

# **BioLight Life Sciences Ltd.**

## **Condensed Consolidated Financial Statements As of December 31, 2020**

### NON-BINDING TRANSLATION

The following condensed consolidated financial statements is a free translation of the Company's consolidated financial statements in Hebrew published on the TASE on March 18, 2021. In the event of inconsistency between this version and the Hebrew one, the Hebrew language version shall prevail.

**Consolidated Statements of Financial Position**

	<b>December 31,</b>	
	<b>2020</b>	<b>2019</b>
	<b>NIS thousands</b>	<b>NIS thousands</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	29,988	35,346
Short-term deposits	1,161	4,604
Trade receivables	-	2
Other accounts receivable	350	760
Investment in shares at fair value recognized in profit and loss	19,961	-
<b>Total current assets</b>	<b>51,460</b>	<b>40,712</b>
<b>Non-current assets</b>		
Long term receivables	-	1,003
Property and equipment, net	2,236	275
Right to use asset, net	927	439
Investment in shares at fair value recognized in profit and loss	9,973	28,153
Investment in company accounted for at equity method	84	459
Goodwill and intangible asset, net	149	3,910
<b>Total non-current assets</b>	<b>13,369</b>	<b>34,239</b>
<b>Total assets</b>	<b>64,829</b>	<b>74,951</b>

**Consolidated Statements of Financial Position (Cont.)**

	<b>December 31,</b>	
	<b>2020</b>	<b>2019</b>
	<u>NIS thousands</u>	<u>NIS thousands</u>
<b>Current liabilities</b>		
Trade payables	580	221
Other accounts payable	1,522	2,900
Current maturities of lease liability	459	450
	<u>2,561</u>	<u>3,571</u>
<b>Non-current liabilities</b>		
Liability related to grants	558	2,225
Deferred tax liability	1,133	1,008
Other long-term liabilities	470	-
	<u>2,161</u>	<u>3,233</u>
<b>Equity attributable to shareholders of the Company</b>		
Share capital, premium and reserves	268,555	264,819
Accumulated deficit	(209,338)	(195,956)
Total equity attributable to shareholders of the Company	<u>59,217</u>	<u>68,863</u>
Non-controlling interests	890	(716)
	<u>60,107</u>	<u>68,147</u>
<b>Total equity</b>	<u>60,107</u>	<u>68,147</u>
<b>Total equity and liabilities</b>	<u>64,829</u>	<u>74,951</u>

**Consolidated Statements of Comprehensive Income (Loss)**

	<b>Year ended December 31,</b>		
	<b>2020</b>	<b>2019(*)</b>	<b>2018(*)</b>
	<b>NIS thousands</b>	<b>NIS thousands</b>	<b>NIS thousands</b>
Revenues, net	31	-	3,304
Cost of revenues	-	-	(2,840)
<b>Gross profit</b>	<b>31</b>	<b>-</b>	<b>464</b>
Research and development, net	(3,993)	(5,057)	(8,057)
Selling and marketing, net	(250)	(922)	(4,578)
General and administrative, net	(6,411)	(5,420)	(6,099)
Other income (expenses), net	(705)	875	77,063
	<u>(11,359)</u>	<u>(10,524)</u>	<u>58,329</u>
<b>Operating profit (loss)</b>	<b>(11,328)</b>	<b>(10,524)</b>	<b>58,793</b>
Finance income (expenses), net	(2,333)	(2,445)	1,288
Company's share of losses of company accounted for at equity	(375)	(1,417)	(822)
	<u>(14,036)</u>	<u>(14,386)</u>	<u>59,259</u>
Net profit (loss) before taxes	(14,036)	(14,386)	59,259
Tax income (expenses)	(135)	746	(3,553)
	<u>(14,171)</u>	<u>(13,640)</u>	<u>(55,706)</u>
Profit (loss) from continuing operations	(14,171)	(13,640)	(55,706)
Loss from discontinued operations	(915)	(936)	(4,120)
<b>Net profit (loss)</b>	<b>(15,086)</b>	<b>(14,576)</b>	<b>51,586</b>
Other comprehensive income (loss):			
Amounts that will be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	85	17	(26)
	<u>(15,001)</u>	<u>(14,559)</u>	<u>51,560</u>
<b>Total comprehensive income (loss)</b>	<b>(15,001)</b>	<b>(14,559)</b>	<b>51,560</b>
<b>Total net income (loss) attributable to:</b>			
Shareholders of the Company	(13,382)	(12,591)	65,385
Non-controlling interests	(1,704)	(1,985)	(13,799)
	<u>(15,086)</u>	<u>(14,576)</u>	<u>51,586</u>
<b>Total comprehensive income (loss) attributable to:</b>			
Shareholders of the Company	(13,297)	(12,574)	65,359
Non-controlling interests	(1,704)	(1,985)	(13,799)
	<u>(15,001)</u>	<u>(14,559)</u>	<u>51,560</u>
<b>Net income (loss) per share attributable to shareholders of the Company (NIS):</b>			
Basic and diluted income (loss) per share from continuing operations	(2.90)	(2.92)	14.88
Basic and diluted income (loss) per share from discontinuing operations	(0.05)	0.15	0.57
Basic and diluted total net income (loss) per share	(2.95)	(2.77)	15.45
Weighted number of shares used in the computation of income (loss) per share	<u>4,542,901</u>	<u>4,542,901</u>	<u>4,231,923</u>

(\*) Reclassified due to discontinuing operations

### Consolidated Statements of Changes in Equity

	Attributable to shareholders of the Company								
	Ordinary shares	Share premium	Share-based payment reserve	Transactions with non-controlling interests reserve	Accumulated deficit	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
	NIS thousands								
Balance as of January 1, 2018	9,088	239,372	1,907	8,208	(248,750)	(3,725)	6,100	1,931	8,031
Net profit (loss)	-	-	-	-	65,385	-	65,385	(13,799)	51,586
Total other comprehensive loss	-	-	-	-	-	(26)	(26)	-	(26)
Total comprehensive income (loss)	-	-	-	-	65,385	(26)	65,359	(13,799)	51,560
Issuance of shares in the Company, net	2,271	8,799	-	-	-	-	11,070	-	11,070
Share-based payment in subsidiaries	-	-	-	-	-	-	-	468	468
Share-based payment in the Company	-	-	5	-	-	-	5	-	5
Non-controlling interests in subsidiary	-	-	-	(994)	-	-	(994)	23,908	22,914
Derecognition of non-controlling interests due to loss of control in subsidiary	-	-	-	-	-	-	-	(18,515)	(18,515)
Issuance and purchase of shares and warrants in a subsidiary	-	-	-	330	-	-	330	1,933	2,263
Share warrants expiration	-	-	-	461	-	-	461	(461)	-
Balance as of December 31, 2018	<u>11,359</u>	<u>248,171</u>	<u>1,912</u>	<u>8,005</u>	<u>(183,365)</u>	<u>(3,751)</u>	<u>82,331</u>	<u>(4,535)</u>	<u>77,796</u>

## Consolidated Statements of Changes in Equity (Cont.)

	Attributable to shareholders of the Company								
	Ordinary shares	Share premium	Share-based payment reserve	Transactions with non-controlling interests reserve	Accumulated deficit	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
Balance as of January 1, 2019	11,359	248,171	1,912	8,005	(183,365)	(3,751)	82,331	(4,535)	77,796
Net loss	-	-	-	-	(12,591)	-	(12,591)	(1,985)	(14,576)
Total other comprehensive income	-	-	-	-	-	17	17	-	17
Total comprehensive income (loss)	-	-	-	-	(12,591)	17	(12,574)	(1,985)	(14,559)
Share-based payment in subsidiaries	-	-	-	-	-	-	-	330	330
Share-based payment in the Company	-	-	10	-	-	-	10	-	10
Share warrants exercise	-	-	-	(73)	-	-	(73)	683	610
Issuance and purchase of shares and warrants in a subsidiary	-	-	-	(752)	-	-	(752)	4,712	3,960
Share warrants expiration	-	-	-	(79)	-	-	(79)	79	-
Balance as of December 31, 2019	<u>11,359</u>	<u>248,171</u>	<u>1,922</u>	<u>7,101</u>	<u>(195,956)</u>	<u>(3,734)</u>	<u>68,863</u>	<u>(716)</u>	<u>68,147</u>

## Consolidated Statements of Changes in Equity (Cont.)

	Attributable to shareholders of the Company							Non-controlling interests	Total equity
	Ordinary shares	Share premium	Share-based payment reserve	Transactions with non-controlling interests reserve	Accumulated deficit	Foreign currency translation reserve	Total		
	NIS thousands								
Balance as of January 1, 2020	11,359	248,171	1,922	7,101	(195,956)	(3,734)	68,863	(716)	68,147
Net loss	-	-	-	-	(13,382)	-	(13,382)	(1,704)	(15,086)
Total other comprehensive income	-	-	-	-	-	85	85	-	85
Total comprehensive income (loss)	-	-	-	-	(13,382)	85	(13,297)	(1,704)	(15,001)
Share-based payment in subsidiaries	-	-	-	-	-	-	-	20	20
Share-based payment in the Company	-	-	178	-	-	-	178	-	178
Derecognition of non-controlling interests due to loss of control in subsidiary	-	-	-	-	-	-	-	1,485	1,485
Share warrants exercise in a subsidiary	-	-	-	9	-	-	9	27	36
Issuance of shares in a subsidiary	-	-	-	3,490	-	-	3,490	1,752	5,242
Share options expiration in the Company	-	169	(169)	-	-	-	-	-	-
Share warrants expiration in a subsidiary	-	-	-	(26)	-	-	(26)	26	-
Balance as of December 31, 2020	11,359	248,340	1,931	10,574	(209,338)	(3,649)	59,217	890	60,107

**Consolidated Statements of Cash Flows**

	Year ended December 31,		
	2020	2019	2018
	NIS thousands	NIS thousands	NIS thousands
<b>Cash flows from operating activities</b>			
Net profit (loss)	(15,086)	(14,576)	51,586
Adjustments to reconcile loss to net cash used in operating activities:			
<u>Adjustments to the profit or loss items:</u>			
Finance expenses (income), net	609	2,773	(2,278)
Adjustment of liabilities related to grants	161	(2,770)	87
Depreciation and amortization	558	543	183
Share-based payment in the Company	178	10	5
Share-based payment in subsidiaries	20	330	468
Gain on loss of control in subsidiary	(65)	-	(77,063)
Loss from sale of Property and equipment	45	-	-
Gain from sale of asset held for sale	-	(1,788)	-
Gain (loss) from recognition of investment in shares at fair value recognized in profit or loss	(540)	907	-
Change in investment in shares at fair value recognized in profit and loss	1,427	(171)	-
Tax expenses	10	534	1,265
Share of loss of company accounted for at equity method	432	1,417	822
	<u>2,835</u>	<u>1,785</u>	<u>(76,511)</u>
<u>Changes in asset and liability items:</u>			
Decrease (increase) in trade receivables	2	54	(186)
Decrease in other accounts receivable	651	60	331
Decrease in inventories	-	-	994
Increase (decrease) in trade payables	385	(1,165)	853
Decrease in other accounts payable	(595)	(868)	(1,745)
Change in deferred taxes	125	(1,280)	2,288
	<u>568</u>	<u>(3,199)</u>	<u>2,535</u>
<u>Cash received (paid) during the year for:</u>			
Interest paid on behalf of lease liability	(15)	(33)	-
Interest received	303	666	-
	<u>288</u>	<u>633</u>	<u>-</u>
<b>Net cash used in operating activities</b>	<u>(11,395)</u>	<u>(15,357)</u>	<u>(22,390)</u>



**Consolidated Statements of Cash Flows (Cont.)**

	Year ended December 31,		
	2020	2019	2018
	NIS thousands	NIS thousands	NIS thousands
<b>Cash flows from investing activities</b>			
Investment in company accounted for at equity method	-	(933)	(562)
Investment in shares at fair value recognized in profit and loss	182	(10,858)	-
Proceeds from short-term deposits, net	107	-	25
Purchase of property and equipment	(2,099)	(29)	(54)
Cash proceeds (write-off) from sale of subsidiary, net (a)	(323)	-	13,561
Proceeds from sale of asset held for sale, net	-	19,980	-
Investment in long-term deposit	4,135	(1,011)	-
Taxes paid	(10)	(534)	(1,265)
Proceeds from long-term lease deposits	19	14	9
<b>Net cash provided by investing activities</b>	<b>2,011</b>	<b>6,629</b>	<b>11,714</b>
<b>Cash flows from financing activities</b>			
Exercise of warrants in a subsidiary	36	610	-
Purchase of shares in a subsidiary	-	-	(190)
Proceeds from issuance of shares and warrants in a subsidiary, net	5,242	3,960	25,367
Proceeds from issuance of shares, net	-	-	11,070
Repayment of lease liability principal	(505)	(474)	-
<b>Net cash provided by financing activities</b>	<b>4,773</b>	<b>4,096</b>	<b>36,247</b>
Exchange differences on balances of cash and cash equivalents	(747)	(3,080)	2,132
Increase (decrease) in cash and cash equivalents	(5,358)	(7,712)	27,703
Cash and cash equivalents at the beginning of the year	35,346	43,058	15,355
<b>Cash and cash equivalents at the end of the year</b>	<b>29,988</b>	<b>35,346</b>	<b>43,058</b>

**Consolidated Statements of Cash Flows (Cont.)**

	Year ended December 31,		
	2020	2019	2018
	NIS thousands	NIS thousands	NIS thousands
<b>A. Cash proceeds (write-off) from sale of subsidiary, net:</b>			
Working capital (excluding cash and cash equivalents)	(908)	-	1,332
Investment in company accounted for at equity method	(2,907)	-	(19,346)
Property and equipment	31	-	489
Leasing deposits	-	-	29
Long term deposit	-	-	(4,370)
Asset held for sale	-	-	(18,192)
Goodwill	3,761	-	-
Liability related to grants	(1,850)	-	(4,929)
Non-controlling interests	1,485	-	(18,515)
Gain on loss of control in subsidiary	65	-	77,063
	<u>(323)</u>	<u>-</u>	<u>13,561</u>