



BRAINSWAY LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
U.S. dollars in thousands

	June 30,	December 31,
<u>ASSETS</u>	2023	2022
	(Unaudited)	(Audited)
Current Assets		
Cash and cash equivalents	\$ 43,168	\$ 47,581
Short-term deposits	271	271
Trade receivables, net	3,416	4,844
Inventory	3,301	3,837
Other current assets	1,914	1,556
	<u>52,070</u>	<u>58,089</u>
Non-Current Assets		
System components	1,678	1,220
Leased systems, net	3,292	3,118
Other property and equipment	990	1,008
Other long-term assets	1,217	1,042
	<u>7,177</u>	<u>6,388</u>
	<u>\$ 59,247</u>	<u>\$ 64,477</u>
<u>LIABILITIES AND EQUITY</u>		
Current Liabilities		
Trade payables	\$ 539	\$ 1,116
Deferred revenues	1,984	1,477
Liability in respect of research and development grants	803	1,057
Derivative liabilities	102	-
Other accounts payable	4,031	4,491
	<u>7,459</u>	<u>8,141</u>
Non-Current Liabilities		
Deferred revenues and other liabilities	4,858	4,923
Liability in respect of research and development grants	5,575	6,016
	<u>10,433</u>	<u>10,939</u>
Equity		
Share capital	365	364
Share premium	140,551	138,146
Share-based payment reserve	3,826	6,180
Currency Translation Adjustments	(2,188)	(2,188)
Accumulated deficit	(101,199)	(97,105)
	<u>41,355</u>	<u>45,397</u>
	<u>\$ 59,247</u>	<u>\$ 64,477</u>



BRAINSWAY LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
U.S. dollars in thousands (except per share data)

	For the three months ended		For the six months ended	
	June 30,		June 30,	
	2023	2022	2023	2022
	(Unaudited)		(Unaudited)	
Revenues	\$ 7,829	\$ 8,006	\$ 14,454	\$ 15,976
Cost of revenues	2,095	2,192	3,887	4,059
Gross profit	5,734	5,814	10,567	11,917
Research and development expenses, net	1,902	1,731	3,687	3,307
Selling and marketing expenses	3,983	4,552	8,895	8,698
General and administrative expenses	1,192	1,539	2,995	3,402
Total operating expenses	7,077	7,822	15,577	15,407
Operating loss	(1,343)	(2,008)	(5,010)	(3,490)
Finance income (expense), net	(135)	(329)	1,272	(653)
Loss before income taxes	(1,478)	(2,337)	(3,738)	(4,143)
Taxes on income	185	113	356	300
Net loss and total comprehensive loss	\$ (1,663)	\$ (2,450)	\$ (4,094)	\$ (4,443)
Basic and diluted net loss per share	\$ (0.05)	\$ (0.07)	\$ (0.12)	\$ (0.13)



BRAINSWAY LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
U.S. dollars in thousands

	For the three months ended June 30,		For the six months ended June 30,	
	2023	2022	2023	2022
	(Unaudited)		(Unaudited)	
Cash flows from operating activities:				
Total comprehensive loss	\$ (1,663)	\$ (2,450)	\$ (4,094)	\$ (4,443)
Adjustments to reconcile net loss to net cash used in operating activities:				
Adjustments to profit or loss items:				
Depreciation and amortization	101	154	194	296
Depreciation of leased systems	239	246	472	491
Impairments and disposals	211	301	457	233
Finance expenses, net	199	329	(1,272)	653
Cost of share based payment	103	408	52	782
Income taxes	185	113	356	300
Total adjustments to reconcile loss	1,038	1,551	259	2,755
Changes in asset and liability items:				
Decrease (increase) in trade receivables	1,928	(1,072)	1,435	(1,135)
Decrease (increase) in inventory	1,295	(792)	367	(2,105)
Increase in other accounts receivable	(390)	(257)	(612)	(318)
Increase (decrease) in trade payables	(46)	1,073	(581)	561
Increase in other accounts payable	(1,230)	(384)	(738)	(894)
Increase (decrease) in deferred revenues and other liabilities	(289)	(5)	411	268
Total changes in asset and liability	1,268	(1,437)	282	(3,623)
Cash paid and received during the period for:				
Interest paid	(10)	(11)	(22)	(23)
Interest received	366	304	1,040	307
Income taxes paid	(4)	(263)	(11)	(266)
Total cash paid and received during the period	352	30	1,007	18
Net cash provided by (used in) operating activities:	995	(2,306)	(2,546)	(5,293)
Cash flows from investing activities:				
Proceeds from (purchase of) property and equipment and system components, net	(1,497)	448	(1,431)	1,399
Withdrawal of (investment in) short-term deposits, net	-	40,304	-	40,254
Investment in long-term deposits, net	(14)	(2)	(16)	(5)
Net cash provided by (used in) investing activities	(1,511)	40,750	(1,447)	41,648
Cash flows from financing activities:				
Repayment of liability in respect of research and development grants	(345)	-	(345)	(498)
Receipt of government grants	32	-	32	6
Repayment of lease liability	(64)	(150)	(130)	(298)
Issuance of share capital, net	-	-	-	1
Net cash used in financing activities	(377)	(150)	(443)	(789)
Exchange rate differences on cash and cash equivalents	10	(225)	23	(313)
Increase (decrease) in cash and cash equivalents	(883)	38,069	(4,413)	35,253
Cash and cash equivalents at the beginning of the period	44,051	14,105	47,581	16,921
Cash and cash equivalents at the end of the period	\$ 43,168	\$ 52,174	\$ 43,168	\$ 52,174
(a) Significant non cash transactions:				
Recognition of new lease liability and right-of-use	183	123	207	123
Termination of lease liability and right-of-use	59	-	70	-



BRAINSWAY LTD.

**A reconciliation of Adjusted EBITDA to net loss, the most directly comparable IFRS measure, is set forth below:
U.S. dollars in thousands (except share and per share data)**

	For the three months ended		For the six months ended	
	June 30,		June 30,	
	2023	2022	2023	2022
	(Unaudited)		(Unaudited)	
Net loss and total comprehensive loss	\$ (1,663)	\$ (2,450)	\$ (4,094)	\$ (4,443)
Finance (income) expense, net	135	329	(1,272)	653
Income taxes	185	113	356	300
Depreciation and amortization	101	154	194	296
Depreciation of leased systems	239	246	472	491
Cost of share based payment	103	408	52	782
Restructuring and litigation Cost	267	-	802	-
Adjusted EBITDA	\$ (633)	\$ (1,200)	\$ (3,490)	\$ (1,921)