

BioLight Life Sciences Ltd.

**Consolidated Financial
Statements
As of December 31, 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 March 15, 2026. 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,	
	2025	2024
	NIS thousands	NIS thousands
Assets		
Current assets		
Cash and cash equivalents	3,978	9,716
Short-term bank deposits	1,211	-
Investment in tradable shares at measured fair value through profit and loss	18,465	3,751
Other accounts receivable	748	879
Total current assets	24,402	14,346
Non-current assets		
Long term receivables	153	1,402
Property and equipment, net	3,551	3,580
Right of usage asset, net	767	577
Investment in companies measured at fair value through profit and loss	8,998	9,562
Investment in company accounted for under equity method	3,857	3,969
Goodwill and intangible asset	686	686
Total non-current assets	18,012	19,776
Total assets	42,414	34,122

Consolidated Statements of Financial Position

	December 31,	
	2025	2024
	NIS thousands	NIS thousands
Current liabilities		
Trade payables	77	134
Other accounts payable	1,394	1,399
Current maturities of lease liability	531	533
Total current liabilities	2,002	2,066
Non-current liabilities		
Liability in respect of government grants	1,060	1,248
Long-term lease liability	241	66
Total non-current liabilities	1,301	1,314
Equity attributable to shareholders of the Company		
Share capital, premium and reserves	296,096	276,844
Accumulated deficit	(261,692)	(249,965)
Total equity attributable to shareholders of the Company	34,404	26,879
Non-controlling interests	4,707	3,863
Total equity	39,111	30,742
Total equity and liabilities	42,414	34,122

Consolidated Statements of Comprehensive Loss

	Year ended December 31,		
	2025	2024	2023
	NIS thousands	NIS thousands	NIS thousands
	<u>(Except per share data)</u>		
Revenues, net	-	219	118
Research and development expenses, net	(5,056)	(3,674)	(4,522)
Marketing expenses, net	(471)	(309)	(612)
General and administrative expenses	(9,680)	(6,353)	(5,635)
Gain (loss) in investment in shares measured at fair value through profit and loss	(1,377)	2,520	(15,918)
	<u>(16,584)</u>	<u>(7,816)</u>	<u>(26,687)</u>
Operating loss	<u>(16,584)</u>	<u>(7,597)</u>	<u>(26,569)</u>
Finance income (expenses), net	137	(533)	(531)
Company's share of losses of company accounted for under equity method	(463)	(294)	(387)
	<u>(16,910)</u>	<u>(8,424)</u>	<u>(27,487)</u>
Net loss	<u>(16,910)</u>	<u>(8,424)</u>	<u>(27,487)</u>
Other comprehensive (loss) income:			
Amounts that will be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	(603)	(86)	183
	<u>(17,513)</u>	<u>(8,510)</u>	<u>(27,304)</u>
Total comprehensive loss	<u>(17,513)</u>	<u>(8,510)</u>	<u>(27,304)</u>
Total net loss attributable to:			
Shareholders of the Company	(11,727)	(7,142)	(26,020)
Non-controlling interests	(5,183)	(1,282)	(1,467)
	<u>(16,910)</u>	<u>(8,424)</u>	<u>(27,487)</u>
Total comprehensive loss attributable to:			
Shareholders of the Company	(12,330)	(7,228)	(25,837)
Non-controlling interests	(5,183)	(1,282)	(1,467)
	<u>(17,513)</u>	<u>(8,510)</u>	<u>(27,304)</u>
Net loss per share attributable to shareholders of the Company (NIS):			
Basic and diluted loss per share	(1.98)	(1.53)	(5.60)
Weighted number of shares used in the computation of loss per share	<u>5,927,888</u>	<u>4,657,836</u>	<u>4,644,301</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 exercise in 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	11,647	249,070	1,709	13,493	(242,823)	(3,320)	29,776	525	30,301

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, 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 profit	-	-	-	-	-	(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
Balance as of December 31, 2024	<u>11,647</u>	<u>249,070</u>	<u>2,025</u>	<u>17,508</u>	<u>(249,965)</u>	<u>(3,406)</u>	<u>26,879</u>	<u>3,863</u>	<u>30,742</u>

Consolidated Statements of Changes in Equity (continue)

	Attributable to shareholders of the Company									
	Ordinary shares	Share premium	Warrnts	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	-	-	-	-	-	(11,727)	-	(11,727)	(5,183)	(16,910)
Total other comprehensive loss	-	-	-	-	-	-	(603)	(603)	-	(603)
Total comprehensive loss	-	-	-	-	-	(11,727)	(603)	(12,330)	(5,183)	(17,513)
Issuance of shares and warrants in the Company	10,895	6,327	2,352	-	-	-	-	19,574	-	19,574
Restricted share units exercise in the Company	79	67	-	(146)	-	-	-	-	-	-
Share-based payment in the Company	-	-	-	231	-	-	-	231	-	231
Share-based payment subsidiaries	-	-	-	-	-	-	-	-	3,677	3,677
Issuance of shares and warrants in consolidated subsidiary	-	-	-	-	(197)	-	-	(197)	2,350	2,153
Exercise of options in a subsidiary	-	-	-	-	247	-	-	247	-	247
Balance as of December 31, 2025	<u>22,621</u>	<u>255,464</u>	<u>2,352</u>	<u>2,110</u>	<u>17,558</u>	<u>(261,692)</u>	<u>(4,009)</u>	<u>34,404</u>	<u>4,707</u>	<u>39,111</u>

Consolidated Statements of Cash Flows

	Year ended December 31,		
	2025	2024	2033
	NIS thousands	NIS thousands	NIS thousands
Cash flows used in operating activities			
Net loss	(16,910)	(8,424)	(27,487)
Adjustments to reconcile loss to net cash used in operating activities:			
<u>Adjustments to the profit or loss items:</u>			
Finance expenses (income), net	(38)	77	(476)
Adjustment of liabilities in respect of government grants	(334)	(303)	53
Depreciation and amortization	544	595	574
Share-based payment in the Company	231	316	20
Share-based payment in subsidiaries	3,677	66	34
Interest expenses in respect of lease liability	78	84	77
Change in investment in tradable shares measured at fair value through profit and loss	(125)	29	(130)
Change in investment in companies measured at fair value through profit and loss	1,377	(2,520)	15,918
Change in investment in financial instruments measured at fair value through profit and loss	-	-	885
Share of loss of company accounted for under equity method	463	294	387
	<u>5,873</u>	<u>(1,362)</u>	<u>17,342</u>
<u>Changes in asset and liability items:</u>			
Decrease (increase) in other accounts receivable	131	(465)	(15)
Decrease in trade payable	(57)	(109)	(66)
Increase (decrease) in other accounts payable	(106)	(690)	387
	<u>(32)</u>	<u>(1,264)</u>	<u>306</u>
<u>Cash received during the year for:</u>			
Interest received	215	56	262
	<u>215</u>	<u>56</u>	<u>262</u>
Net cash used in operating activities	<u><u>(10,854)</u></u>	<u><u>(10,994)</u></u>	<u><u>(9,577)</u></u>

Consolidated Statements of Cash Flows (continue)

	Year ended December 31,		
	2025	2024	2023
	NIS thousands	NIS thousands	NIS thousands
Cash flows from (used in) investing activities			
Investment in companies accounted for under equity method	(853)	(793)	(1,610)
Proceeds from sale of companies measured at fair value through profit and loss	-	8,874	-
Governmental grants received	146	715	-
Investment in a company measured at fair value through profit and loss	(813)	-	-
Purchase of property and equipment	(5)	(28)	(1,415)
Indemnity received for property and equipment	-	564	-
Purchase of tradable shares measured at fair value through profit and loss	(14,589)	(663)	-
Proceeds from short-term deposits	-	250	-
Proceeds from (investment in) long-term bank deposit	(77)	(1,342)	1,052
Proceeds from (investment in) long-term lease deposits	17	(24)	21
Net cash provided by (used in) investing activities	(16,174)	7,553	(1,952)
Cash flows from financing activities			
Issuance of ordinary shares in the Company	19,574	-	500
Proceeds from issuance of units consisting of ordinary shares and warrants in a subsidiary, net	2,153	687	3,359
Receipt from issuance of shares in consolidated subsidiary (as part of reverse takeover transaction) without a loss of control (b)	-	7,890	-
Exercise of options in a subsidiary	247	-	-
Repayment of principal of lease liability	(605)	(596)	(604)
Net cash provided by financing activities	21,369	7,981	3,255
Exchange differences on balances of cash and cash equivalents	(79)	(100)	158
Increase (decrease) in cash and cash equivalents	(5,738)	4,440	(8,116)
Cash and cash equivalents at the beginning of the year	9,716	5,276	13,392
Cash and cash equivalents at the end of the year	3,978	9,716	5,276
A. Non-cash activities			
Recognize right of usage asset against lease liabilities	700	1,020	91
B. First consolidation of a subsidiary:			
Working capital (excluding cash and cash equivalents)	-	8	-
Intangible asset	-	3,610	-
Non-controlling interests	-	4,272	-
	-	7,890	-