Nanox Announces Third Quarter 2026 Financial Results and Provides Business Updates

November 25, 2026

Management to host conference call and webcast on Wednesday, November 25, 2026 at 8:30 AM ET

PETACH TIKVA, Israel, Nov. 25, 2026 (GLOBE NEWSWIRE) -- NANO-X IMAGING LTD (NASDAQ: NNOX) ("**Nanox**" or the "**Company**"), an innovative medical imaging technology company, today announced results for the third quarter ended September 30, 2026, and provided a business update.

Recent Business Highlights:

- **U.S. Commercialization:** Continued U.S. commercialization efforts through our channel partners, expanding the commercial pipeline, including additional healthcare networks regarding potential Nanox.ARC deployments.
- **NIN Commercialization:** Advanced the Nanox Imaging Network (NIN), with additional initial patient scans at its Philadelphia site providing an encouraging early indication of billing activity, while pursuing additional network deployment opportunities.
- **International Commercial Expansion:** Advanced commercial activities in Latin America, receiving an initial payment and shipping a Nanox.ARC system to Peru, and obtaining import approvals and shipping systems to Argentina under a CapEx arrangement.
- **Nanox.AI Distribution:** Entered into a distribution agreement with Technologic s.r.l, an Italian company affiliated with Tecnologie Avanzate, for the commercialization of HealthOST, its bone health solution, in Italy, and signed a distribution agreement with Dosy Health Co., Ltd. for the planned commercialization of HealthCCSng, its cardiac solution, in Thailand.
- **Product Innovation:** Continued advancement of the Company's imaging technologies and AI solutions, with plans to highlight future developments at RSNA 2026, including 3D reconstruction, pediatric applications, a mobile Nanox.ARC concept, alongside AI solutions focused on aortic valve calcification and body composition analysis. These capabilities are currently under various stages of development.
- **Operational Efficiency Plan: A**nnounced a Board-approved cost reduction and operational efficiency plan that builds on the Company's previously announced initiatives, including the restructuring of its South Korea operations. Full implementation of the plan is currently expected by the end of Q1 2027, as detailed in the Company's November 9, 2026 press release.
- **Hiring of New CFO**: Nanox has hired Einav Eliraz as its new chief financial officer ("CFO"), effective as of December 1, 2026. Mr. Eliraz brings more than 20 years of financial and strategic leadership experience in NASDAQ and TASE listed global technology and industrial companies, including Israeli foreign private issuers reporting to the SEC. Before joining Nanox, Mr. Eliraz served as Global CFO of RAVAL ACS Ltd., and previously held senior finance leadership roles at Nano Dimension Ltd. and Cellebrite Ltd.

Yorkville Financing Update:

On November 12, 2026, the Company entered into two standby equity purchase agreements with YA II PN, Ltd., a fund managed by Yorkville Advisors Global, LP. The agreements give the Company the right, but not the obligation, to sell ordinary shares to Yorkville from time to time over the applicable 24-month commitment periods, subject to specified conditions and limitations: up to $10 million in registered primary sales under the Company's Form F-3 shelf registration statement and up to $40 million in private placement sales. The Company may not request any purchases under the private placement agreement until a separate registration statement covering Yorkville's resale of the applicable shares is effective. In consideration for the commitments, the Company agreed to pay a $500,000 commitment fee in the form of 1,221,598 ordinary shares.

On November 18, 2026, the Company issued 725,600 ordinary shares to Yorkville under the registered primary agreement at a weighted average purchase price of approximately $0.3132 per share, for gross proceeds of $227,276.24, as disclosed in the Company's November 23, 2026 prospectus supplement. The Company intends to use net proceeds from sales under the agreements for working capital and general corporate purposes.

The $50 million aggregate commitment is a contractual maximum, not cash received or an assurance of future funding. The amount the Company may raise depends on, among other things, the market price and trading volume of its ordinary shares, the number of shares registered and available for issuance, and satisfaction of the applicable conditions, including Nasdaq-related requirements. Further issuances may dilute existing shareholders. Substantial doubt remains about the Company's ability to continue as a going concern, and there can be no assurance that additional funding will be available when needed or that any proceeds will be sufficient to meet its liquidity needs. For additional information, see the Company's November 12, 2026 Form 6-K and its prospectus supplements dated November 12 and November 23, 2026. This update does not constitute an offer to sell or a solicitation of an offer to buy any securities.

Nasdaq Listing Update:

On September 28, 2026, the Company received a notification from Nasdaq indicating that it was not in compliance with the minimum bid price requirement of $1.00 per share for continued listing on the Nasdaq Global Market. The Company has been granted a 180-day period, until March 29,

2027, to regain compliance. The notification has no immediate effect on the listing or trading of the Company's ordinary shares. For additional information, see the Company's Report of Foreign Private Issuer on Form 6-K furnished to the Securities and Exchange Commission (the " **SEC**") on October 2, 2026.

If the Company does not achieve compliance within the initial 180-day compliance period, it may be eligible for an additional 180-calendar day grace period if it transfers the listing of its ordinary shares to the Nasdaq Capital Market. In order to achieve compliance during either period, the Company may seek to effect a reverse share split to increase its ordinary shares' bid price. To that end, the Company called a special general meeting of shareholders for November 25, 2026 at which a framework for a reverse share split at a ratio in a range between 1-for-20 and 1-for-50 (inclusive), to be effected at the discretion of, and at such ratio and on such date as shall be determined by, the Company's board of directors within 18 months following the special general meeting, was to be presented for approval. A quorum was not initially achieved for that special general meeting, and the vote of shareholders on that proposed reverse share split framework is expected to take place at a reconvened meeting, to be held on December 2, 2026.

Q3 2026 Financial Highlights:

- Q3 2026 revenues were $4.4 million, compared to $3.4 million in Q3 2025, representing a year-over-year increase of 29%. The increase was driven primarily by the consolidation of the Nanox Health IT (formerly known as Vaso Healthcare IT) business, which was consolidated as of November 19, 2025 and accounted for $0.9 million in Q3 2026. The Company generated revenues of $3.2 million from our teleradiology services, $0.9 million from our AI and Software Solutions, and $0.3 million from the sale of imaging systems and OEM services.
- Q3 2026 adjusted EBITDA loss (a financial measure that is derived as described below under "*Non-GAAP Financial Measures*") was $10.1 million, compared with adjusted EBITDA loss of $10.2 million in Q3 2025.
- Q3 2026 GAAP gross loss margin was (25%), compared to a GAAP gross loss margin of (84%) for Q3 2025. Non-GAAP gross loss margin was (13%), compared to non-GAAP gross loss margin of (8%) in Q3 2025.
- Q3 2026 GAAP operating expenses were $11.0 million compared to $11.4 million in Q3 2025. Q3 2026 non-GAAP operating expenses were $9.8 million, compared to non-GAAP operating expenses of $10.2 million in Q3 2025.
- Q3 2026 GAAP net loss was $12.3 million, compared to a GAAP net loss of $13.7 million in Q3 2025. Q3 2026 non-GAAP net loss was $10.6 million, compared to a non-GAAP net loss of $9.9 million in Q3 2025.
- Cash and cash equivalents and restricted deposit as of September 30, 2026, were $26.6 million, compared to a cash and cash equivalents, short term deposit and restricted deposit balance of $60.0 million as of December 31, 2025.

  The cash and cash equivalents, and deposit as of September 30, 2026, are not sufficient to support the Company's operations under its current operating plans for at least one year from the issuance date of these financial statements. These factors raise substantial doubt as to the Company's ability to continue as a going concern.

Additional information regarding the Company's financial results and financial condition, is included in the Company's unaudited condensed consolidated financial statements as of, and for the three-month and nine-month periods ended on, September 30, 2026, and the related Operating and Financial Review and Prospects for the nine months ended September 30, 2026, attached as exhibits to the Company's Report of Foreign Private Issuer on Form 6-K furnished to the SEC today.

Legal Proceedings

On June 12, 2026, a class action complaint was filed in the United States District Court of New Jersey against the Company and certain of its officers, captioned Steele v. Nano-X Imaging Ltd. et al, Case No. 1:26-cv-07062. The complaint alleges violations of federal securities laws on behalf of all persons and entities that purchased or otherwise acquired the Company's publicly traded securities between March 31, 2025 and April 17, 2026 in connection with certain disclosures concerning the Company's business, operations, and prospects, including with respect to the Company's manufacturing facility in Korea. The plaintiff is seeking money damages. On September 25, 2026, the Court appointed a lead plaintiff and approved lead counsel. Lead plaintiff's amended complaint is due by December 8, 2026. Due to the early stage of the case, it is not possible to assess the probability of a loss or reasonably estimate the ultimate costs and damages. Consequently, no accrual has been made in the financial statements regarding this matter.

Non-GAAP Financial Measures

Nanox presents in this press release and in its quarterly conference call being held today certain financial measures that are not prepared in accordance with generally accepted accounting principles in the United States ("**GAAP**"), including non-GAAP gross loss margin, non-GAAP operating expenses, non-GAAP net loss, and adjusted EBITDA loss. Certain additional non-GAAP measures appear in the reconciliation section following the financial statement tables at the end of this press release. Nanox's 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.

The Company's definition of "non-GAAP net loss" adjusts GAAP net loss to exclude impairment of intangible assets, share-based compensation expenses, amortization of intangible assets, income related to settlement with a shareholder, and changes in earnout liability. The Company's definition of "adjusted EBITDA loss" reflects the adjustments described in the preceding sentence to the Company's GAAP net loss, as further adjusted to exclude depreciation, financial expenses and tax expenses.

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.

Conference Call and Webcast Details

Wednesday, November 25, 2026 @ 8:30 am ET

Individuals interested in listening to the Company's third quarter results conference call may do so by joining the live webcast at the " *Investors*" section of the Nanox website under "*Events & Presentations*". Alternatively, individuals can register online to receive a dial-in number and personalized PIN to participate in the conference call, via a link under "*Events and Presentations*". An archived webcast of the event will be available for replay following the event.

About Nanox

Nanox (NASDAQ: NNOX) is focused on driving the world's transition to preventive health care by delivering an integrated, end-to-end medical imaging and healthcare services platform.

Nanox combines affordable imaging hardware, advanced AI-based solutions, cloud-based software, access to remote radiology, health IT solutions, and a marketplace to enable earlier detection, improved clinical efficiency, and broader access to care.

Nanox's vision is to expand the reach of medical imaging both within and beyond traditional hospital settings by providing a seamless solution from scan to interpretation and beyond. By leveraging proprietary digital X-ray technology, AI-driven analytics, and a clinically driven approach, Nanox aims to enhance the efficiency of routine imaging workflows, support early detection of disease, and improve patient outcomes.

The Nanox ecosystem includes Nanox.ARC, a cost-effective, 3D multi-source digital tomosynthesis imaging system designed for ease of use and scalability; Nanox.AI, a suite of AI-based algorithms that augment the interpretation of routine CT imaging to identify early signs often associated with chronic disease; Nanox.CLOUD, a cloud-based platform for secure data management, storage, and advanced imaging analytics; Nanox.MARKETPLACE and USARAD Holdings, which provides access to remote radiology and cardiology experts and comprehensive teleradiology services; and Nanox Health IT combines deep healthcare IT expertise with leading technology partners to deliver RIS, PACS, AI, dictation, and secure infrastructure solutions that streamline workflows and support safer, more efficient care delivery.

The Nanox.ARC X was selected as one of TIME's Best Inventions of 2026 .



By integrating imaging technology, AI, cloud infrastructure, clinical expertise, a marketplace, and health information technology, Nanox seeks to lower barriers to adoption, improve utilization, and advance preventive care worldwide. For more information, please visit https://www.nanox.vision.

Forward-Looking Statements

This press release contains 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, statements regarding: the Company's expected commercialization efforts, business strategy and long-term growth opportunities; the expected timing, pace, extent and success of deployments, installations, activations and utilization of Nanox.ARC systems, including under the Nanox Imaging Network; the anticipated benefits, timing and extent of activity under existing and new commercial, distribution and strategic agreements, including contemplated deployments of systems over the coming years; the advancement of the Company's imaging technologies and AI solutions; the anticipated cost savings relating to the Company's operational efficiency plan; the targeted reductions in operating expenses and expected timing of implementation of the Company's operational efficiency plan; the development, anticipated capabilities and planned presentation of the Company's imaging technologies and AI solutions; 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 Company's ability to sell ordinary shares under the Yorkville agreements, the effectiveness of a resale registration statement, and the amount and intended use of any proceeds from future sales; and the potential timing for the Company's restoration of compliance with the Nasdaq minimum bid price requirement. 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 complete development of the Nanox System; (ii) Nanox's ability to successfully demonstrate the feasibility of its technology for commercial applications; (iii) Nanox's history of recurring losses and negative cash flows from operating activities, significant future commitments and the uncertainty regarding the adequacy of Nanox's liquidity to pursue its complete business objectives, and substantial doubt regarding its ability to continue as a going concern; (iv) 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; (v) Nanox's ability to realize the anticipated benefits of recent 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; (vi) Nanox's ability to enter into and maintain commercially reasonable arrangements with third-party manufacturers and suppliers to manufacture the Nanox.ARC; (vii) the market acceptance of the Nanox System and the proposed pay-per-scan business model; (viii) Nanox's expectations regarding collaborations with third-parties and their potential benefits; (ix) Nanox's ability to conduct business globally; (x) changes in global, political, economic, business, competitive, market and regulatory forces; (xi) risks related to the recent wars between Israel and the United States, on the one hand, and Iran and its proxies, on the other hand, and any worsening of the situation in Israel; (xii) risks related to litigation, including the class action complaint filed against the Company, which may result in significant liability and damage to the Company's reputation; and (xiii) risks that the operational efficiency plan may not be implemented as expected or achieve its targeted expense reductions. 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 " *Item 3.D Risk Factors*" in Nanox's Annual Report on Form 20-F for the year ended December 31, 2025, and subsequent documents or reports of Nanox filed with, or furnished to, 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.

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

	September 30, 2026	December 31, 2025
	U.S. Dollars in thousands	
Assets		
CURRENT ASSETS:		
Cash and cash equivalents	26,206	49,151
Short-term deposits	-	10,459
Accounts receivables net of allowance for credit losses of $283 as of September 30, 2026, and $367 as of December 31, 2025, respectively	2,102	2,013
Inventories	3,559	3,070
Prepaid expenses	2,396	1,255
Other current assets	2,189	845
TOTAL CURRENT ASSETS	36,452	66,793
NON-CURRENT ASSETS:		
Restricted deposit	386	361
Property and equipment, net	31,357	29,677
Goodwill	316	316
Operating lease right-of-use asset	3,414	3,518
Intangible assets	13,569	59,868
Other non-current assets	2,246	1,632
TOTAL NON-CURRENT ASSETS	51,288	95,372
TOTAL ASSETS	87,740	162,165
Liabilities and Shareholders' Equity		
CURRENT LIABILITIES:		
Short-term loan	3,313	3,136
Accounts payable	1,737	2,886
Accrued expenses	3,920	4,224
Deferred revenue	559	534

Contingent long-term earnout liability	351	304
Current maturities of operating lease liabilities	1,116	950
Other current liabilities	3,434	4,854
TOTAL CURRENT LIABILITIES	14,430	16,888
NON-CURRENT LIABILITIES:		
Non-current operating lease liabilities	3,667	3,765
Non-current deferred revenue	28	17
Contingent long-term earnout liability	34	173
Deferred tax liability	317	600
Other long-term liabilities	417	990
TOTAL NON-CURRENT LIABILITIES	4,463	5,545
TOTAL LIABILITIES	18,893	22,433
COMMITMENTS AND CONTINGENCIES (Note 3)		
SHAREHOLDERS' EQUITY:		
Ordinary Shares, par value NIS 0.01 per share 150,000,000 and 100,000,000 authorized at September 30, 2026 and December 31, 2025, respectively, 78,747,008 and 69,590,228 issued and outstanding at September 30, 2026 and December 31, 2025, respectively	226	198
Additional paid-in capital	599,422	588,301
Accumulated deficit	(530,801)	(448,767)
TOTAL SHAREHOLDERS' EQUITY	68,847	139,732
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	87,740	162,165

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements

NANO-X IMAGING LTD.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(U.S. dollars in thousands except share and per share data)

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
REVENUE	12,908	9,302	4,441	3,447
COST OF REVENUE	19,566	18,473	5,532	6,329
COST OF REVENUE – IMPAIRMENT OF INTANGIBLE ASSETS	40,695	-	-	-
GROSS LOSS	(47,353)	(9,171)	(1,091)	(2,882)
OPERATING EXPENSES:				
Research and development, net	13,476	14,398	3,971	4,586
Sales and marketing	5,747	3,666	1,683	1,488
General and administrative	16,013	15,541	5,329	5,276
Change in contingent earnout liability	36	-	9	-
Other expenses (income), net	(526)	40	(19)	3
TOTAL OPERATING EXPENSES	34,746	33,645	10,973	11,353
OPERATING LOSS	(82,099)	(42,816)	(12,064)	(14,235)
FINANCIAL INCOME (EXPENSES), net	(4)	1,073	(312)	457
OPERATING LOSS BEFORE INCOME TAXES	(82,103)	(41,743)	(12,376)	(13,778)
INCOME TAX BENEFIT	69	98	94	94
NET LOSS	(82,034)	(41,645)	(12,282)	(13,684)
BASIC AND DILUTED LOSS PER SHARE	(1.15)	(0.65)	(0.16)	(0.21)
Weighted average number of basic and diluted ordinary shares outstanding (in thousands)	71,536	64,025	74,980	64,324
Net Loss	(82,034)	(41,645)	(12,282)	(13,684)

Other comprehensive income (loss):				
Unrealized gain (loss) from marketable securities	-	1	-	(1)
Total other comprehensive income (loss):	-	1	-	(1)
Total comprehensive loss	(82,034)	(41,644)	(12,282)	(13,685)

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements

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 loss	Accumulated deficit	Total
	Number of shares	Amount				
			U.S. Dollars in thousands			
BALANCE AT JANUARY 1, 2026	69,590,228	198	588,301	-	(448,767)	139,732
Changes during the period:						
Issuance of ordinary shares, net of issuance expenses **	8,685,670	27	7,814	-	-	7,841
Issuance of ordinary shares upon exercise of RSUs	21,110	*	-	-	-	*
Issuance of ordinary shares per settlement with a shareholder	450,000	1	777	-	-	778
Share-based compensation	-	-	2,530	-	-	2,530
Net loss for the period	-	-	-	-	(82,034)	(82,034)
BALANCE AT SEPTEMBER 30, 2026	78,747,008	226	599,422	-	(530,801)	68,847

	Ordinary shares		Additional paid-in capital	Accumulated other comprehensive loss	Accumulated deficit	Total
	Number of shares	Amount				
			U.S. Dollars in thousands			
BALANCE AT JANUARY 1, 2025	63,762,001	181	562,688	(1)	(373,749)	189,119
Changes during the period:						
Issuance of ordinary shares, net of issuance expenses **	1,420,903	4	5,691	-	-	5,695
Issuance of ordinary shares upon exercise of RSUs	9,735	*	-	-	-	*
Issuance of ordinary shares upon exercise of options	74,027	*	163	-	-	163
Issuance of ordinary shares due the settlement of contingent earnout	116,226	*	-	-	-	*
Share-based compensation	-	-	3,376	-	-	3,376
Unrealized gain from marketable securities	-	-	-	1	-	1
Net loss for the period	-	-	-	-	(41,645)	(41,645)
BALANCE AT SEPTEMBER 30, 2025	65,382,892	185	571,918	-	(415,394)	156,709

* Less than $1.

** Issuance expenses totaled to $755.

	Ordinary shares		Additional paid-in capital	Accumulated other comprehensive deficit	Accumulated deficit	Total
	Number of shares	Amount				
			U.S. Dollars in thousands			
BALANCE AT JULY 1, 2026	70,061,338	199	590,788	-	(518,519)	72,468
Changes during the period:						

Issuance of ordinary shares, net of issuance expenses **	8,685,670	27	7,814	-	-	7,841
Issuance of ordinary shares upon exercise of RSUs	-	-	-	-	-	-
Share-based compensation	-	-	820	-	-	820
Net loss for the period	-	-	-	-	(12,282)	(12,282)
BALANCE AT SEPTEMBER 30, 2026	78,747,008	226	599,422	-	(530,801)	68,847

	Ordinary shares		Additional paid-in capital	Accumulated other comprehensive deficit	Accumulated deficit	Total
	Number of shares	Amount				
	U.S. Dollars in thousands					
BALANCE AT JULY 1, 2025	63,939,620	181	565,086	1	(401,710)	163,558
Changes during the period:						
Issuance of ordinary shares, net of issuance expenses **	1,420,903	4	5,691	-	-	5,695
Issuance of ordinary shares upon exercise of RSUs	3,245	*	-	-	-	*
Issuance of ordinary shares upon exercise of options	19,124	*	42	-	-	42
Unrealized (loss) from marketable securities	-	-	-	(1)	-	(1)
Share-based compensation	-	-	1,099	-	-	1,099
Net loss for the period	-	-	-	-	(13,684)	(13,684)
BALANCE AT SEPTEMBER 30, 2025	65,382,892	185	571,918	-	(415,394)	156,709

* Less than $1.

** Issuance expenses totaled to $755.

NANO-X IMAGING LTD.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(U.S. dollars in thousands)

	Nine Months Ended September 30,	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss for the period	(82,034)	(41,645)
Adjustments required to reconcile net loss to net cash used in operating activities:		
Share-based compensation	2,530	3,376
Amortization of intangible assets	5,604	7,959
Impairment of Intangible assets	40,695	-
Change in contingent earnout liability	35	-
Exchange rate differentials	(10)	186
Depreciation	960	891
Deferred tax liability, net	(283)	(283)
Amortization of premium, discount and accrued interest on marketable securities	-	108
Interest on long-term deposits	-	(354)
Interest on short-term deposits	(92)	-
Loss from disposal of property and equipment	-	71
Changes in Operating Assets and Liabilities:		
Accounts receivable	(89)	(132)
Change in inventories	(2,113)	(23)
Prepaid expenses and other current assets	(2,502)	654
Other non-current assets	612	30
Accounts payable	(1,811)	(852)
Operating lease assets and liabilities	172	493
Accrued expenses and other liabilities	(947)	(1,257)
Deferred Revenue	36	133

Other long-term liabilities	(573)	266
Net cash used in operating activities	(39,810)	(30,379)
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES:		
Purchase of property and equipment	(1,564)	(3,319)
Short-term deposits	10,551	15,500
Proceeds from maturity of marketable securities	-	18,295
Net cash provided by investing activities	8,987	30,476
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment due to settlement of contingent earnout liabilities	(127)	-
Proceeds from issuance of ordinary shares, net of issuance costs	7,841	5,695
Proceeds from issuance of ordinary shares upon exercise of options	-	163
Net cash provided by financing activities	7,714	5,858
EFFECT OF CHANGES IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS	164	(73)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(22,945)	5,882
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	49,151	39,304
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	26,206	45,186
SUPPLEMENTARY INFORMATION ON ACTIVITIES INVOLVING CASH FLOWS		
Cash paid for interest	99	103
Cash paid for income taxes	212	184
SUPPLEMENTARY INFORMATION ON ACTIVITIES NOT INVOLVING CASH FLOWS -		
Operating lease liabilities arising from obtaining operating right-of use assets	257	131
Non-cash purchase of property and equipment	48	54

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements

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 (loss), non-GAAP gross profit (loss) margin, non-GAAP research and development expenses, net, 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, share-based compensation expenses, expenses related to an offering and legal fees expenses in connection with class-action litigation. 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)

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
GAAP net loss attributable to ordinary shares	82,034	41,645	12,282	13,684
Non-GAAP adjustments:				
Add: Settlement with a shareholder	(482)	-	-	-
Less: Impairment of intangible assets	40,695	-	-	-
Less: Class-action litigation and SEC investigation	278	33	263	-
Less: Change in contingent earnout liability	35	-	9	-
Less: Amortization of intangible assets	5,604	7,959	595	2,653
Less: Share-based compensation	2,530	3,376	820	1,099
Non-GAAP net loss attributable to ordinary shares	33,374	30,277	10,595	9,932
BASIC AND DILUTED LOSS PER SHARE	0.47	0.47	0.14	0.15

WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES (in thousands)	71,536	64,025	74,980	64,324

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

GAAP cost of revenue	60,261	18,473	5,532	6,329
Non-GAAP adjustments:				
Impairment of intangible assets	40,695	-	-	-
Amortization of intangible assets	5,274	7,668	486	2,556
Share-based compensation	109	143	34	37
Non-GAAP cost of revenue	14,183	10,662	5,012	3,736

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

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
GAAP gross loss	(47,353)	(9,171)	(1,091)	(2,882)
Non-GAAP adjustments:				
Impairment of intangible assets	40,695	-	-	-
Amortization of intangible assets	5,274	7,668	486	2,556
Share-based compensation	109	143	34	37
Non-GAAP gross loss	(1,275)	(1,360)	(571)	(289)

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

GAAP gross loss margin	(367)%	(99)%	(25)%	(84)%
Non-GAAP adjustments:				
Impairment of intangible assets	315%	-%	-%	-%
Amortization of intangible assets	41%	82%	11%	75%
Share-based compensation	1%	2%	1%	1%
Non-GAAP gross loss margin	(10)%	(15)%	(13)%	(8)%

Reconciliation of GAAP research and development, expenses, net to Non-GAAP research and development expenses, net (U.S. dollars in thousands)

GAAP research and development expenses, net	13,476	14,398	3,971	4,586
Non-GAAP adjustments:				
Share-based compensation	671	1,015	239	323
Non-GAAP research and development expenses, net	12,805	13,383	3,732	4,263

Reconciliation of GAAP sales and marketing expenses to Non-GAAP sales and marketing expenses (U.S. dollars in thousands)

GAAP sales and marketing expenses	5,747	3,666	1,683	1,488
Non-GAAP adjustments:				
Amortization of intangible assets	331	291	110	97
Share-based compensation	358	263	126	91
Non-GAAP sales and marketing expenses	5,058	3,112	1,447	1,300

Reconciliation of GAAP general and administrative expenses to Non-GAAP general and administrative expenses (U.S. dollars in thousands)

GAAP general and administrative expenses	16,013	15,541	5,329	5,276
Non-GAAP adjustments:				
Class-action litigation and SEC investigation	278	33	263	-
Share-based compensation	1,392	1,955	421	648
Non-GAAP general and administrative expenses	14,343	13,553	4,645	4,628

A photo accompanying this announcement is available at https://www.globenewswire.com/NewsRoom/AttachmentNg/844b62ef-5cc4-444d-a707-a0262cbd1373

Source: Nano-X Imaging Ltd

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