

BioLight Life Sciences Ltd.

Consolidated Financial Statements As of December 31, 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 March 21, 2024. In the event of inconsistency between this version and the Hebrew one, the Hebrew language version shall prevail.

Consolidated Statements of Financial Position

	December 31,	
	2023	2022
	NIS thousands	NIS thousands
Assets		
Current assets		
Cash and cash equivalents	5,276	13,392
Short-term deposits	250	1,246
Investment in tradable shares at measured fair value through profit and loss	3,117	2,987
Other accounts receivable	414	399
Total current assets	9,057	18,024
Non-current assets		
Long term receivables	69	90
Property and equipment, net	4,177	2,810
Right of usage asset, net	91	526
Investment in companies measured at fair value through profit and loss	15,916	31,834
Investment in financial instruments measured at fair value through profit and loss	-	885
Investment in company accounted for under equity method	3,456	2,156
Goodwill and intangible asset	686	686
Total non-current assets	24,395	38,987
Total assets	33,452	57,011

Consolidated Statements of Financial Position

	December 31,	
	2023	2022
	NIS thousands	NIS thousands
Current liabilities		
Trade payables	235	301
Other accounts payable	1,989	1,708
Current maturities of lease liability	91	527
Total current liabilities	2,315	2,536
Non-current liabilities		
Liability in respect of government grants	836	783
Total non-current liabilities	836	783
Equity attributable to shareholders of the Company		
Share capital, premium and reserves	272,599	269,971
Accumulated deficit	(242,823)	(216,803)
Total equity attributable to shareholders of the Company	29,776	53,168
Non-controlling interests	525	524
Total equity	30,301	53,692
Total equity and liabilities	33,452	57,011

Consolidated Statements of Comprehensive Loss

	Year ended December 31,		
	2023	2022	2021
	NIS thousands	NIS thousands	NIS thousands
	(Except per share data)		
Revenues, net	118	63	3
Research and development expenses	(4,522)	(3,530)	(4,335)
Marketing expenses	(612)	(712)	(646)
General and administrative expenses, net	(5,635)	(6,143)	(5,625)
Gain (loss) in investment in shares measured at fair value through profit and loss	(15,918)	1,625	10,071
	<u>(26,687)</u>	<u>(8,760)</u>	<u>(535)</u>
Operating loss	<u>(26,569)</u>	<u>(8,697)</u>	<u>(532)</u>
Finance income (expenses), net	(531)	639	(1,095)
Company's share of losses of company accounted for under equity method	(387)	(629)	(284)
	<u>(27,487)</u>	<u>(8,687)</u>	<u>(1,911)</u>
Net loss before taxes on income	(27,487)	(8,687)	(1,911)
Taxes on income	-	-	1,572
	<u>(27,487)</u>	<u>(8,687)</u>	<u>(339)</u>
Net loss	<u>(27,487)</u>	<u>(8,687)</u>	<u>(339)</u>
Other comprehensive (loss) income:			
Amounts that will be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	183	230	(84)
	<u>(27,304)</u>	<u>(8,457)</u>	<u>(423)</u>
Total comprehensive loss	<u>(27,304)</u>	<u>(8,457)</u>	<u>(423)</u>
Total net income (loss) attributable to:			
Shareholders of the Company	(26,020)	(7,847)	382
Non-controlling interests	(1,467)	(840)	(721)
	<u>(27,487)</u>	<u>(8,687)</u>	<u>(339)</u>
Total comprehensive income (loss) attributable to:			
Shareholders of the Company	(25,837)	(7,617)	298
Non-controlling interests	(1,467)	(840)	(721)
	<u>(27,304)</u>	<u>(8,457)</u>	<u>(423)</u>
Net income (loss) per share attributable to shareholders of the Company (NIS):			
Basic (loss) income per share	(5.60)	(1.72)	0.08
Weighted number of shares used in the computation of income (loss) per share	<u>4,644,301</u>	<u>4,566,803</u>	<u>4,550,136</u>
Diluted (loss) income per share	(5.60)	(1.71)	0.08
Weighted number of shares used in the computation of income (loss) per share	<u>4,644,301</u>	<u>4,566,803</u>	<u>4,585,666</u>

Consolidated Statements of Changes in Equity

	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 exercised into ordinary shares of the Company	42	96	(138)	-	-	-	-	-	-
Issuance of ordinary shares in a subsidiary	-	-	-	994	-	-	994	407	1,401
Share options expiration in the Company	-	102	(102)	-	-	-	-	-	-
Balance as of December 31, 2021	<u>11,401</u>	<u>248,538</u>	<u>1,884</u>	<u>11,568</u>	<u>(208,956)</u>	<u>(3,733)</u>	<u>60,702</u>	<u>715</u>	<u>61,417</u>

Consolidated Statements of Changes in Equity (continue)

	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 exercised into ordinary shares of the Company	42	97	(139)	-	-	-	-	-	-
First consolidation of a subsidiary	-	-	-	-	-	-	-	417	417
Balance as of December 31, 2022	<u>11,443</u>	<u>248,635</u>	<u>1,828</u>	<u>11,568</u>	<u>(216,803)</u>	<u>(3,503)</u>	<u>53,168</u>	<u>524</u>	<u>53,692</u>

Consolidated Statements of Changes in Equity (continue)

	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	-	-	-	-	(26,020)	-	(26,020)	(1,467)	(27,487)
Total other comprehensive profit	-	-	-	-	-	183	183	-	183
Total comprehensive (loss) profit	-	-	-	-	(26,020)	183	(25,837)	(1,467)	(27,304)
Issuance of shares in the Company	162	338	-	-	-	-	500	-	500
Share-based payment in subsidiaries	-	-	-	-	-	-	-	34	34
Share-based payment in the Company	-	-	20	-	-	-	20	-	20
Restricted share units exercised into ordinary shares of the Company	42	97	(139)	-	-	-	-	-	-
Issuance of shares in a subsidiary	-	-	-	1,925	-	-	1,925	1,434	3,359
Balance as of December 31, 2023	<u>11,647</u>	<u>249,070</u>	<u>1,709</u>	<u>13,493</u>	<u>(242,823)</u>	<u>(3,320)</u>	<u>29,776</u>	<u>525</u>	<u>30,301</u>

Consolidated Statements of Cash Flows

	Year ended December 31,		
	2023	2022	2021
	NIS thousands	NIS thousands	NIS thousands
Cash flows from operating activities			
Net loss	(27,487)	(8,687)	(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	(476)	(756)	862
Adjustment of liabilities in respect of government grants	53	240	(15)
Depreciation and amortization	574	588	532
Share-based payment in the Company	20	83	193
Share-based payment in subsidiaries	34	232	139
Interest expenses in respect of lease liability	77	66	22
Change in investment in tradable shares measured at fair value through profit and loss	(130)	231	-
Change in investment in companies measured at fair value through profit and loss	15,918	(1,625)	(10,071)
Change in investment in financial instruments measured at fair value through profit and loss	885	(554)	228
Change in taxes on income	-	-	(439)
Share of loss of company accounted for under equity method	387	629	284
	<u>17,342</u>	<u>(866)</u>	<u>(8,265)</u>
<u>Changes in asset and liability items:</u>			
Decrease (increase) in other accounts receivable	(15)	(317)	58
Increase (decrease) in trade payable	(66)	133	(434)
Increase in other accounts payable	387	126	59
Change in deferred taxes	-	-	(1,133)
	<u>306</u>	<u>(58)</u>	<u>(1,450)</u>
<u>Cash received during the year for:</u>			
Interest received	262	137	50
	<u>262</u>	<u>137</u>	<u>50</u>
Net cash used in operating activities	<u>(9,577)</u>	<u>(9,474)</u>	<u>(10,004)</u>

Consolidated Statements of Cash Flows (continue)

	Year ended December 31,		
	2023	2022	2021
	NIS thousands	NIS thousands	NIS thousands
Cash flows from investing activities			
Investment in companies accounted for under equity method	(1,610)	(1,683)	(1,162)
Investment in financial instruments measured at fair value through profit and loss	-	-	(559)
Proceeds from sale of shares measured at fair value through profit and loss	-	-	20,048
Investment in shares measured at fair value through profit and loss	-	(5,644)	(4,608)
Purchase of property and equipment	(1,415)	(98)	(626)
Consolidation of a subsidiary (b)	-	119	-
Purchase of tradable shares measured at fair value through profit and loss	-	(3,218)	-
Investment in long-term deposit	1,052	-	13
Taxes received	-	-	439
Proceeds from (investment in) long-term lease deposits	21	(26)	(64)
Net cash provided by (used in) investing activities	(1,952)	(10,550)	13,481
Cash flows from financing activities			
Issuance of ordinary shares in the Company	500	-	-
Proceeds from issuance of units consist of ordinary shares and warrants in a subsidiary, net	3,359	-	1,401
Repayment of principal of lease liability	(604)	(551)	(508)
Net cash provided by (used in) financing activities	3,255	(551)	893
Exchange differences on balances of cash and cash equivalents	158	500	(891)
Increase (decrease) in cash and cash equivalents	(8,116)	(20,075)	3,479
Cash and cash equivalents at the beginning of the year	13,392	33,467	29,988
Cash and cash equivalents at the end of the year	5,276	13,392	33,467
A. Non-cash activities			
Recognize right of usage asset against lease liabilities	91	569	-
B. First consolidation of a subsidiary:			
Working capital (excluding cash and cash equivalents)	-	239	-
Intangible asset	-	(537)	-
Non-controlling interests	-	417	-
	-	119	-