
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 September 2022

Commission file number: 001-41334

SaverOne 2014 Ltd.

(Translation of registrant's name into English)

Em Hamoshavot Rd. 94

Petah Tikvah, Israel

(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 ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulations S-T Rule 101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulations S-T Rule 101(b)(7): ☐

CONTENTS

On September 9, 2022, SaverOne 2014 Ltd. issued unaudited interim condensed financial statements as of June 30, 2022, as well as its operating and financial review as of June 30, 2022. Attached hereto and incorporated by reference herein are the following exhibits:

99.1 [Operating and Financial Review as of June 30, 2022](#)

99.2 [Unaudited Interim Condensed Financial Statements as of June 30, 2022](#)

EXHIBIT INDEX

Exhibit No.	Description
99.1	<u>Operating and Financial Review as of June 30, 2022</u>
99.2	<u>Unaudited Interim Condensed Financial Statements as of June 30, 2022</u>

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.

SaverOne 2014 Ltd.

Date: September 9, 2022

By: /s/ Tony Klein

Name: Tony Klein

Title: Chief Financial Officer

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements and the related notes included elsewhere in this Report on Form 6-K. The following discussion is based on our financial information prepared in accordance with the IFRS, as issued by the IASB, which may differ in material respects from generally accepted accounting principles in other jurisdictions, including U.S. generally accepted accounting principles, or GAAP. We maintain our accounting books and records in New Israeli Shekels and our functional currency is the New Israeli Shekel. Certain amounts presented herein may not sum due to rounding. Unless the context requires otherwise, references in this report to “Company”, “SaverOne”, “we” or “our” refers to SaverOne 2014 Ltd. thereafter unless otherwise required by the context.. “NIS” means New Israeli Shekel, and “\$,” “US\$,” “U.S. dollars” and “USD” mean United States dollars.

The following discussion and analysis of our financial condition and results of operations contains conversions of NIS amounts into U.S. dollars at specific rates solely for the convenience of the reader. Unless otherwise noted, for the purposes of the presentation of financial data, all conversions from NIS to U.S. dollars and from U.S. dollars to NIS were made at the rate of NIS 3.5 to \$1.00, based on the representative exchange rate reported by the Bank of Israel on June 30, 2022.

Forward Looking Statements

The following discussion contains “forward-looking statements,” including statements regarding expectations, beliefs, intentions or strategies for the future. These statements may identify important factors which could cause our actual results to differ materially from those indicated by the forward-looking statements. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. Factors that could cause our actual results to differ materially from those expressed or implied in such forward-looking statements include, but are not limited to:

- the ability of our technology to substantially improve the safety of drivers;
 - our planned level of revenues and capital expenditures and our belief that our existing cash will be sufficient to fund our operations for at least the next 12 months;
 - our ability to market and sell our products;
 - our plans to continue to invest in research and development to develop technology for both existing and new products;
 - our intention to advance our technologies and commercialization efforts;
 - our intention to use local distributors in each country or region that we will conduct business to distribute our products or technology;
 - our plan to seek patent, trademark and other intellectual property rights for our products and technologies in the United States and internationally, as well as our ability to maintain and protect the validity of our currently held intellectual property rights;
 - our expectations regarding future changes in our cost of revenues and our operating expenses;
 - our expectations regarding our tax classifications;
 - interpretations of current laws and the passage of future laws;
 - acceptance of our business model by investors;
 - the ability to correctly identify and enter new markets;
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- the impact of competition and new technologies;
- general market, political and economic conditions in the countries in which we operate;
- projected capital expenditures and liquidity
- our intention to retain key employees, and our belief that we maintain good relations with all of our employees;
- the impact of the COVID-19 pandemic, and resulting government actions on us; and
- other risks and uncertainties, including those listed in the section titled “Risk Factors” in the final prospectus on Form 424B4 filed with the SEC on June 6, 2022.

The preceding list is not intended to be an exhaustive list of any forward-looking statements are based on our beliefs, assumptions and expectations of future performance, taking into account the information available to us. These statements are only predictions based upon our current expectations and projections about future events. There are important factors that could cause our actual results to differ materially from the results expressed or implied by the forward-looking statements.

The forward-looking statements contained in this Report on Form 6-K are based upon information available to our management as of the date hereof and, while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. The forward-looking statements contained in this Report on Form 6-K are expressly qualified in their entirety by this cautionary statement. Except as required by law, we undertake no obligation to update publicly any forward-looking statements after the date of this Report on Form 6-K to conform these statements to actual results or to changes in our expectations.

Overview

We are a development stage technology company engaged in the design, development and commercialization of transportation and safety applications designed to save lives by preventing car accidents resulting from the use of cellular phones while driving. Our SaverOne system provides an advanced driver safety solution that can identify and monitor mobile phones located in the driver’s vicinity and selectively block use of life-threatening applications. Our technology is based on our proprietary hardware, software and algorithms, and we believe it has significant advantages over our competitors’ because our solution meets the National Highway Traffic Safety Administration’s, or NHTSA’s guidelines for a complete solution for distracted driving.

Our roadmap consists of two product lines, the first line target the aftermarket vehicle market (i.e. vehicles already supplied to customers) and the second product line targets vehicle manufacturers (a.k.a. the OEM market). Our first-generation product is for the aftermarket vehicle market and is intended for private vehicles, trucks and buses. This Generation 1.0 was launched in late 2019, initially for private cars, and thereafter was made commercially available to trucks and buses. It is currently marketed in Israel as part of our pre-commercialization/early user campaign. We are working on pilot programs with various fleet and system integrators in the United States, Europe, Asia and APAC. To date, over 1,600 systems have been ordered (which includes over 450 systems ordered as part of our ongoing Generation 1.0 pilot program and over 1,150 systems purchased in commercial orders by our Generation 1.0 customers) and over 1,000 of these systems have been installed.

Our second-generation product will replace the first-generation in the aftermarket product line. This Generation 2.0 is intended for the global automobile market. It includes significant improvements to our Generation 1.0 solution for maximal performance, compatibility with automobiles and cellular networks, market penetration and profitability. We expect to launch the Generation 2.0 solution for sale in the third quarter of 2022. We expect to target the global aftermarket automobile market starting with the U.S. and Europe.

Our second product line, for the vehicle manufacturers, consists of our OEM solution. We plan to integrate it into the vehicle manufacturing process, to be offered directly to customers by the vehicle manufacturer as part of the vehicle. We are currently working with one of the leading global OEMs in order to have the SaverOne technology integrated into vehicles during the manufacturing process. The OEM solution is in the early stage of development, and we expect to launch it during 2024.

We have experienced net losses in every period since the inception of SaverOne. We incurred net losses of NIS 26.5 million (approximately \$7.6 million), NIS 13.3 million (approximately \$3.8 million) and NIS 11.9 million (approximately \$3.4 million) for the year ended December 31, 2021, the six months ended June 30, 2021, and the six months ended June 30, 2022, respectively. As of June 30, 2022, we had an accumulated deficit of NIS 88.7 million (approximately \$25.3 million). We anticipate that we will continue to incur significant losses for the foreseeable future as our operating expenses and capital expenditures increase substantially due to our continued investment in our research and development activities and as we hire additional employees over the coming years. Furthermore, we are incurring additional expenses associated with operating as a U.S. public company, including significant legal, accounting, investor relations and other expenses, the extent to which we did not incur as a TASE-listed company.

Components of Operating Results

Revenues and Cost of Revenues

Our total revenue consists of selling our Generation 1.0 SaverOne system and our cost of revenues consists of the direct cost of producing and installing the system. Currently, our business activity is only in Israel. Since we are still in the initial phase in rolling out our Generation 1.0 SaverOne system and our Generation 2.0 system is still in development, we cannot forecast our revenue in future periods.

Research and Development Expenses, Net

We have invested almost all of our efforts and financial resources in the research and development of our SaverOne system which is still in development. Research and development related activities are currently our primary expenditure. Development timelines, the probability of success and development costs can differ materially from expectations. In addition, we cannot forecast whether and when we will enter into collaboration arrangements, if at all, and to what degree such arrangements would affect our development plans and capital requirements.

We expect our research and development expenses to increase over the next several years as our development programs progress and we expect that our research and development expenses will continue to be significant in absolute dollars in future periods as we continue to invest in research and development activities related to the development of our solutions.

Research and development expenses include the following:

- employee-related expenses, such as salaries and share-based compensation;
- expenses relating to outsourced and contracted services, such as consulting, research and advisory services;
- supply and development costs;
- costs associated with regulatory compliance.

We recognize research and development expenses as we incur them deducted by government grants in respect of a research and development project received from the Israel Innovation Authority, or IIA, which are not reasonably assured that the amount received will not be refunded

Selling and Marketing Expenses

Selling and marketing expenses until December 31, 2021 consisted primarily of share-based compensation recorded with respect of unregistered rights to shares issued to Keshet Holdings Limited Partnership, which is managed by Keshet Broadcasting, or Keshet, who provided media and advertisement services to the Company in 2020 and 2021. During 2022 onwards, selling and marketing expenses mainly consist of our sales department costs. As we penetrate new markets, we anticipate that our selling and marketing expenses will increase in the future as we expand our sales department and invest in the marketing of our solutions.

General and Administrative Expenses

General and administrative expenses consist primarily of personnel costs, including share-based compensation related to directors and employees, facility costs, patent application and maintenance expenses, and external professional service costs, including legal, accounting, audit, finance, business development, investor relations and human resource services, and other consulting fees.

We anticipate that our general and administrative expenses will increase in the future as we increase our administrative headcount and infrastructure to support our continued research and development programs and the potential commercialization of our products. We also anticipate that we will continue to incur increased expenses related to audit, legal, regulatory and tax-related services associated with maintaining compliance with Nasdaq and SEC requirements, director and officer insurance premiums, director compensation, and other costs associated with being a public company.

Finance Income (Expenses), Net

Finance income (expenses), net, consisted primarily of bank fees, exchange differences, direct and incremental issuance costs incurred through initial public offering in United States that were allocated to derivative warrant liability and changes in the fair value of warrants recorded as a derivative financial liability.

Income Taxes

We have yet to generate taxable income in Israel. As of December 31, 2021, our operating tax loss carryforwards were approximately NIS 55.8 million (approximately \$15.9 million). We anticipate that we will continue to generate tax losses for the foreseeable future and that we will be able to carry forward these tax losses indefinitely to future taxable years. Accordingly, we do not expect to pay taxes in Israel until we have taxable income after the full utilization of our carry forward tax losses.

Results of Operations

Our results of operations have varied in the past and can be expected to vary in the future due to numerous factors. We believe that period-to-period comparisons of our operating results should not be relied upon as indications of future performance.

Below is a summary of our unaudited results of operations for the periods indicated:

	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
	NIS thousands	NIS thousands
Revenues	382	201
Cost of revenues	(267)	(165)
Gross Profit	115	36
Operating expenses:		
Research and development expenses, net	(10,184)	(8,854)
Selling and marketing expenses	(481)	(1,677)
General and administrative expenses	(2,511)	(2,690)
Loss from operations	(13,061)	(13,185)
Finance expense	(869)	(117)
Finance income	2,030	1
Finance income (expense), net	1,161	(116)
Net loss	(11,900)	(13,301)

Six Months Ended June 30, 2022 Compared to Six Months Ended June 20, 2021

Revenues

Revenues increased by approximately NIS 181,000 (approximately \$52,000), or 90%, to NIS 382,000 (approximately \$109,000) for the six months ended June 30, 2022, compared to NIS 201,000 (approximately \$57,000) for the six months ended June 30, 2021. This increase was mainly the result of new agreements we entered into in 2022 related to our Generation 1.0 solution which was launched in late 2019.

Research and development expenses, net

Research and development expenses, net increased by approximately NIS 1,330,000 (approximately \$380,000), or 15%, to approximately NIS 10,184,000 (approximately \$2,910,000) for the six months ended June 30, 2022, compared to NIS 8,854,000 (approximately \$2,530,000) for the six months ended June 30, 2021. This increase resulted mainly from salaries and related expenses and subcontractors, due to an increase in the number of employees, and an increase in research and development activity, mainly related to the development of our Generation 2.0 solution.

Selling and marketing expenses

Selling and marketing expenses decreased by approximately NIS 1,196,000 (approximately \$342,000), or 71%, to approximately NIS 481,000 (approximately \$137,000) for the six months ended June 30, 2022, compared to NIS 1,677,000 (approximately \$479,000) for the six months ended June 30, 2021. Selling and marketing expenses for the six months ended June 30, 2022 included mainly our sales department costs. Selling and marketing expenses for the six months ended June 30, 2021 included share-based compensation in the amount of NIS 1,456,000 recorded with respect of unregistered rights issued to Keshet, pursuant to our arrangement with Keshet for media advertisement for us on Keshet's various media channels. The agreement with Keshet ended during 2021.

General and administrative expenses

General and administrative expenses decreased by approximately NIS 179,000 (approximately \$51,000), or 7%, to approximately NIS 2,511,000 (approximately \$717,000) for the six months ended June 30, 2022, compared to approximately NIS 2,690,000 (approximately \$769,000) for the six months ended June 30, 2021. The decrease resulted mainly from lower share-based compensation expenses.

Financing income (expenses), net

Financing income, net for the six months ended June 30, 2022 were NIS 1,161,000 (approximately \$332,000) and resulted mainly from exchange differences due to an increase in the USD/NIS exchange rate less direct and incremental issuance costs incurred through the initial public offering in the United States allocated to derivative warrant liability. Financing expenses, net for the six months ended June 30, 2021 were NIS 116,000 (approximately \$33,000) mainly from bank fees and exchange rate differences.

Net loss

Net loss decreased by approximately NIS 1,401,000 (approximately \$400,000), or 11%, to approximately NIS 11,900,000 (approximately \$3,400,000) for the six months ended June 30, 2022, compared to NIS 13,301,000 (approximately \$3,800,000) for the six months ended June 30, 2021. The decrease resulted mainly from share-based compensation expenses and financing income from exchange rate differences due to an increase in the USD/NIS exchange rate.

Off-Balance Sheet Arrangements

We have not entered into any off-balance sheet arrangements that have had or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

Critical Accounting Policies

We describe our significant accounting policies and estimates in Note 3 to our financial statements for the six months ended June 30, 2022. We believe that these accounting policies and estimates are critical in order to fully understand and evaluate our financial condition and results of operations.

We prepare our financial statements in accordance with IFRS as issued by the IASB.

The preparation of financial statements in conformity with IFRS requires management to make accounting estimates and assessments that involve use of judgment and that affect the amounts of assets and liabilities presented in the financial statements, the disclosure of contingent assets and liabilities at the dates of the financial statements, the amounts of revenues and expenses during the reporting periods and the accounting policies adopted by the Company. Actual results could differ from those estimates. Pursuant to International Accounting Standard No. 1, it is required inter alia to give disclosure to the accounting principles whose implementation involves estimates and considerations having significant sensitivity to future events, the occurrence of which may impact the reported amounts.

Recently-Issued Accounting Pronouncements

Certain recently-issued accounting pronouncements are discussed in Note 2, Summary of Significant Accounting Policies, to the financial statements included in elsewhere in this registration statement, regarding the impact of the IFRS standards as issued by the IASB that we will adopt in future periods in our financial statements.

Liquidity and Capital Resources

We have financed our operations since our inception primarily from private and public offerings, equity bridge investment transactions and government grants for research and development project received from the IIA.

From our inception date through June 30, 2022, we raised an aggregate of NIS 119 million (approximately \$34 million) in private and public offerings and equity bridge investments. As of June 30, 2022, we had NIS 41 million (approximately \$11.7 million) in cash and cash equivalents and short-term bank deposits.

We are currently in the research and development stage and have not yet generated significant revenues from our operations. From inception date and through June 30, 2022, we reported losses and a negative cash flow from current operating activity. As of June 30, 2022, we had an accumulated deficit of NIS 88.7 million (approximately \$25 million) and we had a comprehensive loss and a negative cash flow from current operations in amounts of NIS 11.9 million (approximately \$3.4 million) and NIS 11.9 million (approximately \$3.4 million) for the six months ended June 30, 2022.

We anticipate that we will continue to incur net losses for the foreseeable future as we continue the development and potential commercialization of our products and incur additional costs associated with being a public company.

The table below shows a summary of our cashflows for the periods indicated:

	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
	NIS thousands	
Net cash used in operating activities	(11,912)	(10,659)
Net cash provided by (used in) investing activities	5,002	(12,155)
Net cash provided by financing activities	37,344	45
Net increase (decrease) in cash and cash equivalents	30,434	(22,769)

Six Months Ended June 30, 2022 Compared to Six Months Ended June 30, 2021

Net cash used in operating activities

Net cash used in operating activities increased by NIS 1,253,000 (approximately \$358,000), or 12%, to approximately NIS 11,912,000 (approximately \$3,403,000) for the six months ended June 30, 2022 compared to approximately NIS 10,659,000 (approximately \$3,045,000) for the six months ended June 30, 2021. This increase was mainly the result of an increase in research and development expenses related to the development of the second generation of our product.

Net cash used in investing activities

Net cash provided by investing activities for the six months ended June 30, 2022 was NIS 5,002,000 (approximately \$1,429,000), compared to net cash used in investing activities for the six months ended June 30, 2021 totalled NIS 12,155,000 (approximately \$3,473,000). This change was mainly due to changes in bank deposits during the periods.

Net cash provided by financing activities

Net cash provided by financing activities increased by NIS 37,299,000 (approximately \$10,657,000), or 829%, to approximately NIS 37,344,000 (approximately \$10,670,000) for the six months ended June 30, 2022 compared to approximately NIS 45,000 (approximately \$13,000) for the six months ended June 30, 2021. This increase was mainly due to aggregate net proceeds of NIS 37.6 million (approximately \$10.7 million) from our initial public offering in the United States.

Future Funding Requirements

We have incurred losses and cash flow deficits from operations since the inception date, resulting in an accumulated deficit as of June 30, 2022 of approximately NIS 88.7 million (approximately \$25.3 million). We anticipate that we will continue to incur net losses for the foreseeable future. We believe that our existing cash and cash equivalents are sufficient to fund our projected cash needs for at least twelve months from the date of this Report on Form 6-K. However, to meet future capital needs, we would need to raise additional capital through equity or debt financing or other strategic transactions. However, any such financing may not be on favorable terms or even available to us. Our failure to obtain sufficient funds on commercially acceptable terms when needed would have a material adverse effect on our business, results of operations and financial condition. Our forecast of the period of time through which our financial resources will be adequate to support our operations is a forward-looking statement that involves risks and uncertainties, and the actual amount of our expenses could vary materially and adversely as a result of a number of factors. We have based our estimates on assumptions that may prove to be wrong, and our expenses could prove to be significantly higher than we currently anticipate.

Our future capital requirements will depend on many factors, including, but not limited to:

- the progress and costs of our research and development activities;
- the costs of development and expansion of our operational infrastructure;
- our ability, or that of our collaborators, to achieve development milestones and other events or developments under potential future licensing agreements;
- the amount of revenues and contributions we receive under future licensing, collaboration, development and commercialization arrangements with respect to our technologies;
- the costs of filing, prosecuting, enforcing and defending patent claims and other intellectual property rights;
- the costs of contracting with third parties to provide sales and marketing capabilities for us or establishing such capabilities ourselves, once our technologies are developed and ready for commercialization;
- the costs of acquiring or undertaking development and commercialization efforts for any future products or technology;
- the magnitude of our general and administrative expenses; and
- any additional costs that we may incur under future in- and out-licensing arrangements relating to our technologies and futures products.

Until we can generate significant recurring revenues, we expect to satisfy our future cash needs through capital raising or by out-licensing and/or co-developing applications of one or more of our products. We cannot be certain that additional funding will be available to us on acceptable terms, if at all. If funds are not available on favorable terms, or at all, we may be required to delay, reduce the scope of or eliminate research or development efforts or plans for commercialization with respect to our technologies and make necessary change to our operations to reduce the level of our expenditures in line with available resources.

We are a development-stage technology company and it is not possible for us to predict with any degree of accuracy the outcome of our research and development efforts. As such, it is not possible for us to predict with any degree of accuracy any significant trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our net loss, liquidity or capital resources, or that would cause financial information to not necessarily be indicative of future operating results or financial condition. However, to the extent possible, certain trends, uncertainties, demands, commitments and events are described herein.

SAVERONE 2014 LTD.

**CONDENSED INTERIM FINANCIAL STATEMENTS
AS OF JUNE 30, 2022**

CONDENSED INTERIM FINANCIAL STATEMENTS
AS OF JUNE 30, 2022

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CONDENSED STATEMENTS OF FINANCIAL POSITION
(New Israeli Shekels in thousands)

	As of June 30,		As of
	2022	2021	December 31,
	Unaudited		Audited
Assets			
Current assets			
Cash and cash equivalents	41,075	14,855	8,683
Short-term bank deposits	-	12,006	5,012
Restricted deposits	-	40	-
Trade receivables	374	347	501
Other current assets	958	888	1,159
Inventory	855	372	825
Total current assets	43,262	28,508	16,180
Non-current assets			
Property and equipment, net	211	199	238
Deferred offering costs	-	-	1,155
Restricted deposits	197	187	191
Right of use asset, net	780	1,205	992
Total non-current assets	1,188	1,591	2,576
Total assets	44,450	30,099	18,756
Current liabilities			
Current maturities of leasing liabilities	467	467	467
Trade payables	778	825	942
Other current liabilities	3,642	2,481	3,522
Derivative warrants liability	4,023	-	-
Liability in respect of government grants	109	205	109
Total current liabilities	9,019	3,978	5,040
Non-current liabilities			
Liability in respect of government grants	1,173	848	1,059
Leasing liability, net current	395	808	605
Total non-current liabilities	1,568	1,656	1,664
Shareholders' equity			
Share capital and premium	112,708	80,440	80,440
Capital reserve in respect of share-based payment	9,868	7,649	8,425
Accumulated deficit	(88,713)	(63,624)	(76,813)
Total shareholders' equity	33,863	24,465	12,052
Total liabilities and shareholders' equity	44,450	30,099	18,756

The accompanying notes are an integral of to these financial statements.

CONDENSED STATEMENTS OF COMPREHENSIVE LOSS
(New Israeli Shekels in thousands, except per share and share data)

	Six Months Ended June 30,		Year Ended December 31,
	2022	2021	2021
	Unaudited		Audited
Revenues	382	201	450
Cost of revenues	(267)	(165)	(288)
Gross profit	115	36	162
Research and development expenses, net	(10,184)	(8,854)	(18,847)
Selling and marketing expenses	(481)	(1,677)	(2,431)
General and administrative expenses	(2,511)	(2,690)	(5,149)
Operating loss	(13,061)	(13,185)	(26,265)
Financing expenses	(869)	(117)	(228)
Financing income	2,030	1	3
Financing income (expenses), net	1,161	(116)	(225)
Loss for the period	(11,900)	(13,301)	(26,490)
Comprehensive loss for the period	(11,900)	(13,301)	(26,490)
Basic and diluted loss per share	(1.15)	(1.68)	(3.33)
Weighted average of number of shares used to calculate the basic and diluted loss per share	10,334,303	7,935,366	7,960,239

The accompanying notes are an integral of to these financial statements.

CONDENSED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(New Israeli Shekels in thousands, except per share and share data)

For the six-month period ended June 30, 2022

	Share capital and premium	Capital reserve in respect of share-based payment	Accumulated deficit	Total shareholders' equity
Balance as of January 1, 2022 (audited)	80,440	8,425	(76,813)	12,052
Share-based payment to employees	-	545	-	545
Share-based payment to service provider	-	1,056	-	1,056
Partial exercise of over-allotment option into warrants	-	(158)	-	(158)
Net proceed allocated to ADS and ADS to be issued through initial public offering	32,268	-	-	32,268
Comprehensive loss for the period	-	-	(11,900)	(11,900)
Balance as of June 30, 2022 (unaudited)	<u>112,708</u>	<u>9,868</u>	<u>(88,713)</u>	<u>33,863</u>

For the six-month period ended June 30, 2021

	Share capital and premium	Capital reserve in respect of share-based payment	Accumulated deficit	Total shareholders' equity
Balance as of January 1, 2021 (audited)	80,440	5,077	(50,323)	35,194
Share-based payment to employees	-	1,116	-	1,116
Share-based payment to service provider	-	1,456	-	1,456
Exercise of non-registered rights into ordinary shares	(*)-	-	-	(*)-
Comprehensive loss for the period	-	-	(13,301)	(13,301)
Balance as of June 30, 2021 (unaudited)	<u>80,440</u>	<u>7,649</u>	<u>(63,624)</u>	<u>24,465</u>

For the year ended December 31, 2021

	Share capital and premium	Capital reserve in respect of share-based payment	Accumulated deficit	Total shareholders' equity
Balance as of January 1, 2021	80,440	5,077	(50,323)	35,194
Share-based payment to employees	-	1,892	-	1,892
Share-based payment to service provider	-	1,456	-	1,456
Exercise of non-registered rights into ordinary shares	(*)-	-	-	(*)-
Comprehensive loss for year	-	-	(26,490)	(26,490)
Balance as of December 31, 2021	<u>80,440</u>	<u>8,425</u>	<u>(76,813)</u>	<u>12,052</u>

(*) Represents an amount lower than NIS 1.

The accompanying notes are an integral of to these financial statements.

CONDENSED STATEMENTS OF CASH FLOWS
(New Israeli Shekels in thousands, except per share and share data)

	Six Months Ended June 30,		Year Ended December 31,
	2022	2021	2021
	Unaudited		Audited
Cash flow from operating activity			
Comprehensive loss for the period	(11,900)	(13,301)	(26,490)
Adjustments required to present cash flows from operating activities (Appendix A)	(12)	2,642	3,357
Net cash used in operating activities	(11,912)	(10,659)	(23,133)
Cash flows from investment activity			
Change in restricted deposits	(6)	(77)	(41)
Changes in short-term deposits	5,012	(12,006)	(5,012)
Purchase of property and equipment	(4)	(72)	(144)
Net cash provided by (used in) investment activity	5,002	(12,155)	(5,197)
Cash flows from financing activity			
Deferred offering expenses	-	-	(750)
Receipt of government grants	-	251	579
Net proceeds from issuance of ADS, pre-funded warrants and warrants through initial public offering	37,578	-	-
Repayment of principal in respect of lease liability	(234)	(206)	(440)
Exercise of non-registered rights into ordinary shares	-	(*)-	(*)-
Net cash provided by (used in) financing activity	37,344	45	(611)
Change in balance of cash and cash equivalents	30,434	(22,769)	(28,941)
Exchange differences on cash and cash equivalents	1,958	-	-
Balance of cash and cash equivalents, beginning of period	8,683	37,624	37,624
Balance of cash and cash equivalents, end of period	41,075	14,855	8,683

(*) Represents an amount lower than NIS 1.

The accompanying notes are an integral of to these financial statements.

CONDENSED STATEMENTS OF CASH FLOWS
(New Israeli Shekels in thousands, except per share and share data)

	Six Months Ended June 30,		Year Ended December 31,
	2022	2021	2021
	Unaudited		Audited
Appendix A - Adjustments required to present cash flows from operating activities			
Income and expenses not involving cash flows			
Depreciation	31	28	61
Amortization of right for use asset	212	185	398
Interest expense in respect of leasing	24	30	61
Share-based payment to employees and service providers	545	2,572	3,348
Direct and incremental issuance cost allocated to derivative warrant liability through U.S IPO	723	-	-
Revaluation of derivative warrant liability	(82)	-	-
Exchange differences on cash and cash equivalent	(1,958)	-	-
Changes in liability in respect of government grants	114	-	(213)
	<u>(391)</u>	<u>2,815</u>	<u>3,655</u>
Changes in asset and liability items			
Decrease (increase) in other current assets	201	(376)	(647)
Decrease (increase) in trade receivables	127	12	(142)
Increase in inventory	(30)	(262)	(715)
Increase (decrease) in trade payables	(164)	(63)	54
Increase in other current liabilities	245	516	1,152
	<u>379</u>	<u>(173)</u>	<u>(298)</u>
	<u>(12)</u>	<u>2,642</u>	<u>3,357</u>

Appendix B - Non-cash investment and financing activities

Recognition of right for use asset against a leasing liability	-	532	532
Deferred offering expenses not yet paid	-	-	405
Direct and incremental stock-based payment expenses allocated to ADS and pre-fund warrants through U.S. IPO	960	-	-
Offering costs not yet paid	280	-	-
Partial exercise of over-allotment option into warrants	158	-	-

The accompanying notes are an integral of to these financial statements.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
(New Israeli Shekels in thousands, except per share and share data)

Note 1 - General

A. Incorporation and operations

Saverone 2014 Ltd. (the “Company”) was founded in Israel on November 16, 2014 and commenced its business activity on that date (the “Inception Date”). From the Inception Date, the Company has been active in one operating segment, i.e., development of the technology necessary to create a life-saving system that prevents certain uses of cell phones while driving (the “Saverone System”).

B. The Company’s business position

The Company’s main activity is research and development and it has not yet shown any operating profits. From the Inception Date and through June 30, 2022, the Company reported losses and a negative cash flow from current operating activity. As of June 30, 2022, the Company has an accumulated deficit of NIS 88,713 and it had a comprehensive loss of NIS 11,900 for the period of six months ended June 30, 2022.

The Company’s management has been maintaining forecasts, monitoring its cash flows and has been actively involved in obtaining the financing it needs to continue its operations and to realize its plans which include the implementation of a business plan formulated by the Company’s management to complete the development and sale of products based on technologies that are still in their development stage. The ability of the Company to meet its development targets and to realize its business plans, as above, are contingent upon the recruitment of sources of finance which are not guaranteed.

In June 2020, the Company completed an initial public offering (“IPO”) on the Tel Aviv Stock Exchange, with a net consideration of NIS 23,720. In addition, as part of the preparations of the Company for the above issuance, the entire balance of the bridging investments used to finance Company activity were converted into shares by the date of the aforementioned issuance. Also, in November 2020, the Company completed financing through a shelf offering, as part of which it raised an addition net amount of NIS 20,887.

In June 2022, the Company completed an underwritten U.S. IPO (“U.S. IPO”) on the Nasdaq under which the Company issued and sold (i) number of 2,941,918 units, each unit consisting of one American Depositary Share (“ADS”) and one warrant to purchase one ADS (“Warrant”) at an offering price of \$4.13 per unit and (ii) number of 208,802 pre-funded units, each unit consisting of one pre-funded warrant to purchase one ADS and one warrant to purchase one ADS at an offering price of \$4.129 per pre-funded unit. The Company received gross proceeds of approximately \$13 million (approximately NIS 43,441) before direct and incremental costs incurred. In addition, the Company allotted to the underwriter as share-based payment by issuance of 157,510 warrants (“Representative’s Warrant”) and 469,654 over-allotment option (“Over-Allotment Option”) which was partially exercised. See also Note 3 below.

The ADSs and warrants are traded on the Nasdaq under the symbols “SVRE” and “SVREW”, respectively. Upon satisfaction of customary closing conditions, the closing date of the U.S. IPO was June 7, 2022 (the “Closing Date”).

As of June 30, 2022, management has determined that the balance of cash and cash equivalents are sufficient for the Company to continue its business plans and operation at least for the 12-months period subsequent to the reporting period.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONT.)
(New Israeli Shekels in thousands, except per share and share data)

Note 2 - Significant accounting policies

A. Basis of presentation

The accompanying unaudited condensed financial statements and related notes should be read in conjunction with the Company's financial statements and related notes included elsewhere in the Company's Registration Statement on Form F-1 for the fiscal year ended December 31, 2021, which was filed with the Securities and Exchange Commission ("SEC") and became effective on June 2, 2022. The unaudited condensed interim financial statements have been prepared in accordance with the rules and regulations of the SEC related to interim financial statements. The interim condensed financial statements have been prepared in accordance with generally accepted accounting principles for the preparation of financial statements for interim periods, as prescribed in IAS 34 "Interim Financial Reporting". The financial information contained herein is unaudited; however, management believes all adjustments have been made that are considered necessary to present fairly the results of the Company's financial position and operating results for the interim periods. All such adjustments are of a normal recurring nature.

The results for the six months ended June 30, 2022 are not necessarily indicative of the results to be expected for the year ending December 31, 2022 or for any other interim period or for any future period.

B. Use of estimates in the preparation of financial statements

The preparation of financial statements in conformity with IFRS requires management to make accounting estimates and assessments that involve use of judgment and that affect the amounts of assets and liabilities presented in the financial statements, the disclosure of contingent assets and liabilities at the dates of the financial statements, the amounts of revenues and expenses during the reporting periods and the accounting policies adopted by the Company. Actual results could differ from those estimates.

C. Cash and cash equivalents

Cash equivalents are short-term highly liquid investments which include short term bank deposits (up to three months from date of deposit), that are not restricted as to withdrawals or use that are readily convertible to cash with maturities of three months or less as of the date acquired.

D. Basic and diluted net loss per ordinary share

Basic net loss per ordinary share is computed by dividing the net loss for the period applicable to ordinary shareholders, by the weighted average number of ordinary shares outstanding during the period (including shares that were fully paid under the pre-funded amount). Diluted loss per share gives effect to all potentially dilutive common shares outstanding during the period using the treasury stock method with respect to options and certain warrants and using the if-converted method with respect to certain warrants accounted for as derivative financial liability. In computing diluted loss per share, the average share price for the period is used in determining the number of shares assumed to be purchased from the exercise of options or warrants.

During the period of six months ended June 30, 2022 and 2021, the total weighted average number of ordinary shares, par value NIS 0.01 per share, of the Company related to outstanding options and warrants excluded from the calculation of the diluted loss per share was 4,352,144 and 1,098,938, respectively.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONT.)
(New Israeli Shekels in thousands, except per share and share data)

Note 2 - Significant accounting policies

E. Derivative Warrants Liability

Certain warrants that were issued by the Company to investors through an U.S. IPO transaction (see also Note 3) are exercisable into a number of ADS with a fixed exercise price which is denominated in U.S. dollar currency which is different from the functional currency of the Company (New Israeli Shekels) and are also might be exercisable to a variable number of shares due to the existence of cashless exercise mechanism under certain circumstances. Accordingly, such warrants are considered as a current financial liability classified under 'Fair value through profit or loss' category (FVTPL). The fair value of the liability was determined at level 1 in the fair value hierarchy based on the quoted market price of the warrants. Changes in the estimated fair value of the outstanding warrants are recognized each reporting period as part of the financing expenses, net line in the condensed Statement of Operations and Comprehensive Loss, until such warrants are exercised or expired.

F. Issuance of units comprised of warrants and ordinary shares

At the closing date, the Company allocated total gross proceeds to the issuance components as follows: (i) as the warrants were determined to be classified as a financial derivative liability, the Company has initially recognized them at fair value and based an average quoted market price of four business days of these warrants, (ii) the amount allocated to the ADS issued and ADS to be issued under the pre-funded amount was calculated as the difference between the total gross proceeds received and the fair value of the warrants issued at the closing date.

Incremental and direct issuance costs were allocated to the components based on the same proportion as the allocation of the gross proceeds. The portion of issuance costs that was allocated to the warrants was recognized immediately as finance expenses in the condensed statement of comprehensive loss and the portion of issuance costs related to the ADS and pre-funded warrants was deducted from additional-paid in capital.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONT.)
(New Israeli Shekels in thousands, except per share and share data)

Note 3 - U.S. Initial public offering on Nasdaq

As noted in Note 1B above, on June 6, 2022, the Company completed an underwritten U.S. IPO under which the Company received gross proceeds of approximately \$13 million (approximately NIS 43,441) for issuance of -

- A. Number of 2,941,918 units at a price to the public of \$4.13 per unit, each consisting of (i) one ADS and (ii) one Warrant exercisable for one ADS over a limited period of 5-years from the issuance date at an exercise price of \$5.00 (the warrants are subject to a cashless exercise mechanism upon under certain events) and
- B. Number of 208,282 pre-funded units at a price to the public of \$4.129 per pre-funded unit, each consisting of (i) one pre-funded warrant exercisable for one ADS over unlimited period at an exercise price of \$0.001 (the pre-funded warrants are subject to a cashless exercise mechanism upon under certain events) and (ii) one warrant exercisable for one ADS over a limited period of 5-years from the issuance date at an exercise price of \$5.00 (the warrants are subject to a cashless exercise mechanism upon under certain events). It is noted that all of the pre-funded warrants were fully paid at the Closing Date, as defined below, however the related ADS were issued subsequent to the balance sheet. See also Note 7B.

Each ADS represents 5 ordinary shares of the Company.

In connection with the U.S. IPO, the Company engaged an U.S. underwriter which was granted as part of its compensation upon completion of the U.S. IPO (i) a 45-day Over-Allotment Option to purchase up to an additional 469,654 ADS at an exercise price of \$4.129 or pre-funded warrants and/or 469,654 warrants exercisable for the same number of ADS at an exercise price of \$0.001 ("Over-Allotment Option") and (ii) a Representative's Warrant exercisable for 157,510 ADS at an exercise price of \$5.16 per ADS over a limited period of 5-years from the issuance date. In connection with the closing of the offering, in June 2022, the underwriter partially exercised its Over-Allotment Option to purchase an additional 126,482 warrants exercisable for the same number of ADS for de minimis consideration. The remaining 343,172 Over-Allotment Option has been expired.

Upon satisfaction of customary closing conditions, the closing date of the U.S. IPO was June 7, 2022 (the "Closing Date").

As the exercise price of the Warrants is determined in foreign currency and as the Warrants might be exercisable to a variable number of shares due to the cashless exercise mechanism, the Warrants were accounted for as a derivative financial liability.

Moreover, the Company receives substantially all of the pre-funded warrant's proceeds upfront (without any conditions) as part of the pre-funded warrant's purchase price and in return the Company is obligated to issue fixed number of ADS to the holders. Consequently, pre-funded warrants were accounted and were classified as additional paid-in capital as part of the Company's shareholders' equity.

As the Over-Allotment Option exercisable for ADS, Over-Allotment Option exercisable for pre-funded warrants and/or warrants and the Representative's Warrant were granted to the underwriter as compensation for its underwriting services rendered in respect to the U.S. IPO, they were accounted for under IFRS 2 "Share-based Payment" in total amount of NIS 5, NIS 588 and NIS 461, respectively. These expenses were estimated at fair value by using Black-Scholes-Merton pricing model in which the assumptions that have been used are as follows: expected dividend yield of 0%; risk-free interest rate of 2.16%-3.11%; expected volatility of 52.92%, exercise period and exercise price based upon the stated terms, ADS price of \$2.76 which represents the quoted market price of the average four business days following the Closing Date. These expenses were included as part of the incremental and direct issuance costs incurred through the U.S. IPO.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONT.)
(New Israeli Shekels in thousands, except per share and share data)

Note 3 - U.S. Initial public offering on Nasdaq (Cont.)

Pursuant to the above, at the initial recognition date the gross proceeds received was allocated to identified components as follows:

	Fair value at Closing Date
	Unaudited
Derivative warrant liability (*)	3,947
Pre-funded warrant and ADS	39,494
Total gross consideration	<u>43,441</u>

(*) The fair value of the derivate warrant liability was determined and estimated at level 1 in the fair value hierarchy based on the price of the Warrants of \$0.3508 which is an average quoted market trading price in the first four business days following the Closing Date.

The total incremental and direct issuance costs amounted to NIS 7,949 were allocated to the Warrants (NIS 723) and the ADS (including pre-funded warrants) (NIS 7,226), based on the relative value of such identified instruments at the Closing Date. The portion of issuance costs that was allocated to the Warrants was recognized immediately as finance expenses in the condensed statement of comprehensive loss and the portion of issuance costs related to the ADS (including pre-funded warrant) was deducted from additional paid-in capital.

The following tabular presentation reflects the reconciliation of the fair value of derivative warrant liability during the period of six months ended June 30, 2022:

	Six months period ended June 30, 2022
	Unaudited
Opening balance	-
Recognition of fair value of warranted issued at Effective Date	3,947
Warrants issued as result of partially exercised of over-allotment option	158
Revaluation of derivative warrant liability exercisable for ADS	(82)
Closing balance	<u>4,023</u>

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONT.)
(New Israeli Shekels in thousands, except per share and share data)

Note 4 - Share capital and reserves**A. Composition of share capital**

	June 30, 2022		December 31, 2021	
	Authorized	Issued and outstanding	Authorized	Issued and outstanding
Ordinary shares, par value NIS 0.01 each	100,000,000	22,694,296	100,000,000	7,984,706

B. Rights attached to the ordinary shares

The ordinary shares of the Company grant the holders thereof the right to participate and vote in shareholders meetings, the right to receive a dividend, as declared, the right to participate in distributions of bonus shares and the right to participate in the distribution of the assets of the Company upon liquidation.

C. Changes in the issued and outstanding capital

	Six months period ended June 30, 2022
	Unaudited
Balance as of January 1, 2022	7,984,706
Allotment of ordinary shares through U.S IPO (see Note 3 above)	14,709,590
Balance as of June 30, 2022	22,694,296

Note 5 - Loss per share

The following table presents a summary of the loss and number of shares (including adjustments to such data) that were taken into consideration for purposes of computing the loss per share (both basic and diluted).

	Six months period ended June 30,		Year Ended December 31,
	2022	2021	2021
	Unaudited		Audited
Loss attributed to the shareholders of the Company for purposes of computing the basic and diluted loss per share	(11,900)	(13,301)	(26,490)
	Number of shares	Six months period ended June 30,	Year Ended December 31,
	2022	2021	2021
	Unaudited		Audited
Weighted number of shares	10,178,955	7,935,366	7,960,239
Weighted number of shares to be issued upon full exercise of pre-funded warrants	155,348	-	-
Weighted number of shares used in computing basic and diluted loss per share	10,334,303	7,935,366	7,960,239

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONT.)
(New Israeli Shekels in thousands, except per share and share data)

Note 6 - Financial risk factors

The Company's activities expose it to a variety of financial risks.

The condensed interim financial statements do not include all financial risk information and disclosures required in the annual financial statements; they should be read in conjunction with the Company's annual financial statements as of December 31, 2021.

There have been no changes in the risk management policies since the year-end.

Note 7 - Subsequent Events

The Company evaluated subsequent events and transactions that occurred after the balance sheet date up to the date that the financial statements were available to be issued (September 8, 2022). Based upon this review, the Company did not identify any other subsequent events that would have required adjustment or disclosure in the financial statements, except as disclosed below.

A. Options grant

On July 7, 2022, the Company's Board of Directors approved a grant of options to purchase an aggregate of 1,031,000 ordinary shares of the Company, to employees and officers. The options are exercisable at NIS 1.639 per share and will be vest over a limited period of 4-years.

B. Issuance of ADS

In August 2022, all of the pre-funded warrants were exercised into ADS. See also Note 3.