

SAVOREAT LTD.
INTERIM FINANCIAL INFORMATION
(Unaudited)
AS OF JUNE 30, 2023

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The accompanying audit report is a non-binding translation into English of the original audit report published in Hebrew. The version in Hebrew is the approved text.

Introduction

We have reviewed the attached financial information of SavorEat Ltd. (hereinafter - the Company), which is comprised of the condensed statement of financial position as of June 30, 2023 and the condensed statements of comprehensive income, changes in equity and cash flows for the six-month period ended on that date. The Board of Directors and management are responsible for the preparation and presentation of the financial information for this interim period in accordance with the provisions of IAS 34 "Interim Financial Reporting" and are responsible for presentation of the financial information for this interim period in accordance with Chapter D to the Securities Regulations (Periodic and Immediate Reports), 1970. Our responsibility is to express a conclusion with respect to the financial information for this interim period, based on our review.

Scope of review

Our review was conducted in accordance with the provisions of Review Standard (Israel) 2410 of the Institute of Certified Public Accountants in Israel concerning 'Review of financial information for interim periods undertaken by the entity's auditor.' A review of financial information for interim periods consists of making enquiries, in particular, of those officials responsible for financial and accounting matters, and of the application of analytical and other review procedures. A review is substantially lesser in scope than an audit conducted in accordance with auditing standards generally accepted in Israel and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the above financial information is not prepared, in all material respects, in accordance with IAS 34.

Further to the preceding paragraph, based on our review, nothing has come to our attention that causes us to believe that the above financial information is not in compliance, in all material respects, with the disclosure provisions in Chapter D of Israel Security Regulations (Periodic and Immediate Reports), 1970.

Without qualifying our conclusion above, we draw attention to note 1g to the financial statements which describes that the Company is in research and development stages, and therefore, has not yet generated revenue, has accumulated losses and negative cash flows in light of development and ongoing activity since its date of incorporation and will require additional financing resources to continue its activity, the obtaining of which is uncertain. Those factors cast significant doubt on the Company's ability to continue as a going concern. Management plans in relation to those matters are presented in note 1g. These financial statements do not include any adjustments relating to the values and classification of asset and liabilities that might be necessary should the Company be unable to continue as a going concern.

Tel-Aviv, Israel
August 17, 2023

Kesselman & Kesselman
Certified Public Accountants (Isr.)
A member firm of PricewaterhouseCoopers International Limited

SAVOREAT LTD.
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2023

	As of June 30		As of December 31,
	2023	2022	2022
	(Unaudited)		(Audited)
	NIS in thousands		
A s s e t s			
CURRENT ASSETS:			
Cash and cash equivalents	19,062	20,023	28,538
Short-term deposits	6,597	15,004	-
Other receivables	1,277	2,731	3,188
	26,936	37,758	31,726
NON-CURRENT ASSETS:			
Property, plant and equipment, net	639	680	711
Right-of-use asset	192	307	139
Investment in associate accounted for using the equity method	-	974	544
Restricted deposits	173	91	139
Total assets	27,940	39,810	33,259
Liabilities and equity			
CURRENT LIABILITIES:			
Accounts payable	803	1,009	1,047
Trade payables	591	813	405
Current maturities on lease	237	368	177
	1,631	2,190	1,629
NON-CURRENT LIABILITIES:			
Liability for options	-	315	-
Total liabilities	1,631	2,505	1,629
EQUITY:			
Ordinary share capital	22	21	22
Share premium	64,665	59,859	64,665
Capital reserve	5,381	5,607	5,725
Accumulated loss	(43,759)	(28,182)	(38,782)
Total equity	26,309	37,305	31,630
Total liabilities and equity	27,940	39,810	33,259

Date of approval of the financial information: August 17, 2023.

Oded Shoseyov
Chairman of
the Board

Racheli Vizman
Chief Executive
Officer

Mira Damgian
Chief Financial
Officer

The accompanying notes are an integral part of this condensed financial information.

SAVOREAT LTD.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023

	Six months ended		Year ended
	June 30		December 31
	2023	2022	2022
	(Unaudited)		(Audited)
	NIS in thousands		
Research and development expenses, net	(4,405)	(5,658)	(12,574)
Administrative and general expense	(945)	(1,906)	(4,272)
Marketing expenses	(98)	(858)	(1,909)
Operating loss	(5,448)	(8,422)	(18,755)
Changes in fair value of derivative financial instruments		4,129	3,934
Finance income	1,027	1,144	1,512
Finance expenses	(12)	(68)	(78)
Decrease in ownership interest, and share in losses of associate accounted for using the equity method	(544)	124	(306)
Loss and comprehensive loss	(4,977)	(3,093)	(13,693)
 <u>(Loss) per share</u>			
Basic (loss) per share	(2.27)	(1.49)	(6.42)
Diluted (loss) per share	(2.27)	(3.39)	(8.17)

The accompanying notes are an integral part of this condensed financial information.

SAVOREAT LTD.
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023

	Share capital	Share premium	Capital reserve	Accumulated loss	Total
	NIS in thousands				
Balance as of January 1, 2023 (audited)	22	64,665	5,725	(38,782)	31,630
Change during six-month period ended June 30, 2023 (unaudited):					
Share-based payment	-	-	(344)		(344)
Loss	-	-		(4,977)	(4,977)
Balance as of June 30, 2023 (unaudited)	<u>22</u>	<u>64,665</u>	<u>5,381</u>	<u>(43,759)</u>	<u>26,309</u>
Balance as of January 1, 2022 (audited)	21	57,989	6,764	(25,089)	39,685
Change during six-month period ended June 30, 2022 (unaudited):					
Exercise of options	*	1,870	(1,718)	-	152
Share-based payment	-	-	561	-	561
Loss	-	-	-	(3,093)	(3,093)
Balance as of June 30, 2022 (unaudited)	<u>21</u>	<u>59,859</u>	<u>5,607</u>	<u>(28,182)</u>	<u>37,305</u>
Balance as of January 1, 2022 (audited)	21	57,989	6,764	(25,089)	39,685
Change during 2022:					
Exercise of investor options	1	3,771			3,772
Exercise of employee options	*	2,905	(2,736)		169
Share-based payment	-	-	1,697		1,697
Loss	-	-		(13,693)	(13,693)
Balance as of December 31, 2022 (audited)	<u>22</u>	<u>64,665</u>	<u>5,725</u>	<u>(38,782)</u>	<u>31,630</u>

* Less than NIS 1,000.

The accompanying notes are an integral part of this condensed financial information.

SAVOREAT LTD.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023

	Six months ended June 30		Year ended December 31
	2023	2022	2022
	(Unaudited)		(Audited)
	NIS in thousands		
Cash flows from operating activity:			
Net loss	(4,977)	(3,093)	(13,693)
Adjustments required to present cash flows from operating activity			
Adjustments to profit and loss items:			
Depreciation and amortization	258	231	475
Finance income	(1,027)	(1,144)	(1,512)
Finance expenses	12	68	78
Share-based payment	(344)	561	1,697
Decrease in ownership interest, and share in losses of associate accounted for using the equity method	544	(124)	306
Changes in fair value of derivative financial instruments	-	(4,129)	(3,934)
	<u>(557)</u>	<u>(4,537)</u>	<u>(2,890)</u>
Change in operating asset and operating liability items:			
Increase (decrease) in accounts payable	502	(501)	(156)
Decrease (increase) in other receivables	1,638	(755)	(1,259)
Increase (decrease) in trade payables	187	798	390
	<u>2,327</u>	<u>(458)</u>	<u>(1,025)</u>
Total adjustments	<u>1,770</u>	<u>(4,995)</u>	<u>(3,915)</u>
Interest paid in cash	<u>(12)</u>	<u>(33)</u>	<u>(51)</u>
Net cash used in operating activity	<u>(3,219)</u>	<u>(8,121)</u>	<u>(17,659)</u>
Cash flows from investing activity:			
Amount released from (placed in) deposit	(6,597)	15,000	30,004
Acquisition of property, plant and equipment	(9)	(230)	(338)
Net cash provided by (used in) investing activity	<u>(6,606)</u>	<u>14,770</u>	<u>29,666</u>
Cash flows from financing activity:			
Issue of shares		152	
Exercise of employee options			169
Exercise of investor options			3,270
Principal payment on leases	(171)	(170)	(361)
Net cash used in financing activity	<u>(171)</u>	<u>(18)</u>	<u>3,078</u>
Increase (decrease) in cash and cash equivalents	<u>(9,996)</u>	<u>6,631</u>	<u>15,086</u>
Foreign exchange on cash and cash equivalents	<u>520</u>	<u>1,130</u>	<u>1,190</u>
Balance of cash and cash equivalents at beginning of the period	<u>28,538</u>	<u>12,262</u>	<u>12,262</u>
Balance of cash and cash equivalents at end of the period	<u>19,062</u>	<u>20,023</u>	<u>28,538</u>

The accompanying notes are an integral part of this condensed financial information.

SAVOREAT LTD.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

AS OF JUNE 30, 2023

(Unaudited)

NOTE 1 - GENERAL:

- a.** SavorEat Ltd was incorporated on December 3, 2018 and commenced its operating activity in 2019. The Company is active in a single operating segment which is development of a technology platform for manufacturing and roasting meat substitutes through advanced manufacturing technology, including 3D printing. The corporate address of the Company is 4 Oppenheimer St., Rehovot, Israel. The Company is a public entity, whose shares are traded on the Tel Aviv Stock Exchange (TASE).
- b.** The Company incorporated a wholly-owned subsidiary in the United States – SavorEat Inc. The subsidiary has not yet begun its operations.
- c.** On May 3, 2021, Egg'N'up Ltd (a company accounted for by SavorEat using the equity method) was incorporated and began its business operations in October 2021. Egg'N'up Ltd is active in a single operating segment of developing a digital manufacturing technology for plant-based egg substitutes. The corporate address of this entity is 3 Pinhas Sapir St., Nes Ziona, Israel. This entity is a private company.
- d.** As of the date of this report, the Company is a "small corporation" by virtue of the provisions set by Regulation 5C of Securities Regulations (Periodic and Immediate Reports), 1970 ("the Regulations").

According to a resolution of the Company's board of directors, the Company adopted and has been implementing the practical expedients put in place by sections 5(d)(b)(1)-(6) of the Regulations (to the extent such implementation is relevant or may be relevant to the Company in the reported period), providing as follows:

- 1) Presentation of highly material valuations is required only above a materiality threshold of 20%;
- 2) The financial statements of material associates accompany interim financial statements only above a 40% threshold (the threshold for annual financial statements remained 20%);
- 3) Exemption from issuing a management report on internal controls and an auditors' report on internal control, with only limited-scope management declarations;
- 4) Reporting on a semi-annual schedule;
- 5) It is not necessary to include separate financial statements to the periodic report.

SAVOREAT LTD.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

AS OF JUNE 30, 2023

(Unaudited)

NOTE 1 - GENERAL:

e. Definitions

In this financial information:

- | | | |
|---|---|--|
| The Company | - | SavorEat Ltd. |
| Related parties | - | As defined by IAS 24. |
| Interested parties and controlling shareholders | - | As defined by the Israel Securities Law, 1968 and the regulations thereunder. Accordingly, and as of the date of this interim information, the interested parties of the Company are Prof. Oded Shoseyov, Prof. Ido Braslavsky, Racheli Vizman, Yisum Research Development Company is the technology transfer company of the Hebrew University of Jerusalem Ltd (hereinafter: "Yisum"), Millennium Food-Tech Limited Partnership and Meitav-Dash Investment Ltd (through provident and pension funds, mutual funds and partnerships), More Investments Ltd (through provident funds and partnerships) and Altshuler Shaham Ltd (through Psagot Provident and Pension). |

- f. Beginning in 2021, the rate inflation has climbed up in Israel, US and elsewhere. In 2021 and 2022, the Israel Consumer Price Index rose by 2.8% and 5.3%, respectively, while the increase in January-June 2023 reflects an annualized increase of 4.2%. In 2021 and 2022, inflation in the US reflects an annualized increase in prices at the rate of 4.2% and 8%, respectively, while the rise in the US Consumer Price Index in January-June 2023 reflects an annualized increase of 5.26%. To combat this increase in prices, central banks worldwide decided to hike interest rates. In response to those trends, management has assessed the expected impact of inflation and higher interest rates on the activity of the Company around its cost structure, profit margins and financing costs. The Company performs deposits into interest-bearing, short-term deposits.

The Company believes that the above mentioned does not have material impact on the Company. However, note that the Company believes that the local market conditions (including regarding interest rate hikes and higher inflation) do pose challenges to the Company as a public entity when engaging in capital raises (from the public or through private placements), relative to privately-owned companies in this industry.

- g. The Company is in research and development stages, has not yet generated revenue from its activity, and is dependent on additional financial resources that are required to continue its research and development activity and the obtaining of which is uncertain. As of June 30, 2023, the Company has accumulated a loss of NIS 43,759 thousand and negative cash flows from operating activity in the six-month period then ended at NIS 3,219 thousand. Management projects that the Company will continue to accumulate operating losses from its future operations, which will result in negative cash flows from operating activities. Those factors cast significant doubt on the Company's ability to continue as a going concern. Management plans, whose completion is not under control of the Company, include raising debt or additional capital. The financial statements do not include any adjustments relating to the values and classification of asset and liabilities that might be necessary should the Company be unable to continue as a going concern.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

AS OF JUNE 30, 2023

(Unaudited)

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of the condensed financial information:

The interim condensed consolidated financial information of the Group as of June 30, 2023 and for the six-month period then ended (hereinafter – the "Interim Financial Information") was prepared in accordance with IAS 34 "Interim Financial Reporting", including the additional disclosure required by Chapter D of Securities Regulation (Periodic and Immediate Reports), 1970. The Interim Financial Information does not include all information and disclosure required in annual financial statements. The Interim Financial Information should be read in conjunction with the 2022 annual financial statements and the accompanying notes, which were prepared in accordance with International Financial Reporting Standards, which are standards and interpretations issued by the International Accounting Standards Board. (hereinafter – "IFRS") and include the additional disclosure required by Chapter D of Securities Regulation (Annual Financial Statements), 2010. The Company's results of operations for the six-month period ended June 30, 2023 do not necessarily indicate the results to be expected in the year ended December 31, 2023.

Estimates

The preparation of interim financial information requires management to make judgment and use accounting estimates and assumptions that affect application of the Company's accounting policy and the reported amounts of assets and liabilities, income and expenses items. Note that actual results may differ from those estimates.

When formulating the accounting estimates used in this condensed interim financial information, the significant judgment used by management in implementing the Company's accounting policies and the uncertainty involved in the key sources of the estimates were identical to those in the annual financial statements of the Company for the year ended December 31, 2022.

NOTE 3 - EQUITY:

On March 26, 2023 and April 24, 2023, the Company's Board of Directors approved an allocation of options as part of a share-based payment scheme. A total of 32,001 options were granted, convertible into 32,001 ordinary shares of the Company of NIS 0.01 par value each for an exercise price of NIS 11.68 and NIS 10.67 per option, respectively. The vesting period is four years and immediate, respectively.

The Company uses the Black and Scholes pricing model for valuing the options granted. The fair value of the options granted is amortized over their vesting period using the following assumptions:

	June 30, 2023
Dividend yield	0%
Expected volatility	86%
Risk-free interest rate	4.08-4.44%
Expected period to exercise	2-4

SAVOREAT LTD.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

AS OF JUNE 30, 2023

(Unaudited)

NOTE 4 - LOSS PER SHARE:

a. Basic

Basic losses per share are calculated by dividing the net loss attributable to shareholders by the weighted average number of ordinary shares outstanding.

	Six months ended June 30		Year ended December 31,
	2023	2022	2022
	(Unaudited)		(Audited)
	NIS in thousands		
Loss for the period	(4,977)	(3,093)	(13,693)
Weighted average of the number of ordinary shares issued	<u>2,193,290</u>	<u>2,075,824</u>	<u>2,134,376</u>
Basic loss per share (NIS)	<u>(2.27)</u>	<u>(1.49)</u>	<u>(6.42)</u>

b. Diluted

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has share options. A calculation is performed to determine the number of shares that could have been acquired at fair value based on the monetary value of unexercised options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	Six months ended June 30		Year ended December 31,
	2023	2022	2022
	(Unaudited)		(Audited)
	NIS in thousands		
Total loss for the period, used for calculation of basic loss per share	(4,977)	(3,093)	(13,693)
Adjustments for revaluation of liability warrants	<u>-</u>	<u>(4,094)</u>	<u>(3,934)</u>
Total loss used in calculation of loss per share	(4,977)	(7,187)	(17,627)
Weighted average of number of shares used in calculation of loss per share	2,193,290	2,075,824	2,134,376
Adjustment for diluted options	-	43,681	23,275
Weighted average of number of shares used in calculation of (loss) per share	<u>2,193,290</u> (2.27)	<u>2,119,505</u> (3.39)	<u>2,157,651</u> (8.17)

In the calculation of diluted loss per ordinary share for the reported periods, employee options were not taken into account, as they are antidilutive assuming full dilution.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

AS OF JUNE 30, 2023

(Unaudited)

NOTE 5 - INVESTMENT IN ASSOCIATE

On October 6, 2021, Egg'N'up Ltd entered into an agreement with Millennium Food-Tech Limited Partnership – an interested party of the Company by virtue of its holdings – for investment in an egg substitute that the Company developed that is plant-based and composed of the unique cellulose fibers of the Company, and that following a memorandum of understanding signed between them.

The agreement sets the terms for developing egg substitute products through a private company that the Company incorporated for that purpose and investment therein.

For that purpose, the Company transferred to Egg'N'up Ltd the knowhow and technology for manufacturing of an egg substitute, including a right to engage with Yisum Research Development Co of Hebrew University of Jerusalem in consideration of a tax-exempt allotment of shares according to the provisions of Section 104A to the Ordinance.

Under the agreement, Egg'N'up Ltd could raise \$2-2.5 million, of which private investors may invest \$1.2-1.5 million in exchange for share capital and the remainder (\$0.8-1 million, respectively) is expected to be accepted through a grant of the Innovation Authority under its Program (track) 46. The private investors were given an option to repay the grant of the Innovation Authority and by that to increase their investment in Egg'N'up Ltd.

Additionally, Millennium Food-Tech committed to invest under the agreement an initial amount of \$1.2 million in Egg'N'up Ltd (regardless of an additional potential investment of \$0.8 million if it elects to exercise the option that was given to it, as above, under the terms of the plan) in such way that upon closing the agreement, assuming the investment of the entire minimum amount for investment by Millennium only (without investment of other private investors), Egg'N'up Ltd would be jointly owned by the Company (about 86% in practice) and Millennium Food-Tech (about 14% in practice). According to the investment agreement, Millennium Food-Tech received preferred shares that give it rights to participate in decision making regarding activities, with significant impact on the returns of Egg'N'up Ltd. Therefore, this investment is accounted for using the equity method. The agreement includes reference to additional matters that are common in agreement of that type, including adoption of capital-based compensation plan, ownership over the intellectual property to be developed by Egg'N'up Ltd., sublicense granted by the Company to Egg'N'up Ltd to facilitate the continued development of the new product, indemnification, etc.

Based on the original license for development of meat substitutes that the Company received from Yisum Research Development Co of Hebrew University of Jerusalem Ltd, Egg'N'up Ltd. received from the Company (with a revision of the original license with Yisum) an exclusive license and sublicense for research and development, manufacturing, marketing and distribution of the egg substitute and related product using the cellulose fibers that were developed by Yisum and the formulation of the Company, as well as agreeing on other matters such as the process for supplying the raw material to Egg'N'up Ltd. by the Company, and royalties that will be paid to the Company from sales of the product and/or giving a sublicense.

Investment amounts are expected to be used by Egg'N'up Ltd. according to an agreed-upon budget.

According to a decision taken, the main goal of engaging in this agreement is to allow the Company's management team to continue focus on development of the main product, i.e. plant-based meat substitutes produced by the Company's unique and advanced digital system, while taking advantage of this business opportunity to capitalize on the advantages in continuing development of the egg substitute by Egg'N'up Ltd.

SAVOREAT LTD.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

AS OF JUNE 30, 2023

(Unaudited)

NOTE 5 - INVESTMENT IN ASSOCIATE

It is the intention of the Company that Egg'N'up Ltd will be led by a highly professional and independent management team, which will work separately from that of the Company, such that the Company is able to continue development of the meat substitutes while Egg'N'up Ltd continues the development of the egg substitute.

On January 12, 2022, Egg'N'up Ltd closed another investment with an additional investor (a foreign private corporation that is not and will not be an interested party in the Company as a result of its investment), which is based on, and joins the main, October 2021 investment agreement of Egg'N'up Ltd and Millennium Food under the same terms and conditions. Accordingly, the accumulated amount of investment in Egg'N'up Ltd., according to the original and additional agreement, is \$2.34 million (the additional investment amount is \$340 thousand). Upon completion of the additional agreement, Egg'N'up Ltd is under % ownership of the Company (82%), Millennium Food (14%) and the additional investor (4%) (70%, 18% and 5% fully diluted (the balance is maintained in the employee equity compensation plan)).

In January 2022, Egg'N'up Ltd received from the Israel Innovation Authority the approved amount of grant at NIS 2.5 million based on a capital investment of NIS 6.5 million.

	June 30		As of
	2023	2022	December 31
	(Unaudited)		2022
	(Unaudited)		(Audited)
	NIS in thousands		
Investments in investee accounted for using the equity method:			
Investment in share capital	2,026	2,025	2,026
Accumulated dividend	(819)	(615)	(590)
Accumulated loss	(1,207)	(436)	(892)
Total	<u>-</u>	<u>974</u>	<u>544</u>

Change in investment in investee accounted for using the equity method (in this section - "Associate"):

	Six-month period		Year ended
	ended June 30		December 31
	2023	2022	2022
	(Unaudited)		(Audited)
	NIS in thousands		
Balance as of beginning of year	544	850	850
Reduction of equity interest in investee	-	838	838
Accumulated dividend	(229)	(502)	(477)
Share of losses of investee	(315)	(212)	(667)
Balance as of end of year	<u>-</u>	<u>974</u>	<u>544</u>

The Company's share in the losses of Egg'N'up Ltd for the current reporting period exceeds the balance of investment. As the Company has no obligation to invest additional amounts in Egg'N'up Ltd, no additional losses were recognized beyond those nullifying the investment.

SAVOREAT LTD.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

AS OF JUNE 30, 2023

(Unaudited)

NOTE 5 - INVESTMENT IN ASSOCIATE

Condensed information about associate, without adjustment to reflect the Company's equity interest

	June 30		As of
	2023	2022	December 31,
	(Unaudited)		2022
	(Audited)		(Audited)
	NIS in thousands		
Current assets	3,980	6,370	5,266
Non-current assets	4,534	4,511	4,526
Total assets	8,514	10,881	9,792
Current liabilities	258	1,964	1,235
Non-current liabilities	576	544	608
Total liabilities	834	2,508	1,843
Equity attributed to shareholders of the Company	7,680	8,373	7,949

	Six months		Year ended
	ended		December 31,
	June 30		2022
	2023	2022	(Audited)
	(Unaudited)		
	NIS in thousands		
Operating loss	519	319	828

Reconciliation of condensed information

	June 30		As of
	2023	2022	December 31,
	(Unaudited)		2022
	(Audited)		(Audited)
	NIS in thousands		
Equity attributed to owners of the Company	7,680	8,373	7,949
Share of the Company in equity of associate	6,327	6,898	6,548
Balance of investment in the financial statements of the Company	-	974	544
Unrealized profit	5,418	5,418	5,418

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

AS OF JUNE 30, 2023

(Unaudited)

NOTE 6 – RELATED PARTIES

The monthly salary of the Company's CEO (who also serves as a director) and the Chairman of the Board (who is also Chief Science Officer (CSO) and a consultant) was voluntarily reduced by 25%, beginning on January 1, 2023.

Another director has also waived his remuneration beginning on January 1, 2023.

The Company's Board of Directors approved that the reduction will be paid to them if certain events materialize, with an option for them to elect interest or inflationary linkage.

The Board of Directors determined that this is a qualifying transaction that benefits the Company. As of the date of issuing the financial statements, the entitling events have not yet materialized.
