



BRAINSWAY LTD.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	September 30, 2020	December 31, 2019
	Unaudited	Audited
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 15,792	\$ 21,674
Short-term deposits	221	221
Trade receivables, net	6,531	5,507
Other accounts receivable	1,531	1,427
	<u>24,075</u>	<u>28,829</u>
NON-CURRENT ASSETS:		
Long-term deposit	163	168
Leased systems	5,139	5,491
System components and other property and equipment	5,004	4,248
	<u>10,306</u>	<u>9,907</u>
	<u>\$ 34,381</u>	<u>\$ 38,736</u>
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Trade payables	\$ 911	\$ 1,320
Other accounts payable	3,817	3,379
Deferred revenues	1,184	1,305
Liability in respect of research and development grants	1,060	714
	<u>6,972</u>	<u>6,718</u>
NON-CURRENT LIABILITIES:		
Deferred revenues and other liabilities	2,178	2,431
Liability in respect of research and development grants	5,319	5,367
	<u>7,497</u>	<u>7,798</u>
EQUITY:		
Share capital	233	233
Share premium	95,111	93,649
Share-based payment	3,644	4,435
Adjustments arising from translating financial statements from functional currency to presentation currency	(2,188)	(2,188)
Accumulated deficit	(76,888)	(71,909)
	<u>19,912</u>	<u>24,220</u>
	<u>\$ 34,381</u>	<u>\$ 38,736</u>



BRAINSWAY LTD.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

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

	Nine months ended September 30,		Three months ended September 30,	
	2020	2019	2020	2019
	Unaudited			
Revenues	\$ 14,991	\$ 16,809	\$ 6,014	\$ 5,932
Cost of revenues	3,492	3,687	1,485	1,153
Gross profit	11,499	13,122	4,529	4,779
Research and development expenses, net	4,247	6,067	1,411	1,913
Selling and marketing expenses	8,284	9,665	2,393	3,549
General and administrative expenses	3,390	3,875	1,311	1,492
Total operating expenses	15,921	19,607	5,115	6,954
Operating loss	4,422	6,485	586	2,175
Finance expense, net	80	1,252	210	344
Loss before income taxes	4,502	7,737	796	2,519
Income taxes	477	275	170	113
Net loss and total comprehensive loss	\$ 4,979	\$ 8,012	\$ 966	\$ 2,632
Basic and diluted net loss per share	\$ (0.22)	\$ (0.40)	\$ (0.04)	\$ (0.12)



BRAINSWAY LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Nine months ended		Three months ended	
	September 30,		September 30,	
	2020	2019	2020	2019
	Unaudited			
<i>Cash flows from operating activities:</i>				
Total comprehensive loss	\$ (4,979)	\$ (8,012)	\$ (966)	\$ (2,632)
Adjustments to reconcile net loss to net cash used in operating activities:				
Adjustments to the profit or loss items:				
Depreciation, amortization and impairment	1,271	1,401	542	408
Depreciation of leased systems	877	735	292	303
Finance expenses, net	80	1,252	210	344
Cost of share-based payment	671	981	234	289
Income taxes	477	275	170	113
	<u>3,376</u>	<u>4,644</u>	<u>1,448</u>	<u>1,457</u>
Changes in asset and liability items:				
Increase in trade receivables	(996)	(2,165)	(1,354)	(637)
Decrease (increase) in other accounts receivable	(94)	13	(324)	127
Increase (decrease) in trade payables	(422)	426	(600)	(322)
Decrease (increase) in other accounts payable	320	(257)	997	195
Increase (decrease) in deferred revenues and other liabilities	(27)	19	(64)	(127)
	<u>(1,219)</u>	<u>(1,964)</u>	<u>(1,345)</u>	<u>(764)</u>
Cash paid and received during the period for:				
Interest paid	(59)	(267)	(16)	(27)
Interest received	54	127	4	67
Income taxes paid	(249)	(542)	(240)	(161)
	<u>(254)</u>	<u>(682)</u>	<u>(252)</u>	<u>(121)</u>
Net cash used in operating activities	<u>(3,076)</u>	<u>(6,014)</u>	<u>(1,115)</u>	<u>(2,060)</u>



BRAINSWAY LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

U.S. dollars in thousands

	Nine months ended September 30,		Three months ended September 30,	
	2020	2019	2020	2019
Unaudited				
<i>Cash flows from investing activities:</i>				
Purchase of property and equipment and system components	(2,555)	(2,973)	(644)	(1,193)
Investment in short-term deposits, net	-	(84)	-	(1,031)
Withdrawal of (Investment in) long-term deposits, net	5	1,007	(2)	1,007
Net cash used in investing activities	<u>(2,550)</u>	<u>(2,050)</u>	<u>(646)</u>	<u>(1,217)</u>
<i>Cash flows from financing activities:</i>				
Repayment of loan from bank, net	-	(3,000)	-	-
Receipt of government grants	42	141	-	16
Repayment of liability in respect of research and development grants	-	(275)	-	(275)
Repayment of lease liability	(322)	(311)	(101)	(104)
Proceeds from issuance of shares, net	-	26,333	-	-
Net cash provided by (used in) financing activities	<u>(280)</u>	<u>22,888</u>	<u>(101)</u>	<u>(363)</u>
Exchange rate differences on cash and cash equivalents	24	(51)	41	(32)
Increase (decrease) in cash and cash equivalents	(5,882)	14,773	(1,821)	(3,672)
Cash and cash equivalents at the beginning of the period	<u>21,674</u>	<u>8,968</u>	<u>17,613</u>	<u>27,413</u>
Cash and cash equivalents at the end of the period	<u>\$ 15,792</u>	<u>\$ 23,741</u>	<u>\$ 15,792</u>	<u>\$ 23,741</u>
<i>(a) Significant non-cash transactions:</i>				
Purchase of property and equipment on credit	<u>\$ -</u>	<u>\$ 189</u>	<u>\$ -</u>	<u>\$ 112</u>