

BioLight Life Sciences Ltd.

Condensed Consolidated Financial Statements As of June 30, 2025

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, 2025. 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,
	2025	2024	2024
	NIS	NIS	NIS
	thousands	thousands	thousands
Assets			
Current assets			
Cash and cash equivalents	5,733	1,366	9,716
Short-term deposits	185	-	-
Investment in company at fair value recognized in profit and loss	-	8,874	-
Other accounts receivable	870	659	879
Investment in tradable shares at fair value recognized in profit and loss	1,844	3,182	3,751
Total current assets	8,632	14,081	14,346
Non-current assets			
Long term deposits	1,134	251	1,402
Property and equipment, net	3,566	3,588	3,580
Right to use asset, net	322	832	577
Investment in companies at fair value recognized in profit and loss	8,710	12,698	9,562
Investment in company accounted for at equity method	3,618	3,651	3,969
Goodwill and intangible asset	686	686	686
Total non-current assets	18,036	21,706	19,776
Total assets	26,668	35,787	34,122

Consolidated Statements of Financial Position (Cont.)

	June 30,		December 31,
	2025	2024	2024
	NIS	NIS	
	thousands	thousands	NIS thousands
Current liabilities			
Trade payables	212	150	134
Other accounts payable	1,370	2,525	1,399
Current maturities of lease liability	342	533	533
Total current liabilities	1,924	3,208	2,066
Non-current liabilities			
Liability related to grants	1,154	883	1,248
Long-term lease liability	-	313	66
Total non-current liabilities	1,154	1,196	1,314
Equity attributable to shareholders of the Company			
Share capital, premium and reserves	276,648	273,210	276,844
Accumulated deficit	(256,072)	(241,985)	(249,965)
Total equity attributable to shareholders of the Company	20,576	31,225	26,879
Non-controlling interests	3,014	158	3,863
Total equity	23,590	31,383	30,742
Total equity and liabilities	26,668	35,787	34,122

Consolidated Statements of Comprehensive Income (Loss)

	Six months ended June 30,		Year ended
	2025	2024	December 31,
	NIS thousands	NIS thousands	2024
			NIS thousands
Revenues, net	-	114	219
Research and development, net	(3,007)	(1,610)	(3,674)
Marketing, net	(230)	(208)	(309)
General and administrative, net	(4,393)	(3,484)	(6,353)
Change in investment in companies at fair value recognized in profit and loss	(852)	5,656	2,520
	<u>(8,482)</u>	<u>354</u>	<u>(7,816)</u>
Operating profit (loss)	(8,482)	468	(7,597)
Finance income (expenses), net	8	19	(533)
Company's share of losses of company accounted for at equity	<u>(235)</u>	<u>(172)</u>	<u>(294)</u>
	<u>(8,709)</u>	<u>315</u>	<u>(8,424)</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>(334)</u>	<u>126</u>	<u>(86)</u>
Total comprehensive income (loss)	<u>(9,043)</u>	<u>441</u>	<u>(8,510)</u>
Total net income (loss) attributable to:			
Shareholders of the Company	(6,107)	838	(7,142)
Non-controlling interests	<u>(2,602)</u>	<u>(523)</u>	<u>(1,282)</u>
	<u>(8,709)</u>	<u>315</u>	<u>(8,424)</u>
Total comprehensive income (loss) attributable to:			
Shareholders of the Company	(6,441)	964	(7,228)
Non-controlling interests	<u>(2,602)</u>	<u>(523)</u>	<u>(1,282)</u>
	<u>(9,043)</u>	<u>441</u>	<u>(8,510)</u>
Net income (loss) per share attributable to shareholders of the Company (NIS):			
Basic and diluted total net income (loss) per share	<u>(1.31)</u>	<u>0.18</u>	<u>(1.53)</u>
Weighted number of shares used in the computation of basic and diluted income (loss) per share	<u>4,675,781</u>	<u>4,657,836</u>	<u>4,657,836</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, 2025	11,647	249,070	2,025	17,508	(249,965)	(3,406)	26,879	3,863	30,742
Net loss	-	-	-	-	(6,107)	-	(6,107)	(2,602)	(8,709)
Total other comprehensive loss	-	-	-	-	-	(334)	(334)	-	(334)
Total comprehensive loss	-	-	-	-	(6,107)	(334)	(6,441)	(2,602)	(9,043)
Share-based payment in subsidiaries	-	-	-	-	-	-	-	1,753	1,753
Share-based payment in the Company	-	-	138	-	-	-	138	-	138
Balance as of June 30, 2025	11,647	249,070	2,163	17,508	(256,072)	(3,740)	20,576	3,014	23,590

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, 2024	11,647	249,070	1,709	13,493	(242,823)	(3,320)	29,776	525	30,301
Net profit (loss)	-	-	-	-	838	-	838	(523)	315
Total other comprehensive profit	-	-	-	-	-	126	126	-	126
Total comprehensive income (loss)	-	-	-	-	838	126	964	(523)	441
Share-based payment in subsidiaries	-	-	-	-	-	-	-	25	25
Share-based payment in the Company	-	-	113	-	-	-	113	-	113
Issuance of shares in a subsidiary	-	-	-	372	-	-	372	131	503
Balance as of June 30, 2024	11,647	249,070	1,822	13,865	(241,424)	(3,194)	31,225	158	31,383

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, 2024	11,647	249,070	1,709	13,493	(242,823)	(3,320)	29,776	525	30,301
Net loss	-	-	-	-	(7,142)	-	(7,142)	(1,282)	(8,424)
Total other comprehensive loss	-	-	-	-	-	(86)	(86)	-	(86)
Total comprehensive loss	-	-	-	-	(7,142)	(86)	(7,228)	(1,282)	(8,510)
Share-based payment in subsidiaries	-	-	-	-	-	-	-	66	66
Share-based payment in the Company	-	-	316	-	-	-	316	-	316
Issuance of shares in consolidated subsidiary (as part of reverse takeover transaction) without a loss of control	-	-	-	3,610	-	-	3,610	4,272	7,882
Issuance of shares in a subsidiary	-	-	-	405	-	-	405	282	687
Share-based payment in subsidiaries	-	-	-	-	-	-	-	66	66
Balance as of December 31, 2024	11,647	249,070	2,025	17,508	(249,965)	(3,406)	26,879	3,863	30,742

Consolidated Statements of Cash Flows

	Six months ended June 30,		Year ended
	2025	2024	December 31,
	NIS thousands	NIS thousands	2024
			NIS thousands
Cash flows from operating activities			
Net profit (loss)	(8,709)	315	(8,424)
Adjustments to reconcile loss to net cash used in operating activities:			
<u>Adjustments to the profit or loss items:</u>			
Finance expenses (income), net	39	(62)	77
Adjustment of liabilities related to grants	(94)	47	(303)
Depreciation and amortization	274	321	595
Share-based payment in the Company	138	113	316
Share-based payment in subsidiaries	1,753	25	66
Interest expenses in respect of lease liability	41	38	84
Change in investment in companies at fair value recognized in profit and loss	852	(5,656)	(2,520)
Change in investment in tradable shares at fair value recognized in profit and loss	-	(65)	29
Share of loss of company accounted for at equity method	235	172	294
	3,238	(5,067)	(1,362)
<u>Changes in asset and liability items:</u>			
Decrease (increase) in other accounts receivable	7	(245)	(465)
Increase (decrease) in trade payables	78	(85)	(109)
Increase (decrease) in other accounts payable	(67)	536	(690)
	18	206	(1,264)
<u>Cash received during the period for:</u>			
Interest received	90	20	56
	90	20	56
Net cash used in operating activities	(5,363)	(4,526)	(10,994)

Consolidated Statements of Cash Flows (Cont.)

	Six months ended June 30,		Year ended
	2025	2024	December 31,
	NIS thousands	NIS thousands	2024
			NIS thousands
Cash flows from investing activities			
Investment in company accounted for at equity method	(180)	(241)	(793)
Proceeds from sale of companies measured at fair value through profit and loss	-	-	8,874
Governmental grants received	-	-	715
Purchase of property and equipment, net	(5)	(17)	(28)
Proceeds received for property and equipment	-	564	564
Purchase of tradable shares measured at fair value through profit and loss	1,907	-	(663)
Proceeds from short-term deposits	-	250	250
Investment in long-term deposit	-	(159)	1,342
Proceeds from (investment in) long-term lease deposits	-	(23)	(24)
Net cash provided by investing activities	<u>1,722</u>	<u>374</u>	<u>7,553</u>
Cash flows from financing activities			
Proceeds from issuance of shares in a subsidiary	-	503	687
Receipt from issuance of shares in consolidated subsidiary (as part of reverse takeover transaction) without a loss of control	-	-	7,890
Repayment of lease liability principal	(298)	(303)	(596)
Net cash provided by (used in) financing activities	<u>(298)</u>	<u>200</u>	<u>7,981</u>
Exchange differences on balances of cash and cash equivalents	(44)	42	(100)
Increase (decrease) in cash and cash equivalents	(3,983)	(3,910)	4,440
Cash and cash equivalents at the beginning of the period	<u>9,716</u>	<u>5,276</u>	<u>5,276</u>
Cash and cash equivalents at the end of the period	<u>5,733</u>	<u>1,366</u>	<u>9,716</u>
A. Non-cash activities			
Recognize right of usage asset against lease liabilities	-	1,020	1,020
B. First consolidation of a subsidiary:			
Working capital (excluding cash and cash equivalents)	-	-	8
Transactions with non-controlling interests reserve	-	-	3,610
Non-controlling interests	-	-	4,272
	<u>-</u>	<u>-</u>	<u>7,890</u>