

BioLight Life Sciences Ltd.

Condensed Consolidated Financial Statements As of June 30, 2023

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 31, 2023. 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,
	2023	2022	2022
	NIS thousands	NIS thousands	NIS thousands
Assets			
Current assets			
Cash and cash equivalents	8,658	7,853	13,392
Short-term deposits	1,309	1,238	1,246
Other accounts receivable	557	569	399
Investment in tradable shares at fair value recognized in profit and loss	3,045	16,291	2,987
Total current assets	13,569	25,951	18,024
Non-current assets			
Long term deposits	90	64	90
Property and equipment, net	4,195	2,809	2,810
Right to use asset, net	224	240	526
Investment in shares at fair value recognized in profit and loss	18,150	34,213	31,834
Investment in financial instruments at fair value recognized in profit and loss	465	942	885
Investment in company accounted for at equity method	3,502	1,638	2,156
Goodwill and intangible asset	686	149	686
Total non-current assets	27,312	40,055	38,987
Total assets	40,881	66,006	57,011

Consolidated Statements of Financial Position (Cont.)

	June 30,		December 31,
	2023	2022	2022
	<u>NIS thousands</u>	<u>NIS thousands</u>	<u>NIS thousands</u>
Current liabilities			
Trade payables	280	230	301
Other accounts payable	1,707	1,213	1,708
Current maturities of lease liability	<u>271</u>	<u>211</u>	<u>527</u>
Total current liabilities	<u>2,258</u>	<u>1,654</u>	<u>2,536</u>
Non-current liabilities			
Liability related to grants	<u>824</u>	<u>611</u>	<u>783</u>
Total non-current liabilities	<u>824</u>	<u>611</u>	<u>783</u>
Equity attributable to shareholders of the Company			
Share capital, premium and reserves	272,732	269,936	269,971
Accumulated deficit	<u>(235,828)</u>	<u>(206,691)</u>	<u>(216,803)</u>
Total equity attributable to shareholders of the Company	<u>36,904</u>	<u>63,245</u>	<u>53,168</u>
Non-controlling interests	<u>895</u>	<u>496</u>	<u>524</u>
Total equity	<u>37,799</u>	<u>63,741</u>	<u>53,692</u>
Total equity and liabilities	<u><u>40,881</u></u>	<u><u>66,006</u></u>	<u><u>57,011</u></u>

Consolidated Statements of Comprehensive Income (Loss)

	Six months ended June 30,		Year ended
	2023	2022	December 31,
	NIS thousands	NIS thousands	2022
			NIS thousands
Revenues, net	34	6	63
Research and development	(2,575)	(1,686)	(3,530)
Marketing	(435)	(287)	(712)
General and administrative, net	(2,911)	(3,059)	(6,143)
Change in investment in shares at fair value recognized in profit and loss	(13,684)	6,043	1,625
	<u>(19,605)</u>	<u>1,011</u>	<u>(8,760)</u>
Operating profit (loss)	(19,571)	1,017	(8,697)
Finance income (expenses), net	(76)	1,198	639
Company's share of losses of company accounted for at equity	<u>(220)</u>	<u>(269)</u>	<u>(629)</u>
	<u>(19,867)</u>	<u>1,946</u>	<u>(8,687)</u>
Net profit (loss)			
Other comprehensive income (loss):			
Amounts that will be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	<u>197</u>	<u>222</u>	<u>230</u>
Total comprehensive income (loss)	<u>(19,670)</u>	<u>2,168</u>	<u>(8,457)</u>
Total net income (loss) attributable to:			
Shareholders of the Company	(19,025)	2,265	(7,847)
Non-controlling interests	<u>(842)</u>	<u>(319)</u>	<u>(840)</u>
	<u>(19,867)</u>	<u>1,946</u>	<u>(8,687)</u>
Total comprehensive income (loss) attributable to:			
Shareholders of the Company	(18,828)	2,487	(7,617)
Non-controlling interests	<u>(842)</u>	<u>(319)</u>	<u>(840)</u>
	<u>(19,670)</u>	<u>2,168</u>	<u>(8,457)</u>
Net income (loss) per share attributable to shareholders of the Company (NIS):			
Basic total net income (loss) per share	<u>(4.11)</u>	<u>0.50</u>	<u>(1.72)</u>
Diluted total net income (loss) per share	<u>(4.11)</u>	<u>0.50</u>	<u>(1.71)</u>
Weighted number of shares used in the computation of basic income per share	<u>4,632,873</u>	<u>4,559,568</u>	<u>4,566,803</u>
Weighted number of shares used in the computation of diluted income per share	<u>4,632,873</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, 2023	11,443	248,635	1,828	11,568	(216,803)	(3,503)	53,168	524	53,692
Net loss	-	-	-	-	(19,025)	-	(19,025)	(842)	(19,867)
Total other comprehensive profit	-	-	-	-	-	197	197	-	197
Total comprehensive income (loss)	-	-	-	-	(19,025)	197	(18,828)	(842)	(19,670)
Issuance of shares in the Company	162	338	-	-	-	-	500	-	500
Share-based payment in subsidiaries	-	-	-	-	-	-	-	243	243
Share-based payment in the Company	-	-	20	-	-	-	20	-	20
Issuance of shares in a subsidiary	-	-	-	2,044	-	-	2,044	970	3,014
Balance as of June 30, 2023	11,605	248,973	1,848	13,612	(235,828)	(3,306)	36,904	895	37,799

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, 2022	11,401	248,538	1,884	11,568	(208,956)	(3,733)	60,702	715	61,417
Net profit (loss)	-	-	-	-	2,256	-	2,256	(319)	1,946
Total other comprehensive profit	-	-	-	-	-	222	222	-	222
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, 2022	11,401	248,538	1,884	11,568	(208,956)	(3,733)	60,702	715	61,417
Net loss	-	-	-	-	(7,847)	-	(7,847)	(840)	(8,687)
Total other comprehensive profit	-	-	-	-	-	230	230	-	230
Total comprehensive (loss) profit	-	-	-	-	(7,847)	230	(7,617)	(840)	(8,457)
Share-based payment in subsidiaries	-	-	-	-	-	-	-	232	232
Share-based payment in the Company	-	-	83	-	-	-	83	-	83
Restricted share units exercise in the Company	42	97	(139)	-	-	-	-	-	-
First consolidation of a subsidiary	-	-	-	-	-	-	-	417	417
Balance as of December 31, 2022	11,443	248,635	1,828	11,568	(216,803)	(3,503)	53,168	524	53,692

Consolidated Statements of Cash Flows

	Six months ended June 30,		Year ended
	2023	2022	December 31,
	NIS thousands	NIS thousands	2022
			NIS thousands
Cash flows from operating activities			
Net profit (loss)	(19,867)	1,946	(8,687)
Adjustments to reconcile loss to net cash used in operating activities:			
<u>Adjustments to the profit or loss items:</u>			
Finance income, net	(370)	(557)	(690)
Adjustment of liabilities related to grants	41	68	240
Depreciation and amortization	327	268	588
Share-based payment in the Company	20	56	83
Share-based payment in subsidiaries	243	100	232
Change in investment in shares at fair value recognized in profit and loss	13,684	(6,043)	231
Change in investment in financial instruments at fair value recognized in profit and loss	420	(611)	(554)
Change in investment in companies at fair value recognized in profit and loss	(58)	(130)	(1,625)
Share of loss of company accounted for at equity method	220	269	629
	14,527	(6,580)	(866)
<u>Changes in asset and liability items:</u>			
Increase in other accounts receivable	(158)	(277)	(317)
Increase (decrease) in trade payables	(21)	84	133
Increase (decrease) in other accounts payable	55	(356)	126
	(124)	(549)	(58)
<u>Cash received (paid) during the year for:</u>			
Interest paid on behalf of lease liability	(43)	(37)	(66)
Interest received	211	58	137
	168	21	71
Net cash used in operating activities	(5,296)	(5,162)	(9,540)

Consolidated Statements of Cash Flows (Cont.)

	Six months ended June 30,		Year ended
	2023	2022	December 31,
	NIS thousands	NIS thousands	2022
			NIS thousands
Cash flows from investing activities			
Investment in company accounted for at equity method	(1,425)	(819)	(1,683)
Investment in shares at fair value recognized in profit and loss	-	(3,605)	(5,644)
Investment in tradable shares at fair value recognized in profit and loss	-	(16,161)	(3,218)
Purchase of property and equipment, net	(1,410)	(60)	(98)
Investment in long-term lease deposits	-	-	(26)
Net cash used in investing activities	(2,835)	(20,645)	(10,550)
Cash flows from financing activities			
Issuance of shares in the Company	500	-	-
Proceeds from issuance of shares in a subsidiary	3,014	-	-
Repayment of lease liability principal	(256)	(232)	(485)
Net cash provided by (used in) financing activities	3,258	(232)	(485)
Exchange differences on balances of cash and cash equivalents	139	425	500
Decrease in cash and cash equivalents	(4,734)	(25,614)	(20,075)
Cash and cash equivalents at the beginning of the period	13,392	33,467	33,467
Cash and cash equivalents at the end of the period	8,658	7,853	13,392