

**DiagnosTear, a subsidiary of BioLight Life Sciences, Enters a binding Term Sheet regarding Merger, Fund raising and listing on the Canadian Securities Exchange (CSE)**

June 5<sup>th</sup>, 2023

BioLight [TASE: BOLT] is proud to announce that on June 4<sup>th</sup> 2023, its subsidiary DiagnosTear Ltd.<sup>1</sup>, ("**Diagnostear**"), entered into a binding Term Sheet ("**TS**") with Oceanview Technologies Inc. ("**Oceanview**"), a Canadian company, with respect to a share exchange transaction according to which, subject to the parties entering into a definitive agreement and fulfillment of conditions precedent ("**CP**"), Oceanview will purchase the full share capital of Diagnostear in exchange for issuance of approximately 60% of Oceanview's share capital, which will be followed by a listing of its shares for trading on the Canadian Securities Exchange (CSE) ("**Transaction**"). Upon completion of the Transaction (subject to fulfillment of the CP and in accordance with the terms of the Transaction detailed in the TS and fund raising as detailed below), BioLight is expected to hold approximately 50% of the share capital of the merged company that shall be registered for trading in Canada with an initial value of approximately US\$ 16.8 million, for the shares to be held by Biolight.

As CP for closing the Transaction, each of the parties will raise funds by equity financing as detailed below: (a) Diagnostear will raise funds of no less than US\$ 1 million. BioLight estimates that it is expected to invest approximately 85% of said amount; (b) Oceanview will raise funds of no less than of US\$ 2.5 million (net), providing post money valuation of US\$ 33.5 million and will hold, upon completion of the Transaction and after payment of all related expenses, cash of at least US\$ 3 million. In addition, as part of the Transaction, Diagnostear's convertible securities will be exercised or exchanged for Oceanview's convertible securities. Also, as part of the Transaction, Oceanview will adopt an option plan allocating up to 10% of the issued and paid capital to directors and officers. The US\$3 million cash balances from the said capital raisings are intended to be used by the public merged company (to be named DiagnosTear) to advance DiagonTear's business plan regarding the promotion of the dry eye diagnostic product and the development of a new red eye diagnostic product.

The Closing of the Transaction is subject amongst others, to CP, including (a) as required by applicable law, approval by the shareholders of each of DiagnosTear and Oceanview; (b) obtaining the required approvals from third parties and the regulatory approvals for the execution of the Transaction, and the approval of the Canadian Stock Exchange for the listing of Oceanview shares for trading by the CSE and

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<sup>1</sup> in which it holds, directly and indirectly, approximately 77% of its share capital.

its compliance with the capital requirements required for this purpose; (c) obtaining approval from the Israel Tax Authority that the exchange of the shares and convertible securities of Diagnostear as part of the Transaction will not constitute a tax event; (d) receiving all required approvals from the Israel Innovation Authority, if and as required; (e) additional customary conditions in transactions of this type, including the adequacy of representations and the absence of violation, the absence of an impediment to the execution of the transaction, the absence of a material adverse change, etc.

Upon completion of the Transaction, the initial board of directors of the Canadian public company will consist of five directors, three of whom (including the chairman of the board) will be appointed in accordance with the recommendation of Diagnostear's shareholders (one of whom is an independent director), and two of whom (who are independent directors) will be appointed in accordance with the recommendation of the shareholders of Oceanview. It should be noted that in accordance with the legal requirements in Canada, blocking provisions will apply in connection with the shares of the Canadian public company and that within the framework of the definitive agreement, shareholders and officers of the Canadian public company may be required to sign blocking agreements.

The Transaction may be carried out by means of an exchange of shares, by means of a merger, or in any other similar method agreed upon by the parties.

The parties will make reasonable commercial efforts to complete the due diligence and enter into the definitive agreement by June 30, 2023. As part of the TS, the parties have committed to the earlier of an exclusivity period of 90 days or until the date of signing the definitive agreement. In addition, the parties undertook that subject to the provisions set forth in the TS during the interim period and the actions required for its execution, they will conduct their business in the ordinary course of business.

### **Forward Looking Statement**

What is stated in this report in connection with the possibility of Diagnostear entering into a detailed and binding agreement in connection with a transaction for the purchase of Diagnostear by a foreign corporation against the allocation of shares on behalf of the Canadian Corporation intending to register its shares as traded on the Canadian Securities Exchange, including the possibility of contracting the parties in a detailed agreement, the feasibility of the transaction and the possibility of its realization, the final conditions of the transaction, the date of the transaction, the scope of the allocation that will actually be made to the shareholders of Diagnostear and the proportion of the company's holding in the Canadian corporation after completion of the transaction, the possibility of capital raising by Diagnostear to the extent required for the execution of the transaction and the scope of the investment of the Company in Diagnostear's recruitment, the possibility of raising the capital by the Canadian Corporation to the extent required for the execution of the transaction and his compliance with the

requirements for listing his shares for trading on the Canadian Stock Exchange, the estimated value of the public company the Canadian and the Company's holdings in it after the completion, the existence of the conditions precedent required for the execution of the transaction and in general. Thus, obtaining the required approvals from third parties and regulatory bodies, including authorities in Israel and Canada, are forward-looking information as defined in the Securities Law, 1968- which may or may not materialize or materialize in a different way (including substantially) from what is described above, for reasons that are beyond the control of the company and/or the parties the others as mentioned. There is no certainty that the detailed agreement will be signed, and as soon as it is signed, there is no certainty about its final terms and thus there is no certainty regarding the fulfillment of the conditions precedent and the preliminary actions required for its completion