UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
under the Securities Exchange Act of 1934

For the month of: November 2025

Commission file number: 001-36578

ENLIVEX THERAPEUTICS LTD.
(Translation of registrant's name into English)

14 Einstein Street, Nes Ziona, Israel 7403618
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Financial Statements

The unaudited condensed consolidated financial statements for Enlivex Therapeutics Ltd., a company organized under the laws of the State of Israel ("Enlivex"), as of and for the three and nine month periods ended September 30, 2025 and 2024, and the Operating and Financial Review and Prospects of Enlivex for the corresponding periods are furnished as Exhibit 99.1 and Exhibit 99.2, respectively, to this Report on Form 6-K and incorporated by reference into Enlivex's registration statements on Forms S-8, F-3 and F-3MEF (File No. 333-256799, File No. 333-232413, File No. 333-232009, File No. 333-252926 and File No. 333-286956), filed with the Securities and Exchange Commission.

Exhibit No.

99.1	Unaudited condensed consolidated financial statements for Enlivex as of September 30, 2025 and December 31, 2024 and for the three and nine month periods ended September 30, 2025 and 2024.
99.2	Operating and Financial Review and Prospects as of and for the three and nine month periods ended September 30, 2025 and 2024.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Enlivex Therapeutics Ltd.
(Registrant)

By: /s/ Oren Hershkovitz
Name: Oren Hershkovitz
Title: Chief Executive Officer

Date: November 14, 2025

Exhibit 99.1

ENLIVEX THERAPEUTICS LTD.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2025 AND DECEMBER 31, 2024
AND FOR THE THREE AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025 AND 2024

ENLIVEX THERAPEUTICS LTD.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2025 AND DECEMBER 31, 2024
AND FOR THE THREE AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025 AND 2024

INDEX TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

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

	September 30, 2025	December 31, 2024
ASSETS		
Current Assets		
Cash and cash equivalents	$ 4,083	$ 3,301
Short-term interest-bearing deposits	14,120	20,195
Prepaid expenses and other receivables	1,289	2,299
Assets classified as held for sale	6	198
Total Current Assets	19,498	25,993
Non-Current Assets		
Property and equipment, net	429	625
Other assets	1,011	1,069
Total Non-Current Assets	1,440	1,694
TOTAL ASSETS	$ 20,938	$ 27,687
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable trade	$ 375	$ 811
Accrued expenses and other liabilities	2,656	2,846
Liability classified as held for sale	-	142
Total Current Liabilities	3,031	3,799
Non-Current Liabilities		
Other long-term liabilities	426	299
Total Non-Current Liabilities	426	299
Commitments and Contingent Liabilities		
TOTAL LIABILITIES	3,457	4,098
SHAREHOLDERS' EQUITY		
Ordinary shares of NIS 0.40 par value: Authorized: 45,000,000 shares as of September 30, 2025 and December 31, 2024; Issued and outstanding: 24,292,833 and 23,650,989 as of September 30, 2025 and December 31, 2024, respectively;	2,760	2,685
Additional paid in capital	148,252	146,910
Foreign currency translation adjustments	1,101	1,101
Accumulated deficit	(134,632)	(127,107)
TOTAL SHAREHOLDERS' EQUITY	17,481	23,589
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 20,938	$ 27,687

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

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS (UNAUDITED)

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

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	**2024**	**2025**	**2024**
Revenues	$ -	$ -	$ -	$ -
Operating expenses:				
Research and development expenses	1,484	2,348	6,175	7,204
General and administrative expenses	1,073	771	2,964	2,851
Loss on disposal group of assets held for sale	-	-	29	201
	2,557	3,119	9,168	10,256
Operating loss	(2,557)	(3,119)	(9,168)	(10,256)
Finance income (expenses), net	352	517	1,643	418
Net loss	(2,205)	(2,602)	(7,525)	(9,838)
Basic & diluted loss per share	$ (0.09)	$ (0.12)	$ (0.31)	$ (0.50)
Weighted average number of shares outstanding	24,045,560	21,278,081	23,898,093	19,855,137

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)

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

	Ordinary Shares		Additional paid in capital	Accumulated other comprehensive income	Accumulated deficit	Total
	Shares	Amount				
Balance as of December 31, 2024	23,650,989	$ 2,685	$ 146,910	$ 1,101	$ (127,107)	$ 23,589
Changes during the three-month period ended March 31, 2025:						
Restricted stock units vested	34,290	4	(4)	-	-	-
Issuance of shares for cash consideration of $203 net of $6 issuance costs	164,656	18	179	-	-	197
Share based compensation	-	-	293	-	-	293
Net loss	-	-	-	-	(3,452)	(3,452)
Balance as of March 31, 2025	23,849,935	2,707	147,378	1,101	(130,559)	20,627
Changes during the three-month period ended June 30, 2025:						
Restricted stock units vested	8,366	1	(1)	-	-	-
Share based compensation	-	-	295	-	-	295
Net loss	-	-	-	-	(1,868)	(1,868)
Balance as of June 30, 2025	23,858,301	$ 2,708	$ 147,672	$ 1,101	$ (132,427)	$ 19,054
Changes during the three-month period ended September 30, 2025:						
Restricted stock units vested	119,042	14	(14)			-
Issuance of shares for cash consideration of $447 net of $95 issuance costs	315,490	38	314			352
Share based compensation			280			280
Net loss					(2,205)	(2,205)
Balance as of September 30, 2025	24,292,833	2,760	148,252	1,101	(134,632)	17,481

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED) (cont.)

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

	Ordinary Shares		Additional paid in capital	Accumulated other comprehensive income	Accumulated deficit	Total
	Shares	Amount				
Balance as of December 31, 2023	18,598,555	$ 2,137	$ 138,939	$ 1,101	$ (112,093)	$ 30,084
Changes during the three-month period ended March 31, 2024:						
Restricted stock units vested	34,295	3	(3)	-	-	-
Issuance of shares for cash consideration of 540 net of $16 issuance costs	178,931	20	504	-	-	524
Stock based compensation	-	-	383	-	-	383
Net loss	-	-	-	-	(4,140)	(4,140)
Balance as of March 31, 2024 (unaudited)	18,811,781	2,160	139,823	1,101	(116,233)	26,851
Changes during the three-month period ended June 30, 2024:						
Issuance of shares for cash consideration of $5,001 net of $582 issuance costs	2,061,776	224	4,195	-	-	4,419
Restricted stock units vested	9,755	1	(1)	-	-	-
Stock based compensation	-	-	388	-	-	388
Net loss	-	-	-	-	(3,096)	(3,096)
Balance as of June 30, 2024 (unaudited)	20,883,312	$ 2,385	$ 144,405	$ 1,101	$ (119,329	$ 28,562
Changes during the three-month period ended September 30, 2024:						
Issuance of shares for cash consideration of $304 net of $9 of issuance costs	159,401	17	278	-	-	295
Restricted stock units vested	55,939	6	(6)	-	-	-
Exercise of options	-	-	-	-	-	-
Exercise of Warrants	860,429	91	(90)	-	-	1
Receivables from sale of stock (*)	30,455	3	(49)	-	-	(46)
Stock based compensation	-	-	377	-	-	377
Net loss	-	-	-	-	(2,602)	(2,602)
Balance as of September 30, 2024 (unaudited)	21,989,536	$ 2,502	$ 144,915	$ 1,101	$ (121,931)	$ 26,587

(*) Receivables from sale of stock were paid in cash on October 1, 2024.

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

U.S. dollars in thousands

	For the nine months ended September 30,	
	2025	**2024**
Cash flows from operating activities		
Net loss	$ (7,525)	$ (9,838)
Adjustments required to reflect net cash used in operating activities:		
Income and expenses not involving cash flows:		
Depreciation	256	509
Capital loss (gain) on sale of property and equipment	1	(79)
(Income) loss on short-term bank deposits	(1,139)	1,002
Loss (gain) on assets and liabilities classified as held for sale	21	(66)
Non-cash operating lease expenses	202	289
Share-based compensation	868	1,148
Changes in operating assets and liability items:		
Decrease in prepaid expenses and other receivables	352	434
Decrease in accounts payable trade	(436)	(735)
Decrease in accrued expenses and other liabilities	(230)	(1,302)
Operating lease liabilities	(160)	(286)
Net cash used in operating activities	(7,790)	(8,924)
Cash flows from investing activities		
Purchase of property and equipment	(60)	(68)
Proceeds from sale of property and equipment	1	177
Proceeds from sale of assets as held for sale	902	1,820
Investment in short-term interest-bearing bank deposits	(23,269)	(31,222)
Release of short-term interest-bearing bank deposits	30,483	34,994
Net cash provided by investing activities	8,057	5,701
Cash flows from financing activities		
Proceeds from issuance of shares and warrants, net	549	5,193
Net cash provided by financing activities	549	5,193
(Decrease) increase in cash and cash equivalents	816	1,970
Cash and cash equivalents - beginning of period	3,731	1,226
Cash and cash equivalents - end of period	$ 4,547	$ 3,196
Supplemental disclosures of cash flow information:		
Cash paid for taxes	$ -	$ -
Cash received for interest	$ 999	$ 1,336

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

NOTE 1 - GENERAL INFORMATION

a. General

Enlivex Therapeutics Ltd. (including its consolidated subsidiaries, "we", "us", "our" or the "Company") was originally incorporated on January 22, 2012 under the laws of the State of Israel.

The Company is a clinical stage macrophage reprogramming immunotherapy company, developing Allocetra™, a universal, off-the-shelf cell therapy designed to reprogram macrophages into their homeostatic state. Resetting non-homeostatic macrophages into their homeostatic state is critical for immune system rebalancing and resolution of debilitating and life-threatening conditions. Non-homeostatic macrophages contribute significantly to the severity of certain diseases, which include osteoarthritis, sepsis and others.

Allocetra™ is based on the discoveries of Professor Dror Mevorach, an expert on immune activity, macrophage activation and clearance of dying (apoptotic) cells, in his laboratory in the Hadassah University Hospital located in the State of Israel.

The Company's ordinary shares, par value of NIS 0.40 per share ("Ordinary Shares"), are traded under the symbol "ENLV" on both the Nasdaq Capital Market and the Tel Aviv Stock Exchange.

On August 18, 2025, the Company announced positive three-month topline data from its multi-country, randomized, controlled, phase I/II trial evaluating Allocetra™ in patients with moderate-to-severe knee osteoarthritis. The data showed:

i. In the overall modified intention-to-treat (mITT) population, improvements across all efficacy and secondary endpoints, including 24% reduction in knee pain and 26% improvement in knee function, were observed in the Allocetra™ treatment arm vs placebo; moreover, 72% reduction in knee pain and 95% improvement in knee function were observed for age-related primary osteoarthritis patients compared with placebo – a substantial, clinically meaningful and statistically significant effect in commonly used Phase III primary endpoints for knee osteoarthritis clinical trials; and

ii. Favorable safety profile – No serious adverse events; limited, typically mild to moderate, transient, and treatable side effects occurred in most patients treated with Allocetra™.

b. Financial Resources

The Company devotes substantially all of its efforts toward research and development activities and raising capital to support such activities. The Company's activities are subject to significant risks and uncertainties, including failing to secure additional funding before the Company achieves sustainable revenues and profit from operations.

Research and development activities have required significant capital investment since the Company's inception. The Company expects that its operations will require additional cash investment to pursue the Company's research and development activities, including preclinical studies, formulation development, clinical trials and related drug manufacturing. Since its inception, the Company has not generated any revenues or product sales and has not achieved profitable operations or positive cash flow from operations. The Company has incurred net losses since its inception and, as of September 30, 2025, had an accumulated deficit of $134,632 thousand.

The Company expects to continue to incur losses for at least the next several years, and the Company will need to raise additional debt or equity financing or enter into partnerships to fund its development. If the Company is not able to achieve its funding requirements, it may be required to reduce discretionary spending, may not be able to continue the development of its product candidates and may be required to delay its development programs, which could have a material adverse effect on the Company's ability to achieve its intended business objectives. There can be no assurances that additional financing will be secured or, if secured, will be on favorable terms. The ability of the Company to transition to profitability in the longer term is dependent on developing products and product revenues to support its expenses.

The Company's management and board of directors (the "Board") are of the opinion that the Company's current financial resources will be sufficient to continue the development of the Company's product candidates for at least twelve months from the filing of these financial statements on Form 6-K. The Company may determine, however, to raise additional capital during such period as the Board deems prudent. The Company's management plans to finance its operations with issuances of the Company's equity securities and, in the longer term, revenues. There are no assurances, however, that the Company will be successful in obtaining the financing necessary for its long-term development. The Company's ability to continue to operate in the long term is dependent upon additional financial support.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These unaudited condensed consolidated financial statements include the accounts of the Company and have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") for interim financial information. Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been made.

These unaudited condensed consolidated financial statements should be read in conjunction with the Company's audited annual financial statements and notes thereto included in the Company's 2024 Annual Report on Form 20-F, as filed with the U.S. Securities and Exchange Commission on April 30, 2025. The results of operations for the interim periods presented herein are not necessarily indicative of the operating results for any future period. The December 31, 2024 financial information has been derived from the Company's audited financial statements.

Use of Estimates

The preparation of interim financial statements in conformity with U.S. GAAP requires management to make certain estimates, judgments and assumptions that affect the reported amounts in the consolidated balance sheets and statements of operations, it also requires that management exercise its judgment in applying the Company's accounting policies. On an ongoing basis, management evaluates its estimates, including estimates related to its stock-based compensation expense and implicit interest rates on new lease liabilities. Significant estimates in these interim financial statements include estimates made for accrued research and development expenses and stock-based compensation expenses.

Functional Currency and Translation to The Reporting Currency

The functional currency of the Company is the U.S. dollar because the U.S. dollar is the currency of the primary economic environment in which the Company operates and expects to continue to operate for the foreseeable future.

Balances related to non-monetary assets and liabilities are based on translated amounts as of the date of the change, and non-monetary assets acquired and liabilities assumed were translated at the approximate exchange rate prevailing at the date of the transaction. Transactions included in the statement of income were translated at the approximate exchange rate in effect at the time of the applicable transaction.

1 U.S. dollar = 3.306 NIS and 3.647 NIS as of September 30, 2025 and December 31, 2024, respectively.

The U.S. dollar (decreased) increased against the NIS)1.96)%, (9.35)%, (1.30)% and 2.28% during the three and nine-month periods ended September 30, 2025 and 2024, respectively.

Recently Adopted Accounting Standards

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which is intended to provide enhancements to annual income tax disclosures. The standard will require more detailed information in the rate reconciliation table and for income taxes paid, among other enhancements. The standard is effective for years beginning after December 15, 2024, early adoption is permitted. The Company is currently evaluating the effect of adopting this guidance on its annual consolidated financial statements.

In March 2024, the FASB issued ASU 2024-01, Compensation – Stock Compensation (Topic 718) – Scope application of profit interest and similar awards, which clarifies how an entity determines whether a profits interest or similar award is within the scope of Topic 718 or if it is not a share-based payment arrangement and therefore within the scope of other guidance. ASU 2024-01 is effective for annual periods beginning after December 15, 2024, and interim periods within those annual periods. The adoption of this guidance did not have a significant impact on our financial statements, and the Company does not expect this guidance to have a material impact prospectively.

Recently Issued Accounting Pronouncements Not Yet Adopted

In November 2024, the FASB issued ASU No. 2024-03, Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40) ("ASU No. 2024-03"), which requires disaggregated disclosure of income statement expenses for public business entities. The ASU does not change the expense captions an entity presents on the face of the income statement; rather, it requires disaggregation of certain expense captions into specified categories in disclosures within the footnotes to the financial statements. For public business entities, it is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted.

The amendments in this ASU should be applied prospectively, however, public business entities are permitted to apply the amendments in the ASU retrospectively, The Company is currently evaluating the impact of the adoption of this standard on its consolidated financial statements.

Significant Accounting Policies

There have been no material changes to the significant accounting policies previously disclosed in the Company's Annual Report on Form 20-F for the year ended December 31, 2024.

NOTE 3 – CASH, CASH EQUIVALENTS AND RESTRICTED CASH

(in thousands)	September 30, 2025	December 31, 2024
Cash held in banks	$ 4,083	$ 2,257
Bank deposits in EUR with original maturities of three months or less (average annual interest rate 3.16%)	-	1,044
Total cash and cash equivalents	4,083	3,301
Restricted cash – current – Prepaid expenses and other receivables	113	113
Restricted cash – noncurrent – Other assets	351	317
Total cash, cash equivalents and restricted cash shown in the statement of cash flows	$ 4,547	$ 3,731

NOTE 4 – SHORT TERM DEPOSITS

(in thousands)	September 30, 2025	December 31, 2024
Bank deposits in U.S.$ (average annual interest rates 5.084% and 5.863%)	$ 8,620	$ 9,259
Bank deposits in NIS (average annual interest rates 4.476% and 4.410%)	5,500	10,936
Total short-term deposits	$ 14,120	$ 20,195

NOTE 5 – PREPAID EXPENSES AND OTHER RECEIVABLES

(in thousands)	September 30, 2025	December 31, 2024
Prepaid expenses	$ 530	$ 884
Tax authorities	79	68
Receivables on account of assets sold	567	1,234
Others	113	113
	$ 1,289	$ 2,299

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment, net consists of the following:

(in thousands)	September 30, 2025	December 31, 2024
Cost:		
Laboratory equipment	$ 2,077	$ 2,094
Computers	520	462
Office furniture & equipment	124	124
Leasehold improvements	947	947
Total cost	3,668	3,627
Accumulated depreciation:		
Laboratory equipment	2,038	1,969
Computers	389	328
Office furniture & equipment	46	40
Leasehold improvements	766	665
Total accumulated depreciation	3,239	3,002
Depreciated cost	$ 429	$ 625

Depreciation expenses for the three and nine-month periods ended September 30, 2025 and 2024 were $81, $256, $161 and $509 thousand, respectively.

NOTE 7 – OTHER ASSETS

(in thousands)	September 30, 2025	December 31, 2024
Restricted cash	$ 351	$ 317
Receivables on account of assets sold	-	206
Long Term Deposit	8	8
Long-term prepaid expenses	-	10
Right-of-Use assets, net	652	528
	$ 1,011	$ 1,069

NOTE 8 – ACCRUED EXPENSES AND OTHER LIABILITIES

(in thousands)	September 30, 2025	December 31, 2024
Vacation, convalescence and bonus accruals	$ 1,441	$ 1,407 1
Employees and payroll related	338	279
Short term operating lease liabilities	275	235
Accrued expenses and other	602	925
	$ 2,656	$ 2,846

NOTE 9 – LEASES

The Company is a party to operating leases for its corporate offices, laboratory space, plant space and vehicles.

(in thousands)	Nine months ended September 30, 2025	2024
The components of lease expense were as follows:		
Operating leases expenses	$ 232	$ 327
Supplemental consolidated cash flow information related to operating leases follows:		
Cash used in operating activities	$ 245	$ 310
Non-cash activity:		
Right of use assets obtained in exchange for new operating lease liabilities	$ 331	$ 25

(in thousands)	September 30, 2025	December 31, 2024
Supplemental information related to operating leases, including location of amounts reported in the accompanying consolidated balance sheets, follows:		
Other assets - Right-of-Use assets	$ 1,108	$ 1,176
Accumulated amortization	456	648
Operating lease Right-of-Use assets, net	$ 652	$ 528
Lease liabilities – current - Accounts payable and accrued liabilities	$ 275	$ 235
Lease liabilities – noncurrent	426	299
Total operating lease liabilities	$ 701	$ 534
Weighted average remaining lease term in years	2.35	2.85
Weighted average annual discount rate	8.5%	8.5%

Maturities of operating lease liabilities as of September 30, 2025, were as follows:	
2025 (after September 30)	90
2026	264
2027	257
2028	182
Total undiscounted lease liability	793
Less: Imputed interest	(92)
Present value of lease liabilities	$ 701

NOTE 10 – COMMITMENTS AND CONTINGENT LIABILITIES

The Company is required to pay royalties to the State of Israel (represented by the Israeli Innovation Authority (the "IIA")), computed on the basis of proceeds from the sale or license of products for which development was supported by IIA grants. These royalties are generally 3% - 5% of sales until repayment of 100% of the grants (linked to the dollar) received by the Company plus annual interest at a SOFR-based rate.

The gross amount of grants received by the Company from the IIA, including accrued interest, as of September 30, 2025 was approximately $9.96 million. As of September 30, 2025, the Company had not paid any royalties to the IIA.

NOTE 11 – EQUITY

a) All Company warrants are classified as a component of shareholders' equity because such warrants are free standing financial instruments that are legally detachable, separately exercisable, do not embody an obligation for the Company to repurchase its own shares, permit the holders to receive a fixed number of Ordinary Shares upon exercise, require physical settlement and do not provide any guarantee of value or return.

	Number of Warrants		Weighted average exercise price
Outstanding January 1, 2025	7,645,109	$	2.01
Forfeited and expired	(22,750)	$	10.00
Outstanding and exercisable September 30, 2025	7,622,359	$	1.98

Set forth below is data regarding the exercise prices and expiration dates for warrants outstanding at September 30, 2025:

Number of Warrants		Exercise Price Per Share	Issuance date	Expiration date
160,727	$	25.00	February 12, 2021	February 9, 2026
18,774	$	25.00	February 17, 2021	February 9, 2026
3,571,429	$	1.40	May 29, 2024	October 17, 2025 (i)
3,571,429	$	1.40	May 29, 2024	November 29, 2029 (ii)
125,000	$	1.75	May 29, 2024	October 17, 2025 (i)
125,000	$	1.75	May 29, 2024	May 27, 2029 (iii)
25,000	$	3.25	November 26, 2024	February 2, 2027
25,000	$	4.25	November 26, 2024	February 2, 2027
7,622,359				

(i) Series A warrants that provided that the expiration date shall be the earlier of 18 months following the issuance date and 60 days following the Company's public announcement of positive topline results from the ENX-CL-05-001 trial of Allocetra™ for the treatment of moderate-to-severe knee osteoarthritis. As a result of the Company's announcement of the three-month topline data from its multi-country, randomized, controlled, phase I/II trial evaluating Allocetra™ in patients with moderate-to-severe knee osteoarthritis on August 18, 2025, the expiration date of the Series A warrants issued to investors and the placement agent in connection with the Company's May 2024 registered direct offering became fixed at October 17, 2025.

(ii) The earlier of (a) November 29, 2029 and (b) the 60th day following the Company's public announcement of its filing with the U.S. Food and Drug Administration for approval for Allocetra™'s osteoarthritis related indication (the "Series B Milestone Event").

(iii) The earlier of (a) May 27, 2029 and (b) the 60th day following the Series B Milestone Event.

b) During the nine months ended September 30, 2025 and 2024 the Company issued 480,146 and 370,563 Ordinary Shares under its ATM agreement, dated December 30, 2022, with Cantor Fitzgerald & Co. and JMP Securities LLC (the "ATM Agreement"), for gross consideration of $649 and $825, net of $101 and $25 of issuance expenses, respectively.

NOTE 12 – SHARE-BASED COMPENSATION

a) As of September 30, 2025, 6,900,704 Ordinary Shares were authorized for issuance to employees, directors and consultants under the 2019 Equity Incentive Plan, of which 2,176,424 shares were available for future grant.

b) The following tables contain information concerning options granted under the existing equity incentive plans:

	Three months ended September 30,			
	2025		2024	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at beginning of period	2,871,306	$ 5.38	2,985,703	$ 5.41
Granted	-	$ -	15,000	$ 1.42
Forfeited and expired	(750)	$ 3.21	(8,202)	$ 5.95
Outstanding at end of period	2,870,556	$ 5.38	2,992,501	$ 5.39
Exercisable at end of period	2,396,405	$ 5.40	2,218,950	$ 5.66
Non-vested at beginning of period	477,901	$ 4.46	758,551	$ 4.68
Granted	-	$ -	15,000	$ 1.42
Vested	(3,750)	$ 1.42	-	$ -
Forfeited	-	$	-	$ -
Non-vested at the end of period	474,151	$ 4.48	773,551	$ 4.61

	Nine months ended September 30,			
	2025		2024	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at beginning of period	2,898,015	$ 5.37	2,842,496	$ 5.63
Granted	-	$ -	265,000	$ 3.11
Forfeited and expired	(27,459)	$ 4.22	(114,995)	$ 6.00
Outstanding at end of period	2,870,556	$ 5.38	2,992,501	$ 5.39
Exercisable at end of period	2,396,405	$ 5.40	2,218,950	$ 5.66
Non vested at beginning of period	582,967	$ 4.38	596,503	$ 5.53
Granted	-	$ -	265,000	$ 3.11
Forfeited and expired	(15,441)	$ 3.65	(24,313)	$ 5.04
vested	(93,375)	$ 3.96	(63,639)	$ 6.82
Non-vested at end of period	474,151	$ 4.48	773,551	$ 4.61

During the three and nine-month periods ended September 30, 2025 and 2024, the Company recognized $104, $316, $222 and $682 thousand, respectively, of share-based compensation expenses related to stock options.

As of September 30, 2025, the total unrecognized estimated compensation cost related to outstanding non-vested stock options was $281 thousand, which is expected to be recognized over a weighted average period of 0.83 years.

Set forth below is data regarding the range of exercise prices and remaining contractual life for all options outstanding at September 30, 2025:

Exercise price	Number of options outstanding	Remaining contractual Life (in years)	Intrinsic Value of Options Outstanding (in thousands)	No. of options exercisable
$ 1.42	15,000	8.75	$ -	3,750
$ 2.69	90,304	1.43	-	90,304
$ 2.69	557,738	8.26	-	557,738
$ 3.21	211,000	8.38	-	52,750
$ 3.53	53,192	8.09	-	13,298
$ 3.66	250,000	4.59	-	250,000
$ 4.68	29,000	4.5	-	29,000
$ 5.34	144,500	6.5	-	108,375
$ 5.34	440,719	7.13	-	287,087
$ 5.97	150,000	7.13	-	75,000
$ 6.22	147,536	0.72	-	147,536
$ 6.22	331,626	8.26	-	331,626
$ 8.19	150,000	8.26	-	150,000
$ 9.02	40,500	5.12	-	40,500
$ 10.12	2,421	3.12	-	2,421
$ 10.12	6,050	8.26	-	6,050
$ 12.23	250,000	5.66	-	250,000
$ 21.40	970	8.40	-	970
	2,870,556		$ -	2,396,405

c) The following table contains information concerning restricted stock units granted under the 2019 Equity Incentive Plan:

	Three months ended September 30,			
	2025		2024	
	Number of shares	Weighted average grant date fair value	Number of shares	Weighted average grant date fair value
Nonvested at beginning of period	1,164,440	$ 1.47	562,259	$ 2.59
Granted	-	-	308,829	$ 1.26
Vested	(119,042)	$ 1.98	(55,939)	$ 1.13
Forfeited	-	$	-	$ -
Nonvested at end of period	1,045,398	$ 1.41	815,149	$ 2.06

	Nine months ended September 30,			
	2025		2024	
	Number of shares	Weighted average grant date fair value	Number of shares	Weighted average grant date fair value
Nonvested at beginning of period	1,234,572	$ 1.77	621,135	$ 3.14
Granted	-	-	308,829	$ 1.26
Vested	(161,698)	$ 4.03	(99,989)	$ 6.07
Forfeited	(27,476)	$ 1.89	(14,826)	$ 3.64
Nonvested at end of period	1,045,398	$ 1.41	815,149	$ 2.06

The Company estimates the fair value of restricted stock units based on the closing sales price of the Ordinary Shares on the date of grant (or the closing bid price, if no sales were reported).

For the three and nine-month periods ended September 30, 2025 and 2024, the Company recognized $176, $552, $155 and $466 thousand, respectively, of share-based compensation expense related to restricted stock units.

Total share-based compensation expense related to restricted stock units not yet recognized as of September 30, 2025 was $698 thousand, which is expected to be recognized over a weighted average period of 0.77 years.

d) The following table summarizes share-based compensation expenses included in the statements of operations related to grants under the 2019 Equity Incentive Plan:

	Three months ended September 30,		Nine months ended September 30,	
(in thousands)	2025	2024	2025	2024
Research & development	$ 70	$ 162	$ 316	$ 431
General & administrative	210	215	552	717
Total	$ 280	$ 377	$ 868	$ 1,148

NOTE 13 – FAIR VALUE MEASUREMENT

The Company's financial assets and liabilities measured at fair value on a recurring basis consisted of the following types of instruments as of September 30, 2025 and December 31, 2024:

	September 30, 2025			
(in thousands)	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 4,083	$ 4,083	$ -	$ -
Short term deposits	14,120	14,120	-	-
Restricted cash	464	464	-	-
Total financial assets	$ 18,667	$ 18,667	$ -	$ -

	December 31, 2024			
(in thousands)	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 3,301	$ 3,301	$ -	$ -
Short term deposits	20,195	20,195	-	-
Restricted cash	430	430	-	-
Total financial assets	$ 23,926	$ 23,926	$ -	$ -

NOTE 14 – EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

The Company evaluated all events and transactions that occurred subsequent to the balance sheet date and prior to the date on which these unaudited condensed consolidated financial statements were issued and determined that the following subsequent event necessitated disclosure:

1. 3,696,429 Series A warrants issued to investors and the placement agent in connection with the Company's May 2024 registered direct offering expired on October 17, 2025.

2. On November 11, 2025, the Company terminated the ATM Agreement.

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

This Operating and Financial Review and Prospects contains forward-looking statements, which may be identified by words such as "expects," "plans," "projects," "will," "may," "anticipates," "believes," "should," "would", "could", "intends," "estimates," "suggests," "has the potential to" and other words and phrases of similar meaning, including, without limitation, statements regarding expected cash balances, market opportunities for the results of current clinical studies and preclinical experiments, and the effectiveness of, and market opportunities for, ALLOCETRA™ programs, all of which statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that forward-looking statements involve risks and uncertainties that may affect Enlivex's business and prospects, including the risks that Enlivex may not succeed in generating any revenues or developing any commercial products; that the products in development may fail, may not achieve the expected results or effectiveness and/or may not generate data that would support the approval or marketing of these products for the indications being studied or for other indications; that ongoing studies may not continue to show substantial or any activity; and other risks and uncertainties that may cause results to differ materially from those set forth in the forward-looking statements. The results of clinical trials in humans may produce results that differ significantly from the results of clinical and other trials in animals. The results of early-stage trials may differ significantly from the results of more developed, later-stage trials. The development of any products using the ALLOCETRA™ product line could also be affected by a number of other factors, including unexpected safety, efficacy or manufacturing issues, additional time requirements for data analyses and decision making, the impact of pharmaceutical industry regulation, the impact of competitive products and pricing and the impact of patents and other proprietary rights held by competitors and other third parties. In addition to the risk factors described above, investors should consider the economic, competitive, governmental, technological and other factors discussed in Enlivex's filings with the Securities and Exchange Commission, including in its Annual Report on Form 20-F for the year ended December 31, 2024. The forward-looking statements contained in this Operating and Financial Review and Prospects speak only as of the date the statements were made, and we do not undertake any obligation to update forward-looking statements, except as required under applicable law.

Overview

Enlivex Therapeutics, Ltd., a company organized under the laws of the State of Israel (including its consolidated subsidiaries, "we", "us", "our" or the "Company"), is a clinical-stage macrophage reprogramming immunotherapy company, developing Allocetra™, a universal, off-the-shelf cell therapy designed to reprogram macrophages into their homeostatic state. Resetting non-homeostatic macrophages into their homeostatic state is critical for immune system rebalancing and resolution of debilitating and life-threatening conditions. Non-homeostatic macrophages contribute significantly to the severity of the respective disease. By restoring macrophage homeostasis, Allocetra™ has the potential to provide a novel immunotherapeutic mechanism of action for debilitating and life-threatening clinical indications that are defined as "unmet medical needs," as a stand-alone therapy or in combination with leading therapeutic agents.

We believe the Company's primary innovative immunotherapy, Allocetra™, represents a paradigm shift in macrophage reprogramming, moving from targeting a specific subset of macrophages or a specific pathway affecting macrophage activity, to a fundamental view of macrophage homeostasis. Restoring macrophage homeostasis may induce the immune system to rebalance itself to normal levels of operation, thereby promoting disease resolution.

The Company is focused on osteoarthritis as its main inflammatory indication. Osteoarthritis is a degenerative joint disease, characterized by low-grade inflammation, that affects more than 32.5 million adults in the United States. Treatment of osteoarthritis represents a substantial unmet medical need, particularly non-invasive treatments, as current therapeutic options are largely limited to pain management, lifestyle modifications, and, ultimately, joint replacement surgery. The Company believes that negatively reprogrammed macrophages may be key contributors to disease severity in osteoarthritis and that the effective reprogramming of these negatively reprogrammed macrophages into their respective homeostatic states may facilitate disease resolution.

During 2024, the Company also continued the development of its sepsis clinical program and announced the 28-day topline data from the Phase II trial evaluating Allocetra™ in patients with sepsis. In light of market conditions,s the Company's limited cash availability and the substantial budget required for advancing to a follow-up clinical trial in patients with sepsis, the Company plans to seek potential external collaboration or out-licensing opportunities for the continued clinical development of Allocetra™ for use in patients with sepsis, instead of pursuing internal development.

Financial Overview

Since inception, we have incurred significant losses in connection with our research and development and have not generated any revenue. We have funded our operations primarily through grants from the Israeli Innovation Authority (the "IIA") and the sale of equity and equity linked securities in public and private offerings. As of September 30, 2025, we had approximately $ 18.2 million in cash and cash equivalents and short-term bank deposits and had an accumulated deficit of approximately $134.6 million, see "—Liquidity and Capital Resources" below.

As a result of the Company's reprioritization of its clinical indications and focus on the inflammatory and auto-immune verticals, the Company reduced its workforce by approximately 50% over the course of the third quarter of 2023 and the first half of 2024. Additionally, the Company reclassified the oncology indications as candidates for external collaborations or out-licensing opportunities in lieu of internal development. Given the foregoing, based on our current operating plan, we anticipate that our existing resources will be sufficient to maintain our currently planned operations through the end of 2026, including the timeline for the topline data readouts and the 12-month follow-up of the moderate to severe knee osteoarthritis Phase I/II trial, as well as the randomized, controlled Phase I/II clinical trial in basal thumb osteoarthritis.

We expect that we will continue to incur operating losses, which may be substantial over the next several years, and we may need to obtain additional funds to further develop our research and development programs.

Recent Developments

Announcement of Positive Three-Month Topline Data for ENX-CL-05-001

On August 18, 2025, the Company announced positive three-month topline data from its multi-country, randomized, controlled, phase I/II trial evaluating Allocetra™ in patients with moderate-to-severe knee osteoarthritis. The data showed:

- In the overall modified intention-to-treat (mITT) population, improvements across all efficacy and secondary endpoints, including 24% reduction in knee pain and 26% improvement in knee function, were observed in the Allocetra™ treatment arm vs placebo; moreover, 72% reduction in knee pain and 95% improvement in knee function were observed for age-related primary osteoarthritis patients compared with placebo – a substantial, clinically meaningful and statistically significant effect in commonly used Phase III primary endpoints for knee osteoarthritis clinical trials; and

- Favorable safety profile – No serious adverse events; limited, typically mild to moderate, transient, and treatable side effects occurred in most patients treated with Allocetra™.

Developments In Israel

In October 2023, Hamas, a terrorist organization, infiltrated Israel's southern border from the Gaza Strip and conducted a series of attacks on both civilian and military targets. Hamas also launched extensive rocket attacks on Israeli population centers and industrial areas located along Israel's border with the Gaza Strip, as well as in other areas within the State of Israel. Following these attacks, Israel's security cabinet declared war against Hamas, initiating a military campaign against the organization in parallel to their continued rocket and terror attacks. In October 2025, a ceasefire was brokered between Israel and Hamas. However, we cannot predict if, or to what extent, this ceasefire will remain in effect or be upheld.

Since the commencement of these events, there have been continued hostilities along Israel's northern border with Lebanon (involving the Hezbollah terrorist organization) and on other fronts from various extremist groups in the region, such as the Houthis in Yemen and several rebel militia groups in Syria and Iraq. In October 2024, Israel began limited ground operations against Hezbollah in Lebanon, and in November 2024, a ceasefire was brokered between Israel and Hezbollah. Furthermore, in April 2024 and October 2024, Iran, in coordination with other regional actors, launched direct attacks on Israel involving hundreds of drones. In response to ongoing Iranian aggression and support for proxy attacks against Israel, in June 2025, Israel conducted a series of preemptive defensive airstrikes in Iran targeting Iran's nuclear program and military commanders. A ceasefire was reached between Israel and Iran in June 2025 after 12 days of hostilities, and since that date, there has been no further escalation of hostilities between Israel and Iran; however, there is no assurance that the ceasefire will be upheld, and military activity and hostilities may continue or escalate. As of the date of this filing, we believe that there is no immediate risk to our business facilities, employees, or operations. However, we cannot currently predict potential changes to the security situation in Israel, nor can we predict how such changes may ultimately affect our business and operations or Israel's economy in general.

Costs and Operating Expenses

Our current costs and operating expenses consist of two components: (i) research and development expenses; and (ii) general and administrative expenses.

Research and Development Expenses

Our research and development expenses consist primarily of research and development activities at our laboratory in Israel, including drug and laboratory supplies and costs for facilities and equipment, outsourced development expenses, including the costs of regulatory consultants and certain other service providers, salaries and related personnel expenses (including share-based compensation) and fees paid to external service providers and the costs of preclinical studies and clinical trials. We charge all research and development expenses to operations as they are incurred. We expect our research and development expenses to remain our primary expenses for the foreseeable future as we continue to develop Allocetra™. Increases or decreases in research and development expenditures are attributable to the number and duration of our preclinical and clinical studies.

Grants received from the IIA are recognized when the grant becomes receivable, provided there is reasonable assurance that (i) we will comply with the conditions attached to the grant and (ii) the grant will be received. Research and development expenses, net, is reduced to the extent we receive IIA grants.

We expect that a large percentage of our research and development expenses in the future will be incurred in support of our current and future preclinical and clinical development projects. Due to the inherently unpredictable nature of preclinical and clinical development processes, we are unable to estimate with any certainty the costs we will incur for the continued development of our product candidates in our pipeline for potential commercialization. Furthermore, although we expect to apply for additional IIA grants, we cannot be certain that we will obtain such grants. Clinical development timelines, the probability of success and development costs can differ materially from expectations. We expect to continue to test our product candidates in preclinical studies for toxicology, safety and efficacy and to conduct additional clinical trials for our product candidates.

While we are currently focused on advancing our product development, our future research and development expenses will depend on the clinical success of our product candidates, as well as ongoing assessments of each candidate's commercial potential. As we obtain results from clinical trials, we may elect to discontinue or delay clinical trials for our product candidates in certain indications in order to focus our resources on more promising indications for any such product candidate, which is illustrated by some of the steps we have taken in respect of our reprioritization plan described in Item 4 of our Annual Report on Form 20-F for the year ended December 31, 2024 as filed with the U.S. Securities and Exchange Commission ("SEC") on April 30, 2025 (the "2024 Annual Report on Form 20-F"). Completion of clinical trials may take several years or more, but the length of time generally varies according to the type, complexity, novelty and intended use of a product candidate.

We expect our research and development expenses to increase in the future as we continue the advancement of our clinical product development for our current indication and as we potentially pursue additional indications. The lengthy process of completing clinical trials and seeking regulatory approval for our product candidates requires the expenditure of substantial resources. Any failure or delay in completing clinical trials, or in obtaining regulatory approvals, could cause a delay in generating product revenue and cause our research and development expenses to increase and, in turn, have a material adverse effect on our financial condition and results of operation.

General and Administrative Expenses

General and administrative expenses consist primarily of compensation and related benefits (including share-based compensation) for employees in executive and operational roles, including accounting, finance, investor relations, information technology and human resources. Our other significant general and administrative expenses include facilities costs, professional fees for outside accounting and legal services, including legal work in connection with patent applications, travel costs and insurance premiums.

Finance Income (Expenses), Net

Finance income (expenses), net consists of interest earned on our cash and cash equivalents and bank deposits, exchange rate differences, gains and losses resulting from our investments in marketable securities, and bank fees and other expenses.

Critical Accounting Policies and Estimates

The preparation of financial statements in accordance with U.S. generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the amounts reported in our financial statements and accompanying notes. Management bases its estimates on historical experience, market and other conditions, and various other assumptions it believes to be reasonable. Although these estimates are based on management's best knowledge of current events and actions that may impact us in the future, the estimation process is, by its nature, uncertain given that estimates depend on events over which we may not have control. If market and other conditions change from those that we anticipate, our financial statements may be materially affected. In addition, if our assumptions change, we may need to revise our estimates, or take other corrective actions, any of which may also have a material effect on our financial statements. We review our estimates, judgments, and assumptions used in our accounting practices periodically and reflect the effects of revisions in the period for which they are deemed to be necessary. We believe that these estimates are reasonable; however, our actual results may differ from these estimates.

We believe the following accounting policies to be the most critical to the judgments and estimates used in the preparation of our financial statements. For additional detail regarding our significant accounting policies, please see the notes to our audited consolidated financial statements contained in our 2024 Annual Report on Form 20-F.

Share-Based Compensation

We have issued restricted stock units and options to purchase our ordinary shares. Share-based compensation cost is measured at the grant date based on the fair value of the award and is recognized as an expense over the requisite service/vesting period. Determining the appropriate fair value model and calculating the fair value of share-based payment awards require the use of highly subjective assumptions, including the expected life of the share-based payment awards and share price volatility.

We estimate the grant date fair value of share options and the related compensation expense, using the Black-Scholes option valuation model. This option valuation model requires the input of subjective assumptions including: (1) expected life (estimated period of time outstanding) of the options granted, (2) volatility, (3) risk-free rate and (4) dividends. In general, the assumptions used in calculating the fair value of share-based payment awards represent management's best estimates, but the estimates involve inherent uncertainties and the application of management judgment.

Accrued clinical trial expenses

We record costs for clinical trial activities based upon estimates of costs incurred through the balance sheet date that have yet to be invoiced by our contract research organizations and other vendors.

Information necessary to estimate the accruals for the services that have been received during the reporting period is accumulated from multiple sources, including our personnel who oversee the clinical trial activities, information from service providers and terms and conditions included in the contracts with the service providers. In addition, in certain circumstances, the determination of the nature and level of services that have been received during the reporting period requires judgment because the historical timing and pattern of vendor invoicing does not correspond to the level of services provided, and there may be delays in invoicing from clinical study sites and other vendors.

Results of Operations

Nine -Months Ended September 30, 2025 Compared to Nine -Months Ended September 30, 2024

The table below provides our results of operations for the nine months ended September 30, 2025 and September 30, 2024:

	Nine Months Ended September 30	
	2025	**2024**
	(In thousands, except per share data) (unaudited)	
Research and development expenses	$ 6,175	$ 7,204
General and administrative expenses	2,964	2,851
Loss on disposal group of assets held for sale	29	201
Operating loss	(9,168)	(10,256)
Finance income (expenses), net	1,643	418
Operating loss post other expenses, net	(7,525)	(9,838)
Taxes on income	-	-
Net loss	(7,525)	(9,838)
Basic loss per share	$ (0.31)	$ (0.50)
Diluted loss per share	$ (0.31)	$ (0.50)

Three-Months Ended September 30, 2025 Compared to Three-Months Ended September 30, 2024

The table below provides our results of operations for the three months ended September 30, 2025 and September 30, 2024:

	Three Months Ended September 30	
	2025	**2024**
	(In thousands, except per share data) (unaudited)	
Research and development expenses	$ 1,484	$ 2,348
General and administrative expenses	1,073	771
Loss on disposal group of assets held for sale	-	-
Operating loss	(2,557)	(3,119)
Finance income (expenses), net	352	517
Operating loss post other expenses, net	(2,205)	(2,602)
Taxes on income	-	-
Net loss	(2,205)	(2,602)
Basic loss per share	$ (0.09)	$ (0.12)
Diluted loss per share	$ (0.09)	$ (0.12)

Research and Development Expenses

For the nine months ended September 30, 2025 and 2024, we incurred research and development expenses of $6,175,000 and $7,204,000, respectively. The decrease of $1,029,000, or 14%, in research and development expenses for the nine months ended September 30, 2025 as compared to the nine months ended September 30, 2024 was primarily due to a $740,000 decrease in expenses for clinical studies and purchase of materials due to changes in our development programs and a decrease in the number of Allocetra™ doses that were manufactured, a $59,000 decrease in lease and overhead expenses and a $258,000 decrease in depreciation expenses, partially offset by a $64,000 increase in payroll expenses.

For the three months ended September 30, 2025 and 2024, we incurred research and development expenses of $1,484,000 and $2,348,000 respectively. The decrease of $864,000, or 36%, in research and development expenses for the three months ended September 30, 2025 as compared to the third quarter of 2024 was primarily due to a $665,000 decrease in expenses for clinical studies and pre-clinical studies, a $81,000 decrease in depreciation expenses and a $56,000 decrease in stock based compensation to directors, officers and employees.

General and Administrative Expenses

For the nine months ended September 30, 2025 and 2024, we incurred general and administrative expenses of $2,964,000 and $2,851,000, respectively. The increase of $113,000, or 4%, in general and administrative expenses for the nine months ended September 30, 2025 as compared to the nine months ended September 30, 2024 was mainly due to a $267,000 increase in directors fees and a $85,000 increase in professional services, partially offset by $154,000 decrease in lease and overhead expenses and a $55,000 decrease in insurance expenses (due to a decrease in our directors' and officer's liability insurance premium).

For the three months ended September 30, 2025 and 2024, we incurred general and administrative expenses of $1,073,000 and $771,000 respectively. The increase of $302,000, or 40%, in general and administrative expenses for the nine months of 2025 as compared to the third quarter of 2024 was primarily due to a $84,000 increase in professional services and a $214,000 increase in directors fees.

Loss on disposal group of assets held for sale

In 2024, the Company decided to sell the lease rights under the lease agreement for certain of its leased office property in Ness Ziona, Israel, which was entered into in July 2021, along with the leasehold improvements installed in the property and certain laboratory equipment. As of December 31, 2024, the Company had identified a potential purchaser and negotiated a potential transaction for the sale of these assets, which transaction was completed on January 29, 2025. Therefore, the right of use of such leased space, the lease liability relating to the leased space and the leasehold improvements installed in the leased space were classified as assets held for sale and liability held for sale (as applicable) as of December 31, 2024. For the nine months ended September 30, 2025, we recorded a loss of $29,000 on the group of assets held for sale related to the Ness Ziona facility, as compared to a loss of $201,000 recorded in the first nine months of 2024 related to the disposition of our plant facility in Yavne.

Operating Loss

Our operating loss was $9,168,000 for the nine months ended September 30, 2025, as compared to our operating loss of $10,256,000 for the nine months ended September 30, 2024, representing a decrease of $1,088,000, or 11%. This decrease resulted primarily from a decrease in research and development expenses, including expenses relating to conducting studies and trials, a reduction in depreciation expenses and lease and overhead expenses.

Our operating loss was $2,557,000 for the three months ended September 30, 2025, as compared to our operating loss of $3,119,000 for the three months ended September 30, 2024, representing decrease of $562,000, or 18%. The decrease resulted primarily from a decrease in costs of conducting studies and trials.

Finance Income, net

Finance income, net consists of the following:

- Interest earned on our cash and cash equivalents and bank deposits; and
- Expenses or income resulting from fluctuations of the NIS and Euro, in which a portion of our assets and liabilities are denominated, against the U.S. dollar.

For the nine months ended September 30, 2025 and 2024, we recorded finance income, net of $1,643,000 and $418,000, respectively. The increase of $1,225,000, or 293%, in finance income, net for the nine months ended September 30, 2025, as compared to the nine months ended September 30, 2024 was primarily due to $675,000 of interest income on cash equivalents and bank deposits for the nine months ended September 30, 2025, and a gain of $968,000 resulting from foreign exchange currency fluctuations, as compared to $826,000 of interest income on cash equivalents and bank deposits for the first nine months of 2024, which was offset by a loss of $409,000 for the first nine months of 2024, resulting from foreign exchange currency fluctuations.

The Decrease of $165,000, or 32%, in finance income, net to $352,000 for the three months ended September 30, 2025 as compared to finance income of $517,000 for the three months ended September 30, 2024 was primarily due to $206,000 of interest income on bank deposits in 2025 and a gain of $146,000 resulting from foreign exchange currency fluctuations in 2025, as compared to $285,000 of interest income on bank deposits and a gain of $231,000 resulting from foreign exchange currency fluctuations, in each case for the three months ended September 30, 2024.

Net Loss

For the nine and three months ended September 30, 2025, our net loss was $7,525,000 and $2,205,000, respectively, as compared to our net loss of $9,838,000 and $2,602,000, respectively, for the comparable prior year periods, representing a decrease of $2,313,000 and $397,000, or 23% and 15%, respectively. This decrease in net loss for the nine months ending September 30, 2025 was primarily due to a decrease in operating loss and an increase in finance income, net. The decrease in net loss for the three months ended September 30, 2025 was primarily due to decrease in research and development expenses.

Cash Flows

Nine Months Ended September 30, 2025 Compared to Nine Months Ended September 30, 2024

For the nine months ended September 30, 2025 and 2024, net cash used in operations was $7,790,000 and $8,924,000, respectively. Operating cash flows for the nine months ended September 30, 2025 reflect our net loss of $7,525,000, adjustments of $209,000 for net income not involving cash flows due to finance income on deposits, depreciation and amortization, and stock-based compensation, and a net cash outflow of $474,000 due to changes in our operating assets and liabilities. Operating cash flows for the nine months ended September 30, 2024 reflect our net loss of $9,838,000, adjustments of $2,803,000 for net expenses not involving cash flows due to depreciation, amortization, capital losses and stock-based compensation, and a net cash outflow of $1,889,000 due to changes in our operating assets and liabilities.

For the nine months ended September 30, 2025 and 2024, net cash provided by investing activities was $8,057,000 and $5,701,000, respectively. The increase of $2,356,000 in net cash provided by investing activities for the nine months ended September 30, 2025 as compared to the nine months ended September 30, 2024 was primarily due to the increase of $3,442,000 in net release of investment in short-term interest-bearing bank deposits from $3,772,000 in 2024 to $7,214,000 in 2025, offset by a decrease of $918,000 in proceeds from sale of property and equipment and assets as held for sale from $1,820,000 in 2024 to $902,000 in 2025.

For the nine months ended September 30, 2025 and 2024, net cash provided by financing activities was $549,000 and $5,193,000, respectively. This decrease in cash provided by financing activities for the first nine months of 2025 as compared to the first nine months of 2024 resulted from net proceeds of $549,000 from our issuance of ordinary shares under the ATM Agreement (as defined below) for the 2025 period as compared to net proceeds of $4,419,000 from our issuance of ordinary shares and warrants in our May 2024 registered direct offering and net proceeds of $774,000 from our issuance of ordinary shares under the ATM Agreement in the comparable prior-year period.

Liquidity and Capital Resources

We have incurred substantial losses since our inception. As of September 30, 2025, we had an accumulated deficit of approximately $134.6 million and working capital (current assets less current liabilities) of approximately $16.4 million. We expect to incur losses from operations for the foreseeable future.

Developing product candidates, conducting clinical trials and commercializing products are expensive, and we will need to raise substantial additional funds to achieve our strategic objectives. We believe that our existing cash resources will be sufficient to fund our projected cash requirements approximately through the end of 2026. Nevertheless, we will require significant additional financing in the future to fund our operations, including if and when we progress into additional clinical trials, obtain regulatory approval for any of our product candidates and commercialize the same. We believe that we will need to raise significant additional funds before we have any cash flow from operations, if at all. Our future capital requirements will depend on many factors, including:

- the progress and costs of our preclinical studies, clinical trials and other research and development activities;
- the scope, prioritization and number of our clinical trials and other research and development programs;
- the amount of revenues and contributions we receive under future licensing, development and commercialization arrangements with respect to our product candidates;
- the costs of the development and expansion of our operational infrastructure;

- the costs and timing of obtaining regulatory approval for our product candidates;
- the costs of filing, prosecuting, enforcing and defending patent claims and other intellectual property rights;
- the costs and timing of securing manufacturing arrangements for clinical or commercial production;
- the costs of contracting with third parties to provide sales and marketing capabilities for us;
- the costs of acquiring or undertaking development and commercialization efforts for any future products, product candidates or platforms;
- the receipt of additional government grants;
- the magnitude of our general and administrative expenses; and
- any cost that we may incur under future in- and out-licensing arrangements relating to our product candidates.

We currently do not have any agreements for future external funding. In the future, we will need to raise additional funds, and we may decide to raise additional funds even before we need such funds if the conditions for raising capital are favorable. Until we can generate significant recurring revenues, we expect to satisfy our future cash needs through debt or equity financings, credit facilities or by out-licensing applications of our product candidates. The sale of equity or convertible debt securities may result in dilution to our existing shareholders. The incurrence of indebtedness would result in increased fixed obligations and could also subject us to covenants that restrict our operations. We cannot be certain that additional funding, whether through grants from the IIA, financings, credit facilities or out-licensing arrangements, will be available to us on acceptable terms, if at all. If sufficient funds are not available, we may be required to delay, reduce the scope of or eliminate research or development plans for, or commercialization efforts with respect to, one or more applications of our product candidates, or obtain funds through arrangements with collaborators or others that may require us to relinquish rights to certain potential products that we might otherwise seek to develop or commercialize independently.

ATM Agreement

On December 30, 2022, we entered into an agreement (the "ATM Agreement") with Cantor Fitzgerald & Co. and JMP Securities LLC (each referred to as an "Agent", and together, the "Agents"), as sales agents, pursuant to which we had been able to sell, but were not obligated to sell, up to 8,800,000 ordinary shares from time to time through the Agents in transactions deemed to be "at-the-market" offerings as defined in Rule 415 under the Securities Act, including sales made directly on or through the Nasdaq Capital Market, or any other existing trading market in the United States for the ordinary shares, sales made to or through a market maker other than on an exchange or otherwise, directly to an Agent as principal, in negotiated transactions, or in any other method permitted by law, which may include block trades. We had agreed to pay the Agents an aggregate commission of 3.0% of the gross sales price from each sale of ordinary shares under the ATM Agreement. Any sale of ordinary shares under the ATM Agreement had been made pursuant to our effective shelf registration statement on Form F-3, including the prospectus contained therein (File No. 333-286956). During the nine months ended September 30, 2025, we received aggregate net proceeds of approximately $549,000 from the sale of 480,146 ordinary shares under the ATM Agreement.

On November 11, 2025, we terminated the ATM Agreement.

Foreign Currency Exchange Risk

Our foreign currency exposures give rise to market risk associated with exchange rate movements of the NIS and EUR against the U.S. dollar, and vice versa, because a considerable portion of our expenses are denominated in NIS and in EUR . Our NIS expenses consist principally of payments made to employees, sub-contractors and consultants for preclinical studies, clinical trials and other research and development activities. Our EUR expenses consist of clinical trials payments. We anticipate that a sizable portion of our expenses will continue to be denominated in NIS and EUR. Our financial position, results of operations and cash flow are subject to fluctuations due to changes in foreign currency exchange rates. Our results of operations and cash flow are, therefore, subject to fluctuations due to changes in foreign currency exchange rates and may be adversely affected in the future due to changes in foreign exchange rates.