

BioLight Life Sciences Ltd.

**Condensed Consolidated
Financial Statements
As of June 30, 2022**

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 August 28, 2022. In the event of inconsistency between this version and the Hebrew one, the Hebrew language version shall prevail.

Consolidated Statements of Financial Position

	June 30,		December 31,
	2022	2021	2021
	<u>NIS thousands</u>	<u>NIS thousands</u>	<u>NIS thousands</u>
Assets			
Current assets			
Cash and cash equivalents	7,853	40,515	33,467
Short-term deposits	1,238	1,174	245
Other accounts receivable	569	415	292
Investment in tradable shares at fair value recognized in profit and loss	16,291	-	-
Total current assets	<u>25,951</u>	<u>42,104</u>	<u>34,004</u>
Non-current assets			
Long term receivables	64	988	946
Property and equipment, net	2,809	2,232	2,788
Right to use asset, net	240	698	469
Investment in shares at fair value recognized in profit and loss	34,213	24,609	24,565
Investment in financial instruments at fair value recognized in profit and loss	942	-	331
Investment in company accounted for at equity method	1,638	-	919
Goodwill	149	149	149
Total non-current assets	<u>40,055</u>	<u>28,676</u>	<u>30,167</u>
Total assets	<u><u>66,006</u></u>	<u><u>70,780</u></u>	<u><u>64,171</u></u>

Consolidated Statements of Financial Position (Cont.)

	June 30,		December 31,
	2022	2021	2021
	<u>NIS thousands</u>	<u>NIS thousands</u>	<u>NIS thousands</u>
Current liabilities			
Trade payables	230	359	146
Other accounts payable	1,213	1,200	1,622
Current maturities of lease liability	211	470	443
Total current liabilities	<u>1,654</u>	<u>2,029</u>	<u>2,211</u>
Non-current liabilities			
Liability related to grants	611	566	543
Other long-term liabilities	-	239	-
Total non-current liabilities	<u>611</u>	<u>805</u>	<u>543</u>
Equity attributable to shareholders of the Company			
Share capital, premium and reserves	269,936	268,732	269,658
Accumulated deficit	(206,691)	(201,321)	(208,956)
Total equity attributable to shareholders of the Company	<u>63,245</u>	<u>67,411</u>	<u>60,702</u>
Non-controlling interests	496	535	715
Total equity	<u>63,741</u>	<u>67,946</u>	<u>61,417</u>
Total equity and liabilities	<u><u>66,006</u></u>	<u><u>70,780</u></u>	<u><u>64,171</u></u>

Consolidated Statements of Comprehensive Income (Loss)

	Six months ended June 30,		Year ended
	2022	2021	December 31,
	NIS thousands	NIS thousands	2021
			NIS thousands
Revenues, net	6	2	3
Research and development	(1,686)	(2,436)	(4,335)
Selling and marketing	(287)	(200)	(646)
General and administrative, net	(3,059)	(2,876)	(5,625)
Change in investment in shares at fair value recognized in profit and loss	6,043	11,242	10,071
	<u>1,011</u>	<u>5,730</u>	<u>(535)</u>
Operating profit (loss)	1,017	5,732	(532)
Finance income (expenses), net	1,198	382	(1,095)
Company's share of losses of company accounted for at equity	(269)	(84)	(284)
Net profit (loss) before taxes	1,946	6,030	(1,911)
Tax income	-	1,572	1,572
Net profit (loss)	<u>1,946</u>	<u>7,602</u>	<u>(339)</u>
Other comprehensive income (loss): Amounts that will be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	222	51	(84)
Total comprehensive income (loss)	<u>2,168</u>	<u>7,653</u>	<u>(423)</u>
Total net income (loss) attributable to:			
Shareholders of the Company	2,265	8,017	382
Non-controlling interests	(319)	(415)	(721)
	<u>1,946</u>	<u>7,602</u>	<u>(339)</u>
Total comprehensive income (loss) attributable to:			
Shareholders of the Company	2,487	8,068	298
Non-controlling interests	(319)	(415)	(721)
	<u>2,168</u>	<u>7,653</u>	<u>(423)</u>
Net income per share attributable to shareholders of the Company (NIS):			
Basic total net income per share	<u>0.50</u>	<u>1.76</u>	<u>0.08</u>
Diluted total net income per share	<u>0.50</u>	<u>1.75</u>	<u>0.08</u>
Weighted number of shares used in the computation of basic income per share	<u>4,559,568</u>	<u>4,542,901</u>	<u>4,550,136</u>
Weighted number of shares used in the computation of diluted income per share	<u>4,592,901</u>	<u>4,592,901</u>	<u>4,585,666</u>

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, 2022	11,401	248,538	1,884	11,568	(208,956)	(3,733)	60,702	715	61,417
Total comprehensive income (loss)	-	-	-	-	2,265	222	2,487	(319)	2,168
Share-based payment in subsidiaries	-	-	-	-	-	-	-	100	100
Share-based payment in the Company	-	-	56	-	-	-	56	-	56
Balance as of June 30, 2022	11,401	248,538	1,940	11,568	(206,691)	(3,511)	63,245	496	63,741

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
NIS thousands									
Balance as of January 1, 2021	11,359	248,340	1,931	10,574	(209,338)	(3,649)	59,217	890	60,107
Total comprehensive income (loss)	-	-	-	-	8,017	51	8,068	(415)	7,653
Share-based payment in subsidiaries	-	-	-	-	-	-	-	60	60
Share-based payment in the Company	-	-	126	-	-	-	126	-	126
Share options expiration in the Company	-	102	(102)	-	-	-	-	-	-
Balance as of June 30, 2021	11,359	248,442	1,955	10,574	(201,321)	(3,598)	67,411	535	67,946

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, 2021	11,359	248,340	1,931	10,574	(209,338)	(3,649)	59,217	890	60,107
Net (loss) profit	-	-	-	-	382	-	382	(721)	(339)
Total other comprehensive loss	-	-	-	-	-	(84)	(84)	-	(84)
Total comprehensive (loss) profit	-	-	-	-	382	(84)	298	(721)	(423)
Share-based payment in subsidiaries	-	-	-	-	-	-	-	139	139
Share-based payment in the Company	-	-	193	-	-	-	193	-	193
Restricted share units exercise in the Company	42	96	(138)	-	-	-	-	-	-
Issuance of shares in a subsidiary	-	-	-	994	-	-	994	407	1,401
Share options expiration in the Company	-	102	(102)	-	-	-	-	-	-
Balance as of December 31, 2021	11,401	248,538	1,884	11,568	(208,956)	(3,733)	60,702	715	61,417

Consolidated Statements of Cash Flows

	Six months ended June 30,		Year ended
	2022	2021	December 31,
	NIS thousands	NIS thousands	2021
			NIS thousands
Cash flows from operating activities			
Net profit (loss)	1,946	7,602	(339)
Adjustments to reconcile loss to net cash used in operating activities:			
<u>Adjustments to the profit or loss items:</u>			
Finance expenses (income), net	(557)	(402)	884
Adjustment of liabilities related to grants	68	8	(15)
Depreciation and amortization	268	266	532
Share-based payment in the Company	56	126	193
Share-based payment in subsidiaries	100	60	139
Change in investment in shares at fair value recognized in profit and loss	(6,043)	(11,242)	(10,071)
Change in investment in financial instruments at fair value recognized in profit and loss	(611)		228
Change in tradable shares at fair value recognized in profit and loss	(130)	-	-
Tax expenses	-	(439)	(439)
Share of loss of company accounted for at equity method	269	84	284
	<u>(6,580)</u>	<u>(11,539)</u>	<u>(8,625)</u>
<u>Changes in asset and liability items:</u>			
Decrease (increase) in other accounts receivable	(277)	(65)	58
Increase (decrease) in trade payables	84	(221)	(434)
Increase (decrease) in other accounts payable	(356)	(271)	59
Change in deferred taxes	-	(1,133)	(1,133)
	<u>(549)</u>	<u>(1,690)</u>	<u>(1,450)</u>
<u>Cash received (paid) during the year for:</u>			
Interest paid on behalf of lease liability	(37)	(18)	(22)
Interest received	58	26	50
	<u>21</u>	<u>8</u>	<u>28</u>
Net cash used in operating activities	<u>(5,162)</u>	<u>(5,619)</u>	<u>(10,026)</u>

Consolidated Statements of Cash Flows (Cont.)

	Six months ended June 30,		Year ended
	2022	2021	December 31,
	NIS thousands	NIS thousands	2021
			NIS thousands
Cash flows from investing activities			
Investment in company accounted for at equity method	(819)	-	(1,162)
Investment in financial instruments at fair value recognized in profit and loss	-	-	(559)
Proceeds from shares at fair value recognized in profit and loss	-	20,048	20,048
Investment in shares at fair value recognized in profit and loss	(3,605)	(3,481)	(4,608)
Investment in tradable shares at fair value recognized in profit and loss	(16,161)	-	-
Purchase of property and equipment, net	(60)	(33)	(626)
Investment in long-term deposit	-	(922)	13
Taxes received (paid)	-	439	439
Proceeds from (investment in) long-term lease deposits	-	(64)	(64)
Net cash provided by (used in) investing activities	(20,645)	15,987	13,481
Cash flows from financing activities			
Proceeds from issuance of shares and warrants in a subsidiary, net	-	-	1,401
Repayment of lease liability principal	(232)	(220)	(486)
Net cash provided by (used in) financing activities	(232)	(220)	915
Exchange differences on balances of cash and cash equivalents	425	379	(891)
Increase (decrease) in cash and cash equivalents	(25,614)	10,527	3,479
Cash and cash equivalents at the beginning of the period	33,467	29,998	29,988
Cash and cash equivalents at the end of the period	7,853	40,515	33,467