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ECOPPIA SCIENTIFIC LTD .

# PERIODIC REPORT

## June 30, 2021





# **Board of Directors' Report on Company's State of Affairs**

The Board of Directors of Ecoppia Scientific LTD (hereinafter: **The Company**) hereby respectfully presents the Board of Directors' Report on Company's State of Affairs for the six-month period ended June 30, 2021 (**The Reporting Period**). The report has been prepared in accordance with the Securities Regulations (Periodic and Immediate Reports), 1970 (**The Regulations**).

The explanations provided herein are in accordance with Company's Consolidated Interim Financial Statements dated June 30, 2021 (**The Financial Statements**).

This summary report was prepared under the assumption that the Company's periodic report dated December 31, 2020, published on March 24, 2021, is available to the reader (Reference no.: 2021-01-042744) (**The Periodic Report**) as well as the quarterly report for a period of three months ended March 31, 2021, which was published on May 25, 2021 (Reference No.: 2021-01-089490) ("**First Quarter Report**"), the contents of which are referenced in this report.

## **1. Part 1 – Board of Directors' Explanations of the Corporation's Financial Position**

### **1.1. Preface**

The Company was incorporated in Israel on January 7, 2013, as a private limited company, pursuant to the provisions of the Companies Act, 1999 (**The Companies Act**), and is in the business of the developing, marketing, operating and maintaining cloud-technology based robotics systems for the cleaning of solar panel installations.

On November 24, 2020, Company first went public by issuing 22,410,000 ordinary shares, each with a nominal value of NIS 0.0001 (**Ordinary Shares**) and 7,470,000 option warrants (Series 1) which may be converted into no more than 7,470,000 Ordinary Shares, which were made available to the public pursuant to the Supplemental Prospectus and the Shelf Prospectus dated November 23, 2020 (**The Prospectus**). Company's securities are listed for trading on the Tel Aviv Securities Exchange LTD (**The Exchange**). Following the completion of the listing of the securities on the Exchange pursuant to said Prospectus, Company was deemed a public company, as the term is defined in the Companies Act.

### **1.2. Summary description of the Company, its business environment, and its operating segment**

Company, directly and indirectly, develops, markets, operates and maintains technological solutions via robotic systems for the cleaning of solar panels installed in infrastructural photo-voltaic facilities. As of the date of the report, Company is active in a number of countries worldwide, with the majority of its operations located in India and Israel. Company provides its clients, mostly international corporations that own and operate infrastructural photo-voltaic facilities, with two types of cloud-technology based robotic systems which are operated and controlled remotely.

The robotic systems provide developers and operators of infrastructural photo-voltaic facilities a technological solution for more efficient energy production by the facilities, using robots which autonomously and uniformly clean the solar panels throughout the year, more gently and safely compared to manual alternatives. This saves resources and sustains the energy production of solar panels.

For additional details on Company's operations, see Part A of the Periodic Report.

### **1.3. Material Events During the Reporting Period**

#### **1.3.1. Effects of the Covid-19 Health Crisis on Company Operations**

The Covid-19 virus began spreading in December, 2019, first in China, and then to the rest of the world. The outbreak of the virus lead to economic uncertainty throughout the world and a financial impact following the



closing down of many businesses, a slowdown in manufacturing and a delay in deliveries and domestic and international transportation.

Towards the end of 2020, vaccinations developed against the Covid-19 virus were approved in the US and Europe. Over the course of December 2020, several countries around the world initiated campaigns to vaccinate the population against the virus.

During the first quarter of 2021 and following the spread of new variants of the corona virus in India, there was a significant increase in the confirmed infected cases and the authorities imposed restrictions on the movement of citizens and the activity of the economy. However, as of the date of publication of this report, the number of daily infections has dropped significantly and the said restrictions imposed on the economy in India have been partially lifted.

At this stage, the duration and extent of the crisis cannot be estimated, nor can the full extent of its impact on Company operations and performance, as well as the pace of implementation of the in countries around the world and the degree of such easing's impact on a recovery from the financial crisis under current circumstances.

For details on the effects of the Covid-19 health crisis on the PV facility market in general and Company operations specifically, see Section 1.3.6 of the 2020 Periodic Report.

#### Impact of the Covid-19 Crisis on Company Operations

The impact of the Covid-19 health crisis on Company operations as of the date of this Report is as detailed below:

- a. Installation of Company Systems: As of the date of the report, the effects of the corona virus in India are mainly reflected in a significant slowdown in construction of new photovoltaic facilities in the country. The said slowdown is expected to lead to a further delay in the engagements with clients for the deployment of the Company's products, which may impact Company's ability to undertake installation of the robotic system on clients' sites according to the schedule projected by the Company. Notwithstanding the aforementioned, over the course of Q4/20 and Q1/21, Company was able to complete a number of installations ordered over the course of 2020, the installation of which was delayed following the Covid-19 health crisis and due to the restrictions and lockdowns imposed on the population in India
- b. Company Income and Order Backlog: Installation of Company's robotic systems in its clients' solar facilities is generally undertaken as part of the final stage of construction of the solar facility, and therefore represents the final link in the solar facilities' operating chain. As a result, delays in the construction of the solar facilities (which are not dependent on the Company), may lead to delays in the installation of the robotic systems in clients' facilities and the recognition of income derived from such, which is generally recognized upon the date of delivery of the systems to the client.

The crisis has resulted in delays in new agreements by the Company (inter alia, due to the uncertainty inherent in the Indian market with regards to construction dates for the facilities and clients' prioritizing focus on the Covid-19 crisis over agreements with the Company), in the fulfillment of agreements with clients pursuant to framework agreements and memorandums of understanding. It shall be noted that the operation of systems already installed by the Company as well as income generated from such services were not impacted by the crisis.

- c. Manufacture of Company Systems: As of the date of the report, following the slowdown in new engagements, as stated above, during the reporting period the manufacturing activity of the Company's systems has decreased accordingly, after returning to regular production since May 2020.. It shall be noted that as of the date of this Report, there is a worldwide shortage in raw materials of the type required to



manufacture and assemble Company's robotic systems. Notwithstanding, Company holds an inventory of products and raw materials, as detailed in Section 19.4 of the Periodic Report.

In light of the aforementioned, beginning with the outbreak of the Covid-19 crisis throughout the world, Company has undertaken risk management processes and is working across the board, in all operating aspects, to address the issues and/or events pertaining to this period and its possible consequences.

With the goal of minimizing the impact of the crisis, Company is undertaking, inter alia, the following steps:

- a) Performing Maintenance Services - Company's maintenance services for its systems installed on clients' sites in India and Israel was designated as essential and therefore such operations proceeded regularly since the outbreak of the crisis.
- b) Reinforcement of Company's financial structure through quality fundraising in the capital markets - Company's most recent financing rounds in the capital markets have reinforced its financial wherewithal and allow it to promote its business strategy.
- c) Raw Materials – Company management conducts ongoing evaluations of shortages of raw materials in order to maintain continual production of the robotic systems and meet clients' orders on time

As of the date of signing of these reports, Company estimates that its operations are expected to be materially impacted, both in terms of its ability to provide clients with its products and services as well as in terms of its ability to fulfill orders and provide ongoing operating and maintenance services.

Furthermore, concern exists that the above mentioned effects of the corona virus on the solar industry, in which the Company operates, shall lead to additional delays in the construction of solar sites and as a result shall lead to slowdown in engagements for the sale of the Company products. Moreover, further increases in the prices of raw materials used for manufacturing of Company's products due to the global shortage, as described above, as well as an increase in the transportation and freight costs of such materials, may reduce the Company's profitability. All of the above mentioned may materially impact Company's financial results.

**The aforementioned, with regards to the possible impact of the Covid-19 virus, if any, and Company estimates pertaining to it, includes forward-looking information, as that term is defined in the Securities Act, which is based on data in the possession of Company management as of the time of the Report, and which there is no certainty that it shall transpire. Changes in Company's projections or a global deterioration may impact Company's projections and may even not transpire, all or some of them, or transpire in a different manner, including materially, then expected, inter alia, as a result of suboptimal assumptions and analysis, developments it was impossible to fully foresee pertaining to the crisis, its duration and severity, or the realization of all or some of the risk factors detailed in Section 31 of Part A of the Periodic Report.**

1.3.2. On January 27, 2021, the Company's Board of Directors approved the development of a new robotic product, the H4 system ("**the new robotic system**") designed for longitudinal cleaning of rows of stationary solar panels (Ground Mounted Fixed Tilt Solar PV installations), intended for use at solar sites located in areas characterized by high humidity. In addition, the new robotic system is expected to have a higher cleaning speed and coverage, and the manufacturing costs of this system are lower compared to the company's existing



products. Accordingly, the prices of this system are expected to be lower for the Company's customers of the company.

It should be noted that as of the date of the report, the Company has not yet begun marketing the new robotic system and is in the early stage of the product's development, its estimated start date of commercial marketing of the new robotic system is towards the end of 2021. For additional details, see Company's Immediate Report dated January 28, 2021 (Reference no.: 2021-01-011296), the contents of which are referenced in this report. In the interest of improving the price competitiveness of the Company's robotic systems versus the existing competition in the market, the company intends to focus its marketing and sales efforts among customers as part of the establishment of new projects, in the new robotic system. Accordingly, the start of marketing and sale of the new robotic system is expected to have an impact on the mix of robotic systems that will be marketed and sold to the company's customers (so more new H4 robotic systems will be marketed than E4 robotic systems and later also T4) and the company's expected revenues. Accordingly, delays or setbacks in the launch date of the new robotic system may result in a decrease in the Company's expected revenue in the future.

**The above information regarding the development of the new robot, its performance, marketing date and expected product installations is forward-looking information, as defined in the Securities Law, which is uncertain and based on estimates, estimates and information existing in the company as of the date of publication of this report. In light of the above, the information may change materially from the assessments detailed above, due to factors beyond the Company's control, new information received by the Company, and the realization of any of the existing risk factors in the Company.**

1.3.3. On February 28, 2021, Company finalized an agreement with an international energy company (**The Client**), for the sale and installation of T4 Robots, as well as the provision of operating and maintenance services, this as part of the existing 18 MW Brownfield photo-voltaic project in Egypt, (**The Project**). For additional details, see Company's immediate report dated February 21, 2021 (Reference no.: 2021-01-021406), the contents of which are referenced in this report. It shall be noted that following communication by the Egyptian authorities to the Client, Client notified the Company that delays may be forthcoming in installation schedules subject to the agreement, and therefore, as of the date of the release of this report, Company has not yet begun the installation process of the robots.

1.3.4. Company's agreement with an existing client in India, in a 166 MW project (**The Client, The Project, and The Original Agreement**, as applies) includes a profit-sharing mechanism. The agreement determines, inter alia, that should Client sell the Project to a third-party (**The Buyer**), Company shall be entitled to a one-time payment in lieu of the profit-sharing mechanism and shall be required to provide maintenance services for the systems for the duration of the term of the Project, with no additional consideration.

On March 12, 2021, following sale of the Project by the Client to the Buyer, Company finalized agreements with the Client and the Buyer regulating the relationships between the parties pertaining to the sale of the Project (**The Project Transfer Agreement**).

Pursuant to the Project Transfer Agreement, Company shall be entitled to a one-time payment from the Client totaling approximately USD 2.5 million following sale of the Project. Over the course of the Reporting Period Company recognized income of approximately USD 2.2 million from the deal. Furthermore, Company shall continue providing maintenance services for the systems in the Project, where, notwithstanding the contents of the Original Agreement, Company shall be entitled to compensation from the Buyer for such maintenance services, pursuant to the mechanism set forth in the Project Transfer Agreement. For details, see Company's immediate report dated March 14, 2021 (Reference no.: 2021-01-032973), the contents of which are referenced in this report.



1.3.5. Further to the contents set forth in Section 26(e) of the Periodic Report, Company is in initial discussions with a number of companies with regards to the possibility of acquiring the companies and/or the technologies they own, and this with the goal of expanding Company's product line and advancing Company's targets, in accordance with its business strategy.

1.3.6. Further to the contents set forth in Section 33.3 (i) of the periodic report, the Company continues its activities of upgrading and updating the T4 robotic system, which is intended for cleaning solar panels in Single Axis Trackers facilities. As of the date of the report, the company has installed these systems in 3 projects around the world and is in the process of installing the systems in 5 additional projects. However, since the T4 product is still in its early days in terms of commercial use, there are still software and hardware challenges that cause an increase in the operating costs of the robots in those projects relative to the company's forecasts and may hurt the company's profitability. Considering the above, the product continues to undergo upgrades and improvements according to the needs of the Company's customers, in order to reach a high level of operation guaranteed to customers and optimal efficiency.

#### 1.4. Financial Position

Presented herein below are selected items from the Consolidated Interim Financial Statements and explanation for major changes in them (in USD thousands):

Item	2021 June 30,	June 30, 2020	December 31, 2020	Board of Directors' Explanation
Current Assets	104,908	14,248	109,362	The growth in Cash and Cash Equivalents is primarily a result of an issuance of shares to the public totaling USD 82,865 thousand, in November, 2020 and a CIM investment totaling USD 20,000 thousand, in July, 2020, offset by USD 12,130 thousand as a result of a loan repayment and additional negative cash flow from ongoing operations.
Non-Current Assets	1,946	2,598	2,110	The change is primarily a result of a decrease in restricted deposits and from depreciation of fixed assets.
<b>Total Assets</b>	<b>106,854</b>	<b>16,846</b>	<b>111,472</b>	
Current Liabilities	3,276	2,142	4,222	The increase compared to the same period last year is primarily a result of obligations pertaining to deferred revenues.
Non-Current Liabilities	623	7,295	469	The decrease is primarily a result of a loan repayment in September 2020.
Total Equity	102,955	7,409	106,781	The growth in Cash and Cash Equivalents is primarily a result of an issuance of shares to the public totaling USD 82,865 thousand, in November, 2020, and from a CIM investment totaling USD 20,000 thousand, in July, 2020.
<b>Total Liabilities and Equity</b>	<b>106,854</b>	<b>16,846</b>	<b>111,472</b>	





### 1.5. Operating Results

Following is an analysis of operating results in accordance with the Financial Statements (in USD thousands):

Item	For the six- month period ending June 30		For the three - month period ending June 30		For the 12- month period ending December 31	Board of Directors Explanations
	2021	2020	2021	2020	2020	
Revenues	3,949	673	352	242	3,032	The change is primarily a result of an increase in robot sales operations and income generated from the sale of the Project by Company's Client (see section 1.3.4).
Cost of Revenues	1,649	286	230	154	2,246	The change is a result of increase in revenues.
Research and Development Expenses, Net	4,551	2,554	2,321	1,383	5,783	The change is primarily a result of an increase in wages expenses totaling approximately USD 1,386 thousand due to an expanding workforce as well as an increase in Share Based Payments totaling approximately USD 324 thousand.
General and Administrative Expenses	2,211	1,139	1,169	693	3,422	The change is primarily a result of an increase in wages expenses totaling approximately USD 426 thousand as well as an increase in advisory fees totaling approximately 405 thousand as well as an increase in Share Based Payments totaling approximately USD 152 thousand.
Sales and Marketing Expenses	1,045	231	550	107	702	The increase is primarily a result of advisory fees totaling approximately USD 328 thousand as well as an increase in Share Base Payments totaling approximately USD 300 thousand.
<b>Operating Loss</b>	<b>5,507</b>	<b>3,537</b>	<b>3,918</b>	<b>2,095</b>	<b>9,121</b>	
Financing Expenses (Income), Net	(385)	1,275	59	694	9,749	Financing Expenses for the 6-months period ending June 30, 2021 were primarily generated from income due to exchange rate differences, while in the same period last year Company incurred financing expenses primarily generated from the reappraisal of options for investors (non-cash) and to the Lender, totaling approximately USD 502 thousand, and in addition from Interest Expenses, Transaction Fees and Share Options granted pertaining to a loan obtained by the Company in 2020.



Income Taxes	24	4	3	3	18	
<b>Annual Loss</b>	<b>5,146</b>	<b>4,816</b>	<b>3,980</b>	<b>2,792</b>	<b>18,888</b>	

#### 1.6. Liquidity

Following is an analysis of Company's Cash Flows in accordance with the Financial Statements (in USD thousands):

Item	For the six - month period ending June 30		For the three - month period ending June 30		For the 12-month period ending December 31	Board of Directors Explanations
	2021	2021	2021	2020	2020	
Cash Flow from Ongoing Operations	(1,719)	(4,691)	(3,660)	(1,755)	(10,051)	The change is primarily a result of an increase in revenues, which led to growth in gross profitability totaling approximately USD 1,913 thousand.
Cash Flow from Investment Operations	(288)	-	137	66	(674)	The change is primarily a result of the acquisition of fixed assets as well as capitalization of development expenses.
Cash Flow from Financing Operations	(1,609)	8,073	(90)	(188)	105,022	The change is primarily a result of payment in January, 2021, to the Lender, pertaining to warrants, in addition to an issuance of Preferred A3 Shares in January, 2020, totaling approximately USD 2,483 thousand, as well as proceeds pertaining to a loan and the grant of warrants to the Lender and investors totaling approximately USD 5,865 thousand.

#### 1.7. Funding Sources

Company funds its operations primarily via independent means (equity and operating results) and fundraising (as detailed in the Consolidated Financial Statements dated December 31, 2020, appended as Part C to the Periodic Report).

#### 1.8. Working Capital

Company's Working Capital is comprised of Current Assets, including cash and cash equivalents balances, clients' and other debtors' balances and inventory, after deducting Current Liabilities, which include suppliers' and other creditors' balances. Following are figures pertaining to Company's Working Capital (Current Assets minus Current Liabilities), as of June 30, 2021, in USD thousands:

	As of June 30, 2021
<b>Current Assets</b>	104,908
<b>Current Liabilities</b>	3,276



<b>Current Assets minus Current Liabilities</b>	101,632
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Credit terms provided by Company to a majority of its clients range between 30 and 60 days, in accordance with the scope of activity with the client and Company's estimates of his financial wherewithal. The average credit terms provided by the Company to its clients over the course of the Reporting Period equaled 77 days. The average client balance over the course of the Reporting Period totaled approximately USD 1,808 thousand.

The number of credit days granted by Company's major suppliers ranges between 30 and 90 days on average. The average credit term granted by Company's major suppliers over the course of the Reporting Period equaled 36 days. Average supplier balance over the course of the Reporting Period totaled USD 239 thousand.



## **2. Part Two - Market Risk Exposure and Methods of Managing It**

No material changes were recorded over the course of the Reporting Period with regards to Company's exposure to market risks and the methods of managing it.

For details see Section 2 of the Board of Directors Report appended as Part B to the 2020 Periodic Report. Company is exposed to credit and exchange rate changes risks.

## **3. Part Three - Matters Pertaining to Corporate Governance**

### **3.1 Charitable Contributions**

As of the date of the Report, Company has not adopted a charitable contribution policy. Over the course of the Reporting Period, Company did not make any charitable contributions of any kind.

### **3.2. Directors with Accounting and Financial Expertise**

Company's Board of Directors has resolved, pursuant to Section 92(a)(12) of the Companies Act, that the minimum number of directors with accounting and financial expertise shall be two (2).

This resolution by the Board of Directors was passed due to, inter alia, Company's size, the type of operations it conducts, the number of members on its Board of Directors and the composition of the Board, which includes individuals with managerial and professional experience and skills.

As of the date of the release of this report, Company's Board of Directors includes three members with accounting and financial expertise: Mr. Eran Meller, Ms. Jennifer Gandin and Ms. Tal Yaron-Eldar. For details on the qualifications and experience of the aforementioned Directors, on the basis of which Company deems them directors with accounting and financing expertise, see Article 26 in Part D of the Periodic Report.

### **3.3. Independent Directors and External Directors**

As of the date of this report Company has not adopted any provision pertaining to the share of Independent Directors (as the term is defined in the Companies Act) comprising Company's Board of Directors. Notwithstanding, it shall be noted that as of the date of the release of this report, 2 Independent Directors serve on Company's Board of Directors (who are External Directors).

On February 11, 2020, a General Assembly of the Company approved the appointment of Ms. Adina Eckstein and Ms. Tal Yaron-Eldar as External Directors of the Company. Pursuant to a decision by Company's Board of Directors, Ms. Yaron-Eldar was classified as an External Director with accounting and financial expertise. For additional details, see Company's Immediate Reports dated February 14, 2021 (Reference nos.: 2021-01-017833, 2021-01-017836 and 2021-01-017845).

### **3.4. Disclosure pertaining to Corporation's Authorized Signatories**

As of the date of the report, Company has no independent signatories.



4. **Part Four – Disclosure pertaining to the Corporation’s Financial Reporting**

4.1 **Critical Accounting Estimates**

For details on Critical Accounting Estimates, see Note 3 to the Consolidated Financial Statements dated December 31, 2020, appended as Part C to the 2020 Periodic Report.

4.2 **Events Following the Reporting Date**

For details on events following the Reporting Date, see Note 7 to the Consolidated Financial Statements dated June 30, 2021.

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**Eran Meller**

**Chairman of the Board of Directors**

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**Jean Scemama,**

**CEO**

**Date: August 30, 2021**

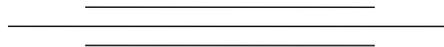
**Ecoppia Scientific LTD.**  
**Financial Statements for Interim Period**  
**(Unaudited)**  
**June 30, 2021**

**Ecoppia Scientific LTD.**

**Financial Statements for Interim Period  
(Unaudited)  
June 30, 2021**

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## **Auditing Accountant's Review for the Shareholders of Ecoppia Scientific LTD**

### **Preface**

We have reviewed the attached financial figures for Ecoppia Scientific LTD and consolidated companies (hereinafter: **The Company**), which includes the Consolidated Interim Statement on the Financial Position as of June 30, 2021, and the Consolidated Interim Statement on the Comprehensive Loss, Changes in Equity and Cash Flows for the periods of six and three months then ended. The Board of Directors and management are responsible for the preparation and presentation of the financial figures for said interim period pursuant to international accounting standard IAS 34, Financial Reporting for Interim Periods, and are further responsible for the preparation of financial figures for said interim period pursuant to Part D of the Securities Regulations (Periodic and Intermediate Reports), 1970. Our responsibility is to present a conclusion with regards to the financial figures for said interim period based on our review.

### **Scope of the Review**

We have prepared our review pursuant to Review Regulation (Israel) 2410 issued by the Institute of Certified Public Accountants in Israel pertaining to the Review of Financial Figures for Interim Periods Prepared by an Entity's Auditing Accountant. A review of financial figures for an interim period is comprised of enquiries, primarily with the individuals responsible for financial and accounting matters, and the implementation of other analytical review procedures. A review is materially limited in scope in comparison to audits undertaken pursuant to generally accepted auditing standards in Israel and does not therefore allow us to achieve certainty that we shall be made aware of all material matters which may have been uncovered by an audit. Accordingly, we do not provide an auditing opinion.

### **Conclusion**

Based on our review, we did not become aware of any factor that leads us to believe that the aforementioned financial figures have not been prepared, in all material aspects, in accordance with international accounting standard IAS 34.

Further to the aforementioned in the previous paragraph, based on our review, we have not been made aware of any factor that leads us to believe that the aforementioned financial figures do not comply, in all material aspects, with the provisions pertaining to disclosure set forth in Part D of the Securities Regulations (Periodic and Immediate Reports), 1970.

Tel Aviv  
August 31, 2021

Kesselman & Kesselman  
CPAs  
PricewaterhouseCoopers International Limited Member Firm

## Ecoppia Scientific LTD

Consolidated Interim Financial Statements on the Financial Position as June 30 2021 and 2020

	<b>June 30</b>		<b>December 31</b>
	<b>2021</b>	<b>2020</b>	<b>2020</b>
	<b>(Unaudited)</b>		<b>(Audited)</b>
	USD thousands		
<b>Assets</b>			
<b>Current Assets:</b>			
Cash and Cash Equivalents	96,035	6,841	99,744
Restricted Deposits	595	16	486
Accounts Receivable	932	1,229	2,684
Other Receivables	2,393	2,228	1,943
Inventories	4,953	3,934	4,505
	<b>104,908</b>	<b>14,248</b>	<b>109,362</b>
<b>Non-Current Assets:</b>			
Fixed Assets, Net	844	1,039	1,114
Accounts Receivable	-	874	-
Restricted Deposits	226	403	459
Intangible Assets	198	-	-
Lease Assets	378	282	537
	<b>1,946</b>	<b>2,598</b>	<b>2,110</b>
<b>Total Assets</b>	<b>106,854</b>	<b>16,846</b>	<b>111,472</b>
<b>Liabilities and Equity</b>			
<b>Current Liabilities:</b>			
Trade Payables	143	428	334
Other Payables	1,243	763	1,316
Contract Liabilities	1,667	753	913
Current Maturities of Lease Liabilities	223	198	217
Warrants to Lender	-	-	1,442
	<b>3,276</b>	<b>2,142</b>	<b>4,222</b>
<b>Non-Current Liabilities:</b>			
Lease Liabilities	430	94	320
Warrants to Investors	-	965	-
Warrants to Lender	-	104	-
Loan	-	6,027	-
Severance Pay Obligations, Net	193	105	149
	<b>623</b>	<b>7,295</b>	<b>469</b>
<b>Total Liabilities</b>	<b>3,899</b>	<b>9,437</b>	<b>4,691</b>
<b>Equity:</b>			
Ordinary Shares	3	1	3
Non-Voting Shares	-	*	-
Preferred A Shares	-	*	-
Preferred A1 Shares	-	*	-
Preferred A2 Shares	-	*	-
Preferred A3 Shares	-	*	-
Share Premium	145,592	32,678	145,331
Accumulated deficit	(42,640)	(25,270)	(38,553)
<b>Total Equity</b>	<b>102,955</b>	<b>7,409</b>	<b>106,781</b>
<b>Total Liabilities and Equity</b>	<b>106,854</b>	<b>16,846</b>	<b>111,472</b>

\* Represents an amount lower than one thousand USD

\_\_\_\_\_  
Ernan Meller  
**Chairman of the Board**

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Jean Scemama  
**CEO**

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Arye Lumelsky  
**VP Finance**

Date on which the Financial Statements were approved by Company's Board of Directors: August 31, 2021

**The appended footnotes form an integral part of the Consolidated Interim Financial Statements.**

**Ecoppia Scientific LTD.**  
**Consolidated Interim Statements on the Comprehensive Loss**

	<b>6 months ending June 30</b>		<b>3 months ending June 30</b>		<b>Year ending December 31, 2020</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>(Audited)</b>
	<b>(Unaudited)</b>				
	<b>USD thousands</b>				
Revenues	3,949	673	352	242	3,032
Cost of Revenues	1,649	286	230	154	2,246
<b>Gross Profit</b>	<b>2,300</b>	<b>387</b>	<b>122</b>	<b>88</b>	<b>786</b>
Research and Development Expenses	4,551	2,554	2,321	1,383	5,783
Sales and Marketing Expenses	1,045	231	550	107	702
General and Administrative Expenses	2,211	1,139	1,169	693	3,422
<b>Operating Loss</b>	<b>5,507</b>	<b>3,537</b>	<b>3,918</b>	<b>2,095</b>	<b>9,121</b>
Financing Expenses	183	739	115	289	972
Financing Expenses pertaining to Reappraisal of Options	-	732	-	405	10,146
Financing Income	(568)	(196)	(56)	-	(1,369)
<b>Financing Expenses (Income), net</b>	<b>(385)</b>	<b>1,275</b>	<b>59</b>	<b>694</b>	<b>9,749</b>
<b>Loss before income taxes</b>	<b>5,122</b>	<b>4,812</b>	<b>3,977</b>	<b>2,789</b>	<b>18,870</b>
Income Tax	24	4	3	3	18
<b>Net Comprehensive Loss for the Period</b>	<b>5,146</b>	<b>4,816</b>	<b>3,980</b>	<b>2,792</b>	<b>18,888</b>
<b>Loss per Share (USD):</b>					
Basic and Diluted	0.05	0.14	0.04	0.08	0.51

**The appended footnotes form an integral part of the Consolidated Interim Financial Statements.**

**Ecoppia Scientific LTD.**

Consolidated Interim Statements on Changes in Equity

	<u>Ordinary Shares</u>	<u>Non- Voting Shares</u>	<u>Preferre d A</u>	<u>Preferred A1</u>	<u>Preferred A2</u>	<u>Preferr ed A3</u>	<u>Share and Warrant Premium</u>	<u>Accumulat ed Deficit</u>	<u>Total Equity</u>
<b>Balance as of January 1, 2021</b> (Audited)	3	-	-	-	-	-	145,331	(38,553)	106,781
<b>Changes during the 6 months period ending June 30, 2021</b> (Unaudited)									
Share Based Payments								1,059	1,059
Option Exercise	*						261		261
Net Comprehensive Loss for Period								(5,146)	(5,146)
<b>Balance as of June 30, 2021</b> (Unaudited)	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>145,592</u>	<u>(42,640)</u>	<u>102,955</u>
 <b>Balance as of January 1, 2020</b> (Audited)	1	*	*	*	*	-	28,180	(20,735)	7,446
<b>Changes during the 6 months period ending June 30, 2020</b> (Unaudited)									
Share Based Payments								281	281
Issue of A3 Preferred Shares, net						*	4,498		4,498
Net Comprehensive Loss for Period								(4,816)	(4,816)
<b>Balance as of June 30, 2020</b> (Unaudited)	<u>1</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>32,678</u>	<u>(25,270)</u>	<u>7,409</u>
 <b>Balance as of April 1, 2021</b> (Unaudited)	3	-	-	-	-	-	145,334	(39,180)	106,157
<b>Changes during the 3 months period ending June 30, 2021</b> (Unaudited)									
Share Based Payments								520	520
Option Exercise	*						258		258
Net Comprehensive Loss for Period								(3,980)	(3,980)
<b>Balance as of June 30, 2021</b> (Unaudited)	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>145,592</u>	<u>(42,640)</u>	<u>102,955</u>
 <b>Balance as of April 1, 2020</b> (Unaudited)	1	*	*	*	*	-	32,678	(22,723)	9,956
<b>Changes during the 3 months period ending June 30, 2020</b> (Unaudited)									
Share Based Payments								245	245
Net Comprehensive Loss for Period								(2,792)	(2,792)
<b>Balance as of June 30, 2020</b> (Unaudited)	<u>1</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>32,678</u>	<u>(25,270)</u>	<u>7,409</u>

**Ecoppia Scientific LTD.**  
Consolidated Statements of Changes in Equity

	Ordinar y Shares	Non- Voting Shares	Preferre d A	Preferr ed A1	Preferr ed A2	Preferr ed A3	Preferre d A4	Preferre d A5	Share and Warrant Premiu m	Accumul ated Deficit	Total Equity
<b>Balance as of January 1, 2020 (Audited)</b>	<u>1</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,180</u>	<u>(20,735)</u>	<u>7,446</u>
<b>Changes during 2020 (</b> Audited)											
Comprehensive Annual Loss										(18,888)	(18,888)
Issue of A3 Preferred Shares, net						*			4,498		4,498
Option Exercise	*								60		60
Issue of A5 Preferred Shares, net	(*)							1	19,878		19,879
Exercise of A4 Options							*		9,850		9,850
Stock and Option Issue	2	(*)	(*)	(*)	(*)	(*)	(*)	(1)	82,865		82,866
Share Based Payments										1,070	1,070
<b>Balance as of December 31, 2020 (Audited)</b>	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>145,331</u>	<u>(38,553)</u>	<u>106,781</u>

\* Represents an amount lower than one-thousand USD

**The appended footnotes form an integral part of the Consolidated Interim Financial Statements.**

**Ecoppia Scientific LTD.**  
Consolidated Interim Statements of Cash Flow

	<b>6 months ending June 30</b>		<b>3 months ending June 30</b>		<b>Year ending December 31, 2020</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>(Audited)</b>
	<b>(Unaudited)</b>		<b>(Unaudited)</b>		
<b>USD thousands</b>					
<b>Cash Flows from (Used for) Operating Activities</b>					
Net Cash Used for Operations (See Appendix A)	(1,715)	(4,690)	(3,659)	(1,755)	(10,048)
Income Taxes Payment	(4)	(1)	(1)	-	(3)
Net Cash from (Used for) Operating Activities	<u>(1,719)</u>	<u>(4,691)</u>	<u>(3,660)</u>	<u>(1,755)</u>	<u>(10,051)</u>
<b>Cash Flows Used for Investing Activities:</b>					
Purchase of Fixed Assets	(285)	(128)	(78)	(56)	(311)
Interest Received	96	24	56	19	62
Development Expenditures	(198)	-	(198)	-	-
Changes in Restricted Deposits	99	104	357	103	(425)
Net Cash Used for Investing Activities:	<u>(288)</u>	<u>-</u>	<u>137</u>	<u>66</u>	<u>(674)</u>
<b>Cash Flows from Financing Activities:</b>					
Proceeds from Issuance of Shares and Warrants, Net	-	-	-	-	83,052
Proceeds from Issuance of Preferred A3 Shares, Net	-	2,483	-	-	2,483
Proceeds from Exercise of Preferred A4 Warrants	-	-	-	-	592
Proceeds from Issuance of Preferred A5 Shares, Net	-	-	-	-	19,879
Exercise of Warrants	-	-	-	-	60
Payment to Lender for Option Warrants	(1,422)	-	-	-	-
Proceeds from Loan and Option Warrant Grants to Lender and Investors	-	5,865	-	-	5,865
Loan Repayment	-	-	-	-	(5,908)
Interest Payment	(22)	(171)	(11)	(132)	(765)
Principal Payments Pertaining to Leases	(145)	(104)	(79)	(188)	(236)
Net Cash (Used for) from Financing Activities:	<u>(1,609)</u>	<u>8,073</u>	<u>(90)</u>	<u>(188)</u>	<u>105,022</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<u>(3,616)</u>	<u>3,382</u>	<u>(3,613)</u>	<u>(1,877)</u>	<u>94,297</u>
<b>Cash and Cash Equivalents at the Beginning of the Period</b>	<u>99,744</u>	<u>3,496</u>	<u>99,688</u>	<u>8,717</u>	<u>3,496</u>
<b>Effects of Exchange Rate Changes on Cash and Cash Equivalents</b>	<u>(93)</u>	<u>(37)</u>	<u>(40)</u>	<u>1</u>	<u>1,951</u>
<b>Cash and Cash Equivalents at End of Period</b>	<u>96,035</u>	<u>6,841</u>	<u>96,035</u>	<u>6,841</u>	<u>99,744</u>

**Ecoppia Scientific LTD.**  
Consolidated Interim Cash Flow Statements (contd.)

	6 months ending June 30		3 months ending June 30		Year ending December 31, 2020
	2021	2020	2021	2020	(Audited)
	(Unaudited)		(Unaudited)		
	USD thousands				
<b>(a) Cash Flows Generated from Operations (Used for Operations):</b>					
Comprehensive Loss for Period	(5,146)	(4,816)	(3,980)	(2,792)	(18,888)
Adjustments for:					
Depreciation and Amortization	238	333	121	169	547
Share Based Payments	1,059	281	520	245	1,070
Changes in Fair Value of Option Warrants Granted to Lender	-	8	-	8	1,346
Changes in Fair Value of Option Warrants Granted to Investors	-	502	-	143	8,800
Financial Expenses	18	429	25	502	919
Income Taxes Paid	4	1	1	-	3
Interest Received	(96)	(24)	(56)	(19)	(62)
Effects of Exchange Rate Changes on Cash and Cash Equivalents	93	37	40	(1)	(1,951)
Increase in Employee Severance Liabilities, Net	44	33	33	25	77
	<u>(3,786)</u>	<u>(3,216)</u>	<u>(3,296)</u>	<u>(1,720)</u>	<u>(8,139)</u>
Changes in Operating Assets and Liabilities Items					
Increase in Inventories	(448)	(2,264)	(343)	(110)	(2,835)
Decrease in Other Receivables	(189)	1,406	(734)	(260)	1,691
Decrease (Increase) in Accounts Receivable	1,752	(458)	1,141	(124)	(1,039)
Leased Robotic Systems Included under Cost of Sales	466	-	-	-	-
Increase (Decrease) in Trade Payables	(191)	(833)	(387)	(155)	(927)
Increase (Decrease) in Contract Liabilities	754	571	19	565	731
Increase (Decrease) in Other Payables	(73)	104	(59)	49	470
	<u>2,071</u>	<u>(1,474)</u>	<u>(363)</u>	<u>(35)</u>	<u>(1,909)</u>
Net Cash Used for Operating Activities	<u>(1,715)</u>	<u>(4,690)</u>	<u>(3,659)</u>	<u>(1,755)</u>	<u>(10,048)</u>
<b>(b) Non-Cash Flow Financing and Investing Activities</b>					
Lease Liability	<u>265</u>	<u>97</u>	<u>107</u>	<u>-</u>	<u>455</u>
Conversion of Loan to Preferred A3 Shares and Warrants	<u>-</u>	<u>2,478</u>	<u>-</u>	<u>-</u>	<u>2,478</u>
Conversion of Warrants into A4 Preferred Shares Granted to Investors	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,263</u>
Capital Expenses not Paid as of the Date of the Balance Sheet	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>187</u>
Proceeds Not Yet Received from Option Exercise	<u>261</u>	<u>-</u>	<u>258</u>	<u>-</u>	<u>-</u>

**The appended footnotes form an integral part of the Consolidated Interim Financial Statements.**

## **Ecoppia Scientific LTD.**

### Notes to the Consolidated Interim Financial Statements

As of June 30, 2021

(Unaudited)

#### **Note 1 – General**

##### **a. Incorporation and Operations**

Ecoppia Scientific LTD. (hereinafter: **The Company**) is a public company whose shares are listed for trading on the Tel Aviv Stock Exchange (hereinafter: **The Exchange**).

The Company and its subsidiaries (hereinafter jointly: **The Group**) develop, market, operate and maintain cloud-technology based robotic systems for the cleaning of solar panel installations.

The Company was incorporated in Israel in January, 2013, and is a resident of Israel. Company's registered office address is 4 Ha'Barzel, St., Tel Aviv, Israel.

Company fully owns (100%) to held subsidiaries – Ecoppia Scientific LLP (hereinafter: The Subsidiary) which is a limited partnership incorporated in India in August, 2016, and Evermore United S.A., which is a private company incorporated in October, 2014 in the British Virgin Islands (BVI).

The financial figures presented for the interim period is reviewed and unaudited.

##### **b. Effects of Covid-19 Health Crisis**

The outbreak of the Covid-19 health crisis in early 2020 continued into H1/21. The potential damage of the spread of the Covid-19 virus on the economy is dependent on the speed and capabilities pertaining to eradication of the virus around the entire world, so that as of the date of this Report, it appears that many countries around the world are taking steps to implement various easing of restrictions in an effort to gradually restart economic activity. However, at this stage, the duration and severity of the crisis as well as its impact on Company operations and performance cannot be projected, and neither can the pace of implementation of easing in various countries around the world and its impact on recovery from the economic crisis under current circumstances.

The effects of the Covid-19 crisis on Company operations were as follows:

###### **I. Installation of Company Systems**

The impact of the spread of the Covid-19 virus and the restrictions placed resulted in a certain delay in completing construction of photo-voltaic facilities in many countries throughout the world, which impacted Company's ability to undertake installations of robotic systems in clients' sites as planned. Accordingly, some of Company's clients have requested the Company to delay installation of the systems. Furthermore, in light of the restrictions placed, installations of robotic systems in Company's clients' sites were delayed off schedule, including delays in installation of Company systems in new geographic areas (the US and Chile) following flight restrictions and limited access to clients' facilities.

###### **II. Company Sales and Order Backlog**

Due to the crisis, signing of new contracts were delayed (as a result of an inability to meet with clients and clients' focus on addressing internal crises resulting from the Covid-19 crisis), as was the fulfillment of contracts with clients pursuant to framework agreements and memorandums of understanding.

###### **III. Manufacturing of Company Systems**

Company's system manufacturing operations continued are ongoing normally after being halted during the lockdown in India, between March and May 2020. Should another lockdown be decreed in India due to a deterioration in the health situation, there is a concern that the pace of manufacturing will slow down or cease completely.

In light of the aforementioned, with the outbreak of the Covid-19 health crisis around the world, Company has conducted risk management processes and took action across the board in all areas of operations in order to address issues and/or events pertaining to the aforementioned crisis and its potential impact. With the goal of minimizing the impact of the crisis, Company is undertaking, inter alia, the following steps:

## **Ecoppia Scientific LTD.**

### Notes to the Consolidated Interim Financial Statements

As of June 30, 2021

(Unaudited)

#### **Note 1 – General (contd.)**

##### IV. Performing Maintenance Services

Company's maintenance Services for its systems installed in clients' sites in India and Israel were designated as essential and therefore such operations proceeded regularly since the outbreak of the crisis.

##### V. Business Development

Company continues to evaluate business development opportunities and takes effort to advance business opportunities in the Israeli and international markets. Company believes that as a result of the crisis additional business opportunities for it shall transpire in light of continued growth in investment by various nations and organizations in global energy and in light of the drop in oil prices and the negative impact on traditional energy sector companies and a switch by investors to the renewable energy sector in general and PV facilities specifically.

##### VI. Strengthening Company's financial structure through fundraising in the capital markets

Company's most recent financing rounds in the capital markets have strengthened its financial immunity and allow it to promote its business strategy.

As of the date of signing of these reports, and in the foreseeable future, Company estimates that its operations are not expected to be materially impacted, both in terms of its ability to provide clients with its products and services as well as in terms of its ability to fulfill orders and provide ongoing operating and maintenance services, given Company's existing customer base and the potential for future agreements with existing clients and potential clients in the market in which Company operates as well as in additional markets, inter alia, due to the continued growth and development of the PV industry, notwithstanding the impacts of the Covid-19 health crisis.

Notwithstanding the aforementioned, concern exists that continuation of the crisis shall lead to additional delays in the construction of solar sites, in the manufacture and supply of equipment and raw materials, to delays in identifying funding sources, increases in financing expenses, a shrinking personnel force, restrictions on Company operations and so on, which may impact Company operations. Furthermore, due to the uncertainty pertaining to the continued spread of the virus or a renewed outbreak, and a continuation of the economic crisis as a result, Company is unable to estimate whether additional delays are possible in installations undertaken by the Company on its clients' sites and the provision of its services to its clients as a result of the transpiring of any of the events detailed above. Such delays have a material impact on Company's financial performance, specifically in the short-term, since on the one hand Company continues to prepare for expected growth in the coming years, since it is not taking any significant steps to mitigate costs, while on the other hand the scope of its income has been impaired so long as the trend of construction delays of its clients' projects continues, and as a result the installation of Company's systems with them.

## **Ecoppia Scientific LTD.**

### Notes to the Consolidated Interim Financial Statements

As of June 30, 2021

(Unaudited)

#### **Note 2 – Basis for Preparation of the Interim Financial Statements**

- I. The Group's consolidated financial figures as of June 30, 2021 and the six and three-months interim periods ending on said dates (hereinafter: **Financial Figures for the Interim Period**) were prepared pursuant to International Accounting Standard no. 34, Financial Reporting for Interim Periods (hereinafter: **IAS 34**) and includes the additional required disclosure pursuant to Part D of the Securities Regulations (Periodic and Immediate Reports), 1970. Financial Figures for the Interim Period do not include all of the data and disclosures required for annual financial reporting. Review the Financial Figures for the Interim Period alongside the 2019 annual financial statements and the notes appended to them, which comply with International Financial Reporting Standards, which are regulations and interpretations published by the International Accounting Standards Board (hereinafter: **IFRS Standards**) and include the additional required disclosure pursuant to the Securities Regulations (Annual Financial Reports), 2010.

The Group's income and the results of its operations for the six and three-months period ending June 30, 2021 do not necessarily indicate income and performance which may be expected for the year ending December 31, 2021.

- II. Estimates

The preparation of interim financial reports requires Group management to exercise judgment and also requires use of accounting estimates and assumptions, which impact the implementation of the Group's accounting policy on the reported assets, liabilities, income and expenses figures. Actual results may differ from such estimates.

In the preparation of these Consolidated Interim Financial Statements, the significant judgment exercised by management in the implementation of the Group's accounting policy and the certainty inherent in the key sources of the estimates were identical to those in the Group's Consolidated Annual Financial Statements for the year ending December 31, 2020.

#### **Note 3 – Highlights of the Accounting Policy:**

- I. The highlights of the accounting policy and calculations implemented in the preparation of the financial figures for the interim period are consistent with those used in the preparation of the 2020 annual financial reports. Income taxes for the interim period are recognized on the basis of management's best estimates with regards to the average tax rate applying to the total projected annual profits.
- II. New regulations and amendments to existing regulations which are not yet in effect and which the Group has chosen not to fast-track their implementation:

The Group's 2020 annual financial statements included information pertaining to new IFRS Regulations and amendments to existing IFRS Regulations which are not yet in effect and which the Group has decided not to fast-track their implementation. This Note addresses amendments to existing regulations published after the release of the Group's 2020 annual financial statements.

Amendment to International Accounting Standard no. 1, Presentation of Financial Reports (hereinafter: **IAS 1 Amendment**)

The IAS 1 Amendment requires companies to disclose their material accounting policy, in lieu of their significant accounting policy. Pursuant to the amendment, information on an accounting policy is material should when it is taken into consideration along with other information presented in the financial reports one may reasonably expect it to impact decisions made by the main users of such financial reports based on these financial reports.

## Ecoppia Scientific LTD.

### Notes to the Consolidated Interim Financial Statements

As of June 30, 2021

(Unaudited)

#### Note 3 – Highlights of the Accounting Policy (contd.)

The Amendment also clarifies that information on an accounting policy is expected to be deemed material should absent it users of the financial statements are not afforded the opportunity to understand other material data included in the financial statement. Furthermore, the Amendment clarifies that information pertaining to immaterial accounting policies is not required to be disclosed. Notwithstanding, so long as such information is provided, it is appropriate that it shall not divert attention from material information on accounting policy.

The IAS 1 Amendment was retrospectively applied to the annual periods beginning January 1, 2023 or later. Pursuant to the provisions of the Amendment, it may be implemented earlier. The initial implementation of the IAS 1 Amendment is not expected to materially impact the Group's Consolidated Financial Statements.

#### Note 4 – Equity:

Over the course of the six-month period ending June 30, 2021, Company employees and the Tmura not-for-profit association exercised 283,142 option warrants into shares. Proceeds from the exercise totaled approximately USD 261 thousand.

#### Note 5 – Income:

Following is the composition of the income for the reported periods:

	6 months ending June 30 (Unaudited)		3 months ending June 30 (Unaudited)		Year ending December 31 (Audited)
	2021	2020	2021	2020	2020
	USD thousands				
Income from Sale of Robotic Systems	3,404	204	60	29	2,066
Income from Maintenance Services	545	469	292	213	966
	<u>3,949</u>	<u>673</u>	<u>352</u>	<u>242</u>	<u>3,032</u>

**Ecoppia Scientific LTD.**

Notes to the Consolidated Interim Financial Statements

As of June 30, 2021

(Unaudited)

**Note 6 – Additional Events during the Reporting Period:**

- I. On January 8, 2021, Company paid the Lender the value of the warrants, totaling USD 1,442 thousand, in cash.
- II. Company's agreement with an existing client in India in a 166 MW project (**The Client, The Project and The Original Agreement**) includes a profit-sharing mechanism. The agreement determines, inter alia, that should the Client sell the project to a third-party (The "Buyer"), Company shall be entitled to a one-time payment in lieu of the profit-sharing mechanism, and shall be required to provide the maintenance services for the systems until the conclusion of the Project term with no additional consideration.  
On March 12, 2021, following sale of the Project by the Client to the Buyer, Company finalized agreements with the Client and the Buyer regulating the relationship between the parties pertaining to the sale of the Project (**Project Transfer Agreement**).  
The Project Transfer Agreement stipulates that Company shall be entitled to a one-time payment from the Client totaling approximately USD 2.5 million in light of the sale of the Project.  
Over the course of the three month period ending March 31, 2021, Company recognized income totaling USD 2.2 million from the deal.  
Furthermore, Company shall continue to provide maintenance services for the robotic systems which shall continue to be operated within the Project, where, notwithstanding the contents of the Original Agreement, Company shall be entitled to payment from the Buyer for such maintenance services, pursuant to the mechanism set forth in the Project Transfer Agreement.

**Note 7 – Events following the Date of the Report on the Financial Position:**

In July and August, 2021, Company employees and the Tmura non-profit association exercised 34,107 warrants into shares. Proceeds from the exercise totaled approximately USD 6 thousand.

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**Ecoppia Scientific LTD.  
Financial Figures for Interim Period  
(Unaudited)  
June 30, 2021**

**Solo financial figures presented pursuant to Regulation 38d of the Securities Regulations  
(Periodic and Immediate Reports), 1970**

**Ecoppia Scientific LTD.**

**Solo financial figures presented pursuant to Regulation 38d of the Securities Regulations  
(Periodic and Immediate Reports), 1970, as of June 30, 2021**

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**To  
Shareholders of  
Ecoppia Scientific LTD.**

To Whom it may Concern:

**Re: Special report reviewing the solo interim financial figures pursuant to Regulation 38d of the Securities Regulations (Periodic and Immediate Reports), 1970**

### **Preface**

We have reviewed the solo interim financial figures pursuant to Regulation 38d of the Securities Regulations (Periodic and Immediate Reports), 1970 for Ecoppia Scientific LTD. (hereinafter: **The Company**), as of June 30, 2021 and for the periods of six and three months then ended. The solo interim financial figures are the responsibility of Company's Board of Directors and its management. Our responsibility is to express a conclusion on the solo interim financial figures for said interim period, based on our review.

### **Scope of the Review**

We have conducted our review pursuant to Reviewing Standard (Israel) 2410 issued by the Institute of Certified Public Accountants in Israel pertaining to the Review of Financial Figures for Interim Periods as Prepared by an Entity's Auditing Accountant. A review of financial figures for an interim period is comprised of enquiries, primarily with the individuals responsible for financial and accounting matters, and the implementation of other analytical review procedures. A review is materially limited in scope in comparison to audits undertaken pursuant to generally accepted auditing standards in Israel and does not therefore allow us to achieve certainty that we shall be made aware of all material matters which may have been uncovered by an audit. Accordingly, we do not provide an auditing opinion.

### **Conclusion**

Based on our review, we did not become aware of any factor that leads us to believe that the aforementioned financial figures have not been prepared, in all material aspects, in accordance with international accounting standard IAS 34.

Tel Aviv  
August 31, 2021

Kesselman & Kesselman  
CPAs  
PricewaterhouseCoopers International Limited Member Firm

**Ecoppia Scientific LTD.**

**Solo financial figures presented pursuant to Regulation 38d of the Securities Regulations (Periodic and Immediate Reports),  
1970**

**Assets and Liabilities included in the Consolidated Interim Financial Reports attributed to the Company.**

	<b>June 30</b>	<b>December 31</b>
	<b>2021</b>	<b>2020</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>USD thousands</b>	
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and Cash Equivalents	91,242	6,659
Restricted Deposits	155	16
Accounts Receivable	181	747
Other Receivable	2,197	1,177
Intercompany balance	154	154
Inventories	1,151	916
	95,080	9,669
		102,516
<b>Non-Current Assets:</b>		
Fixed Assets, Net	588	261
Restricted Deposits	225	347
Intangible Assets	198	-
Lease Assets	678	282
Investment in Subsidiary	8,580	5,693
	10,269	6,583
		8,185
<b>Total Assets attributed to the Company</b>	<b>105,349</b>	<b>16,252</b>
		<b>110,701</b>
<b>Liabilities and Equity</b>		
<b>Current Liabilities:</b>		
Accounts Payable	120	264
Other Payables	1,621	1,191
Warrants to Lender	-	-
Current Maturities of Lease Liabilities	223	198
	1,964	1,653
		3,600
<b>Non-Current Liabilities:</b>		
Lease Liabilities	430	94
Warrants to Investors	-	965
Warrants to Lender	-	104
Loan	-	6,027
	430	7,190
		320
<b>Total Liabilities attributed to the Company</b>	<b>2,394</b>	<b>8,843</b>
		<b>3,920</b>
<b>Equity attributed to Shareholders of the Company</b>	<b>102,955</b>	<b>7,409</b>
		<b>106,781</b>
<b>Total Liabilities and Equity</b>	<b>105,349</b>	<b>16,252</b>
		<b>110,701</b>

\_\_\_\_\_  
Eran Meller  
**Chairman of the Board**

\_\_\_\_\_  
Jean Scemama  
**CEO**

\_\_\_\_\_  
Arye Lumelsky  
**VP Finance**

Date on which the Financial Statements were approved by Company's Board of Directors: August 31, 2021

**The attached additional information to the separate interim information is an integral part thereof.**

**Ecoppia Scientific LTD.**

Solo financial figures presented pursuant to Regulation 38d of the Securities Regulations (Periodic and Immediate Reports),  
1970

Report on the comprehensive loss included in the Consolidated Interim Financial Reports attributed to the Company.

	6-months ending June 30 2021 (Unaudited)	3-months ending June 30 2021 (Unaudited)	12-months ending December 31, 2020 (Audited)		
	USD thousands				
Revenues	226	320	114	123	533
Cost of Revenues	80	135	44	19	200
<b>Gross Profit</b>	146	185	70	104	333
Research and Development Expenses	4,080	2,076	2,096	1,135	4,912
Sales and Marketing Expenses	979	153	514	91	507
General and Administrative Expenses	1,841	806	960	561	2,603
<b>Operating Loss</b>	6,754	2,850	3,500	1,683	7,689
Equity Losses (Gains)	(1,602)	953	480	477	2,267
Financing Expenses (Income), net	(9)	1,012	-	630	8,929
<b>Loss before income taxes</b>	5,143	4,815	3,980	2,790	18,885
Income Tax	3	1	-	2	3
<b>Net Loss for the Period</b>	5,146	4,816	3,980	2,792	18,888

The attached additional information to the separate interim information is an integral part thereof.

## Ecoppia Scientific LTD.

Solo financial figures presented pursuant to Regulation 38d of the Securities Regulations (Periodic and Immediate Reports), 1970

Cash Flows included in the Consolidated Interim Financial Reports attributed to the Company.

	<u>6 months ending</u> <u>June 30</u>		<u>3 months ending</u> <u>June 30</u>		<u>Year</u> <u>ending</u> <u>December</u> <u>31, 2020</u>
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>(Audited)</u>
	<u>(Unaudited)</u>		<u>(Unaudited)</u>		
	USD thousands				
<b>Cash Flows from (Used for) Operating Activities</b>					
Net Cash Used for Operations (See Appendix A)	(6,041)	(4,757)	(3,513)	(2,369)	(6,340)
Paid Income Taxes	(3)	(1)	-	(2)	(3)
Net Cash from (Used for) Operating Activities	<u>(6,044)</u>	<u>(4,758)</u>	<u>(3,513)</u>	<u>(2,371)</u>	<u>(6,343)</u>
<b>Cash Flows Used for Investing Activities:</b>					
Purchase of Fixed Assets	(248)	(48)	(75)	(20)	(238)
Investment in subsidiary	-	556	-	684	(3,949)
Interest Received	76	24	36	19	62
Development Expenditures	(198)	-	(198)	-	-
Changes in Restricted Deposits	(7)	101	(13)	195	63
Net Cash Used for Investing Activities:	<u>(377)</u>	<u>633</u>	<u>(250)</u>	<u>878</u>	<u>(4,062)</u>
<b>Cash Flows from Financing Activities:</b>					
Proceeds from issuance of shares and stock options, net	-	-	-	-	83,052
Proceeds from Issuance of 3A Preferred Shares, Net	-	2,483	-	-	2,483
Proceeds from Exercise of 4A Option Warrants	-	-	-	-	592
Proceeds from Issuance of 5A Preferred Shares, Net	-	-	-	-	19,879
Proceeds from Warrants exercise	-	-	-	-	60
Warrants to Lender payment	(1,442)	-	-	-	-
Loan Repayment	-	5,868	-	-	5,865
Payment to Lender for Option Warrants	(22)	(174)	(11)	(132)	(765)
Interest Payments	-	-	-	-	(5,908)
Principal Payments pertaining to Leases	(145)	(104)	(79)	(56)	(236)
Net Cash (Used for) from Financing Activities:	<u>(1,609)</u>	<u>8,073</u>	<u>(90)</u>	<u>(188)</u>	<u>105,022</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	(8,030)	3,948	(3,853)	(1,681)	94,617
<b>Cash and Cash Equivalents at the Beginning of the Period</b>	99,302	2,729	95,085	8,338	2,729
<b>Effects of Exchange Rate Changes on Cash and Cash Equivalents</b>	(30)	(18)	10	2	1,956
<b>Cash and Cash Equivalents at End of Period</b>	<u>91,242</u>	<u>6,659</u>	<u>91,242</u>	<u>6,659</u>	<u>99,302</u>

The attached additional information to the separate interim information is an integral part thereof.

**Ecoppia Scientific LTD.**

Solo financial figures presented pursuant to Regulation 38d of the Securities Regulations (Periodic and Immediate Reports), 1970

Cash Flows included in the Consolidated Interim Financial Reports attributed to the Company.

	6 months ending June 30		3 months ending June 30		Year ending December 31, 2020
	2021	2020	2021	2020	(Audited)
	(Unaudited)		(Unaudited)		
USD thousands					
<b>(a) Cash Flows Generated from Operations (Used for Operations):</b>					
Comprehensive Loss for Period	(5,146)	(4,816)	(3,980)	(2,792)	(18,888)
Adjustments for:					
Depreciation and Amortization	219	139	111	69	286
Share Based Payments	1,059	281	520	245	1,070
Equity Losses (Gains)	(1,602)	(953)	480	(477)	2,267
Income Taxes Payments	3	1	-	2	3
Interest Received	(76)	(24)	(36)	(19)	(62)
Changes in Fair Value of Warrants Granted to Lender	-	8	-	8	1,346
Changes in Fair Value of Warrants Granted to Investors	-	502	-	143	8,800
Financing Expenses	18	429	25	502	919
Effects of Exchange Rate Changes on Cash and Cash Equivalents	30	18	(10)	(2)	(1,956)
	(5,495)	(4,415)	(2,890)	(2,321)	(6,215)
Changes in Operating Assets and Liabilities Items					
Increase in Inventories	(71)	(225)	(48)	(147)	(389)
Decrease (Increase) in Other Receivables	(291)	(38)	(267)	(168)	(506)
Decrease (Increase) in Accounts Receivable	16	(613)	2	(281)	(63)
Increase (Decrease) in Trade Payables	(103)	(74)	(279)	(84)	(115)
Increase (Decrease) in Other Payables	(97)	608	(31)	632	948
	(546)	(342)	(623)	(48)	(125)
Net Cash Used for Operating Activities	(6,041)	(4,757)	(3,513)	(2,369)	(6,340)
<b>(b) Non-Cash Flow Financing and Investing Activities</b>					
Conversion of Loan to Preferred A3 Shares and Warrants	-	2,478	-	-	2,478
Conversion of Warrants to Preferred A4 Stock Granted to Investors	-	-	-	-	9,263
Lease Liability	265	97	107	-	455
Capital Expenses not Paid as of the Date of the Balance Sheet	-	-	-	-	187
Proceeds Not Yet Received from Warrants Exercise	261	-	258	-	-

The attached additional information to the separate interim information is an integral part thereof.

## **Ecoppia Scientific LTD.**

### **Notes and supplemental information pertaining to the solo financial figures presented pursuant to Regulation 38d of the Securities Regulations (Periodic and Immediate Reports), 1970**

#### **Note 1 – Method of preparing the solo financial figures presented pursuant to Regulation 38d of the Securities Regulations (Periodic and Immediate Reports), 1970**

##### **a. General**

Ecoppia Scientific LTD. (hereinafter: **The Company**) is a public company whose shares are listed for trading on the Tel Aviv Securities Exchange.

The Company and its subsidiaries (hereinafter jointly: **The Group**) develop, market, operate and maintain cloud technology-based robotic system for cleaning solar panel installations.

Company was incorporated in Israel in January 2013 and is a resident of it.

Company fully owns (100%) two subsidiaries – Ecoppia Scientific LLP (hereinafter: The Subsidiary) which is a limited partnership incorporated in India in August 2016, and Evermore United S.A., which is a private company incorporated in October 2014 in the British Virgin Islands (BVI).

##### **b. Definitions**

The Company – Ecoppia Scientific LTD.

The Solo Interim Financial Figures – Financial figures for the interim period presented pursuant to Regulation 38d of the Securities Regulations (Periodic and Immediate Reports), 1970.

Unless stated otherwise, all terms mentioned herein, the Solo Interim Financial Statement, shall have the meaning as set forth in Company's Consolidated Interim Financial Statements dated June 30, 2021, and for the six and three-month period ending on that date (hereinafter: **The Consolidated Interim Interim Financial Statements**).

Subsidiary – Company's subsidiaries, Ecoppia Scientific LLP and Evermore United S.A.

Inter-Company Balances, Inter-Company Income and Inter-Company Cash Flows – Balances, income or expenses and cash flows, as applicable, generated by inter-company transactions, which were offset in the Consolidated Interim Financial Statements.

##### **c. Effects of the Covid-19 Virus**

See Note 1 to the Consolidated Interim Financial Statements.

##### **d. Highlights of Method of Preparing Solo Financial Figures**

Company's Solo Interim Financial Figures include financial figures retrieved from the corporation's consolidated interim statements which are attributed to the Company and prepared as required by Regulation 38d to the Securities Regulations (Periodic and Immediate Reports), 1970 (hereinafter: **Periodic Reporting Regulations**).

Accordingly, the Solo Interim Financial Figures include financial figures from the Consolidated Interim Financial Statements which are attributed to the Company.

The Solo Interim Financial Figures should be reviewed alongside the Consolidated Interim Financial Statements and the appended footnotes, and alongside Company's solo financial figures as of December 31, 2020, and each of the two years ending on that date (hereinafter: **Company's 2020 Solo Financial Figures**), and the appended notes, which were prepared pursuant to Regulation 9c of the Periodic Reporting Regulations, including the details set forth in the Tenth Addition to the aforementioned regulations, and subject to the clarifications included under Clarification pertaining to the Corporation's Solo Financial Statements, published on the Securities

**Ecoppia Scientific LTD.**

**Notes and supplemental information pertaining to the solo financial figures presented pursuant to Regulation 38d of the Securities Regulations (Periodic and Immediate Reports), 1970**

**Note 1 – Method of preparing the solo financial figures presented pursuant to Regulation 38d of the Securities Regulations (Periodic and Immediate Reports), 1970 (contd.)**

Authority’s website on January 24, 2021, pertaining to the manner of implementation of the aforementioned regulation and addition (hereinafter: **The Authority’s Clarification**).

The highlights of the accounting policy and methods of calculation used in the preparation of the Solo Interim Financial Figures is consistent with those used in the preparation of Company’s 2020 Solo Financial Statement and which were detailed therein.

The Solo Interim Financial Figures are reviewed and unaudited.

The Solo Interim Financial Figures do not constitute financial statements, including solo financial statements, prepared and presented in accordance with international financial reporting regulations (hereinafter: **IFRS Standards**) in general, and the provisions of International Accounting Standard no. 27 – Consolidated and Solo Financial Statements, specifically, and also do not constitute interim financial figures prepared pursuant to International Accounting Standard no, 34 – Financial Reporting for Interim Periods.

Notwithstanding, the accounting policy detailed in Note 3 to the Consolidated Interim Financial Statements, pertaining to the highlights of the accounting policy, and the manner in which financial figures were classified in the Consolidated Interim Financial Statements, have been implemented for the purpose of presenting the Solo Interim Financial Figures and this subject to the highlights of the accounting policy and methods of calculation implemented in the preparation of the Solo Interim Financial Figures, mutatis mutandis.

**Note 2 – Events during the Reporting Period**

See Note 6 to the Consolidated Interim Financial Statements.

**Note 3 – Events during the Reporting Period**

See Note 7 to the Consolidated Interim Financial Statements.

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