

**DIAGNOSTEAR TECHNOLOGIES INC.**

**(FORMERLY: OCEANVIEW TECHNOLOGIES INC.)**

**INTERIM CONDENSED FINANCIAL STATEMENTS**

**AS OF SEPTEMBER 30, 2024**

**UNAUDITED**

## **NOTICE TO READER**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditors have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of these condensed interim financial statements. Readers are cautioned that these statements may not be appropriate for their intended purposes.

November 27, 2024

**DIAGNOSTEAR TECHNOLOGIES INC.**

**(FORMERLY: OCEANVIEW TECHNOLOGIES INC.)**

**INTERIM CONDENSED FINANCIAL STATEMENTS  
AS OF SEPTEMBER 30, 2024  
UNAUDITED**

**TABLE OF CONTENTS**

|   | <b>Page</b> |
|---|-------------|
| <b>Financial Statements</b>                                 |             |
| Interim Condensed Statements of Financial Position          | 3           |
| Interim Condensed Statements of Loss and Comprehensive Loss | 4           |
| Interim Condensed Statements of Changes in Equity           | 5           |
| Interim Condensed Statements of Cash Flows                  | 6           |
| Notes to the Interim Condensed Financial Statements         | 7 - 11      |

**DIAGNOSTEAR TECHNOLOGIES INC.**  
**(FORMERLY: OCEANVIEW TECHNOLOGIES INC.)**

**INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION**  
(Expressed in Canadian Dollars in thousands)

|  | Note | As of<br>September 30,<br>2024 | As of<br>December 31,<br>2023 |
|--|------|--------------------------------|-------------------------------|
|  |      | Unaudited                      | Audited                       |
| <b>Assets</b>  |      |                                |                               |
| <b>Current assets</b>                                  |      |                                |                               |
| Cash   |      | \$ 1                           | \$ 56                         |
| <b>Total assets</b>                                    |      | \$ 1                           | \$ 56                         |
| <br><b>Current liabilities</b>                         |      |                                |                               |
| Accounts payable and accrued liabilities               |      | \$ 289                         | \$ 129                        |
| <b>Total current liabilities</b>                       |      | 289                            | 129                           |
| <br><b>Shareholders' deficit</b>                       |      |                                |                               |
| Share capital and premium                              |      | 187                            | 187                           |
| Accumulated deficit                                    |      | (475)                          | (260)                         |
| <b>Total shareholders' deficit</b>                     |      | (288)                          | (73)                          |
| <br><b>Total liabilities and shareholders' deficit</b> |      | \$ 1                           | \$ 56                         |

These condensed financial statements were approved for issue by the Board of Directors on November 27, 2024 and signed on its behalf by:

"Yaacov Michlin" (signed)  
Yaacov Michlin  
Chairman of the Board

"Yiftach Biel" (signed)  
Yiftach Biel  
Chief Financial Officer

"Shimon Gross" (signed)  
Shimon Gross  
Chief Executive Officer

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

**DIAGNOSTEAR TECHNOLOGIES INC.**  
**(FORMERLY: OCEANVIEW TECHNOLOGIES INC.)**

**INTERIM CONDENSED STATEMENTS OF COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars in thousands except share and per share amounts)

|   | <u>For the nine<br/>months ended<br/>September 30, 2024</u> | <u>For the<br/>period from<br/>inception<br/>date to<br/>September<br/>30, 2023</u> | <u>For the three<br/>months ended<br/>September 30,<br/>2024</u> | <u>For the three<br/>months ended<br/>September 30,<br/>2023</u> |
|---|---|---|--|--|
|   | <u>Unaudited</u>  |   |  |  |
| Consulting fees   | \$ 45   | \$ 29   | \$ 5   | \$ -   |
| Listing fees and other expenses   | 11  | -   | 8  | -  |
| Professional fees   | 160   | 162   | 10   | 8  |
| <b>Operating loss</b>   | <u>216</u>  | <u>191</u>  | <u>23</u>  | <u>8</u>   |
| <b>Financing income, net</b>  | <u>(1)</u>  | <u>(*) -</u>  | <u>1</u>   | <u>(*) -</u>   |
| <b>Loss for the period</b>  | <u>\$ 215</u>   | <u>\$ 191</u>   | <u>\$ 24</u>   | <u>\$ 8</u>  |
| <b>Comprehensive loss for the period</b>  | <u>\$ 215</u>   | <u>\$ 191</u>   | <u>\$ 24</u>   | <u>\$ 8</u>  |
| <b>Basic and diluted loss per share:</b>  |   |   |  |  |
| Basic and diluted net loss per share  | <u>\$ (0.01)</u>  | <u>\$ (0.01)</u>  | <u>\$ (0.00)</u>   | <u>\$ (0.00)</u>   |
| Weighted average of number of shares<br>used to calculate the basic and diluted<br>net loss per share | <u>17,200,100</u>   | <u>13,999,107</u>   | <u>17,200,100</u>  | <u>17,098,556</u>  |

(\*) Represents amount lower than \$1.

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

**DIAGNOSTEAR TECHNOLOGIES INC.  
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**INTERIM CONDENSED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT**  
(Expressed in Canadian Dollars in thousands except share and per share amounts)

|   | <u>Number of<br/>outstanding<br/>shares</u> | <u>Share<br/>capital and<br/>premium</u> | <u>Accumulated<br/>deficit</u> | <u>Total</u>  |
|---|---|--|--------------------------------|---------------|
| <b>Balance as of inception date</b>         | -   | \$ -                                     | \$ -                           | \$ -          |
| Shares issued upon inception date           | 100   | (*) -                                    | -                              | (*) -         |
| Shares issued for cash                      | 17,200,000                                  | 188                                      | -                              | 188           |
| Comprehensive loss for the period           | -   | -  | (191)                          | (191)         |
| <b>Balance as of September 30,<br/>2023</b> | <u>17,200,100</u>                           | <u>\$ 188</u>                            | <u>\$(191)</u>                 | <u>\$ (3)</u> |

(\*) Represent amount lower than \$1.

|  | <u>Number of<br/>outstanding<br/>shares</u> | <u>Share capital<br/>and premium</u> | <u>Accumulat<br/>ed deficit</u> | <u>Total</u>    |
|--|---|--------------------------------------|---------------------------------|-----------------|
| <b>Balance as of January 1, 2024<br/>(audited)</b> | 17,200,100                                  | \$ 187                               | \$ (260)                        | \$ (73)         |
| Comprehensive loss for the period                  | -   | -                                    | (215)                           | (215)           |
| <b>Balance as of September 30, 2024</b>            | <u>17,200,100</u>                           | <u>\$ 187</u>                        | <u>\$(475)</u>                  | <u>\$ (288)</u> |

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

**DIAGNOSTEAR TECHNOLOGIES INC.  
(FORMERLY: OCEANVIEW TECHNOLOGIES INC.)**

**INTERIM CONDENSED STATEMENTS OF CASH FLOWS**

(Expressed in Canadian Dollars in thousands, except per share data)

|  | <b>Note</b> | <b>For the nine<br/>months ended<br/>September 30,<br/>2024</b> | <b>For the<br/>period from<br/>inception date<br/>to September<br/>30,<br/>2023</b> |
|--|-------------|---|---|
|  |             | <b>(Unaudited)</b>  |   |
| <b>Cash flow to current operations</b>   |             |   |   |
| Loss for the period  |             | \$ (215)  | \$ (191)  |
| Adjustments required to present cash flows from<br>operating activities (Appendix A)         |             | 160   | 75  |
| <b>Net cash used in operating activities</b>   |             | (55)  | (116)   |
| <b>Cash flows from financing activity</b>  |             |   |   |
| Proceeds received upon issuance of shares  |             | -   | 188   |
| <b>Net cash provided by financing activity</b>   |             | -   | 188   |
| <b>Change in balance of cash</b>   |             | (55)  | 72  |
| <b>Balance of cash, beginning of period</b>  |             | 56  | -   |
| <b>Balance of cash, end of period</b>  |             | \$ 1  | \$ 72   |
| <b>Appendix A - Adjustments required to present cash<br/>flows from operating activities</b> |             |   |   |
| <b>Changes in asset and liability items</b>  |             |   |   |
| Increase in accounts payable and accrued liabilities   |             | 160   | 75  |
|  |             | \$ 160  | \$ 75   |

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

**DIAGNOSTEAR TECHNOLOGIES INC.**  
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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
(Expressed in Canadian Dollars in thousands, except per share amounts)

**Note 1 - General**

**A. Incorporation and Description of Business**

Diagnostear Technologies Inc. (formerly: Oceanview Technologies Inc.) (the “Company” or “DiagnosTear”) is a Canadian company which was incorporated under the Business Corporations Act (British Columbia) and commenced operations on May 10, 2023. The Company's registered address is at Suite 2600-1066 West Hastings, Vancouver, Canada.

In August 2023, the Company entered into Share Exchange Agreement (“SEA”) with DiagnosTear Ltd. (“DiagnosTear Israel”), a development stage private company incorporated under the laws of Israel, which is also a subsidiary of BioLight Life Sciences Ltd, an Israeli publicly traded company on the Tel Aviv Stock Exchange. DiagnosTear Israel operates in the field of ophthalmic and currently it engages in development of TeaRx™ technology (“TeaRx”) which is designed for the diagnosis of front-of-the-eye diseases by analyzing the composition of the tear fluid.

Based on the terms of the SEA, subject to achievement of certain conditions, including the Company to complete a capital raise at a minimum threshold, the shareholders of DiagnosTear Israel will exchange their shares, inter alia, for shares of the combined entity (“Resulting Issuer”) representing approximately 60% of the issued and outstanding shares of the Resulting Issuer on a non-diluted basis that will be listed on the Canadian Stock Exchange (“CSE”) (the “Reverse Takeover (“RTO”) Transaction”).

Following the completion of the provisions of the SEA, the Reverse Takeover Transaction was completed on November 20, 2024 (the “Completion Date”). Following completion of the Reverse Takeover Transaction, all the issued and outstanding share capital of the DiagnosTear Israel was acquired by the Company in exchange for the issuance of 35,193,001 common shares in the capital of the Company (the “Shares”) and 3,440,331 Shares purchase warrants (the “Warrants”). Each Warrant entitles the holder thereof to acquire one (1) Share at a price of \$1.00 per Share until May 20, 2026. In connection with the Reverse Takeover Transaction, all outstanding options in DiagnosTear Israel were cancelled and replaced with the issuance of 1,938,452 incentive stock options by the Company.

On the Completion Date the Company changed its name to her current name, Diagnostear Technologies Inc.

**B. Financial position of the Company**

From inception date through the Effective Time of the RTO transaction, the Company has no business activity and had limited liquidity resources as of September 30, 2024.

In September 2024, the Company completed a non-brokered private placement of 3,613,900 subscription receipts at a price of \$0.50 per subscription receipt, for net proceeds of \$1,681. Upon completion of the RTO Transaction, each subscription receipt was automatically exchanged, without payment of any additional consideration, for one common stock of the Company. See also Note 4A below.

In November 2024, the Company completed an additional non-brokered private placement of 2,293,554 subscription receipts at a price of \$0.75 per subscription receipt, for net proceeds of \$1,600. Upon completion of the RTO Transaction, each of the subscription receipts was automatically exchanged, without payment of any additional consideration, for one common stock and one warrant, which is exercisable into one common share at a price of \$1.00 per share over a period of 18 months from the date the common stock of the Company is listed on the CSE. See also Note 4B below.

Management has considered the significance of such conditions and determined that the cash on hand as of September 30, 2024 together with the net proceeds received from capital raising upon completion of the RTO transaction, will be sufficient to operate the business activity of the Company in the foreseeable future.

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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars in thousands, except per share amounts)

**Note 1 - General (Cont.)**

**C. The impact of Iron Swords war on the Company's business**

In October 2023, the Iron Swords War (the “War”) broke out in the State of Israel. The prolongation of the War led to a slowdown in business activity in the Israeli economy, inter alia due to the closure of factories in the south and north of the country, damage to infrastructure, recruitment of reservists for an unknown period, and therefore, to disruption of economic activity in Israel. The prolongation of the War may have wide-ranging implications for many branches and different geographical areas in the country.

The potential fluctuations in prices of merchandise, foreign currency exchange rates, availability of materials, availability of personnel, local services and access to local resources may affect entities whose main activity is with or in Israel.

Following completion of the RTO Transaction, the Company has business activity in Israel, and the War may impact clinical trials to be performed by DiagnosTear Israel which is based on fund raising as well. However, since this is an event beyond the Company's and DiagnosTear Israel's control and characterized by uncertainty, inter alia as to when the War will end, as of the approval date of these financial statements, the Company is unable to predict the intensity of the impact of the War on the Company's business.

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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars in thousands, except per share amounts)

**Note 2 - Basis of Presentation**

- A.** The interim condensed financial statements for the three and nine months ended September 30, 2024, have been prepared in accordance with IAS 34, Interim Financial Reporting. The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual audited financial statements for the year ended December 31, 2023 (the "Annual Financial Statements"), which have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

As of September 30, 2024, there have been no material changes to the material accounting policies as outlined in Note 3 of the annual financial statements for the year ended December 31, 2023, except as described in B below.

- B. Standards, Amendments and Interpretations to Existing Standards that became Effective and Relevant to the Company's activity (Cont.)**

**Amendments to IAS 1, Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current**

In January 2020, the IASB issued amendments to IAS 1 to specify the requirements for classifying liabilities as current or non-current.

The amendments replace certain requirements for classifying liabilities as current or non-current. According to the amendments, a liability will be classified as non-current when the entity has the right to defer settlement for at least 12 months after the reporting period, and it "has substance" and is in existence at the end of the reporting period, this instead of the requirement that there be an "unconditional" right. According to the amendments, a right is in existence at the reporting date only if the entity complies with conditions for deferring settlement at that date. Furthermore, the amendments clarify that the conversion option of a liability will affect its classification as current or non-current, unless when the conversion option is recognized as equity.

The amendments are effective for reporting periods beginning on or after January 1, 2024 with earlier application being permitted. The amendments are applicable retroactively, including an amendment to comparative data.

The implementation of the amendments did not have a material impact on the classification of liabilities in the statements of the Company's financial position.

There are no other accounting pronouncements which have become effective from January 1, 2024, that have a material impact on the Company's interim condensed financial statements.

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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars in thousands, except per share amounts)

**Note 2 - Basis of Presentation (Cont.)**

**C. Standards, Amendments and Interpretations to Existing Standards that are not yet Effective and have not been Adopted Early by the Company (Cont.)**

At the approval date of these financial statements, certain new standards, and amendments to existing standards have been published by the IASB that are not yet effective and have not been adopted early by the Company. Information on those expected to be relevant to the Company's financial statements is provided below.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. Other than IFRS 18 (see below), certain new Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Company's financial statements.

**IFRS 18, Presentation and Disclosure in Financial Statements**

On April 9, 2024, the IASB published IFRS 18 which replaces IAS 1 'Presentation of Financial Statements' with the objective to improve how information is communicated in an entity's financial statements, particularly in the statement of profit or loss and in its notes to the financial statements.

The main changes that will apply to the financial statements with the implementation of IFRS 18, in relation to the presentation and disclosure instructions that apply today include the following:

- IFRS 18 will change the structure of the profit or loss report and will include three new defined categories: operating, investment and financing and will add two new interim summaries: operating profit and profit before financing and income taxes.
- IFRS 18 includes guidelines for providing disclosure on performance indicators defined by management (Management-defined performance measures).
- IFRS 18 provides guidelines regarding the aggregation and disaggregation of the information in the financial statements in relation to the question of whether information should be included in the main reports or in explanations and disclosures regarding items defined as "other".
- IFRS 18 includes amendments to other standards, including limited amendments to International Accounting Standard 7, Statement of Cash Flows.

IFRS 18 will become effective, in a retrospective manner, for annual reporting periods beginning on or after January 1, 2027. Early application of IFRS 18 is permitted.

The company is examining the possible impact of the new standard on the financial statements, but at this stage it is unable to assess such an impact. The effect of the new standard, however it may be, will only affect matters of presentation and disclosure.

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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars in thousands, except per share amounts)

**Note 3 - Fair value of Financial Instruments**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 - Inputs that are not based on observable market data.

The fair value of the Company's accounts payable and accrued liabilities approximates their carrying value, which is the amount recorded on the statement of financial position.

**Note 4 - Significant Events During and After the Reporting Period**

**A.** In September 2024, the Company completed a non-brokered private placement of 3,613,900 subscription receipts at a price of \$0.50 per subscription receipt, for gross proceeds of \$1,807. Upon satisfaction with certain escrow release conditions which including completion of the RTO Transaction, as described in Note 1A above, each subscription receipt was automatically exchanged for one common stock of the Company.

In connection with such private placement, the Company incurred a finder's fee expenses related to the non-brokered private placement consisting of the issuance of 216,834 shares of common stock of the Resulting Issuer estimated in total amount of \$108 and a cash fee of \$126.

**B.** In November 2024, the Company completed an additional non-brokered private placement of 2,293,554 subscription receipts at a price of \$0.75 per subscription receipt, for gross proceeds of \$1,720. Upon satisfaction of certain escrow release conditions, which include completion of the RTO Transaction, as described in Note 1A above, each of the subscription receipts was automatically exchanged, without payment of any additional consideration, for one common stock and one warrant, which is exercisable into one common share at a price of \$1.00 per share over a period of 18 months from the date the common stock of the Company is listed on the CSE.

In connection with such private placement, the Company incurred a finder's fee expenses related to the non-brokered private placement consisting of the issuance of 137,613 shares of common stock of the Resulting Issuer estimated in total amount of \$103 and a cash fee of \$120.