



**BRAINSWAY LTD.**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

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

	<u>June 30, 2020</u>	<u>December 31, 2019</u>
	<u>Unaudited</u>	<u>Audited</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 17,613	\$ 21,674
Short-term deposits	221	221
Trade receivables, net	5,148	5,507
Other accounts receivable	1,201	1,427
	<u>24,183</u>	<u>28,829</u>
<b>NON-CURRENT ASSETS:</b>		
Long-term deposit	161	168
Leased systems	5,314	5,491
System components and other property and equipment	5,537	4,248
	<u>11,012</u>	<u>9,907</u>
	<u>\$ 35,195</u>	<u>\$ 38,736</u>
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Trade payables	\$ 2,055	\$ 1,320
Other accounts payable	2,939	3,379
Deferred revenues	1,533	1,305
Liability in respect of research and development grants	998	714
	<u>7,525</u>	<u>6,718</u>
<b>NON-CURRENT LIABILITIES:</b>		
Deferred revenues and other liabilities	1,959	2,431
Liability in respect of research and development grants	5,067	5,367
	<u>7,026</u>	<u>7,798</u>
<b>EQUITY:</b>		
Share capital	233	233
Share premium	95,108	93,649
Share-based payment	3,413	4,435
Adjustments arising from translating financial statements from functional currency to presentation currency	(2,188)	(2,188)
Accumulated deficit	(75,922)	(71,909)
	<u>20,644</u>	<u>24,220</u>
	<u>\$ 35,195</u>	<u>\$ 38,736</u>



**BRAINSWAY LTD.**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**

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

	<b>Six months ended</b>		<b>Three months ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>Unaudited</b>			
Revenues	\$ 8,977	\$ 10,877	\$ 4,820	\$ 5,695
Cost of revenues	2,007	2,534	992	1,376
Gross profit	6,970	8,343	3,828	4,319
Research and development expenses, net	2,836	4,154	1,041	2,362
Selling and marketing expenses	5,891	6,116	2,178	3,278
General and administrative expenses	2,079	2,383	824	1,380
Total operating expenses	10,806	12,653	4,043	7,020
Operating loss	3,836	4,310	215	2,701
Finance expense (income), net	(130)	908	179	672
Loss before income taxes	3,706	5,218	394	3,373
Income taxes	307	162	177	100
Net loss and total comprehensive loss	\$ 4,013	\$ 5,380	\$ 571	\$ 3,473
Basic and diluted net loss per share	\$ (0.18)	\$ (0.29)	\$ (0.03)	\$ (0.17)



**BRAINSWAY LTD.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

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

	Six months ended		Three months ended	
	June 30,		June 30,	
	2020	2019	2020	2019
<b>Unaudited</b>				
<i>Cash flows from operating activities:</i>				
Total comprehensive loss	\$ (4,013)	\$ (5,380)	\$ (571)	\$ (3,473)
Adjustments to reconcile net loss to net cash used in operating activities:				
Adjustments to the profit or loss items:				
Depreciation, amortization and impairment	729	954	284	824
Depreciation of leased systems	585	471	291	245
Finance expenses (income), net	(130)	908	179	672
Cost of share-based payment	437	692	129	331
Income taxes	307	162	177	100
	<u>1,928</u>	<u>3,187</u>	<u>1,060</u>	<u>2,172</u>
Changes in asset and liability items:				
Decrease (increase) in trade receivables	358	(1,528)	270	(783)
Decrease (increase) in other accounts receivable	230	(114)	(34)	(365)
Increase in trade payables	178	748	591	582
Decrease in other accounts payable	(677)	(452)	(751)	(735)
Increase (decrease) in deferred revenues and other liabilities	37	146	52	(39)
	<u>126</u>	<u>(1,200)</u>	<u>128</u>	<u>(1,340)</u>
Cash paid and received during the period for:				
Interest paid	(43)	(240)	(20)	(176)
Interest received	50	60	19	50
Income taxes paid	(9)	(381)	-	(256)
	<u>(2)</u>	<u>(561)</u>	<u>(1)</u>	<u>(382)</u>
Net cash used in operating activities	<u>(1,961)</u>	<u>(3,954)</u>	<u>616</u>	<u>(3,023)</u>
<i>Cash flows from investing activities:</i>				
Purchase of property and equipment and system components	(1,911)	(1,780)	(965)	(1,422)
Investment in short-term deposits, net	-	(60)	-	(5)
Withdrawal of (Investment in) long-term deposits, net	7	1,007	(3)	1,007
Net cash used in investing activities	<u>(1,904)</u>	<u>(833)</u>	<u>(968)</u>	<u>(420)</u>



**BRAINSWAY LTD.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

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

	Six months ended June 30,		Three months ended June 30,	
	2020	2019	2020	2019

**Unaudited**

*Cash flows from financing activities:*

Payment of loan from bank, net	-	(3,000)	-	(3,000)
Receipt of government grants	42	125	-	78
Repayment of lease liability	(221)	(207)	(111)	(106)
Proceeds from issuance of shares, net	-	26,333	-	26,333
Net cash provided by (used in) financing activities	(179)	23,251	(111)	23,305
Exchange rate differences on cash and cash equivalents	(17)	(19)	107	10
Increase (decrease) in cash and cash equivalents	(4,061)	18,445	(356)	19,872
Cash and cash equivalents at the beginning of the period	21,674	8,968	17,969	7,541
Cash and cash equivalents at the end of the period	<u>\$ 17,613</u>	<u>\$ 27,413</u>	<u>\$ 17,613</u>	<u>\$ 27,413</u>
<i>(a) Significant non-cash transactions:</i>				
Purchase of property and equipment on credit	<u>\$ 515</u>	<u>\$ 302</u>	<u>\$ 323</u>	<u>\$ 302</u>