BioLight Israeli Life Sciences Investments Ltd.

Quarterly Report

As of March 31, 2015

Part A– Management's Discussion and Analysis of Financial Condition and Results of Operations

Part B – Interim Consolidated Financial Statements as of March 31,2015

Part C– Separated Interim Financial Information as of March 31,2015

Part D – Management Declarations

The Company is a "small corporation", as this term is defined in the Amendment to the Securities Regulations (Periodic and Immediate Reports), 5730-1970 (the "Amendment"). On March 13, 2014, the Company's Board of Directors resolved to adopt all the existing or future reliefs granted to small corporations' as included in regulation 5d of the Amendment, as follows: (a) Annulment of the obligation to publish a report on internal control and an auditors' report on internal control, thereby allowing the Company to attach only letters of representation that are limited in scope; (b) Raising the materiality threshold for attaching valuations; (c) Raising the threshold for attaching the financial statements of material consolidated companies to the interim reports to 40%; (d) Exemption from the implementation of the provisions of the Second Schedule of the Report Regulations (details of exposure to market risks and methods used to manage them - "the Galai Report") for small corporation whose exposure to market risks arising from financial instruments is immaterial, in accordance with material thresholds determined in the Amendment.

Part A

Management's Discussion and Analysis of Financial Condition and Results of Operations

In accordance with the Securities Regulations (Periodic and Immediate Reports), 5730-1970, Bio Light Israeli Life Sciences Investments Ltd. (the "**Company**") hereby respectfully submits the Board of Directors' Report on the state of affairs of the Company for March 31, 2015 and for the three month period ended on March 31, 2015 (The "**Interim Period**" and the "**Board of Directors' Report for the Interim Period**", respectively). The Board of Directors' Report for the Interim Period is attached to the consolidated interim financial statements (the "**Interim Financial Statements**") under the assumption that said Interim Financial Statements are available to its readers.

A. Summary Description of the Group

The Group operates in the field of research and development and commercialization of Biomed solutions while the implementing of a new strategy for building and managing clusters of Biomed companies grouped around a defined medical condition while sharing knowhow and creating knowledge and cost synergies that their combination is potentially conducive to accelerate innovation and maximizing value.

As of the report date, the Company has two different operating clusters/portfolios are as follows:

The eye portfolio – as of the reporting date, the eye portfolio consists of four mainly technologies:

The technology of **IOPtima** which develops and markets a non-penetrating CO_2 laser assisted filtration surgery technology for treating glaucoma[1];The technology of **ViSci** which is engaged in R&D of a sub-conjunctival drug insert technology for the controlled release of ophthalmic medications; The technology of **DiagnosTear** which is developing a product for diagnosis, companion diagonsic and monitoring of dry eye syndrome by examining the composition of the tear fluid[2]; In addition, in early January 2015, the Company (through XL Vision) signed an agreement for investing in new ophtalmic technology which includes investment in a new company named OphRx that was established to develop medications to treat eye diseases using a drug delivery technology platform for ocular uses developed at the Hebrew University[3].

IOPtima, ViSci, Diagnostear and OphRx are held via X L Vision Sciences Ltd, a company incorporated for the purpose of grouping the activity of the eye cluster, the issued and outstanding share capital of which is wholly owned by the Company.

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1 A medical condition in which fluid pressure within the eye rises, causing damage to the optic nerve and leading to partial loss of vision or blindness.

2 A chronic condition caused by decreased tear production or increased tear film evaporation, leading to discomfort or even eye damage.

3 See the Immediate Report of the Company dated January 12, 2015 (Reference No.: 2015-01-009352), included herein by way of reference.

The cancer diagnostics portfolio – the cancer diagnostics portfolio consists of mainly 5 projects for developing medical solutions for cancer diagnostics. The cluster companies operating in this segment include Micromedic and its subsidiaries: (a) Zetiq, which has developed a color differentiating diagnostic technology, CellDetect®, for the staining and detection of cancer and pre-cancer cells with several cancer indications; Micromedic also has two other activities which are not incorporated into subsidiaries- (b) one of developing and commercializing a predictive genetic (SNP) test for identification of individuals with Bisphosphonate Related Osteonecrosis of the Jaw (BRONJ), a devastating side effect following treatment with Bisphosphonate drugs, (c) and the other of participating in the funding of the NCBI's Nofar study of predictive biochemical-markers for the development of brain metastases from lung cancer. In addition Micromedic also has the following two activities: (d) searching for strategic partner for continuing the development of an innovative diagnostic kit for identifying carriers of deletrious BRCA mutations which increase the risk of breast and ovarian cancer. This effort is conducted by Bio Gene, a subsidiary of Micromedic. (e) Searching for a strategic partner for completion of R&D and marketing of a diagnostic kit for early identification of CRC using a q-PCR based blood test common molecular method used in diagnostics.

For further details, see paragraph B 5 and 6 below.

B. The following is a description of the main developments in the Company's business in the Interim Period, and as of the date of this report. The description below includes references to additional reports issued by the Company, which are incorporated herein by reference.

1. On May, 2015, the Company issued a shelf prospectus pursuant to a permit received from the Israeli Securities Authority. The shelf prospectus shall be in effect for a two-year period, which may be extended (subject to compliance with certain conditions). The Company shall be entitled to issue various securities under the shelf prospectus, at such scope and under such terms as shall be determined in shelf offering reports, if and to the extent issued by the Company in the future[4].

2. In May, 2015, The Company has completed an upsized private placement as part of the strategic partnership with Rock-One International Holdings Ltd[5] (the "Chinese Investor") for aggregate gross proceeds of NIS 24.8 million. The strategic partnership along with the private placement was previously announced on April 2,

[4] The Company's immediate report dated May 28, 2015 [TASE reference 2015-01-033276].

[5] The Company's immediate report dated April 2, 2015 [TASE reference 2015-01-072487], and the Company's immediate reports dated May 12, 2015 [TASE reference 2015-01-017361, 2015-01-017373, 2015-01-017376, 2015-01-017385 and 2015-01-017397], included herein by reference . For additional details regarding the private placement for the issuance of the consideration shares, see the Company's

2015. BioLight also announced that a new private investor participated in the private placement with the same terms in the amount of $350,000.The Chinese Investor is a company focusing on the high-tech and biomedical industries, engaged in introducing activities of foreign companies in such fields into the Chinese market. The investment of the Chinese Investor was made in accordance with a strategic agreement that it had entered with the Company on April 1, 2015 (the "**Agreement**"). Pursuant to the Agreement, the Chinese Investor undertook to invest a sum of approx. NIS 24.8 million in the Company's share capital (the "**Consideration**"), in consideration for approx. 18.93% of the Company's issued and outstanding share capital (approx. 14.03% on a fully diluted basis) (post closing), at a price per share of NIS 0.201. It was further determined, that subject to the consummation of the Agreement and fulfillment of the other conditions precedent thereunder, the Company's Board of Directors shall act to appoint a representative of the Chinese Investor as a director of the Company, and the Company's Articles of Association shall be amended (such representative was appointed upon the closing of the investment in May, 2015, and the Company's Articles of Association were amended accordingly. For details see Section 4 below). The parties further agreed upon the principles for the cooperation in China in the framework of a binding memorandum of understandings for the cooperation, which shall take effect upon the closing of the Agreement. The parties have agreed to act to enter into a detailed agreement for the cooperation within 60 days of the closing date of the Agreement, which period may be extended upon the parties' mutual agreement.

3. Investment in Micromedic

(1) Further to the approval of Micromedic's general meeting of an investment therein which shall confer upon the Company more than 45% of the issued and outstanding share capital of Micromedic, the Company completed an investment in the sum of approx. NIS 1.4 million in Micromedic on April 2, 2015, in consideration for the issuance of Micromedic shares. [6]

[6] The Company's immediate report dated February 24, 2015 [TASE reference 2015-01-037225], and April 5, 2015 [TASE reference 2015-01-074353] included herein by reference.

(2) On May 25, 2015, the Company completed its investment in Micromedic, in the sum of approx. NIS 3 million, pursuant to a public offering of securities issued by Micromedic under a shelf offering report, conducted by way of a uniform offering pursuant to a tender on the price per unit. [7]

(3) As of the date of the report, the Company holds approx. 45.64% of Micromedic's issued and outstanding share capital (approx. 45.67% on a fully-diluted basis).

4. General issues regarding the Company's overall business

(1) On May 12, 2015, the general meeting approved the appointment of a new external director for the Company's Board. [8]

(2) On May 10, 2015 the general meeting approved an amendment to the Company's Articles of Association and the appointment of the Chinese Investor's representative to the Company's Board. [9]

5. The Eye Portfolio

(1) The IOPtiMate™ Technology

In Q1-2015 and as of the date of this report, the subsidiary IOPtima continued to focus on supporting distributors and training physicians in selected target markets. In such context, IOPtima made first sales of the IOPtiMate™ system to a medical center in Hungary[10] and first sales of glaucoma surgery procedures to a private medical center in Romania[11]. The system in Hungary was supplied in April 2015, subsequent to the balance sheet date, and its related income will be recognized during Q2-2015. In addition, the income for the sale of procedures in Romania shall also be recognized in Q2-2015. The sale of procedures to the private medical center in Romania also constitutes a first sale under the pay-per-procedure model, pursuant to which payment is made according to the number of procedures performed with the system by the physicians. The sale pursuant to a pay-per-procedure model was made at the request of the Romanian medical center, in compatibility with the market in which it is active, and includes a minimal quantity of procedures which the medical center in Romania undertook to perform with the system within a four-year period.

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7 The Company's immediate reports dated May 18, 2015 [TASE reference 2015-01-021942],

8 For details regarding the issues on the agenda and further details see the Company's meeting's notice report dated March 5, 2015 [TASE reference 2015-01-045190], and the Company's immediate report dated April 13, 2015 [TASE reference 2015-01-077146], included herein by reference.

9 For details regarding the issues on the agenda and further details see the Company's meeting's notice report dated April 2, 2015 [TASE reference 2015-01-074008], and the Company's immediate reports dated May 12, 2015 [TASE reference 2015-01-017373, 2015-01-017376, 2015-01-017385 and 2015-01-017397], included herein by reference.

10 The Company's immediate report dated April 13, 2015 (reference no. 2014-01-077173), included herein by reference.

11 The Company's immediate report dated April 21, 2015 (reference no. 2014-01-003513), included herein by reference.

As reported by the Company in the past, IOPtima puts an emphasis on Asian developing markets, primarily China. The IOPtiMate system is currently under clinical evaluation at several leading medical centers, further to which the system may be sold to such centers. In addition, as previously reported by the Company, IOPtima has engaged in a binding memorandum of understandings for a distribution agreement in India with a potential distributor for the purpose of promoting the sale and marketing activity of the system in India. The potential distributor has commenced commercial activity which mainly includes try-outs by leading doctors. A distribution agreement is expected to the entered at a later stage.

For additional details regarding IOPtima see Section 4.2 of the Annual Report.

Forward-looking information disclaimer ***– The information and estimations as aforesaid pertaining to the marketing of the IOPtiMate™ system and of projected sales, dates for obtaining regulatory approvals, engagement in distribution agreements in additional territories/countries, the purchase of the product by hospitals and/or medical centers, and the performance of pilots in additional countries, including the Company's forecasts, dates, estimations and/or plans in respect thereof, constitute "forward-looking information" as such term is defined in the Securities Law, 5728-1968, that is based on data possessed by the Company and/or by IOPtima as of the date of this report, and there is no certainty that it shall materialize, and the materialization thereof is dependent upon several factors that are not under the control of the Company and/or IOPtima, such as hospital policies, the physicians' reaction to using IOPtima products, successful reception of the products by the patients, policies of health maintenance organizations and health insurers regarding reimbursement and materialization of any of the risk factors specified in Section 5.13 of the Annual Report.***

(2) The EyeD® Technology

As of the date of this report, ViSci continues to conduct clinical trials in humans in the U.S (Phase I/IIa) in respect of the controlled release insert for treating glaucoma using Lataprost (the "**Insert**"). Visci expects the trial to be completed during the first half of 2016. This updated timeline for the completion of the trial results from slower than expected enrollment rate and optimizations of the Insert's structure.

For additional details regarding ViSci see Section 4.3 of the Annual Report.

Forward-looking information disclaimer ***– The information and estimations as aforesaid pertaining to the dates for completion of the current phase of the clinical trial, including the Company's forecasts, dates, estimations and/or plans in respect thereof, constitute "forward-looking information" as such term is defined in the Securities Law, 5728-1968, which involves high levels of uncertainty, and that is based, inter alia, on third party factors and many variables that the Company does not necessarily control, and therefore it is possible that the completion of the clinical trials, and any stage thereof, dates and schedules for their completion, shall not be actually realized and/or shall not be fully realized and/or shall***

materialize in a substantially different manner than initially estimated or expected. The factors which may cause such information and Company estimates about such information not to materialize as desired, include, inter alia, a decrease in the enrollment rate of patients who are eligible to participate in the trial, failure to receive positive results in the context of the clinical trials and the materialization of any of the risk factors specified in Section 5.13 of the Annual Report. It shall be further stressed that there is no certainty that trials shall be successful, and that such failure of trials may mandate an update of the research and development plans, budgets and schedules and further that the Company is exposed to additional risk factors as specified in Section 5.13 of the Annual Report, which may materially affect, jointly and severally, the information and estimates as aforesaid.

(3) <u>The TeaRx Technology</u>

In February, 2015, the Company Reported Positive Clinical Study Findings for its TeaRx™ Diagnostic Parameters for Dry Eye Syndrome designed to compare widely used benchmark tests for dry eye with its TeaRx™ diagnostic parameters that test components of tear film. Positive statistical correlations were identified between TeaRx™ diagnostic parameters and widely used benchmark tests for dry eye syndrome.

In this prospective study consisting of approximately 200 subjects, widely-used benchmark tests for dry eye were compared with the TeaRx™ diagnostic parameters, including Schirmer's test, TFBUT (Tear-Film Break-Up Time), staining of corneal and conjunctival epithelial cell damage and patient questionnaires. The study analysis was based on testing the sample extremes, quartiles 1 and 4, representing those enrolled subjects with largest differences for each metric. This approach resulted in positive statistical correlations that showed many of the predicted trends and correlations between the widely used benchmark tests and the TeaRx™ diagnostic parameters tests which measure tear film components.

The positive correlation that was identified between certain TeaRx™ diagnostic parameters and subjective testing standards that are widely used today indicates a unique ability for improving the dry eye syndrome diagnosis by objective quantification of measures over subjective evaluation. .

During Q2-2015, initiated a second clinical trial in order to assess the effectiveness of the tests in tears of healthy subjects as well as patients with severe dry eye syndrome, based on the FDA definitions as were used in previous FDA regulatory approval processes for other dry eye syndrome diagnostic products. The trial results are expected in Q2-2015 and should enable the company to specifically define the combination of parameters to be part of a

commercially available diagnostic kit and then initiate the regulatory processes for the kit.

For additional details regarding Diagnostear see Section 4.4 of the Annual Report.

Forward-looking information disclaimer – The information and estimations as aforesaid pertaining to the completion of the additional trial, including the Company's forecasts, dates, estimations and/or plans in respect thereof, constitute "forward-looking information" as such term is defined in the Securities Law, 5728-1968, involving high levels of uncertainty, and that is based, inter alia, on third party factors and many variables that the Company does not necessarily control, and therefore it is possible that the completion of the clinical trial, and any stage thereof, dates and schedules for its completion, shall not be actually realized and/or shall not be fully realized and/or shall materialize in a substantially different manner than initially estimated or expected. The factors which may cause such information and Company estimates about such information not to materialize as desired, include, inter alia, a decrease in the enrollment rate of patients who are eligible to participate in the trial, failure to complete the subjects required for completion of the clinical trial at such dates or at all, failure to receive positive results in the context of the clinical trial, and materialization of any of the risk factors specified in Section 5.13 of the Annual Report. It shall be further stressed that there is no certainty that trials shall be successful, and that such trial failures may mandate an update of the research and development plans, budgets and schedules and further that the Company is exposed to additional risk factors as specified in Section 5.13 of the Annual Report, which may materially affect, jointly and severally, the information and estimates as aforesaid.

(4) OphRx

OphRx was incorporated in March 2015. As of the date of this report, OphRx acts pursuant to its business plan on the formulation for the pre-clinical trials.

6. The Cancer Diagnostics Portfolio

(1) The CellDetect® Technology Platform

Kit for Monitoring the Recurrence of Bladder Cancer

During Q-1 2015, the Company reported that a blinded, multi-center clinical study of the CellDetect® non-invasive test for detecting bladder cancer in urine successfully achieved its primary endpoint for effectively detecting the recurrence of bladder cancer in subjects with a history of the disease.The primary endpoint of the blinded trial was to test the CellDetect® technology's ability to monitor recurrence of bladder cancer in subjects with a history of the disease, by

identifying bladder cancer cells in urine samples.The trial's secondary endpoint was to compare the performance of the CellDetect® technology with that of three other noninvasive tests existing in the market: urine cytology test, BTA stat and Bladder Check MNP22.

The Trial results indicate that the CellDetect® technology successfully identified cancerous cells in urine samples, attesting to the recurrence of bladder cancer in subjects with a history of the disease, at a sensitivity of 84.4% and a specificity of 82.7%. Such high sensitivity results were found among subjects suffering from all stages of the disease.

Further to the trial's positive results, Micromedic ispersuing a CE registration for marketing and commercialization of the kit in Europe, and an Israeli AMAR approval for marketing the kit in Israel.

Kit for the Detection of Cervical Cancer

As of the report date, Micromedic mainly focuses its activity on the Chinese and Indian markets.

a. Activity in China

In March 2013, the subsidiary Zetiq Technologies Ltd. ("**Zetiq**")[12], engaged with Biomics Biotechnologies Co. Ltd., a company incorporated under the laws of the People's Republic of China ("**Biomics**") in an agreement for the supply and distribution in China of Zetiq's CellDetect® product for detecting and identifying cervical cancer (the "**Product**" or the "**Kit**"). Due to the need to increase market penetration of the Product, and due to Micromedic's evaluations as to the limited capabilities of Biomics and its inability, at this stage, to meet the sales targets determined in the agreement therewith, Micromedic is acting to expand its distribution network in China.

As a first step in the promotion of the penetration of the Product in the Chinese market, two pilots of the Product were performed in two leading hospitals in Beijing. Micromedic reported that positive results have been received from such pilots.

Further to such pilots, two additional pilots are currently being conducted at two chains of leading laboratories in China, which, to the best of Micromedic's knowledge, perform millions of test a year each.

b. Activity in India

On June 9, 2014, Zetiq engaged with Genetix Biotech Asia (P) Ltd., a company incorporated under the laws of India ("**Genetix**"), in a memorandum of understandings for a collaboration towards the engagement in an agreement for

[12] Wholly controlled (100%) by the Company.

the marketing and distribution of the cervical cancer diagnostic kit in India. Pursuant to the MOU, Genetix will initially act and be responsible for receiving all of the regulatory approvals for the import, marketing and distribution of the Kit in India. In addition, Genetix shall be responsible for conducting clinical trials of the Kit in order to obtain the regulatory approvals, to the extent required, and to promote the penetration of the Kit in India. On August 12, 2014, Genetix informed the Company that it received a license for importing the Kit for the purpose of conducting examinations by local regulatory entities. As of the date of the report, Genetix is engaged in Product demonstrations for the purpose of advancing the obtainment of the required regulatory approvals. For such purpose, Zetiq sent Kits to India in December 2014.

In addition, Zetiq executed a memorandum of understandings with HealthCare Global Enterprises Ltd. ("**HCG**"), an Indian corporation owning a chain of oncological hospitals in India. The purpose of the collaboration is mainly the performance of a local clinical evaluation of the Kit for the diagnosis cervical cancer in India. Pursuant to the MOU, HCG will perform a clinical evaluation of the Kit at its laboratories, at its expense, based on an agreed clinical plan. For such purpose, Zetiq undertook to provide HCG required quantities of the Kit, as well as training and technical support at the HCG laboratories, free of charge. In February 2014, after obtaining all of the required approvals and completing the required training, HCG began the clinical evaluation. The results were expected to be received in the second half of 2014, but due to organizational changes in HCG, there are delays in the project's progress. As of the report date, a new clinical team was appointed at HCG, which started to re-launch the activity.

c. In addition, Micromedic is conducting activity for locating and engaging additional business partners in order to penetrate additional target countries.

Kit for the Detection and Diagnosis of Cancerous Tumor Cells in the Bloodstream of Metastatic Cancer Patients

Circulating tumor cells (CTC) are solitary cancer cells that have shed into the bloodstream of cancer patients. Micromedic performed an initial proof of concept for an application of the CellDetect® technology in the CTC field which showed good sensitivity and specificity levels, and it intends to further advance in such proof of concept tests. This field consolidates methods and technologies for identifying various cancer cells that originate from primary tumors such as breast, lung, prostate cancer etc. and which are located in the patient's bloodstream. The appearance of such cells is usually very rare, however, their existence and/or relative quantity may suggest recurrence of a tumor, diagnosis of the disease, a negative reaction to medication etc.

Point of Care Kit for the Detection and Diagnosis of Cancerous Tumor Cells

The CellDetect® kits currently being developed by Micromedic (kits for bladder and cervical cancer, as specified above), are intended for laboratory use.

However, Micromedic believes that there are advantages to performing some of the tests at the doctor's clinic. To such end, Micromedic successfully performed initial proof of concept tests in the course of the quarter, and filed a patent application that will allow it to explore possible collaborations with third parties for developing the kit.

5.2 **Genetic Test for Detecting Patients at Risk of Developing BRONJ**

BRONJ is a severe side effect from the use of bisphosphonate drugs causing necrosis of the maxillary bone. Such drugs are mainly prescribed to metastatic cancer patients and osteoporosis patients. To the best of Micromedic's knowledge, no test currently exists for evaluating the risk of developing BRONJ following treatment by bisphosphonates and Micromedic is acting to develop such test in collaboration with the University of Florida. In the context of clinical trials conducted by Micromedic, it intends to test the efficacy of genetic markers in multiple myeloma patients, treated with Bisphosphonates, who may develop BRONJ as a result of being treated by such drugs (the "**Side Effect**" or "**BRONJ**").

In such context, Micromedic conducted a clinical trial at the Tel Hashomer Medical Center for myeloma patients, the results of which were received on May 27, 2014 (the "**Tel Hashomer Trial**"). The findings of the Tel Hashomer Trial indicate that several new highly correlated genetic markers were identified, which, in Micromedic's estimation, have high potential in predicting the risk of developing the Side Effect.

In August 2014, Micromedic began a clinical continuity trial at the University of Florida and Tel Hashomer on an independent population (the "**Continuity Trial**"). The Continuity Trial was conducted on samples held by the University of Florida and among additional patients at Tel Hashomer. In the framework of the Continuity Trial, Micromedic included several samples of breast cancer patients treated with bisphosphonates, similar to multiple myeloma patients, and a small number of samples of patients with different types of cancer.

In addition, in August 2014, Micromedic received a budget approval (the "**Approval**") for such project from the Office of the Chief Scientist. Pursuant to the Approval, participation shall be at a scope of 30% out of the approx. NIS 2.1 million budget, subject to the conditions of the Approval, including payment of royalties out of the Company's future revenues for the kit.

For additional details regarding the BRONJ project, see Section 4.6-4.8 of the annual report.

C. Results of Operations

1. The Company's Financial Position

1.1. Current Assets

The current assets as of March 31, 2015, amounted to approx. NIS 27,817 thousand compared to approx. NIS 52,927 thousand and approx. NIS 32,432 thousand as of March 31, 2014, and as of December 31, 2014, respectively - a decrease of approx. 47.4% and of approx. 14.2%, respectively. The balance as of March 31, 2015, mainly includes cash and cash equivalents and short-term deposits of approx. NIS 23,879 thousand compared to cash and cash equivalents and short-term deposits of approx. NIS 45,176 thousand and of approx. NIS 28,604 thousand as of March 31, 2014, and as of December 31, 2014 – a decrease of approx. 47.1% and of approx. 16.5%, respectively. The decrease in the balance of cash and cash equivalents results from use of cash for the purpose of the Group's current operations.

1.2. Non-Current Assets

The balance of non-current assets as of March 31, 2015, amounted to approx. NIS 7,955 thousand, compared to approx. NIS 13,391 thousand as of March 31, 2014, and approx. NIS 8,002 thousand as of December 31, 2014 - a decrease of approx. 40.6% and of approx. 1%, respectively. The balance of non-current assets mainly includes a balance of goodwill and intangible assets, net, of approx. NIS 7,048 thousand as of March 31, 2015, compared to approx. NIS 12,175 thousand as of March 31, 2014, and approx. NIS 7,106 thousand as of December 31, 2014. The decrease in the balance of goodwill and intangible assets, net, in the three months ending on March 31, 2015, results from periodic amortizations of intangible assets.

1.3. Total Consolidated Balance Sheet

As of March 31, 2015, the total balance sheet amounted to approx. NIS 35,772 thousand, compared to approx. NIS 66,318 thousand as of March 31, 2014, and approx. NIS 40,434 thousand as of December 31, 2014.

1.4. Current Liabilities

The current liabilities as of March 31, 2015, amounted to approx. NIS 7,601 thousand compared to approx. NIS 7,202 thousand as of March 31, 2014, and approx. NIS 6,552 thousand as of December 31, 2014 – an increase of approx. 5.5% and of 16%, respectively. The increase in current liabilities in the three months ending on March 31, 2015, mainly results from an increase in other accounts payable.

1.5. Non-Current Liabilities

The non-current liabilities as of March 31, 2015, amounted to approx. NIS 8,842 thousand compared to approx. NIS 7,185 thousand as of March 31, 2014, and approx. NIS 8,144 thousand as of December 31, 2014 – an increase of approx. 23% and of approx. 8.6%, respectively. The balance mainly includes liabilities for grants in consolidated companies as of the date of the balance sheet. The balance of the liabilities for grants as of March 31, 2015, was approx. NIS 8,324 thousand, compared to a balance of approx. NIS 6,622 thousand as of March 31, 2014, and of approx. NIS 7,630 thousand as of December 31, 2014.

1.6. Working Capital

The working capital as of March 31, 2015, amounted to approx. NIS 20,216 thousand and the Company's current ratio is approx. 3.6, compared to March 31, 2014, on which the working capital amounted to approx. NIS 45,725 thousand, and the Company's current ratio was approx. 7.3, and compared to December 31, 2014, on which the working capital was approx. NIS 25,880 thousand and the current ratio was approx. 4.9.

1.7. Shareholders' Equity

The Company's shareholders equity for March 31, 2015, was approx. NIS 19,329 thousand compared to approx. NIS 51,931 thousand as of March 31, 2014, and approx. NIS 25,738 thousand as of December 31, 2014 – a decrease of approx. 62.8% and of approx. 24.9%, respectively. The decrease in shareholders' equity in the three months ending on March 31, 2015, mainly results from the periodical current loss.

2. The Results of Operations

2.1. Summary of consolidated statements of comprehensive income - (NIS in thousands, except per share data)

	Three months ended March 31,		Year ended December 31,
	2015	2014	2014
	Unaudited		Audited
Revenues	157	14	941
Cost of revenues	113	-	538
Gross profit	44	14	403
Research and development expenses, net	3,151	4,364	18,560

Selling and marketing expenses	779	421	2,210
General and administrative expenses	2,282	2,762	10,203
Impairment loss	-	-	3,036
	6,212	7,547	34,009
Operating loss	6,168	7,533	33,606
Finance income	(31)	(122)	(448)
Finance expenses	486	426	2,496
Other expenses	-	-	354
Net loss	6,623	7,837	36,008
Other comprehensive loss:			
Foreign currency translation adjustments	7	7	19
Total comprehensive loss	6,630	7,844	36,027
Total net loss attributable to:			
Equity holders of the Company	4,454	5,404	23,102
Non-controlling interests	2,169	2,433	12,906
	6,623	7,837	36,008
Total comprehensive loss attributable to:			
Equity holders of the Company	4,461	5,411	23,121
Non-controlling interests	2,169	2,433	12,906
	6,630	7,844	36,027
Loss per share attributable to equity holders of the Company (in NIS):			
Basic and diluted loss	0.01	0.02	0.05
Weighted number of shares used in the computation of loss per share	521,337,702	365,484,258	482,908,086

2.2. Analysis of the Results of Operations

In the three-month period ended on March 31, 2015, the Company recorded a comprehensive loss of approximately NIS 6,630 thousand (of which approx. NIS 4,461 thousand are attributed to the Company's shareholders), compared to a comprehensive loss of approx. NIS 7,844 thousand (of which approx. NIS 5,411 thousand are attributed to the Company's shareholders) in the same three-month period last year – a decrease of approx. 15.5%.

The decrease in comprehensive loss in the three months ended on March 31, 2015, compared to the same period last year mainly results from a decrease in the research and development expenses, net, due to the completion of few clinical trials during the three-month period ended on March 31, 2015.

2.3. Revenues and Cost of Revenues

In the three-month period ended on March 31, 2015, the Company recorded revenues in the amount of approx. NIS 157 thousand compared to an amount of NIS 14 thousand in the same period last year - an increase of approx. 1,021.4%. In the three-month period ended on March 31, 2015, the entire revenues are from the consolidated company IOptima. For such revenues, the Group recorded, in the three-month period ended on March 31, 2015, a cost of revenues of approx. NIS 113 thousand.

2.4. Research and Development Expenses, net

In the three month-period ended on March 31, 2015, the research and development expenses, net, amounted to approx. NIS 3,151 thousand (gross amount of NIS 3,209 thousand), compared to approx. NIS 4,364 thousand (gross amount of NIS 4,874 thousand) in the same period in 2014 - a decrease of approx. 27.8%. The decrease mainly results from a decrease in subcontractors and consulting expenses (due to the completion of few clinical trials) and salary and related expenses, against a decrease in Chief Scientist revenues from grants which were set-off from research and development expenses.

For the year ended on December 31, 2014, the research and development expenses, net, amounted to approx. NIS 18,560 in thousands (gross amount of NIS 19,459 thousand).

2.5. Sales and Marketing Expenses

In the three-month period ended on March 31, 2015, the sales and marketing expenses amounted to approx. NIS 779 thousand and approx. NIS 421 thousand, in the same period last year – an increase of approx. 85%. The sales and marketing expenses mainly resulted from salaries, participation in conferences, PR and IR activity in capital markets in Israel and abroad, marketing and business development activity, development of collaborations, and training sessions in medical centers.

For the year ended on December 31, 2014, the marketing and sales expenses amounted to approx. NIS 2,210 thousands.

2.6. General and Administrative Expenses

In the three-month period ended on March 31, 2015, the general and administrative expenses amounted to approx. NIS 2,282 thousand and approx. 2,762 thousand in the same period last year - a decrease of approx. 17.4% which mainly results from a decrease in salary and related expenses.

For the year ended on December 31, 2014, the general and administrative expenses amounted to approx. NIS 10,203 thousands.

2.7. Financing Revenues/Expenses, net

In the three-month period ended on March 31, 2015, the financing expenses amounted to approx. NIS 486 thousand and approx. NIS 426 thousand, in the same period last year. The financing expenses mainly resulted from a reevaluation of liabilities for grants in consolidated companies.

The financing revenues in the three-month period ended on March 31, 2015, amounted to approx. NIS 31 thousand and approx. NIS 122 thousand in the same period last year.

The financing revenues mainly resulted from interest on deposits and changes in foreign currency rates.

3. Liquidity and Capital Resources

As of March 31, 2015, the Company has cash and short-term deposits of approx. NIS 23,879 thousand, compared to approx. NIS 45,176 thousand as of the same date last year.

In the three-month period ended on March 31, 2015, approx. NIS 4,599 thousand were used for operations, approx. NIS 78 thousand were used for investment activities, and approx. NIS 50 thousand were used for financing activity. In the three-month period ended on March 31, 2014, approx. NIS 6,711 thousand were used for operations, approx. NIS 294 thousand were used for investment activities, and approx. NIS 34,287 resulted from financing activity.

4. Material Events during the report period

For details of material events which occurred during the period of the report see Section B to this quarterly report above and Note 3 of the interim consolidated financial statements.

5. Events which may indicate financial difficulties

For details see Note 1 of the interim consolidated financial statements.

6. **An explanation regarding matters to which the company‘s auditors draw attention in their review report**

In their opinion on the financial statements, the Company's auditors noted as follows: "Without disqualifying our conclusion, we draw attention to note 1 with respect to the group losses, negative cash flow from operations, the investment needed for the group operating activity and management assessment. Also we draw attention to a subsidiary auditors review report with respect to Micromedic going concern paragraph".

7. **Material changes in the corporation’s activities and business**

None.

8. **Report on liabilities according to date of repayment**

See http://www.magna.isa.gov.il.

9. **Material changes in the relationship between the compensation paid to senior corporate officers and the contribution to the corporation of the person receiving the compensation**

No changes noted.

Corporate Governance Aspects

10. Directors with Accounting and Financial Expertise

On May 3, 2011, the Board of Directors of the Company reevaluated the determination of the minimal required number of directors with accounting and financial expertise in the Company, and found no need to change it. The Board of Directors determined that the minimal required number of directors with accounting and financial expertise (the "**Minimal Number**") is one. The directors with accounting and financial expertise are Mr. Ron Weissberg and Ms. Rina Shafir. In the Interim Period and as of the date hereof, the number of directors with accounting and financial expertise did not decrease below the Minimal Number.

11. Independent Directors

In the Interim Period and as of the date hereof, the rate of independent directors in the Company is lower than the rate prescribed by Section 84A of the Company's Articles. The Company is acting to recruit an additional independent director.

12. The Corporations' Internal Auditor

There is no change in the details provided in the Annual Report.

13. The Approval Procedure of the Financial Statements

The Board of Directors of the Company is the corporate organ in charge of the approval of the Company's financial statements. As of the date of the report, the Board consists of the following six members: Messrs. Israel Makov (Chairman), Ron Weissberg, Efrat Makov, Eliahu Shohet (independent director), Rina Shafir (external director), Dr. Rachel Adato (external director) and Zhang James Jian Yuan.

The Company's audit Committee serves also as its financial statements review committee (the "**Committee**") in accordance with the Companies Regulations (Terms and Conditions Regarding the Approval Procedure of the Financial Statements), 5770-2010.

The Committee consists of three members: Messrs. Rina Shafir (external director and Chairman of the Committee), Eliahu Shohet (independent director) and Dr. Rachel Adato (external director).

Ms. Shafir has accounting and financial expertise and prior to her appointment, provided a declaration pursuant to Regulation 3 of the Companies Regulations (Conditions and Criteria for a Director with Accounting and Financial Expertise and a Director with Professional Fitness), 5766-2005. For details of the qualifications, education, experience and knowledge of the members of the Committee, on the basis of which the Company views them as having the ability to read and understand financial statements, see Regulation 26 of Chapter D of the Annual Report.

The members of the Committee were appointed after undergoing fitness examinations and have filled out appropriate declarations, as required by law.

The Company's interim financial statements were deliberated at the Committee's meeting held on May 28, 2015.

All of the members of the Committee participated in the meeting. In addition, the Company's CEO, the Company's CFO, the Company's Controller, the Company's auditors and the Company's legal counsels were summoned to present the data included in the interim financial statements and render explanations.

Prior to the Committee's meeting, the Committee was delivered draft interim financial statements for its review. Such materials were sent to the members of the Committee for review approximately 2 business days prior to the meeting.

During the Committee's meeting, the participants were presented the following issues: (1) the accounting policy adopted and the accounting methods implemented in material issues; (2) discussion of significant evaluations, assumptions and estimates; (3) the internal controls over financial reporting; (4) the completeness and propriety of the disclosure in the interim financial statements; and (5) the data included in the financial statements for the interim period.

The members of the Committee held a detailed discussion in respect of the accounting policy implemented in the financial statements and changes which occurred in such policy during the relevant period. In addition, the members of the Committee were presented with the auditors' position in respect of such accounting policy and evaluations, including a presentation of the various alternatives that were available to the Company.

The participants were presented with the information accompanying the data included in the financial statements, including information in respect of the Company's financial position and operating status, and information regarding the corporate governance of the audit and of risk management undertaken by the Company. In addition, a discussion was held in respect of future processes of effectiveness of internal control in the Company.

The members of the Committee inquired about the manner of adoption of decisions by the Company, and held a detailed discussion regarding the estimates and accounting measures on which the financial statements were based, while investigating the accounting policy applied to different matters and examining the discretion used by management in the different matters.

In addition, and with the assistance of the auditors, the Committee examined material issues in the financial report, the estimations made and discretion used within the framework of preparing the financial statements, the internal reports etc., and those were found by the Committee to be reasonable and appropriate.

After a detailed discussion on the matter, the members of the Committee reached the conclusion that the Company implemented an appropriate accounting policy, and used appropriate estimates and evaluations. In addition, the members of the Committee regarded the disclosure in the statements to be complete and appropriate, and that it correctly analyses the Company's main risks and exposures. In view of all of the above, the members of the Committee resolved to recommend the Board of Directors to approve the Financial Statements.

The interim financial statements of the Company were discussed and approved by the Board of Directors at its meeting held on May 31, 2015, after receipt of the recommendations of the Financial Statements Review Committee, according to the provisions of the Companies Regulations (Terms and Conditions Regarding the Approval Procedure of the Financial Statements), 5770-2010.

Within the framework of the Board meeting, the recommendations of the Committee were presented to the Board members, and a review and analysis was presented by the Company's CEO and the Company's CFO, who presented in detail a summary of the financial statements, including results of operations, cash flow and the Company's financial position. Among others, material matters in the financial reporting, material evaluations and critical estimates implemented within the framework of the financial statements were reviewed. A majority of the Board members - the directors Israel Makov, Efrat Makov, Eliahu Shohet, Rina Shafir, and Dr. Rachel Adatto participated at the Board meeting.

Disclosure Provisions in respect of the Financial Reporting of the Corporation

14. Subsequent events

See Part B above.

See Note 3 of the consolidated interim financial statements as of March 31, 2015.

15. Critical accounting estimates

During the Report Period, no changes transpired in the critical accounting estimates detailed in the Annual Report for 2014.

Repurchases

16. Repurchase plan

The Company does not have plans for the repurchase of the Company's securities, within the meaning of the term "purchase" in Regulation 10(b)(2)(i) of the Regulations.

The Company's Board of Directors wishes to thank the Company's employees and managers for their contribution to the advancement of the Group's business.

_____	_____
Suzana Nahum Zilberberg	Israel Makov
CEO	Chairman

Tel Aviv, May 31, 2015

Part B

Interim Consolidated Financial Statements as of March 31,2015

BIO LIGHT ISRAELI LIFE SCIENCES INVESTMENTS LTD.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF MARCH 31, 2015

UNAUDITED

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Auditors' Review Report to the Shareholders of Bio Light Israeli Life Sciences Investments Ltd.

Introduction

We have reviewed the accompanying financial information of Bio Light Israeli Life Sciences Investments Ltd. ("the Company") and its subsidiaries ("the Group"), which comprises the condensed consolidated balance sheet as of March 31, 2015 and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the three months period then ended. The Company's board of directors and management are responsible for the preparation and presentation of interim financial information for this period in accordance with IAS 34, "Interim Financial Reporting" and are responsible for the preparation of this interim financial information in accordance with Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Review Standard 1 of the Institute of Certified Public Accountants in Israel, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards in Israel and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

In addition to the abovementioned, based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not comply, in all material respects, with the disclosure requirements of Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970.

Without disqualifying our conclusion, we draw attention to note 1 with respect to the group losses, negative cash flow from operations, the investment needed for the group operating activity and management assessment. Also we draw attention to a subsidiary auditors review report with respect to Micronedic going concern paragraph.

Tel-Aviv, Israel
May 31, 2015

KOST FORER GABBAY & KASIERER
A Member of Ernst & Young Global

CONSOLIDATED BALANCE SHEETS

	March 31,		December 31,
	2015	2014	2014
	Unaudited		Audited
	NIS in thousands		
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	17,462	44,991	22,196
Short-term deposits	6,417	185	6,408
Trade receivables	-	-	292
Other accounts receivable	1,047	6,696	(*779
Inventories	1,110	1,055	976
Asset held for sale	1,781	-	(*1,781
	27,817	52,927	34,432
NON-CURRENT ASSETS:			
Leasing deposits	78	98	77
Property and equipment, net	829	1,118	819
Goodwill and intangible assets, net	7,048	12,175	7,106
	7,955	13,391	8,002
	35,772	66,318	40,434

*) Reclassified, see note 3d

The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

	March 31,		December 31,
	2015	2014	2014
	Unaudited		Audited
	NIS in thousands		
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Trade payables	981	2,800	943
Other accounts payable	5,071	4,402	(*4,059
Liabilities related to asset held for sale	1,549	-	(*1,550
	7,601	7,202	6,552
NON-CURRENT LIABILITIES:			
Liability for grants	8,324	6,622	7,630
Other long-term liabilities	518	563	514
	8,842	7,185	8,144
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY:			
Share capital, premium and reserves	218,896	217,410	218,810
Accumulated deficit	(194,861)	(172,709)	(190,407)
	24,035	44,701	28,403
Non-controlling interests	(4,706)	7,230	(2,665)
Total equity	19,329	51,931	25,738
	35,772	66,318	40,434

*) Reclassified, see note 3d

The accompanying notes are an integral part of the interim consolidated financial statements.

May 31, 2015			
Date of approval of the financial statements	Israel Makov Chairman of the Board	Suzana Nahum-Zilberberg Chief Executive Officer	Itai Bar-Natan Chief Financial Officer

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three months ended March 31,		Year ended December 31,
	2015	2014	2014
	Unaudited		Audited
	NIS in thousands (except per share data)		
Revenues	157	14	941
Cost of revenues	113	-	538
Gross profit	44	14	403
Research and development expenses, net	3,151	4,364	18,560
Selling and marketing expenses	779	421	2,210
General and administrative expenses	2,282	2,762	10,203
Impairment loss	-	-	3,036
	6,212	7,547	34,009
Operating loss	6,168	7,533	33,606
Finance income	(31)	(122)	(448)
Finance expenses	486	426	2,496
Other expenses	-	-	354
Net loss	6,623	7,837	36,008
Other comprehensive loss:			
Foreign currency translation adjustments	7	7	19
Total comprehensive loss	6,630	7,844	36,027
Total net loss attributable to:			
Equity holders of the Company	4,454	5,404	23,102
Non-controlling interests	2,169	2,433	12,906
	6,623	7,837	36,008
Total comprehensive loss attributable to:			
Equity holders of the Company	4,461	5,411	23,121
Non-controlling interests	2,169	2,433	12,906
	6,630	7,844	36,027
Loss per share attributable to equity holders of the Company (in NIS):			
Basic and diluted loss	0.01	0.02	0.05
Weighted number of shares used in the computation of loss per share	521,337,702	365,484,258	482,908,086

The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to equity holders of the Company									
	Share capital	Share premium	Share options	Reserve for share-based payment	Reserve for transactions with non-controlling interests	Accumulated deficit	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
	Unaudited									
	NIS in thousands									
Balance at January 1, 2015 (audited)	5,215	193,000	11,526	4,485	8,315	(190,407)	(3,731)	28,403	(2,665)	25,738
Loss	-	-	-	-	-	(4,454)	-	(4,454)	(2,169)	(6,623)
Total other comprehensive loss	-	-	-	-	-	-	(7)	(7)	-	(7)
Total comprehensive loss	-	-	-	-	-	(4,454)	(7)	(4,461)	(2,169)	(6,630)
Share-based payment in subsidiaries	-	-	-	-	-	-	-	-	128	128
Share-based payment	-	-	-	93	-	-	-	93	-	-
Balance at March 31, 2015	5,215	193,000	11,526	4,578	8,315	(194,861)	(3,738)	24,035	(4,706)	19,329

The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to equity holders of the Company									
	Share capital	Share premium	Share options	Reserve for share-based payment	Reserve for transactions with non-controlling interests	Accumulated deficit	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
	Unaudited									
	NIS in thousands									
Balance at January 1, 2014 (audited)	3,423	162,238	6,572	4,167	7,190	(167,305)	(3,712)	12,573	9,536	22,109
Loss	-	-	-	-	-	(5,404)	-	(5,404)	(2,433)	(7,837)
Total other comprehensive loss	-	-	-	-	-	-	(7)	(7)	-	(7)
Total comprehensive loss	-	-	-	-	-	(5,404)	(7)	(5,411)	(2,433)	(7,844)
Share-based payment in subsidiaries	-	-	-	-	-	-	-	-	127	127
Share-based payment	-	-	-	31	-	-	-	31	-	31
Issue of shares and share options, net	1,792	30,640	5,076	-	-	-	-	37,508	-	37,508
Balance at March 31, 2014	5,215	192,878	11,648	4,198	7,190	(172,709)	(3,719)	44,701	7,230	51,931

The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to equity holders of the Company									
	Share capital	Share premium	Share options	Reserve for share-based payment	Reserve for transactions with non-controlling interests	Accumulated deficit	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
	NIS in thousands									
Balance at January 1, 2014 (audited)	3,423	162,238	6,572	4,167	7,190	(167,305)	(3,712)	12,573	9,536	22,109
Net loss	-	-	-	-	-	(23,102)	-	(23,102)	(12,906)	(36,008)
Total other comprehensive loss	-	-	-	-	-	-	(19)	(19)	-	(19)
Total comprehensive loss	-	-	-	-	-	(23,102)	(19)	(23,121)	(12,906)	(36,027)
Issuance of shares and options, net	1,792	30,640	5,076	-	-	-	-	37,508	-	37,508
Share-based payment in subsidiaries	-	-	-	-	-	-	-	-	1,255	1,255
Share-based payment	-	-	-	318	-	-	-	318	-	318
Purchase of shares in subsidiary	-	-	-	-	1,125	-	-	1,125	(550)	575
Expiration of options	-	122	(122)	-	-	-	-	-	-	-
Balance at December 31, 2014 (audited)	5,215	193,000	11,526	4,485	8,315	(190,407)	(3,731)	28,403	(2,665)	25,738

The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended March 31,		Year ended December 31,
	2015	2014	2014
	Unaudited		Audited
	NIS in thousands		
Cash flows from operating activities:			
Loss	(6,623)	(7,837)	(36,008)
Adjustments to reconcile loss to net cash used in operating activities:			
Adjustments to the profit or loss items:			
Finance income	(12)	(24)	(136)
Adjustment of long-term and short-term liabilities for grants	680	(155)	2,072
Depreciation and amortization	116	226	3,884
Share-based payment	93	31	318
Share-based payment in subsidiaries	128	127	1,255
	1,005	205	7,393
Changes in asset and liability items:			
Decrease (increase) in trade receivables	292	48	(244)
Decrease (increase) in other accounts receivable	(218)	(191)	1,226
Decrease (increase) in inventories	(134)	-	109
Increase (decrease) in trade payable	38	225	(422)
Increase in other accounts payable	1,025	789	846
Increase (decrease) in employee benefit liabilities	4	26	(71)
Change in commitment for subsidiary's shares	-	-	48
	1,007	897	1,492
Cash received during the period for:			
Interest received	12	24	136
	12	24	136
Net cash used in operating activities	(4,599)	(6,711)	(26,987)

The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended March 31,		Year ended December 31,
	2015	2014	2014
	Unaudited		Audited
	NIS in thousands		
Cash flows from investing activities:			
Investment in short-term deposit, net	(9)	-	(6,223)
Purchase of property and equipment	(68)	(301)	(402)
Withdrawal of (investment in) long-term leasing deposit	(1)	7	28
Net cash used in investing activities	(78)	(294)	(6,597)
Cash flows from financing activities:			
Purchase of shares in subsidiary from non-controlling interests	-	-	(291)
Purchase of shares and options in subsidiaries, net	-	-	866
Proceeds from issue of shares and options, net	-	34,287	37,508
Deferred issuance expenses	(50)	-	-
Net cash provided by (used in) financing activities	(50)	34,287	38,083
Exchange differences on balances of cash and cash equivalents	(7)	(7)	(7)
Increase (decrease) in cash and cash equivalents	(4,734)	27,275	4,480
Cash and cash equivalents at the beginning of the period	22,196	17,716	17,716
Cash and cash equivalents at the end of the period	17,462	44,991	22,196

The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended March 31,		Year ended December 31,
	2015	2014	2014
	Unaudited		Audited
	NIS in thousands		
(a) Financing and investing activities not involving cash flows:			
Receivables on accounts of shares in the Company	-	4,500	-
Payables for issuance expenses in the Company	-	1,279	-
Deferred issuance expenses	-	-	(141)
Unpaid issuance expenses	-	-	(35)
Transfer from property and equipment to inventories	-	-	30

The accompanying notes are an integral part of the interim consolidated financial statements.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1:- GENERAL

Bio Light Israeli Life Sciences Investments Ltd. ("the Company"), invests in, manages and commercializes biomedical innovations in ophthalmology and cancer diagnostics operates in the field of research, development and commercialization of medical solutions through the application of a new strategy for building and managing clusters of biomed companies operating in common areas while sharing knowhow and creating synergies whose combination is potentially conducive to enhancing innovation and generating value (the Company and the its subsidiaries, collectively, "the Group").

The Group incurred total losses of approximately NIS 6.6 million and NIS 36 million for the three months period ended March 31, 2015 and the year ended December 31, 2014, respectively, and negative cash flows from operating activities of approximately NIS 4.6 million and NIS 26.9 million for the three months period ended March 31, 2015 and the year ended December 31, 2014, respectively.

The investment needed for the Group's operating activity as well as the sources necessary to realize the clusters strategy is conditional upon the successful fundraising by the Company and the commercialization of the technologies.

See Note 3a regarding funds raised by the Company during the year 2015. Due to such equity fund raising management and the board of directors believe that the group has sufficient funds to finance its liabilities in the foreseeable future.

The auditors' review report of Micromedic Technologies Ltd. ("Micromedic"), a subsidiary which accounts for approximately 10% of total consolidated assets of the Company as of March 31, 2015 and for approximately 40% of total comprehensive loss for the three months period then ended, included an emphasis of matter paragraph regarding conditions that cast significant doubt about Micromedic existence as a going concern. The financial statements of Micromedic do not include any adjustments to the carrying amounts and classifications of assets and liabilities that would result if Micromedic was unable to continue to operate as a going concern.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES

a. These financial statements have been prepared in a condensed format as of March 31, 2015 and for the three months period then ended ("interim consolidated financial statements"). These financial statements should be read in conjunction with the Company's annual financial statements as of December 31, 2014 and for the year then ended and accompanying notes ("annual consolidated financial statements").

b. The interim consolidated financial statements have been prepared in accordance with generally accepted accounting principles for the preparation of financial statements for interim periods, as prescribed in IAS 34, "Interim Financial Reporting" and in accordance with the disclosure requirements of Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970.

The significant accounting policies and methods of computation adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the annual consolidated financial statements.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3:- SIGNIFICANT EVENTS DURING AND AFTER THE REPORTING PERIOD

a. In May 2015, the Company completed an upsized private placement as part of the strategic partnership with Rock-One International Holdings Ltd. and a new private investor that has participated in this equity round. The gross proceeds received were approximately NIS 26.2 million.

b. In April 2015, Micromedic issued to the Company 5,253,486 ordinary shares of NIS 1.00 par value for NIS 0.27 per share pursuant to a private placement for a total consideration of approximately NIS 1.4 million. After this private placement the Company held 46% of the issued and outstanding share of Micromedic.

In May 2015, Micromedic completed a public offering of 24,732,000 ordinary shares of NIS 1.00 par value each and 12,366,000 traded warrants. The Company purchased 11,111,000 ordinary shares and 5,555,000 traded warrants for a total consideration of approximately NIS 3 million. After this public equity offering the Company holds 46% of the issued and outstanding share of Micromedic.

c. In January 2015, the Company's subsidiary XL Vision, entered into agreement with several parties, including Integra Holdings, to invest in a private Israeli company that will act to develop a more efficient and safer drug delivery of eye drops. According to the agreement, the new company will be granted a worldwide exclusive license to use the drug delivery technology platform for ophthalmic uses, in return for royalties from future sales of the developed products. XL Vision investment in the new company will be approximately $ 500 thousand with a simultaneous similar investment amount by Integra, and will be carried out in stages, in accordance with the milestones set in the agreement. After the investment, XL Vision is expected to hold 40% of the issued and outstanding shares of the new company on a fully diluted basis.

d. During the year 2014, BioMarCare (a subsidiary of the subsidiary Micromedic) the board of directors resolved to focus on business development in order to locate an acquirer to the remaining technology developed by BioMarCare. Since during 2014, the co-operation between BioMarCare and an additional company to develop another product has ended and a project was stopped following the Bird Foundation announcement on ending the support in the work plan of the mentioned co-operation. Therefore, as of June 30, 2014, and since then, BioMarCare assets and liabilities, are classified as assets held for sale and liabilities related to assets held for sale in the balance sheets.

e. The Company evaluate that the liability for grants are approximate their fair value of as at March 31, 2015.

NOTE 4:- RESEARCH AND DEVELOPMENT EXPENSES, NET

	Three months ended March 31,		Year ended December 31,
	2015	2014	2014
	Unaudited		Audited
	NIS in thousands		
Research and development expenses	3,209	4,874	19,459
Less - grants	(58)	(510)	(899)
Research and development expenses, net	3,151	4,364	18,560

NOTE 5:- OPERATING SEGMENTS

a. Description of the segments:

The Company operates through subsidiaries and Micromedic and its subsidiaries in various areas related to the development of biomed products and medications:

1. Ophthalmology - IOPtima develops and markets a laser-based non-invasive surgical treatment for glaucoma. DiagnosTear develops a point-of-care multi-parameter diagnostic test for dry-eye syndrome. ViSci develops a controlled release drug-delivery insert platform. A forth company develops a more efficient and safer drug delivery of eye drops.

2. Cancer diagnostics - Micromedic, through its subsidiaries, is engaged in the development of diagnostics technology for the detection of cancer cells.

b. Reporting on operating segments:

	Three months ended March 31, 2015		
	Ophthalmology	Cancer cell diagnostics	Total
	Unaudited		
	NIS in thousands		
Revenues	157	-	157
Segment loss	2,291	2,408	4,699
Unallocated corporate expenses, net (mainly general and administrative expenses of the Company)			1,469
Operating loss			6,168
Finance expenses, net			455
Loss			6,623
Foreign currency translation adjustments			7
Comprehensive loss			6,630

NOTE 5:- OPERATING SEGMENTS (Cont.)

	Three months ended March 31, 2014		
	Ophthalmology	Cancer diagnostics	Total
	Unaudited		
	NIS in thousands		
Revenues	14	-	14
Segment results	3,116	2,429	5,545
Unallocated corporate expenses, net (mainly general and administrative expenses of the Company)			1,988
Operating loss			7,533
Finance expenses, net			304
Loss			7,837
Foreign currency translation adjustments			7
Comprehensive loss			7,844

	Year ended December 31, 2014		
	Ophthalmology	Cancer cell diagnostics	Total
	Audited		
	NIS in thousands		
Revenues	824	117	941
Segment loss	13,490	13,005	26,495
Unallocated corporate expenses, net (mainly general and administrative expenses of the Company)			7,111
Operating loss			33,606
Finance expenses, net			2,048
Other expenses			354
Loss			36,008
Foreign currency translation adjustments			19
Comprehensive loss			36,027

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Part C

Separated Interim Financial Information as of March 31,2015

BIO LIGHT ISRAELI LIFE SCIENCES INVESTMENTS LTD.

PRESENTATION OF FINANCIAL INFORMATION FROM

THE CONSOLIDATED FINANCIAL STATEMENTS

AS OF MARCH 31, 2015

UNAUDITED

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Special Report to the Review of the Separate Interim Financial Information in accordance with

Regulation 38d to the Israeli Securities Regulations (Periodic and Immediate Reports), 1970

Introduction

We have reviewed the separate interim financial information disclosed in accordance with Regulation 38d to the Israeli Securities Regulations (Periodic and Immediate Reports), 1970 of Bio Light Israeli Life Sciences Investments Ltd. ("the Company") as of March 31, 2015 and for the three months period then ended. The Company's board of directors and management are responsible for the separate interim financial information. Our responsibility is to express a conclusion on the separate interim financial information based on our review.

Scope of review

We conducted our review in accordance with Review Standard 1 of the Institute of Certified Public Accountants in Israel, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of the separate interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards in Israel and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the separate interim financial information is not prepared, in all material respects, in accordance with Regulation 38d to the Israeli Securities Regulations (Periodic and Immediate Reports), 1970.

Tel-Aviv, Israel
May 31, 2015

KOST FORER GABBAY & KASIERER
A Member of Ernst & Young Global

Special Report in accordance with Regulation 38d

Financial Information and Financial Data from the

Interim Consolidated Financial Statements Attributable to the Company

Below is separate financial information and financial data attributable to the Company from the Group's interim consolidated financial statements as of March 31, 2015, published as part of the periodic reports ("consolidated financial statements") presented in accordance with Regulation 38d to the Israeli Securities Regulations (Periodic and Immediate Reports), 1970.

Financial Information from the Consolidated Balance Sheets
Attributable to the Company

	March 31,		December 31,
	2015	2014	2014
	Unaudited		Audited
	NIS in thousands		
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	15,555	35,993	18,056
Short-term deposits	6,272	185	6,263
Accounts receivable	607	5,175	568
	22,434	41,353	24,887
NON-CURRENT ASSETS:			
Investments in subsidiaries	6,618	5,739	7,087
Leasing deposits	9	12	31
Loan to related company	1,620	1,645	1,531
Property and equipment, net	134	184	140
	8,381	7,580	8,789
	30,815	48,933	33,676
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Trade payables	187	1,713	298
Other accounts payable	1,593	1,419	1,260
	1,780	3,132	1,558
NON-CURRENT LIABILITIES:			
Other long-term liabilities	480	525	480
Excess of losses over investments in subsidiaries	4,520	575	3,235
	5,000	1,100	3,715
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY:			
Share capital, premium and reserves	218,896	217,410	218,810
Accumulated deficit	(194,861)	(172,709)	(190,407)
Total equity	24,035	44,701	28,403
	30,815	48,933	33,676

The accompanying additional information is an integral part of the separate financial data and financial information.

May 31, 2015			
Date of approval of the financial statements	Israel Makov Chairman of the Board	Suzana Nahum-Zilberberg Chief Executive Officer	Itai Bar-Natan Chief Financial Officer

Financial Information from the Consolidated Statements of Comprehensive Income Attributable to the Company

	Three months ended March 31,		Year ended December 31,
	2015	2014	2014
	Unaudited		Audited
	NIS in thousands		
Revenues	490	536	2,163
General, administrative and other expenses	1,733	2,195	8,234
Operating loss	(1,243)	(1,659)	(6,071)
Finance income	2,389	2,366	10,036
Finance expenses	(2)	(4)	(327)
Income before Company's share of losses of subsidiaries	1,144	703	3,638
Company's share of losses of subsidiaries	(5,605)	(6,114)	(26,759)
Loss	(4,461)	(5,411)	(23,121)

The accompanying additional information is an integral part of the separate financial data and financial information.

Financial Information from the Consolidated Statements of Cash Flows
Attributable to the Company

	Three months ended March 31,		Year ended December 31,
	2015	2014	2014
	Unaudited		Audited
	NIS in thousands		
Cash flows from operating activities of the Company:			
Loss attributable to the Company	(4,461)	(5,404)	(23,121)
Adjustments to reconcile loss to net cash used in operating activities of the Company:			
Adjustments to the profit or loss items of the Company:			
Finance income, net	(2,422)	(2,255)	(9,539)
Depreciation and amortization	6	20	73
Cost of share-based payment	93	31	318
Company's share of losses of subsidiaries	5,605	6,107	26,759
	3,282	3,903	17,611
Changes in asset and liability items of the Company:			
Decrease (increase) in accounts receivable	(39)	122	229
Decrease (increase) in loan to related company	(89)	(88)	26
Increase (decrease) in trade payable	(118)	162	(55)
Increase in other accounts payable	333	530	440
Increase (decrease) in employee benefit liabilities	-	30	(63)
Commitment to issue shares in subsidiary	-	-	48
	87	756	625
Cash received during the period by the Company for:			
Interest received	12	11	108
	12	11	108
Net cash used in operating activities of the Company	(1,080)	(734)	(4,777)

The accompanying additional information is an integral part of the separate financial data and financial information.

Financial Information from the Consolidated Statements of Cash Flows Attributable to the Company

	Three months ended March 31,		Year ended December 31,
	2015	2014	2014
	Unaudited		Audited
	NIS in thousands		
Cash flows from investing activities of the Company:			
Purchase of property and equipment	-	-	(9)
Investment in short-term deposit, net	(9)	-	(6,078)
Change in long-term leasing deposit, net	22	-	(19)
Investment in subsidiaries	(1,434)	(2,573)	(13,582)
Net cash used in investing activities of the Company	(1,421)	(2,573)	(19,688)
Cash flows from financing activities of the Company:			
Proceeds from issue of shares and options, net	-	34,287	37,508
Net cash provided by financing activities of the Company	-	34,287	37,508
Increase (decrease) in cash and cash equivalents	(2,501)	30,980	13,043
Cash and cash equivalents at the beginning of the period	18,056	5,013	5,013
Cash and cash equivalents at the end of the period	15,555	35,993	18,056

The accompanying additional information is an integral part of the separate financial data and financial information.

NOTE 1:- GENERAL

a. This separate financial information has been prepared in accordance with Regulation 38d to the Israeli Securities Regulations (Periodic and Immediate Reports), 1970. This separate financial information should be read in conjunction with the annual financial statements as of December 31, 2014 and for the year then ended and the accompanying notes.

b. The Company incurred losses of NIS 4,461 thousand and negative cash flows from operating activities of NIS 1,080 thousand for the three months period ended March 31, 2015. The Company has accumulated deficit of NIS 194,861 thousand as of that date.

See Note 3 to the interim consolidated Financial Statements as of March 31, 2015 regarding funds raised by the Company and in the Company's subsidiary.

The auditors' review report of Micromedic Technologies Ltd. ("Micromedic"), a subsidiary, included an emphasis of matter paragraph regarding conditions about significant doubt about Micromedic existence as a going concern. The financial statements of Micromedic do not include any adjustments to the carrying amounts and classifications of assets and liabilities that would result if the Micromedic was unable to continue to operate as a going concern.

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Part D – Management Declarations

Declaration of the Chief Executive Officer

I, Suzana Nahum-Zilberberg, CEO, hereby declare that:

1. I have examined the periodic report of BioLight Israeli Life Sciences Investments Ltd. ("**the Company**") for the period ending on March 31, 2015 ("**the reports**").

2. To my knowledge, the reports do not include any incorrect presentation of a material fact and no material fact has been left out of them that would be necessary for the presentation in them, in light of the circumstances in which those representations were included, not to be misleading with regard to the reporting period.

3. To my knowledge, the financial reports and other financial information included in the reports accurately reflect, from all material perspectives, the financial situation, the results of activity and the cash flow of the Company as of the dates and for the periods of the reports.

4. I have disclosed the to the Company's auditor, Board of Directors and audit committee, any fraud, whether material or not, in which the CEO or someone directly under him was involved or in which other employees who have a significant function in the internal auditing of financial reporting and disclosure were involved.

There is nothing in the aforesaid to derogate from my responsibility or the responsibility of anyone else, pursuant to any law.

May 31, 2015
Date

Suzana Nahum-Zilberberg, CEO

Declaration of the Senior Company's Financial Officer

I, Itai Bar Natan, CFO, hereby declare that:

1. I have examined the financial statements and other financial information included BioLight Israeli Life Sciences Investments Ltd. ("**the Company**") reports for the period ending on March 31, 2015 ("**the reports**").

2. To my knowledge, the financial statements and other financial information included in the reports do not include any incorrect presentation of a material fact and no material fact has been left out of them that would be necessary for the presentations in them, in light of the circumstances in which those representations were included, not to be misleading with regard reporting period.

3. To my knowledge, the financial statements and any other financial information included in the reports accurately reflect, from all material perspectives, the financial situation, the results of activity and the cash flow of the Company as of the dates and for the periods of the reports.

4. I have disclosed to the Company's auditor, Board of Directors and the audit committee, any fraud, whether material or not, in which the CEO or someone directly under him was involved or in which other employees who have a significant function in internal auditing of financial reporting and disclosure were involved.

There is nothing in the aforesaid to derogate from my responsibility or the responsibility of anyone else, pursuant to any law.

May 31, 2015
Date

Itai Bar Natan, CFO