



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

	<b>September 30, 2023</b>	<b>December 31, 2022</b>
<u>ASSETS</u>	<u>(Unaudited)</u>	<u>(Audited)</u>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 43,893	\$ 47,581
Short-term deposits	271	271
Trade receivables, net	3,418	4,844
Inventory	3,504	3,837
Other current assets	1,460	1,556
	<u>52,546</u>	<u>58,089</u>
<b>Non-Current Assets</b>		
System components	1,678	1,220
Leased systems, net	3,243	3,118
Other property and equipment	912	1,008
Other long-term assets	1,395	1,042
	<u>7,228</u>	<u>6,388</u>
	<u>\$ 59,774</u>	<u>\$ 64,477</u>
<u>LIABILITIES AND EQUITY</u>		
<b>Current Liabilities</b>		
Trade payables	\$ 493	\$ 1,116
Deferred revenues	1,693	1,477
Liability in respect of research and development grants	1,320	1,057
Derivative liabilities	106	-
Other accounts payable	4,651	4,491
	<u>8,263</u>	<u>8,141</u>
<b>Non-Current Liabilities</b>		
Deferred revenues and other liabilities	4,923	4,923
Liability in respect of research and development grants	5,370	6,016
	<u>10,293</u>	<u>10,939</u>
<b>Equity</b>		
Share capital	365	364
Share premium	140,951	138,146
Share-based payment reserve	3,519	6,180
Currency Translation Adjustments	(2,188)	(2,188)
Accumulated deficit	(101,429)	(97,105)
	<u>41,218</u>	<u>45,397</u>
	<u>\$ 59,774</u>	<u>\$ 64,477</u>



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

	<b>For the three months ended</b>		<b>For the nine months ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>(Unaudited)</b>		<b>(Unaudited)</b>	
Revenues	\$ 8,302	\$ 5,168	\$ 22,756	\$ 21,144
Cost of revenues	\$ 2,131	\$ 1,341	6,018	5,400
Gross profit	6,171	3,827	16,738	15,744
Research and development expenses, net	\$ 1,544	\$ 2,220	5,231	5,527
Selling and marketing expenses	\$ 3,602	\$ 4,751	12,497	13,449
General and administrative expenses	\$ 1,158	\$ 1,726	4,153	5,128
Total operating expenses	6,304	8,697	21,881	24,104
Operating loss	(133)	(4,870)	(5,143)	(8,360)
Finance income (expense), net	\$ (38)	\$ (99)	1,234	(752)
Loss before income taxes	(171)	(4,969)	(3,909)	(9,112)
Taxes on income	\$ 59	\$ 70	415	370
Net loss and total comprehensive loss	\$ (230)	\$ (5,039)	\$ (4,324)	\$ (9,482)
Basic and diluted net loss per share	\$ (0.01)	\$ (0.15)	\$ (0.13)	\$ (0.29)



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

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
	(Unaudited)		(Unaudited)	
Cash flows from operating activities:				
Total comprehensive loss	\$ (230)	\$ (5,039)	\$ (4,324)	\$ (9,482)
Adjustments to reconcile net loss to net cash used in operating activities:				
Adjustments to profit or loss items:				
Depreciation and amortization	85	160	279	457
Depreciation of leased systems	247	244	719	735
Impairments and disposals	481	183	938	416
Finance expenses, net	38	99	(1,234)	752
Cost of share based payment	95	339	147	1,121
Income taxes	59	70	415	370
Total adjustments to reconcile loss	1,005	1,095	1,264	3,851
Changes in asset and liability items:				
Decrease (increase) in trade receivables	(31)	1,770	1,404	635
Increase in inventory	(373)	(846)	(6)	(2,952)
Decrease (increase) in other accounts receivable	369	(340)	(243)	(658)
Increase (decrease) in trade payables	(58)	(392)	(639)	169
Increase (decrease) in other accounts payable	382	461	(356)	(433)
Increase (decrease) in deferred revenues and other liabilities	(173)	835	238	1,103
Total changes in asset and liability	116	1,488	398	(2,136)
Cash paid and received during the period for:				
Interest paid	(81)	(10)	(103)	(34)
Interest received	546	313	1,586	620
Income taxes paid	-	(70)	(11)	(336)
Total cash paid and received during the period	465	233	1,472	250
Net cash provided by (used in) operating activities:	1,356	(2,223)	(1,190)	(7,517)
Cash flows from investing activities:				
Proceeds from (purchase of) property and equipment and system components, net	(514)	108	(1,945)	1,508
Withdrawal of (investment in) short-term deposits, net	-	-	-	40,254
Investment in long-term deposits, net	8	(15)	(8)	(20)
Net cash provided by (used in) investing activities	(506)	93	(1,953)	41,742
Cash flows from financing activities:				
Repayment of liability in respect of research and development grants	-	(479)	(345)	(977)
Receipt of government grants	-	9	32	15
Repayment of lease liability	(56)	(162)	(186)	(460)
Issuance of share capital, net	-	(53)	-	(52)
Net cash used in financing activities	(56)	(685)	(499)	(1,474)
Exchange rate differences on cash and cash equivalents	(69)	(7)	(46)	(320)
Increase (decrease) in cash and cash equivalents	725	(2,822)	(3,688)	32,431
Cash and cash equivalents at the beginning of the period	43,168	52,174	47,581	16,921
Cash and cash equivalents at the end of the period	\$ 43,893	\$ 49,352	\$ 43,893	\$ 49,352
(a) Significant non cash transactions:				
Recognition of new lease liability and right-of-use	-	117	207	240
Termination of lease liability and right-of-use	-	-	70	-



**BRAINSWAY LTD.**

**A reconciliation of Adjusted EBITDA to net loss is set forth below:**

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

	<b>For the three months ended September 30,</b>		<b>For the nine months ended September 30,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>(Unaudited)</b>		<b>(Unaudited)</b>	
<b>Net loss and total comprehensive loss</b>	\$ (230)	\$ (5,039)	\$ (4,324)	\$ (9,482)
Finance (income) expense, net	38	99	(1,234)	752
Income taxes	59	70	415	370
Depreciation and amortization	85	160	279	457
Depreciation of leased systems	247	244	719	735
Cost of share based payment	95	339	147	1,121
Restructuring and litigation Cost	50	-	852	-
<b>Adjusted EBITDA</b>	<b>\$ 344</b>	<b>\$ (4,127)</b>	<b>\$ (3,146)</b>	<b>\$ (6,047)</b>