

BIOLIGHT LIFE SCIENCES LTD.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2017

CONSOLIDATED BALANCE SHEETS

	<u>September 30,</u>		<u>December 31,</u>
	<u>2017</u>	<u>2016</u>	<u>2016</u>
	<u>Unreview</u>		<u>Audited</u>
	<u>NIS in thousands</u>		
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	19,973	31,432	25,057
Short-term deposits	382	372	417
Trade receivables	12	634	648
Other accounts receivable	1,192	1,056	1,415
Inventories	2,848	675	2,494
	<u>24,407</u>	<u>34,169</u>	<u>30,031</u>
NON-CURRENT ASSETS:			
Other long-term assets	71	142	85
Property and equipment, net	1,044	1,296	1,287
Goodwill and intangible assets, net	3,910	6,691	3,910
	<u>5,025</u>	<u>8,129</u>	<u>5,282</u>
	<u>29,432</u>	<u>42,298</u>	<u>35,313</u>

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

CONSOLIDATED BALANCE SHEETS

	<u>September 30,</u>		<u>December 31,</u>
	<u>2017</u>	<u>2016</u>	<u>2016</u>
	<u>Unreview</u>		<u>Audited</u>
	<u>NIS in thousands</u>		
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Trade payables	754	735	873
Other accounts payable	7,162	4,693	5,732
	<u>7,916</u>	<u>5,428</u>	<u>6,605</u>
NON-CURRENT LIABILITIES:			
Liability for grants	10,527	9,380	8,918
Excess of losses over investment in company accounted for at equity	263	47	-
Other long-term liabilities	1,475	683	687
	<u>12,265</u>	<u>10,110</u>	<u>9,605</u>
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY:			
Share capital, premium and reserves	253,642	243,045	244,310
Accumulated deficit	(246,009)	(225,431)	(209,666)
	<u>7,633</u>	<u>17,614</u>	<u>34,644</u>
Non-controlling interests	<u>1,618</u>	<u>9,146</u>	<u>12,417</u>
Total equity	<u>9,251</u>	<u>26,760</u>	<u>47,061</u>
	<u>29,432</u>	<u>42,298</u>	<u>63,271</u>

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Nine months ended September 30,		Three months ended September 30,		Year ended December 31,
	2017	2016	2017	2016	2016
	Unreview				Audited
	NIS in thousands (except share and loss per share data)				
Revenues	864	1,772	290	923	2,111
Cost of revenues	597	697	164	381	996
Gross profit	267	1,075	126	542	1,115
Research and development expenses, net	12,221	7,798	4,911	2,712	10,982
Selling and marketing expenses	3,875	3,893	1,159	1,191	5,132
General and administrative expenses	5,451	6,213	1,703	1,843	8,418
Other expenses, net	(241)	3,719	-	-	6,985
	21,306	21,623	7,773	5,746	31,517
Operating loss	21,039	20,548	7,647	5,204	30,402
Finance income	(152)	(5)	(111)	-	(1)
Finance expense	2,504	2,291	730	1,046	2,837
Company's share of losses of company accounted for at equity	389	351	190	33	372
Net loss	23,780	23,185	8,456	6,283	33,610
Other comprehensive loss (income):					
<u>Amounts that will be reclassified</u> <u>subsequently to profit or loss:</u>					
Exchange differences on translation of foreign operations	(23)	1	1	3	5
Total comprehensive loss	23,757	23,186	8,457	6,286	33,615
Total loss attributable to:					
Equity holders of the Company	14,519	15,765	5,440	3,930	21,824
Non-controlling interests	9,261	7,420	3,016	2,353	11,786
	23,780	23,185	8,456	6,283	33,610
Total comprehensive loss attributable to:					
Equity holders of the Company	14,496	15,766	5,441	3,933	21,829
Non-controlling interests	9,261	7,420	3,016	2,353	11,786
	23,757	23,186	8,457	6,286	33,615
Loss per share attributable to equity holders of the Company (in NIS):					
Basic and diluted loss per share	4.75	6.05	1.44	1.51	8.37
Weighted number of shares used in the computation of loss per share	3,055,399	2,606,688	3,788,876	2,606,688	2,606,688

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CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine months ended September 30,		Three months ended September 30,		Year ended December 31,
	2017	2016	2017	2016	2016
	Unreview	Unaudited	Unreview	Unaudited	Audited
NIS in thousands					
Net cash used in operating activities	<u>(19,699)</u>	<u>(20,013)</u>	<u>(7,127)</u>	<u>(5,749)</u>	<u>(26,942)</u>
Net cash used in investing activities	<u>(216)</u>	<u>(581)</u>	<u>(15)</u>	<u>(76)</u>	<u>(627)</u>
Net cash provided by financing activities	<u>16,329</u>	<u>2,554</u>	<u>1,885</u>	<u>1,661</u>	<u>2,554</u>