states.
- The Nanox.ARC has begun to scan patients in the U.S.
- passed all required tests in three states conducted by a licensed and certified physicists.
- Nanox.AI secured FDA clearance for HealthFLD, an advanced AI-based software empowering clinicians in assessment of fatty liver disease, and which may deliver advantages to the biopharmaceutical industry.
- InterMountain Health has signed on to deploy HealthCCS and was part of a Nuance bundle.
- Initial data readout from the ADOPT study, being held at Oxford University Hospital and other locations in the UK, demonstrated a sixfold increase in identifying previously undiagnosed patients with vertebral compression fracture using Nanox.AI’s HealthVCF solution.
- Began multi-site clinical trial to study the Nanox.ARC use for chest indications.
- Continued to advance the process of securing CE-mark in the EU

“I am incredibly proud to announce another strong quarter and year for Nanox,” said Erez Meltzer, Nanox Chief Executive Officer. “First and foremost, we achieved a pivotal milestone in fiscal year 2023, getting FDA clearance for the Nanox ARC systems and deploying them in the key US market. With significant regulatory successes in hand, Nanox is committed to accelerating the execution of our commercial infrastructure and strategic plans in the US. Our mission is to provide healthcare practices with a transformative advantage through the Nanox.ARC – an accessible, end-to-end, and cost-effective solution that not only provides advanced diagnostic imaging capabilities but also elevates overall patient care. Additionally, we are constantly advancing our AI solutions as we truly believe early detection, precise diagnoses, effective treatments and ongoing medical monitoring can be life-changing.”



Financial results for three months ended December 31, 2023

For the three months ended December 31, 2023 (the “reported period”), the Company reported a net loss of \$10.2 million, compared to a net loss of \$52.8 million for the three months ended December 31, 2022 (which is referred as the “comparable period”), representing a decrease of \$42.6 million. The decrease was largely due to a goodwill impairment of \$36.5 million, an accrual of \$8 million in connection with the settlement of the class action which were recorded in the comparable period, other income of \$3.0 million recorded from the D&O insurance carrier under the settlement agreement in connection with the class action lawsuits and a decrease of \$4.4 million in general and administrative expenses offset by a decrease in the change in contingent earnout liability of \$9.1 million.

The Company reported revenue of \$2.4 million in the reported period, compared to \$2.1 million in the comparable period. During the reported period, the Company generated revenue through teleradiology services, the sales and deployment of its imaging systems and AI solutions.

The Company’s gross loss during the reported period totaled \$1.7 million (gross loss margin of (72%)) on a GAAP basis, as compared to a gross loss of \$1.7 million (gross loss margin of (82%)) in the comparable period. non-GAAP gross profit for the reported period was \$0.9 million (gross profit margin of approximately 36%), as compared to \$0.8 million (gross profit margin of approximately 39%) in the comparable period.



The Company's revenue from teleradiology services for the reported period was \$2.3 million, as compared to revenue of \$2.1 million in the comparable period. The increase in the Company's revenue from teleradiology services was mainly attributable to increase in the facilities in the reported period as compared to comparable period. The Company's GAAP gross profit from teleradiology services for the reported period was \$0.3 million (gross profit margin of approximately 14%), as compared to \$0.3 million (gross profit margin of approximately 13%) in the comparable period. Non-GAAP gross profit of the Company's teleradiology services for the reported period was \$0.9 million (gross profit margin of approximately 38%) as compared to \$0.8 million (gross profit margin of approximately 40%) in the comparable period. The decreases in the gross profit margins on a non-GAAP basis was attributable mainly to an increase in the cost of the engaged radiologists due to increases in reading rates and incentive payments which the Company paid to radiologists to engage during overnight and weekend shifts.

As mentioned above, during the reported period the Company generated revenue through the sales and deployment of its imaging systems which amounted to \$17 thousand for the reported period, with a gross loss of \$44 thousand on a GAAP and non-GAAP basis. The revenue stems from the sale and deployment of our 2D systems in Africa.

The Company's revenue from its AI solutions for the reported period was \$84 thousand with a gross loss of \$2.0 million on a GAAP basis, as compared to revenue of \$63 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 \$21 thousand, as compared to a profit of \$4 thousand on a non-GAAP basis in the comparable period. During the fourth quarter of 2023, Nanox AI continued to complete pilot programs with marketplaces, marketplace costumers and health organizations in anticipation of full deployment of its products. During the first quarter of 2024, Nanox AI sold its HealthCCS cardiac solution to a second IDN in the U.S for an annual fee of \$ 8.5 thousand during the first year of engagement and annual fee of \$75 thousand from the first anniversary of the engagement and after.

Research and development expenses, net for the reported period were \$6.8 million, as compared to \$7.1 million in the comparable period. The decrease of \$0.3 million was mainly due to a decrease in the cost of the Company's development expenses of the Nanox.ARC system in the amount of \$0.4 million.

Sales and marketing expenses for the reported period were \$1.0 million, as compared to \$1.5 million in the comparable period. The decrease of \$0.5 million was mainly due to a decrease in the Company's marketing expenses and a decrease in share-based compensation expense.

General and administrative expenses for the reported period were \$3.8 million, as compared to \$8.2 million in the comparable period. The decrease of \$4.4 million was mainly due to a decrease in legal expenses in the amount of \$4.2 million, largely as a result of the finalization of the SEC investigation and reaching a settlement of the class action litigation and the receipt of \$2 million from the Company's directors' and officers' liability insurance carrier during the reported period under the Company's policy and the settlement agreement.



There was no Goodwill impairment for the reported period as compared to \$36.5 million in the comparable period, which was resulted from the goodwill impairment related to the Nanox.AI reporting unit.

Other income was \$2.7 million for the reported period, as compared to other expenses that was \$7.8 million for the comparable period. Other expenses in the comparable period included an accrual for settlement in connection with the class action lawsuit against the Company in the amount of \$8 million, which was reversed by the amount of \$3 million in the reported period since the Company received that amount from its D&O insurance carrier under the settlement agreement in connection with the class action lawsuits against the Company.

Non-GAAP net loss attributable to ordinary shares for the reported period was \$10.4 million, as compared to \$9.9 million in the comparable period. The increase of \$0.5 million was mainly due to a decrease in our tax income of \$1.0 million and increase in the non-GAAP other expenses of \$0.5 million which was mitigated by an increase of \$0.5 million in our interest income, a decrease of \$0.3 million in our non-GAAP research and development expenses and a decrease of \$0.3 million in our non-GAAP sales and marketing expenses.

Non-GAAP gross profit for the reported period was \$0.9 million, as compared to \$0.8 million in the comparable period. Non-GAAP research and development expenses for the reported period were \$5.9 million, as compared to \$6.2 million in the comparable period. Non-GAAP sales and marketing expenses for the reported period were \$0.8 million, as compared to \$1.1 million in the comparable period. Non-GAAP general and administrative expenses for the reported period and the comparable period were \$4.7 million.

The difference between the GAAP and non-GAAP financial measures above is mainly attributable to amortization of intangible assets, goodwill impairment, share-based compensation, change in contingent earnout liability, legal fees in connection with the class-action litigation and the SEC investigation, accrual in connection with the settlement of the SEC investigation and class action. A reconciliation between GAAP and non-GAAP financial measures for the three and twelve-month periods ended December 31, 2023, and 2022 is provided in the financial results that are part of this press release.

Liquidity and Capital Resources

As of December 31, 2023, the Company had total cash, cash equivalents, restricted deposits and marketable securities of \$82.8 million, compared to \$102.9 million as of December 31, 2022.

The decrease in the Company's cash, cash equivalents, restricted deposits and marketable securities of \$20.1 million during the twelve-month period ended December 31, 2023, was primarily due to negative cash flow from operations of \$44.8 million and the purchase of property and equipment of \$3.3 million, which was offset by cash flow from financing of \$27.3 million largely from the capital raise that the Company consummated during the third quarter of 2023.

Other Assets

As of December 31, 2023, the Company had property and equipment of \$42.3 million as compared to \$43.5 million as of December 31, 2022. The decrease was mainly attributed to period depreciation.

As of December 31, 2023, the Company had intangible assets and goodwill of \$80.6 million as compared to \$98.6 million as of December 31, 2022. The decrease was attributable to the periodic amortization of intangible assets in the amount of \$10.6 million and goodwill impairment of \$7.4 million.



Shareholders' Equity

As of December 31, 2023, the Company had approximately 57.8 million shares outstanding as compared to 55.1 million shares outstanding as of December 31, 2022. The increase was mainly due to the issuance of 2,142,858 of the Company's ordinary shares in consideration of net proceeds of \$27.1 million, the issuance of 286,141 shares upon the exercise of options and RSUs, which generated, in the aggregate, approximately \$0.9 million in gross proceeds to the Company and the issuance of 255,392 ordinary shares to the former stockholders of USARAD, in consideration for the achievement of certain milestones in connection with the first earn-out period, as defined in the USARAD Stock Purchase Agreement and a global settlement of both parties' performance obligations under the USARAD Stock Purchase Agreement.

Conference Call and Webcast Details

Monday, April 1, 2024 @ 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 applying its proprietary medical imaging technology and solutions to make diagnostic medicine more accessible and affordable across the globe. Nanox's vision is to increase access, reduce costs and enhance the efficiency of routine medical imaging technology and processes, in order to improve early detection and treatment, which Nanox believes is key to helping people achieve better health outcomes, and, ultimately, to save lives. 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 disease (Nanox.AI); a cloud-based infrastructure (Nanox.CLOUD); and 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 (Nanox.MARKETPLACE). Together, Nanox's products and services create a worldwide, innovative, and comprehensive solution that connects medical imaging solutions, from scan to diagnosis. 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, those relating to 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, the ability 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 continue to develop of the Nanox imaging 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 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 imaging system and the proposed pay-per-scan business model; (vii) Nanox's expectations regarding collaborations with third-parties and their potential benefits; and (viii) Nanox's ability to conduct business globally; (ix) changes in global, political, economic, business, competitive, market and regulatory forces, including the continuation and escalation of the military conflicts in Israel; (x) the costs incurred with respect to and the outcome of the securities class action litigation and the civil litigation Nanox is currently subject to and any similar or other claims and litigation it may be subject to in the future; and (xi) risks related to business interruptions resulting from the COVID-19 pandemic or similar public health crises, among other things.



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, 2022, 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, non-GAAP other 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, goodwill impairment, share-based compensation expenses, change in contingent earnout liability, legal fees in connection with class-action litigation and the SEC investigation, accrual in connection with the settlement of the SEC investigation and class-action. 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.

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

| | December 31, 2023 | December 31, 2022 |
|---|----------------------------------|------------------------------|
| | U.S. Dollars in thousands | |
| Assets | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | 56,377 | 38,463 |
| Restricted deposit | 46 | - |
| Marketable securities | 26,006 | 39,161 |
| Accounts receivables net of allowance for credit losses of \$55 and \$34 as of December 31, 2023 and December 31, 2022, respectively. | 1,484 | 977 |
| Inventories | 2,356 | - |
| Prepaid expenses | 1,274 | 2,414 |
| Other current assets | 1,092 | 1,446 |
| TOTAL CURRENT ASSETS | 88,635 | 82,461 |
| NON-CURRENT ASSETS: | | |
| Restricted deposit | 327 | 66 |
| Property and equipment, net | 42,343 | 43,545 |
| Operating lease right-of-use asset | 4,573 | 1,157 |
| Marketable securities | - | 25,198 |
| Intangible assets | 80,607 | 91,219 |
| Goodwill | - | 7,420 |
| Other non-current assets | 2,163 | 2,867 |
| TOTAL NON-CURRENT ASSETS | 130,013 | 171,472 |
| TOTAL ASSETS | 218,648 | 253,933 |
| Liabilities and Shareholders' Equity | | |
| CURRENT LIABILITIES: | | |
| Current maturities of long term loan | 3,490 | - |
| Accounts payable | 3,303 | 3,619 |
| Accrued expenses | 3,920 | 12,240 |
| Deferred revenue | 543 | 182 |
| Contingent short term earnout liability | - | 4,250 |
| Current maturities of operating lease liabilities | 861 | 740 |
| Other current liabilities | 3,407 | 4,043 |
| TOTAL CURRENT LIABILITIES | 15,524 | 25,074 |
| NON-CURRENT LIABILITIES: | | |
| Non-current operating lease liabilities | 4,045 | 398 |
| Long term loan | - | 3,481 |
| Non-current deferred revenue | - | 398 |
| Contingent long-term earnout liability | - | 4,089 |
| Deferred tax liability | 2,953 | 3,330 |
| Other long-term liabilities | 612 | 483 |
| TOTAL NON-CURRENT LIABILITIES | 7,610 | 12,179 |
| TOTAL LIABILITIES | 23,134 | 37,253 |
| COMMITMENTS AND CONTINGENCIES | | |
| SHAREHOLDERS' EQUITY: | | |
| Ordinary Shares, par value NIS 0.01 per share 100,000,000 authorized at December 31, 2023 and December 31 2022, 57,778,628 and 55,094,237 issued and outstanding at December 31, 2023 and December 31, 2022, respectively | 165 | 158 |
| Additional paid-in capital | 515,887 | 477,953 |
| Accumulated other comprehensive loss | (305) | (1,974) |
| Accumulated deficit | (320,233) | (259,457) |
| TOTAL SHAREHOLDERS' EQUITY | 195,514 | 216,680 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 218,648 | 253,933 |

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

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

| | Twelve Months Ended December 31, | | Three Months Ended December 31, | |
|--|-------------------------------------|-----------|------------------------------------|----------|
| | 2023 | 2022 | 2023 | 2022 |
| REVENUE | 9,905 | 8,578 | 2,397 | 2,132 |
| COST OF REVENUE | 16,497 | 15,458 | 4,113 | 3,879 |
| GROSS LOSS | (6,592) | (6,880) | (1,716) | (1,747) |
| OPERATING EXPENSES: | | | | |
| Research and development, net | 26,049 | 26,507 | 6,812 | 7,095 |
| Sales and marketing | 4,168 | 4,376 | 1,034 | 1,494 |
| General and administrative | 24,272 | 41,254 | 3,791 | 8,185 |
| Goodwill impairment | 7,420 | 50,878 | - | 36,540 |
| Change in contingent earnout liability | (4,488) | (20,376) | 18 | (9,074) |
| Other expenses (income), net | (1,424) | 8,191 | (2,684) | 7,769 |
| TOTAL OPERATING EXPENSES | 55,997 | 110,830 | 8,971 | 52,009 |
| OPERATING LOSS | (62,589) | (117,710) | (10,687) | (53,756) |
| REALIZED LOSS FROM SALE OF MARKETABLE SECURITIES | (178) | - | - | - |
| FINANCIAL INCOME (EXPENSES), net | 1,652 | 789 | 360 | (113) |
| OPERATING LOSS BEFORE INCOME TAXES | (61,115) | (116,921) | (10,327) | (53,869) |
| INCOME TAX BENEFIT | 339 | 3,678 | 79 | 1,032 |
| NET LOSS | (60,776) | (113,243) | (10,248) | (52,837) |
| BASIC AND DILUTED LOSS PER SHARE | (1.08) | (2.17) | (0.18) | (1.01) |
| Weighted average number of basic and diluted ordinary shares outstanding (in thousands) | 56,368 | 52,235 | 57,758 | 52,414 |
| Comprehensive Loss: | | | | |
| Net Loss | (60,776) | (113,243) | (10,248) | (52,837) |
| Other comprehensive gain (loss): | | | | |
| Reclassification of net losses realized in income statement | (178) | - | - | - |
| Unrealized gain (loss) from marketable securities | 1,847 | (1,367) | 341 | 485 |
| Total comprehensive loss | (59,107) | (114,610) | (9,907) | (52,352) |

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> | | | | |
| BALANCE AT JANUARY 1, 2022 | 51,791,441 | 149 | 438,820 | (607) | (146,214) | 292,148 |
| CHANGES DURING 2022: | | | | | | |
| Issuance of ordinary shares upon exercise of warrants | 192,927 | 1 | 369 | - | - | 370 |
| Issuance of ordinary shares upon exercise of options | 372,159 | 1 | 578 | - | - | 579 |
| Issuance of ordinary shares in connection with earnout liability | 89,286 | * | 953 | - | - | 953 |
| Issuance of ordinary shares under settlement agreement with former shareholders of Nanox AI Ltd. | 2,648,424 | 7 | 18,610 | - | - | 18,617 |
| Share-based compensation | - | - | 18,623 | - | - | 18,623 |
| Unrealized loss from marketable securities | - | - | - | (1,367) | - | (1,367) |
| Net loss for the year | - | - | - | - | (113,243) | (113,243) |
| BALANCE AT DECEMBER 31, 2022 | <u>55,094,237</u> | <u>158</u> | <u>477,953</u> | <u>(1,974)</u> | <u>(259,457)</u> | <u>216,680</u> |
| CHANGES DURING 2023: | | | | | | |
| Issuance of ordinary shares and warrants, net of issuance expenses ** | 2,142,858 | 6 | 27,133 | - | - | 27,139 |
| Issuance of ordinary shares upon exercise of RSUs | 34,750 | * | - | - | - | * |
| Issuance of ordinary shares upon exercise of options | 251,391 | * | 903 | - | - | 903 |
| Issuance of ordinary shares under settlement agreement with former stockholders of USARAD Holding Inc. | 255,392 | 1 | 1,560 | - | - | 1,561 |
| Reclassification of earn-out liability to equity | - | - | 1,500 | - | - | 1,500 |
| Share-based compensation | - | - | 6,838 | - | - | 6,838 |
| Unrealized gain from marketable securities, net | - | - | - | 1,669 | - | 1,669 |
| Net loss for the year | - | - | - | - | (60,776) | (60,776) |
| BALANCE AT DECEMBER 31, 2023 | <u>57,778,628</u> | <u>165</u> | <u>515,887</u> | <u>(305)</u> | <u>(320,233)</u> | <u>195,514</u> |

* Less than \$1.

** Issuance expenses totaled to \$2,861

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

| | Ordinary shares | | Additional paid-in capital | Accumulated other comprehensive deficit | Accumulated deficit | Total |
|--|---------------------|------------|----------------------------------|--|------------------------|----------------|
| | Number of shares | Amount | | U.S. Dollars in thousands | | |
| BALANCE AT OCTOBER 1, 2023 | 57,717,425 | 165 | 512,497 | (646) | (309,985) | 202,031 |
| Changes during the period: | | | | | | |
| Issuance of ordinary shares upon exercise of options | 26,453 | * | 33 | - | - | 33 |
| Issuance of ordinary shares upon exercise of RSUs | 34,750 | * | - | - | - | * |
| Reclassification of earn-out liability to equity | - | - | 1,500 | - | - | 1,500 |
| Unrealized gain from marketable securities | - | - | - | 341 | - | 341 |
| Share-based compensation | - | - | 1,857 | - | - | 1,857 |
| Net loss for the period | - | - | - | - | (10,248) | (10,248) |
| BALANCE AT DECEMBER 31, 2023 | <u>57,778,628</u> | <u>165</u> | <u>515,887</u> | <u>(305)</u> | <u>(320,233)</u> | <u>195,514</u> |

* Less than \$1.

| | Ordinary shares | | Additional paid-in capital | Accumulated other comprehensive loss | Accumulated deficit | Total |
|--|---------------------|------------|----------------------------------|---|------------------------|----------------|
| | Number of shares | Amount | | U.S. Dollars in thousands | | |
| BALANCE AT OCTOBER 1, 2022 | 52,266,474 | 150 | 456,761 | (2,459) | (206,620) | 247,832 |
| CHANGES DURING THE PERIOD: | | | | | | |
| Issuance of ordinary shares to employees and non-employees upon exercise of options | 179,339 | 1 | 298 | - | - | 299 |
| Issuance of ordinary shares under settlement agreement with former shareholders of Nanox AI Ltd. | 2,648,424 | 7 | 18,610 | - | - | 18,617 |
| Share-based compensation | - | - | 2,284 | - | - | 2,284 |
| Unrealized gain from marketable securities | - | - | - | 485 | - | 485 |
| Net loss for the period | - | - | - | - | (52,837) | (52,837) |
| BALANCE AT DECEMBER 31, 2022 | <u>55,094,237</u> | <u>158</u> | <u>477,953</u> | <u>(1,974)</u> | <u>(259,457)</u> | <u>216,680</u> |

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

| | Year ended December 31, | |
|---|----------------------------------|-----------------|
| | 2023 | 2022 |
| | U.S. Dollars in thousands | |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net loss for the year | (60,776) | (113,243) |
| Adjustments required to reconcile net loss to net cash used in operating activities: | | |
| Share-based compensation | 6,838 | 18,623 |
| Amortization of intangible assets | 10,612 | 10,607 |
| Impairment of goodwill | 7,420 | 50,878 |
| Change in contingent earnout liability | (4,488) | (20,376) |
| Depreciation | 1,198 | 905 |
| Deferred tax liability, net | (377) | (3,733) |
| Realized loss from sale of marketable securities | 178 | - |
| Exchange rate differentials | 69 | (47) |
| Amortization of premium, discount and accrued interest on marketable securities | 735 | 1,398 |
| Impairment of property and equipment | - | 172 |
| Loss from disposal of property and equipment | 1,297 | - |
| Changes in operating assets and liabilities: | | |
| Accounts receivable, net | (507) | 74 |
| Prepaid expenses and other current assets | 1,940 | 1,235 |
| Other non-current assets | (251) | (800) |
| Accounts payable | (153) | 469 |
| Accrued expenses and other liabilities | (8,956) | 10,410 |
| Operating lease assets and liabilities | 352 | (125) |
| Deferred revenue | (37) | (82) |
| Other long-term liabilities | 129 | 250 |
| Net cash used in operating activities | <u>(44,777)</u> | <u>(43,385)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Investment in restricted deposits | (373) | - |
| Proceeds from maturity of marketable securities | 38,287 | 31,241 |
| Purchase of marketable securities | - | (8,454) |
| Proceeds from sale of marketable securities | 822 | - |
| Purchase of property and equipment | (3,303) | (7,171) |
| Investment in equity securities | - | (1,010) |
| Net cash provided by investing activities | <u>35,433</u> | <u>14,606</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Proceeds from issuance of ordinary shares and warrants, net of issuance costs | 27,139 | - |
| Repayment of financial liability | - | (145) |
| Payment due to settlement of contingent earnout liabilities | (790) | - |
| Proceeds from issuance of ordinary shares upon exercise of warrants | - | 370 |
| Proceeds from issuance of ordinary shares upon exercise of options and RSUs | 903 | 579 |
| Net cash provided by financing activities | <u>27,252</u> | <u>804</u> |
| EFFECT OF CHANGES IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS AND RESTRICTED CASH EQUIVALENTS | | |
| | (60) | (268) |
| NET CHANGE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH EQUIVALENTS | <u>17,848</u> | <u>(28,243)</u> |
| CASH AND CASH EQUIVALENTS AND RESTRICTED CASH EQUIVALENTS AT BEGINNING OF THE YEAR | <u>38,529</u> | <u>66,772</u> |
| CASH AND CASH EQUIVALENTS AND RESTRICTED CASH EQUIVALENTS AT END OF THE YEAR | <u>56,377</u> | <u>38,529</u> |
| SUPPLEMENTARY INFORMATION ON ACTIVITIES INVOLVING CASH FLOWS: | | |
| Cash paid for income taxes | 3 | 147 |
| Cash paid for interest | 149 | 90 |
| SUPPLEMENTARY INFORMATION ON ACTIVITIES NOT INVOLVING CASH FLOWS: | | |
| Issuance of ordinary shares in connection with earnout liability. | 1,561 | 953 |
| Issuance of ordinary shares under settlement agreement with former shareholders of Nanox AI Ltd. | - | 18,617 |
| Reclassification of earn-out liability to equity | 1,500 | - |
| Operating lease liabilities arising from obtaining operating right-of use assets | 4,411 | 320 |

(*) Less than 1 thousand US dollars.

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, non-GAAP gross profit margin, non-GAAP research and development expenses, 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, goodwill impairment, share-based compensation expenses, change in contingent earnout liability, legal fees in connection with the class-action litigation and the SEC investigation and accruals in connection with the settlement of the SEC investigation and class action. 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)

| | <u>Twelve Months Ended</u> <u>December 31,</u> | | <u>Three Months Ended</u> <u>December 31,</u> | |
|---|---|---------------|--|---------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| GAAP net loss attributable to ordinary shares | 60,776 | 113,243 | 10,248 | 52,837 |
| Non-GAAP adjustments: | | | | |
| Less: Class-action litigation and SEC investigation | 2,504 | 7,730 | (1,699) | 2,505 |
| Less: Amortization of intangible assets | 10,612 | 10,607 | 2,653 | 2,649 |
| Less: Impairment of goodwill | 7,420 | 50,878 | - | 36,540 |
| Less (Add): Change in the fair value of earn out liabilities' obligation | (4,488) | (20,376) | 18 | (9,073) |
| Less: Change in accrual in connection with the estimated settlement of the SEC investigation and the class-action | (2,350) | 8,000 | (3,000) | 8,000 |
| Less: Share-based compensation | 6,838 | 18,623 | 1,857 | 2,284 |
| Non-GAAP net loss attributable to ordinary shares | <u>40,240</u> | <u>37,781</u> | <u>10,419</u> | <u>9,932</u> |
| BASIC AND DILUTED LOSS PER SHARE | <u>0.71</u> | <u>0.72</u> | <u>0.18</u> | <u>0.19</u> |
| WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES (in thousands) | <u>56,368</u> | <u>52,235</u> | <u>57,758</u> | <u>52,414</u> |

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

| | | | | |
|-----------------------------------|--------------|--------------|--------------|--------------|
| GAAP cost of revenue | 16,497 | 15,458 | 4,113 | 3,879 |
| Non-GAAP adjustments: | | | | |
| Amortization of intangible assets | 10,224 | 10,223 | 2,556 | 2,555 |
| Share-based compensation | 56 | 99 | 15 | 18 |
| Non-GAAP cost of revenue | <u>6,217</u> | <u>5,136</u> | <u>1,542</u> | <u>1,306</u> |

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

| | | | | |
|-----------------------------------|--------------|--------------|------------|------------|
| GAAP gross loss | (6,592) | (6,880) | (1,716) | (1,747) |
| Non-GAAP adjustments: | | | | |
| Amortization of intangible assets | 10,224 | 10,223 | 2,556 | 2,555 |
| Share-based compensation | 56 | 99 | 15 | 18 |
| Non-GAAP gross profit | <u>3,688</u> | <u>3,442</u> | <u>855</u> | <u>826</u> |

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

| | | | | |
|-------------------------------------|------------|------------|------------|------------|
| GAAP gross loss margin | (67)% | (80)% | (72)% | (82)% |
| Non-GAAP adjustments: | | | | |
| Amortization of intangible assets | 103% | 119% | 107% | 120% |
| Share-based compensation | 1% | 1% | 1% | 1% |
| Non-GAAP gross profit margin | <u>37%</u> | <u>40%</u> | <u>36%</u> | <u>39%</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, net | 26,049 | 26,507 | 6,812 | 7,095 |
| Non-GAAP adjustments: | | | | |
| Share-based compensation | 3,818 | 4,806 | 925 | 927 |
| Non-GAAP research and development expenses, net | <u>22,231</u> | <u>21,701</u> | <u>5,887</u> | <u>6,168</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 | 4,168 | 4,376 | 1,034 | 1,494 |
| Non-GAAP adjustments: | | | | |
| Amortization of intangible assets | 388 | 384 | 97 | 94 |
| Share-based compensation | 484 | 997 | 150 | 334 |
| Non-GAAP sales and marketing expenses | <u>3,296</u> | <u>2,995</u> | <u>787</u> | <u>1,066</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 | 24,272 | 41,254 | 3,791 | 8,185 |
| Non-GAAP adjustments: | | | | |
| Class-action litigation and SEC investigation | 2,504 | 7,730 | (1,699) | 2,505 |
| Share-based compensation | 2,480 | 12,721 | 767 | 1,005 |
| Non-GAAP general and administrative expenses | <u>19,288</u> | <u>20,803</u> | <u>4,723</u> | <u>4,675</u> |

Reconciliation of GAAP other expenses to non-GAAP other expenses (income) (U.S. dollars in thousands)

| | | | | |
|---|------------|------------|------------|--------------|
| GAAP other expenses (income) | (1,424) | 8,191 | (2,684) | 7,769 |
| Non-GAAP adjustments: | | | | |
| Change in accrual in connection with the estimated settlement of the SEC investigation and class-action | (2,350) | 8,000 | (3,000) | 8,000 |
| Non-GAAP other expenses (income) | <u>926</u> | <u>191</u> | <u>316</u> | <u>(231)</u> |