DiagnosTear Technologies Inc. (the "**Company**")

Table of concordance from Prospectus to Form 2A

The following table lists the information required under the CSE Form 2A – Listing Statement, and provides the corresponding page numbers to the Company's long form prospectus dated November 14, 2024 (the "**Prospectus**") to which the applicable information can be found. A copy of the Prospectus can be found under the Company's profile on SEDAR+ (www.sedarplus.ca), and a copy is attached hereto as Schedule "A".

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Schedule "A"
Prospectus Dated November 14, 2024

See attached.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus does not constitute a public offering of securities.

*The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws, and except pursuant to an exemption from registration under the U.S. Securities Act and applicable state securities laws, may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. Person (as that term is defined in Regulation S under the U.S. Securities Act). This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States or to, or for the account of benefit of, any U.S. Persons.*

PROSPECTUS

New Issue November 14, 2024

OCEANVIEW TECHNOLOGIES INC.

3,613,900 SR SHARES ISSUABLE ON DEEMED CONVERSION OF 3,613,900 BRIDGE SUBSCRIPTION RECEIPTS

AND

2,293,554 SR SHARES AND 2,293,554 SR WARRANTS ISSUABLE ON DEEMED CONVERSION OF 2,293,554 CONCURRENT SUBSCRIPTION RECEIPTS

AND

35,193,001 PAYMENT SHARES AND 3,440,331 PAYMENT WARRANTS ISSUABLE PURSUANT TO A SHARE EXCHANGE AGREEMENT

This prospectus (the "**Prospectus**") is being filed with the securities regulatory authorities in British Columbia and Ontario (collectively, the "**Qualifying Provinces**") to qualify the distribution by Oceanview Technologies Inc. (the "**Company**") of the following securities: (i) 3,613,900 common shares (the "**Common Shares**") in the capital of the Company (the "**SR Shares**") issuable upon the deemed conversion of 3,613,900 subscription receipts (the "**Bridge Subscription Receipts**") of the Company; (ii) 2,293,554 SR Shares and 2,293,554 Common Share purchase warrants (the "**SR Warrants**") issuable upon the deemed exercise of 2,293,554 subscription receipts (the "**Concurrent Subscription Receipts**" and together with the Bridge Subscription Receipts, the "**RTO Subscription Receipts**") of the Company; and (iii) 35,193,001 Common Shares (the "**Payment Shares**") and 3,440,331 Common Share purchase warrants (the "**Payment Warrants**") issuable pursuant to a share exchange agreement dated as of August 17, 2023, as amended effective December 31, 2023 and October 30, 2024 (the "**Share Exchange Agreement**"), among the Company, DiagnosTear Ltd. ("**DiagnosTear**") and BioLight Life Sciences Ltd. ("**BioLight**"), as the majority shareholder of DiagnosTear, pursuant to which the Company will acquire all of the issued and outstanding shares of DiagnosTear, which will qualify as a reverse takeover of the Company by DiagnosTear (the "**Proposed RTO Transaction**"). The Payment Warrants will be exercisable into Common Shares at a price of $1.00 per Common Share for a period of 18 months from the date of issuance in accordance with the Share Exchange Agreement. Following closing of the Proposed RTO Transaction ("**Closing**"), the business of DiagnosTear will become the business of the Company.

The Payment Shares, Payment Warrants, SR Shares, SR Warrants and SR Warrant Shares (as defined below) are collectively referred to as the "**Qualified Securities**".

The Company issued 3,613,900 Bridge Subscription Receipts on September 10, 2024 for proceeds of $1,806,950 (the "**Bridge Subscription Receipt Financing**"). Each Bridge Subscription Receipt was issued at a price of $0.50 per Bridge Subscription Receipt to purchasers in the province of Ontario and overseas on a private placement basis pursuant to certain prospectus exemptions under applicable securities legislation. The Bridge Subscription Receipts were issued under, and are governed by, the subscription receipt agreement (the "**Bridge Subscription Receipt Agreement**") dated as of August 25, 2024, among the Company and Endeavor Trust Corporation, as subscription receipt agent (the "**Subscription Receipt Agent**").

The Company issued 2,293,554 Concurrent Subscription Receipts on November 14, 2024 for proceeds of $1,720,165.50 (the "**Concurrent Subscription Receipt Financing**"). Each Concurrent Subscription Receipt was issued at a price of $0.75 per Concurrent Subscription Receipt to purchasers overseas on a private placement basis pursuant to certain prospectus exemptions under applicable securities legislation. The Concurrent Subscription Receipts were issued under, and are governed by, an amended and restated subscription receipt agreement (the "**Concurrent Subscription Receipt Agreement**" and together with the Bridge Subscription Receipt Agreement, the "**Subscription Receipt Agreements**") dated as of November 14, 2024, among the Company and the Subscription Receipt Agent. Upon conversion of the Concurrent Subscription Receipts in accordance with the Concurrent Subscription Receipt Agreement, the holder thereof will receive one (1) SR Share and one (1) SR Warrant, whereby each SR Warrant will be exercisable at a price of $1.00 per Common Share (each, a "**SR Warrant Share**") for a period of eighteen (18) months from the date of issuance.

Pursuant to the terms of Subscription Receipt Agreements, the outstanding RTO Subscription Receipts will be deemed to be exercised upon satisfaction of all conditions to the completion of the Proposed RTO Transaction (the "**Conversion Date**").

Each RTO Subscription Receipt will be deemed exercised, without payment of any additional consideration and without any further action by the holder, for, in the case of the Bridge Subscription Receipts, one SR Share, and in the case of the Concurrent Subscription Receipts, one SR Share and one SR Warrant, on the Conversion Date. The RTO Subscription Receipts and the conditions necessary for them to be converted into SR Shares and SR Warrants, as the case may be, are described in more detail under the heading "*Plan of Distribution*" in this Prospectus.

Although a condition to closing the Proposed RTO Transaction is the issuance of a receipt by the Regulatory Authorities for a final prospectus qualifying the distribution of the Qualified Securities (the "**Final Prospectus**"), the Regulatory Authorities will not issue such a receipt unless the Proposed RTO Transaction has been completed, absent which the Company does not have an active business suitable for listing. As such, the Share Exchange Agreement provides that the closing of the Proposed RTO Transaction will be effected pursuant to a closing agreement among the parties to the Share Exchange Agreement (the "**Closing Agreement**") pursuant to which the parties thereto shall confirm that all conditions to closing the Proposed RTO Transaction have been satisfied or waived, but for the receipt for the Final Prospectus (the "**Final Regulatory Approval**"), and upon receipt of the Final Regulatory Approval, the Proposed RTO Transaction will be deemed closed and all payments and documents will be deemed delivered to the appropriate party and if the Final Regulatory Approval is not received by November 29, 2024, the Share Exchange Agreement will terminate, the Company will withdraw its application for Listing (as defined below) and none of the Qualified Securities will be issued by the Company. Prior to receiving the Final Regulatory Approval, the Company will post the executed Closing Agreement to its SEDAR+ profile, confirming that the Proposed RTO Transaction has closed but for the Final Regulatory Approval.

The Qualified Securities are not available for purchase pursuant to this Prospectus and no additional funds are to be received by the Company from the distribution of the Qualified Securities.

The Company has applied to the CSE (as defined herein) for the listing of the Common Shares (the "**Listing**"). As of the date of this Prospectus, the CSE has not approved the Listing. Listing is subject to the Company fulfilling all the requirements of the CSE, including meeting all minimum listing requirements. There is no guarantee that the CSE will provide approval for the Listing and even if obtained, that an active

and liquid market for the Common Shares will develop or be maintained and an investor may find it difficult to resell any securities of the Company.

As at the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by Plus Market Groups plc).

Unless otherwise noted, all currency amounts in this Prospectus are stated in Canadian dollars.

There is no market through which the Qualified Securities may be sold and purchasers may not be able to resell the Qualified Securities. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation. An investment in securities of the Company and the Resulting Issuer is speculative and involves a high degree of risk. See "*Risk Factors*".

An investment in the Qualified Securities is highly speculative due to various factors, including the nature and stage of development of the business of the Company. An investment in these securities should only be made by persons who can afford the total loss of their investment. See "*Risk Factors*".

Prospective investors are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding, or disposing of Common Shares, including the Canadian federal income tax consequences applicable to a foreign controlled Canadian corporation that acquires Common Shares.

No person has been authorized to give any information other than that contained in this Prospectus, or to make any representations in connection with the Proposed RTO Transaction, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Company. Readers should assume that the information appearing in this Prospectus is accurate only as of its date, regardless of its time of delivery. The Company's business, financial condition, results of operations and prospects may have changed since that date.

The head office and registered and records office of the Company is located at 2600 – 1066 West Hastings Street, Vancouver, BC V6E 3X1.

BioLight is incorporated under the laws of a foreign jurisdiction and, Yaacov Michlin, Igal Kohn, Suzana Nahum Zilberberg, Karin Gurevitz, Shimon Gross, Julia Reznick Zilberman and Yifftach Biel, each a director or officer of DiagnosTear or the Resulting Issuer, and Tamir Gedo, a director of the Company, resides outside of Canada as of the date of this Prospectus. Each of the foregoing individuals has appointed MLT Aikins LLP, as its agent for service of process. Investors are advised that it may not be possible to enforce judgments obtained in Canada against any person that resides outside of Canada even if the party has appointed an agent for service of process.

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GLOSSARY

In this Prospectus, the terms below have meanings ascribed thereto, in addition to other terms defined elsewhere in this Prospectus.

"**103K Tax Ruling**" means a ruling by the ITA that taxes payable in Israel with respect to the Payment Shares and Replacement Options issuable to a former DiagnosTear Shareholder or DiagnosTear Option holder pursuant to the Proposed RTO Transaction resident in Israel may be deferred until the sale, transfer or other conveyance for cash of such securities.

"**Alternative Transaction**" means, in respect of either DiagnosTear or the Company, any offer, financing, shareholder proposal, "business combination" or "take-over bid", exempt or otherwise, within the meaning of applicable Canadian securities laws or policies of any stock exchange in Canada, for securities or assets of DiagnosTear or the Company, as applicable, or any other transaction which would be or potentially could reasonably be in conflict with the Proposed RTO Transaction.

"**Applicable Securities Laws**" means, as applicable, the securities laws, regulations, rules, rulings and orders in the Qualifying Provinces and all applicable administrative policy statements issued by the applicable securities regulators.

"**Audit Committee**" means the audit committee of the Company.

"**Available Funds**" has the meaning ascribed to such term under the heading "*Information Concerning the Resulting Issuer – Funds Available and Use of Available Funds.*"

"**BCSC**" means the British Columbia Securities Commission.

"**BioLight**" has the meaning as set forth on the face page of this Prospectus.

"**Bridge Escrowed Funds**" has the meaning ascribed to such term under the heading "*Information Concerning the Company – Three Year History – 2024"*.

"**Bridge Subscription Receipts**" has the meaning as set forth on the face page of this Prospectus.

"**Bridge Subscription Receipt Financing**" has the meaning as set forth on the face page of this Prospectus.

"**Bridge Subscription Receipt Agreement**" has the meaning as set forth on the face page of this Prospectus.

"**Business Day**" means a day other than Saturday, Sunday or a statutory holiday in British Columbia, Canada.

"**CE**" means Conform European, an accreditation within the European Union relating to a product traceability system.

"**CEO**" means Chief Executive Officer.

"**CFO**" means Chief Financial Officer.

"**CLIA**" has the meaning ascribed to such term under the heading "*Information Concerning DiagnosTear – Regulatory Environment - DES*".

"**Closing**" has the meaning ascribed to such term on the face page of this Prospectus.

"**Closing Agreement**" has the meaning ascribed to that term on the face page of this Prospectus.

"**Closing Date**" means that date that is three (3) Business Days after the satisfaction of the last condition to closing the Proposed RTO Transaction, other than the Final Regulatory Approval.

"**Closing Time**" means 10:00 a.m. (Vancouver time) on the Closing Date.

"**Code**" means the Code of Business Conduct and Ethics of the Company adopted by the Company Board on October 6, 2024.

"**Collector**" has the meaning ascribed to such term under the heading "*Information Concerning DiagnosTear – General Overview of DiagnosTear*".

"**Common Share**" has the meaning as set forth on the face page of this Prospectus.

"**Company**" has the meaning as set forth on the face page of this Prospectus.

"**Company Board**" means the board of directors of the Company.

"**Company Change**" has the meaning ascribed to such term under the heading "*Information Concerning the Company – Consolidated Capitalization*".

"**Concurrent Escrowed Funds**" has the meaning ascribed to such term under the heading "*Information Concerning the Company – Three Year History – 2024*".

"**Concurrent Subscription Receipts**" has the meaning as set forth on the face page of this Prospectus.

"**Concurrent Subscription Receipt Financing**" has the meaning as set forth on the face page of this Prospectus.

"**Concurrent Subscription Receipt Agreement**" has the meaning as set forth on the face page of this Prospectus.

"**Conversion Date**" has the meaning ascribed to such term on the face page of this Prospectus.

"**CSE**" or the "**Exchange**" means the Canadian Securities Exchange operated by CNSX Markets Inc.

"**CSE Policies**" means the policies of the Exchange, along with all guidance, instruction, and direction of the Exchange.

"**Current Exchange Rate**" has the meaning ascribed to such term under the heading "*General Matters - Current Exchange Rate Data*".

"**DES**" has the meaning ascribed to such term under the heading "*Information Concerning DiagnosTear – General Overview of DiagnosTear*".

"**DiagnosTear**" has the meaning as set forth on the face page of this Prospectus.

"**DiagnosTear Board**" means the board of directors of DiagnosTear.

"**DiagnosTear Minor Shareholder Agreement**" means a minor shareholder agreement and waiver in substantially the form attached as Schedule G-1 to the Share Exchange Agreement pursuant to which DiagnosTear Shareholders, other than the Majority DiagnosTear Shareholder, agrees to be bound by the Share Exchange Agreement.

"**DiagnosTear Option Plan**" means the share option plan adopted by the DiagnosTear Board effective January 19, 2014.

"**DiagnosTear Options**" means options to purchase ordinary shares of DiagnosTear, granted pursuant to the DiagnosTear Option Plan which, if not exercised or terminated prior to the Closing Date, will be replaced with Replacement Options exercisable for Company Shares based on the Exchange Ratio, and otherwise on the same economic as the initial DiagnosTear Options.

"**DiagnosTear Shares**" means ordinary shares in the capital of DiagnosTear.

"**DiagnosTear Shareholders**" means holders of DiagnosTear Shares.

"**DiagnosTear Warrants**" means 15,343 warrants issued by DiagnosTear for the purchase of that same number of DiagnosTear Shares, in accordance with the terms thereof.

"**DRS**" means the Direct Registration System.

"**Dry Eye Diagnostic Product**" has the meaning ascribed to such term under the heading "*Information Concerning DiagnosTear – General Overview of DiagnosTear*".

"**DSU**" means the deferred share units issuable under the Equity Incentive Plan.

"**Elcam**" has the meaning ascribed to such term under the heading "*Information Concerning DiagnosTear – Corporate Structure – Amended and Restated Articles of Association*".

"**Equity Incentive Plan**" means the equity incentive plan adopted by the Company on October 6, 2024.

"**Escrow Agent**" means Endeavor Trust Corporation.

"**Escrow Agreement**" means the NP 46-201 escrow agreement to be entered into on or before the date of the receipt for the Final Prospectus.

"**Escrowed Funds**" has the meaning ascribed to such term under the heading "*Information Concerning the Company – Three Year History – 2024*".

"**Escrowed Securities**" means the securities of the Company to be held in escrow and released over a 36-month period pursuant to the Escrow Agreement.

"**Exchange Ratio**" means the quotient obtained by dividing the number of Payment Shares by the number of DiagnosTear Shares outstanding as at Closing.

"**Exclusive License Agreement**" has the meaning ascribed to such term under the heading "*Information Concerning DiagnosTear – Intellectual Property Portfolio – Patents*".

"**FDA**" means U.S. Food and Drug Administration.

"**Final Prospectus**" has the meaning as set forth on the face page of this Prospectus.

"**Final Regulatory Approval**" has the meaning as set forth on the face page of this Prospectus.

"**Financial Statements**" has the meaning ascribed to such term under the heading "*General Matters – Financial Statement Presentation in this Prospectus*".

"**Form 51-102F6**" means Form 51-102F6 *Statement of Executive Compensation*.

"**Governmental Entity**" means any applicable (a) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign; (b) subdivision, agent, commission, board or authority of any of the foregoing; (c) quasi-governmental or private body, including

any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or (d) stock exchange, including the Exchange.

"**IFRS Accounting Standards**" means IFRS Accounting Standards as issued by the International Accounting Standards Board.

"**IIA**" means the Israeli Innovation Authority.

"**Initial Financing**" means the non-brokered private placement by the Company of 14,000,000 Common Shares for gross proceeds of C$70,000.

"**ISA**" means the Israel Securities Authority.

"**ITA**" means the Israeli Tax Authority.

"**ITO**" means the *Israeli Tax Ordinance* (New Version), 1961, as amended, and all rules and regulations promulgated thereunder.

"**July 2023 Private Placement**" has the meaning ascribed to such term under "*Information Concerning the Company – Three Year History*".

"**Laws**" means all laws, statutes, codes, ordinances, decrees, rules, regulations, by-laws, statutory rules, principles of law, published policies and guidelines, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, including general principles of common and civil law, and terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity, statutory body or self-regulatory authority, and the term "applicable" with respect to such Laws and in the context that refers to one or more Persons, means that such Laws apply to such Person or Persons or its or their business, undertaking, property or securities and emanate from a Governmental Entity (or any other Person) having jurisdiction over the aforesaid Person or Persons or its or their business, undertaking, property or securities.

"**Listing**" has the meaning as set forth on the face page of this Prospectus.

"**Listing Date**" means the date that the Common Shares are listed on the CSE or another stock exchange recognized under provincial securities laws.

"**LOI**" means the binding letter of intent dated June 4, 2023, between the Company and DiagnosTear.

"**Majority DiagnosTear Shareholder**" or "**BioLight**" means BioLight Life Sciences Ltd., a company existing under the laws of the State of Israel.

"**Material Adverse Change**" means in respect of either of the Company or DiagnosTear any one or more changes, effects, events, occurrences or states of facts that, either individually or in the aggregate, have, or would reasonably be expected to have, a Material Adverse Effect on either of the Company or DiagnosTear, as applicable.

"**Material Adverse Effect**" means, in respect of either of the Company or DiagnosTear, any change, effect, event, occurrence or state of facts that, individually or in the aggregate, with other such changes, effects, events, occurrences or states of facts, is or would reasonably be expected to be material and adverse to the business, property, operations, results of operations or financial condition of the Company or DiagnosTear, respectively, except any change, effect, event, occurrence or state of facts resulting from or relating to:

(a) the announcement of the execution of the Share Exchange Agreement or any transactions contemplated herein, or communication by the applicable Party of its plans or intentions with respect to the other Party;

(b) changes in the global economy in general or the United States and Canadian capital or currency markets in general;

(c) the threat, commencement, occurrence or continuation of any war, armed hostilities, acts of environmental groups, civil strife, or acts of terrorism, including the current war in Ukraine but only to the extent there is a material escalation in such war following the date of the Share Exchange Agreement and including the war in Israel following the date of the Share Exchange Agreement;

(d) any change in applicable Laws or in the interpretation thereof by any Governmental Entity;

(e) any change in generally accepted accounting principles or IFRS Accounting Standards;

(f) any natural disaster or pandemic (provided that, any change, effect, occurrence or state of facts resulting from or relating to the COVID-19 pandemic shall not constitute a Material Adverse Effect for the purposes of this Agreement); or

(g) any change relating to foreign currency exchange rates,

provided that, in the case of any changes referred to in clauses (b) and (c) above, such changes do not have a materially disproportionate effect on the applicable Party relative to comparable companies.

"**MD&A**" means management's discussion and analysis of financial condition and operating results.

"**Named Executive Officers**" or "**NEOs**" means, in respect of a company, each individual who, during any part of the most recently completed financial year, served as CEO or CFO, including any individual performing functions similar to a CEO or CFO, and each of the three most highly compensated executive officers of the company or any of subsidiaries, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than C$150,000 as well as any additional individuals for whom disclosure would have been provided except that the individual was not an executive officer of the Company and was not acting in a similar capacity, at the end of the most recently completed financial year.

"**Net Unrestricted Cash**" means cash of the Company not subject to restrictions following full payment of (i) all obligations, liabilities, indebtedness of the Company, which shall include all change of control fees, legal and accounting fees for handling all aspects of the Proposed RTO Transaction, consulting fees, finders fees, listing and prospectus fees, and (ii) all expenses of the Company incurred as a result of the Proposed RTO Transaction, including all legal, audit, appraisal, tax advising and accounting fees and other transaction related costs and expenses, which shall be paid by the Company at Closing.

"**NI 41-101**" means National Instrument 41-101 – *General Prospectus Requirements*.

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees*.

"**NI 58-101**" means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

"**NP 46-201**" means National Policy 46-201 – *Escrow for Initial Public Offerings*.

"**Non-Selling Shareholder**" means a DiagnosTear Shareholder that is neither BioLight nor a Participating DiagnosTear Shareholder.

"**Party**" means, as the context requires, either of the Company, DiagnosTear or the DiagnosTear Shareholders and "Parties" means two or more of them, as applicable.

"**Participating DiagnosTear Shareholder**" means a DiagnosTear Shareholder who delivers a duly executed DiagnosTear Minor Shareholders Agreement to the Company prior to the Closing Date.

"**Payment Shares**" has the meaning as set forth on the face page of this Prospectus.

"**Payment Warrants**" has the meaning as set forth on the face page of this Prospectus.

"**Person**" or "**Entity**" means an individual, natural person, corporation, government or political subdivision or agency of a government, and where two or more persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of a company, such syndicate or group will be deemed to be a Person or entity.

"**POCT**" has the meaning ascribed to such term under the heading "*Information Concerning DiagnosTear – General Overview of DiagnosTear*".

"**Promoter**" means (a) a person or company who, acting alone or in conjunction with one or more other persons, companies or a combination thereof, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of an issuer, or (b) a person or company who, in connection with the founding, organizing or substantial reorganizing of the business of an issuer, directly or indirectly, receives in consideration of services or property, or both services and property, 10% or more of any class of securities of the issuer or 10% or more of the proceeds from the sale of any class of securities of a particular issue, but a person or company who receives such securities or proceeds either solely as underwriting commissions or solely in consideration of property will not be deemed a promoter within the meaning of this definition if such person or company does not otherwise take part in founding, organizing, or substantially reorganizing the business.

"**Proposed RTO Transaction**" has the meaning as set forth on the face page of this Prospectus.

"**Prospectus**" has the meaning as set forth on the face page of this Prospectus.

"**PSU**" means performance share units issuable under the Equity Incentive Plan.

"**Qualified Securities**" has the meaning as set forth on the face page of this Prospectus.

"**Qualifying Provinces**" has the meaning ascribed to such term on the face page of this Prospectus.

"**Red Eye Diagnostic Product**" has the meaning ascribed to such term under the heading "*Information Concerning DiagnosTear – General Overview of DiagnosTear*".

"**Regulatory Authorities**" means all securities commissions or similar securities regulatory bodies having jurisdiction over the Company.

"**Replacement Options**" means up to 1,938,452 options to purchase Company Shares to be issued in exchange for the DiagnosTear Options outstanding at closing of the Proposed RTO Transaction, each exercisable for that number of Company Shares the holder would have been entitled to receive based on the Exchange Ratio had the DiagnosTear Option been exercised immediately prior to Closing.

"**Reporting Issuer**" means, inter alia, a company that has issued securities in respect of which a prospectus was filed and a receipt was issued by a securities commission of a province in Canada, has any securities that have been listed and trading on an exchange in Canada or completed a takeover with a listed issuer.

"**RES**" has the meaning ascribed to such term under the heading "*Information Concerning DiagnosTear – General Overview of DiagnosTear*".

"**Resulting Issuer**" means the Company on closing of the Proposed RTO Transaction.

"**Resulting Issuer Audit Committee**" has the meaning ascribed to such term under the heading "*Information Concerning the Resulting Issuer – Audit Committee and Corporate Governance – Composition of the Audit Committee*".

"**Resulting Issuer Board**" means the board of directors of the Resulting Issuer.

"**Routine Indebtedness**" has the meaning ascribed to such term in section 10.3(c) of Form 51-102F5 – *Information Circular* of the Canadian Securities Administrators.

"**RSU**" means restricted share units issuable under the Equity Incentive Plan.

"**RTO Subscription Receipts**" has the meaning as set forth on the face page of this Prospectus.

"**SEDAR+**" means the System of Electronic Document Analysis and Retrieval +.

"**SEDI**" means the System for Electronic Disclosure by Insiders.

"**Seed Financing**" means the non-brokered private placement by the Company of 2,700,000 Common Shares for gross proceeds of CAD$67,500.

"**Share Exchange Agreement**" has the meaning ascribed to such term on the face page of this Prospectus.

"**Shareholders**" means holders of Common Shares.

"**SR Shares**" has the meaning as set forth on the face page of this Prospectus.

"**SR Warrants**" has the meaning as set forth on the face page of this Prospectus.

"**SR Warrant Shares**" has the meaning as set forth on the face page of this Prospectus.

"**Subscription Receipt Agreements**" has the meaning as set forth on the face page of this Prospectus.

"**Subscription Receipt Agent**" has the meaning as set forth on the face page of this Prospectus.

"**Stock Options**" means incentive stock options issuable under the Equity Incentive Plan.

"**Transfer Agent**" means Endeavor Trust Corporation, the transfer agent and registrar of the Company.

"**Technology**" or the ""**TeaRx™ Technology**" has the meaning ascribed to such term under the heading "*Information Concerning DiagnosTear – General Overview of DiagnosTear*".

"**U.S.**" or "**United States**" means the United States of America, its territories or its possessions, any state of the United States or the District of Columbia.

"**U.S. Securities Act**" has the meaning as set forth on the face page of this Prospectus.

GENERAL MATTERS

About This Prospectus

The Company is not offering to sell securities under this Prospectus. Accordingly, no proceeds will be raised, and all expenses incurred in connection with the preparation and filing of this Prospectus will be paid by the Company or the Resulting Issuer, as applicable, from its available funds. The reader should rely only on the information contained in this Prospectus and is not entitled to rely on parts of the information contained in this Prospectus to the exclusion of others. The Company has not authorized anyone to provide you with additional or different information. If anyone provides you with additional, different or inconsistent

information, including statements in the media about the Company, such information should not be relied on. The information contained in this Prospectus is accurate only as of the date of this Prospectus or the date indicated, regardless of the time of delivery of this Prospectus.

All references in this Prospectus to "we", "us", "our" or the "Company" refer to Oceanview Technologies Inc.

References in this Prospectus to "DiagnosTear" refer to DiagnosTear Ltd.

References in this Prospectus to the "Resulting Issuer" refer to the Company after the completion of the Proposed Acquisition.

This Prospectus includes industry data and forecasts which we have obtained from industry publications and surveys. Although we believe these sources to be reliable, we have not independently verified any of the data nor ascertained the underlying economic assumptions relied upon therein. Some of the data is also based on our estimates, which are derived from our review of internal and externally sourced surveys, as well as independent sources. We cannot and do not provide any assurance as to the accuracy or completeness of included information. References in this Prospectus to research reports or articles should not be construed as depicting the complete findings of the entire referenced report or article. The information in each report or article is not incorporated by reference into this Prospectus.

Words importing the singular number include the plural, and *vice versa*, and words importing any gender include all genders.

Prospective investors should read this Prospectus in its entirety and consult their own professional advisors to assess the income tax, legal, risk factors and other aspects of an investment in any securities of the Company or the Resulting Issuer.

Financial Statement Presentation in This Prospectus

This Prospectus contains financial information for the Company and DiagnosTear for the periods and dates indicated. The "selected information" of the Company and DiagnosTear in this Prospectus has been derived from (i) the audited financial statements of the Company for the period from incorporation until December 31, 2023, (ii) the unaudited interim condensed financial statements of the Company for the three and six months ended June 30, 2024, (iii) the audited financial statements of DiagnosTear for the years ended December 31, 2023, December 31, 2022 and December 31, 2021, (iv) the unaudited condensed interim financial statements of DiagnosTear for the three and six months ended June 30, 2024, and (v) the pro forma consolidated financial statements of the Resulting Issuer as at June 30, 2024, assuming the Company Changes (collectively, the **"Financial Statements"**), which have been prepared in accordance with IFRS Accounting Standards and are included in this Prospectus, as follows:

Appendix A	—	the audited financial statements of the Company for the period from incorporation on May 10, 2023 until December 31, 2023 and the unaudited interim condensed financial statements of the Company for the period ended June 30, 2024 and the management's discussion and analysis thereon;
Appendix B	—	the audited financial statements of DiagnosTear for the years ended December 31, 2023, December 31, 2022 and December 31, 2021 and the unaudited interim condensed financial statements of DiagnosTear for the period ended June 30, 2024 and the management's discussion and analysis thereon; and

Appendix C	—	the unaudited pro forma consolidated financial statements of the Resulting Issuer as at June 30, 2024
Appendix D	—	the charter of the Resulting Issuer Audit Committee

Note Regarding Forward-Looking Information

This Prospectus contains statements and information that, to the extent that they are not historical fact, may constitute "forward-looking information" within the meaning of applicable securities legislation. Forward-looking information may include financial and other projections, as well as statements regarding future plans, objectives or economic performance, or the assumption underlying any of the foregoing. This Prospectus uses words such as "may", "would", "could", "will", "likely", "except", "anticipate", "believe", "intend", "plan", "forecast", "project", "estimate", "outlook", and other similar expressions to identify forward-looking information. These forward-looking statements include, among other things, statements relating to:

- DiagnosTear's expectations for the cost and timing of achieving its business objectives for the next 12 months;
- the Resulting Issuer's ability to obtain additional funds if needed through the sale of equity or debt commitments; and
- market position, ability to compete and future financial or operating performance of DiagnosTear and the Resulting Issuer;
- the effect on DiagnosTear and the Resulting Issuer of any changes to existing or new legislation or policy or government regulation;
- the length of time required to obtain permits, certifications and approvals;
- the availability of labour and talent;
- estimated budgets and the use of available funds;
- currency fluctuations;
- the timing of and issuance of a receipt for this Prospectus in a timely manner, and receipt of regulatory and other required approvals;
- the Resulting Issuer's anticipated compensation policy and practices;
- the Resulting Issuer's expected reliance on key management personnel, advisors and consultants; and
- the completion of the Proposed RTO Transaction, including the Listing.

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. The material factors and assumptions used to develop the forward-looking statements contained in this Prospectus include, without limitation:

- the ability to satisfy the conditions to closing of the Proposed RTO Transaction, including the Listing;
- general business and economic conditions will not change in a materially adverse manner;
- DiagnosTear's ability to successfully execute, in a timely fashion, its business plan and strategy (including achievement of its stated business objectives);
- the ability of DiagnosTear and the Resulting Issuer to attract and retain skilled personnel;
- political and regulatory stability;
- the receipt of governmental, regulatory and third-party approvals, licenses and permits on favourable terms to the extent required;
- the accuracy of cost estimates for satisfaction of DiagnosTear's stated business objectives
- the availability of financing on reasonable terms;
- the demand for DiagnosTear's products;
- compliance with applicable regulations, standards and policies;
- the strength of DiagnosTear's intellectual property portfolio and claims;

- the stability of foreign exchange rates;
- the free flow of goods across international borders;

Although the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and the Company cannot assure that actual results will be consistent with these forward-looking statements. Given these risks, uncertainties and assumptions, readers should not place undue reliance on these forward-looking statements. Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors. These include, but are not limited to, the risks associated with:

- the limited operating history of the Company and DiagnosTear;
- global economic conditions;
- the current conflict between Russia and Ukraine and in the Middle East and economic conditions relating to the foregoing;
- the current Israel-Hamas war in the Gaza strip and the Hezbollah war in the northern part of Israel and economic conditions relating to the foregoing;
- changing economic conditions and the economic environment in which DiagnosTear and the Resulting Issuer operate;
- foreign operations;
- acquisitions;
- dilution;
- the requirement for additional funding;
- operational risks;
- cybersecurity risks;
- financial forecasts and performance;
- competition;
- management of growth;
- reliance on management;
- insurance risk;
- regulatory risk;
- public opinion and consumer preferences;
- dependence on suppliers and manufacturers;
- requirements for further financing;
- litigation risk;
- conflicts of interest;
- research and development related risks;
- intellectual property related risks; and
- the limited experience in management of publicly-traded companies.

If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking statements prove incorrect, actual results might vary materially from those anticipated in those forward-looking statements. The assumptions referred to above and described in greater detail under "*Risk Factors*" should be considered carefully by readers.

The Company does not undertake to update or revise any forward-looking statements, except as, and to the extent required by, applicable securities laws in Canada.

All of the forward-looking statements contained in this Prospectus are expressly qualified by the foregoing cautionary statements. Investors should read this entire Prospectus and consult their own professional advisors to assess the income tax, legal, risk factors and other aspects of their investment.

Certain Additional Information

Aggregated figures in graphs, charts and tables contained in this Prospectus may not add due to rounding. Historical statistical data and/or historical returns do not necessarily indicate future performance. Unless

otherwise indicated, the market and industry data contained in this Prospectus is based upon information from industry and other publications, and the knowledge of management and experience of the Company and DiagnosTear in the markets in which the Company and DiagnosTear operate. Words importing the singular number include the plural and vice versa, and words importing any gender or the neuter include both genders and the neuter.

Currency and Exchange Rate Data

The Company and DiagnosTear presents their financial statements in Canadian dollars. In this Prospectus, unless otherwise specified or required by context, all references to US$ or USD are to United States (US) dollars. Canadian dollars are denoted as C$. New Israeli Shekels are denoted as NIS.

The table below sets forth the high and low exchange rates in Canadian dollars for one U.S. dollar and NIS for the period indicated, the average of the exchange rates for the period indicated and the exchange rate at the end of each the period, based on the Bank of Canada for the US$/C$ exchange rate and the Bank of Israel for the C$/NIS exchange rate on the date specified.

	USD, Year Ended December 31		NIS, Year Ended December 31	
	2023	2022	2023	2022
Rate at end of period	C$1.3226	C$1.3544	C$0.365	C$0.385
Average rate of period	C$1.3497	C$1.3011	C$0.366	C$0.387
High for period	C$1.3128	C$1.2451	C$0.337	C$0.366
Low for period	C$1.3875	C$1.3856	C$0.40	C$0.412

The daily exchange rate on October 7, 2024, as reported by the Bank of Canada for the conversion of Canadian dollars into United States dollars was C$0.7348 equals US$1.00, and the daily exchange rate on October 7, 2024, as reported by the Bank of Israel for the conversion of Canadian dollars into New Israeli Shekels, was C$0.3587 equals NIS 1 (collectively, the "**Current Exchange Rate**").

SUMMARY OF PROSPECTUS

The following is a summary of the principal features of this Prospectus and should be read together with the more detailed information and financial data and financial statements contained elsewhere in this Prospectus.

The Company:	The Company was incorporated under the name "Oceanview Technologies Inc." under the laws of the Province of British Columbia on May 10, 2023. The head office and registered and records office of the Company is located at 2600-1066 West Hasting Street, Vancouver, BC V6E 3X1.
Business of the Company:	The Company has no active business other than completing the Proposed RTO Transaction and on completion of the Proposed RTO Transaction, the business of DiagnosTear will become the business of the Company. See "*Information Concerning DiagnosTear – General Overview of DiagnosTear*".
DiagnosTear:	DiagnosTear is a company incorporated under the laws of Israel on February 6, 2012. The head office and registered office of DiagnosTear is located at Menahem Plaut 10 Rehovot, Israel.
Business of DiagnosTear:	DiagnosTear is currently engaged in the development of TeaRx™ technology that is designed for the diagnosis of front-of-the-eye diseases by analyzing the composition of the tear fluid. See "*Information Concerning DiagnosTear – General Overview of DiagnosTear*".
The Resulting Issuer	On Closing of the Proposed RTO Transaction, DiagnosTear will become a wholly-owned or majority-owned subsidiary of the Resulting Issuer. The Resulting Issuer will continue to be governed by the *BCBCA*, and DiagnosTear will continue to be governed by the Israeli *Companies Law 5759-1999*. The Resulting Issuer's registered and records office will be located at 2600-1066 West Hastings Street, Vancouver, British Columbia V6E 3X1 and the head office of the Resulting Issuer will be located at Menahem Plaut 10 Rehovot, Israel. See "*Information Concerning Resulting Issuer - Corporate Structure*".
Business of the Resulting Issuer	The Resulting Issuer will carry on the business of DiagnosTear.
Proposed RTO Transaction:	Pursuant to the Share Exchange Agreement, the Company will acquire all of the issued and outstanding DiagnosTear Shares and DiagnosTear Options of the Majority DiagnosTear Shareholder and each other Participating DiagnosTear Shareholders in exchange for the Payment Shares and Replacement Options. Upon completion of the Proposed RTO Transaction, DiagnosTear will become a wholly-owned or majority owned subsidiary of the Company.
Conditions to the Completion of the Proposed Acquisition	The conditions precedent to the Closing include the following conditions, among others: • the Payment Shares issued to DiagnosTear Shareholders pursuant to the Share Exchange Agreement shall be exempt from the prospectus and registration requirements under applicable securities laws; • the Company will have satisfied the listing requirements of the Exchange regarding distribution and capitalization; • there will have been no change in the nature, conduct, assets, position (financial or trading), profits or prospectus of the business of DiagnosTear or the Company that would result in a material adverse effect and no contract, license or financial agreement that is material to either business will have been terminated or had its terms materially and adversely amended; • the Company will have completed private placements raising not less than US$2,500,000;

- DiagnosTear will have received a 103K Tax Ruling, in form and substance acceptable to the Company, acting reasonably, and the 103K Tax Ruling will not be withdrawn or rescinded and will remain in full force and effect on Closing;

Although a condition to closing the Proposed RTO Transaction is the issuance of a receipt by the Regulatory Authorities for a Final Prospectus, the Regulatory Authorities will not issue such a receipt unless the Proposed RTO Transaction has been completed, absent which the Company does not have an active business suitable for listing. As such, the Share Exchange Agreement provides that the closing of the Proposed RTO Transaction will be effected pursuant to the Closing Agreement, pursuant to which the parties thereto shall confirm that all conditions to closing the Proposed RTO Transaction have been satisfied or waived, but for the Final Regulatory Approval, and upon receipt of the Final Regulatory Approval, the Proposed RTO Transaction will be deemed closed and all payments and documents will be deemed delivered to the appropriate party and if the Final Regulatory Approval is not received by November 29, 2024, the Share Exchange Agreement will terminate, the Company will withdraw its application for Listing (as defined below) and none of the Qualified Securities will be issued by the Company. Prior to receiving the Final Regulatory Approval, the Company will post the executed Closing Agreement to its SEDAR+ profile, confirming that the Proposed RTO Transaction has closed but for the Final Regulatory Approval.

See "*Information Concerning the Proposed RTO Transaction – Share Exchange Agreement*".

The Company Financing: Pursuant to the Bridge Subscription Receipt Financing and the Concurrent Subscription Receipt Financing, the Company issued an aggregate of 3,613,900 Bridge Subscription Receipts and 2,293,554 Concurrent Subscription Receipts for gross proceeds of the Canadian dollar equivalent of $3,527,115.50. See "*Plan of Distribution"* and "*Description of Securities Distributed*".

Issue Price: $0.50 per Bridge Subscription Receipt and $0.75 per Concurrent Subscription Receipt.

Qualified Securities This Prospectus is being filed to qualify the distribution of: (i) 3,613,900 SR Shares upon the deemed exercise of 3,613,900 Bridge Subscription Receipts; (ii) 2,293,554 SR Shares and 2,293,554 SR Warrants upon the deemed exercise of 2,293,554 Concurrent Subscription Receipts; and (iii) upon closing of the Proposed RTO Transaction, 35,193,001 Payment Shares and 3,440,331 Payment Warrants.

Use of Proceeds: As at September 30, 2024, the most recent month end before the date of this Prospectus, the Company had estimated working capital deficiency of C$(277) thousands and DiagnosTear had estimated working capital deficiency of C$(233) thousands. Upon completion of the Proposed RTO Transaction, the funds held in escrow pursuant to the RTO Subscription Receipt Financings will be released to the Resulting Issuer, which results in an aggregate pro forma working capital of the Resulting Issuer of C$2,882 thousands. The Available Funds will be used, to the extent required, for the principal purposes set out in the Prospectus. However, there may be circumstances where, for business reasons, reallocation of funds or further financing may be necessary. See "*Information Concerning the Resulting Issuer – Funds Available and Use of Available Funds*".

Directors and Officers of the Resulting Issuer:

Name	Position
Shimon Gross	CEO
Yifftach Biel	CFO
Yaacov Michlin	Director (Chairman of the board)
Julia Reznick Zilberman	Independent Director
Karin Gurevitz	Director

Igal Kohn	Independent Director
John Sinclair	Independent Director

See "*Information Concerning the Resulting Issuer - Directors and Executive Officers*".

Risk Factors

Due to the nature of the Company's business and the present stage of development of its business, the Company is subject to significant risks. Readers should carefully consider all such risks. The risks described herein are not the only risks that affect the Company. Other risks and uncertainties that the Company does not presently consider to be material, or of which the Company is not presently aware, may become important factors that affect the Company's future business prospectus, financial condition and results of operations. For a detailed description of these risks see "*Risk Factors*".

Selected Financial Information of the Company:

The following selected financial information has been derived from and is qualified in its entirety by the audited financial statements of the Company for the period from incorporation until December 31, 2023 and for the period ended June 30, 2024 and notes thereto included in this Prospectus and should be read in conjunction with the financial statements, notes thereto and related Management's Discussion & Analysis. All financial statements of the Company are prepared in accordance with IFRS Accounting Standards. See "*Information Concerning The Company - Selected Financial Information and Management's Discussion & Analysis*".

All amounts referred to as being derived from the financial statements of the Company are denoted in Canadian Dollars.

	June 30, 2024 (unaudited) (C$, thousands)	**December 31, 2023 (audited) (C$, thousands)**
Cash	53	56
Other assets	2	Nil
Total assets	55	56
Liabilities	319	129
Revenue	Nil	Nil
Expenses	193	260
Net Income Loss	(191)	(260)

See "*Information Concerning The Company - Selected Financial Information and Management's Discussion & Analysis*".

Selected Financial Information of DiagnosTear:

The following selected financial information has been derived from and is qualified in its entirety by the annual audited financial statements of DiagnosTear for the years ended December 31, 2023 and December 31, 2022 and the unaudited interim financial statements of DiagnosTear for the period ended June 30, 2024 and notes thereto included in this Prospectus and should be read in conjunction with the financial statements, notes thereto and related Management's Discussion & Analysis. All financial statements of DiagnosTear are prepared in accordance with IFRS Accounting Standards. See "*Information Concerning DiagnosTear - Selected Financial Information and Management's Discussion & Analysis".*

All amounts referred to as being derived from the financial statements of the DiagnosTear are denoted in Canadian Dollars in thousands.

	As at June 30, 2024 (Unaudited) (C$, thousands)	**As at December 31, 2023 (audited) (C$, thousands)**	**As at December 31, 2022 (audited) (C$, thousands)**
Cash	256	275	98
Other assets	1,449	1,538	1,158
Total assets	1,705	1,813	1,256
Liabilities	851	634	748
Revenue	Nil	Nil	Nil
Operating loss	(542)	(1,136)	(1,100)
Net Loss	(519)	(1,153)	(1,187)

See "*Information Concerning DiagnosTear - Selected Financial Information and Management's Discussion & Analysis".*

Summary of Selected *Pro Forma* Financial Information:

The table below sets forth selected *pro forma* financial information of the Company, assuming the Company Changes. The selected *pro forma* financial information has been derived from, should be read in conjunction with, and is qualified in its entirety by, the *pro forma* Financial Statements.

	***Pro forma* as at June 30, 2024, assuming the Company Changes (C$, thousands)**
Current Assets	3,799
Total Assets	5,240
Current Liabilities	803
Total Liabilities	1,170
Total Equity	4,070

INFORMATION CONCERNING THE COMPANY

Corporate Structure

Names, Addresses and Incorporation

The Company was incorporated under the name "Oceanview Technologies Inc." under the laws of the Province of British Columbia on May 10, 2023. The registered and record office of the Company and the head office of the Company is located at 2600-1066 West Hastings Street, Vancouver, British Columbia V6E 3X1.

Intercorporate Relationships

As at the date of this Prospectus, the Company does not have any subsidiaries.

Business of the Company

The principal business of the Company is to identify, evaluate and then acquire an interest in a business or assets. The Company's continuing operations, as intended, are dependent upon its ability to identify, evaluate and negotiate an acquisition of or participation in an interest in properties, assets or businesses. There can be no assurance that the Company will be able to complete such activities or obtain financing to continue; therefore, a material uncertainty exists that casts significant doubt over the Company's ability to continue as a going concern.

The Company has no active business other than the completion of the Bridge Subscription Receipt Financing and Concurrent Subscription Receipt Financing and the completion of the Proposed RTO Transaction, whereupon it will carry on the business of DiagnosTear.

Three Year History

2023

On May 10, 2023, the Company was incorporated and issued 100 Common Shares at a price of $0.10 per Common Share to its incorporator, Ohad David. The funds raised pursuant to the incorporation are not subject to any conditions.

On June 5, 2023, the Company completed the Initial Financing, consisting of 14,000,000 Common Shares at a price of $0.005 per Common Share for gross proceeds of $70,000. The funds raised pursuant to the Initial Financing are not subject to any conditions.

On June 7, 2023, the Company completed the Seed Financing, consisting of 2,700,000 Common Shares at a price of $0.025 per Common Share for gross proceeds of $67,500. The funds raised pursuant to the Seed Financing are not subject to any conditions. Ohad David, director of the Company at the time of closing of the Seed Financing, subscribed for 900,000 Common Shares under the Seed Financing for total subscription proceeds of $22,500.

On July 17, 2023, the Company completed the first tranche of non-brokered private placement of Common Shares priced at $0.10 per Common Share (the "**July 2023 Private Placement**"). Under the first tranche of the July 2023 Private Placement, the Company issued 79,000 Common Shares for gross proceeds of $7,900. On July 19, 2023, the Company completed the second tranche of the July 2023 Private Placement, issuing 421,000 Common Shares for gross proceeds of $42,100. The funds raised pursuant to the July 2023 Private Placement are not subject to any conditions.

On August 17, 2023, the Company entered into the Share Exchange Agreement with DiagnosTear and the Majority DiagnosTear Shareholder for the acquisition of all of the issued and outstanding shares of DiagnosTear for the Payment Shares and the Replacement Options. See "*Information Concerning the Proposed RTO Transaction*" for a more detailed summary of the Proposed RTO Transaction.

Effective December 31, 2023, the Company, DiagnosTear and the Majority DiagnosTear Shareholder amended the terms of the Share Exchange Agreement, pursuant to which the parties extended the outside date of the Proposed RTO Transaction to November 29, 2024 and established the terms of the Concurrent Subscription Receipt Financing.

2024

On September 10, 2024, the Company completed the Bridge Subscription Receipt Financing at a price per Bridge Subscription Receipt of $0.50 for aggregate consideration of $1,806,950. Each Bridge Subscription Receipt will be automatically exchangeable, without additional consideration, into one (1) SR Share, pursuant to the terms of the Bridge Subscription Receipt Agreement. Under the Bridge Subscription Receipt Agreement, the Bridge Subscription Receipts will automatically convert into SR Shares upon the "Escrow Release Conditions" (as defined under the Bridge Subscription Receipt Agreement), which includes satisfaction of all conditions precedent in the Share Exchange Agreement and the receipt of all regulatory approvals necessary for completion of the Proposed RTO Transaction. Under the Bridge Subscription Receipt Financing, all proceeds are subject to escrow and held by Endeavor Trust Corporation (the "**Bridge Escrowed Funds**"). Upon satisfaction of the Escrow Release Conditions for the Bridge Subscription Receipts, the Company will pay finders, in connection with the Bridge Subscription Receipt Financing, cash commissions of $126,486.50 and share-based commissions of 216,834 Common Shares.

On October 30, 2024, the Company, DiagnosTear and the Majority DiagnosTear Shareholder amended the terms of the Share Exchange Agreement, pursuant to which the parties extended the term of the SR Warrants and Payment Warrants from 12 months to 18 months.

On November 14, 2024, the Company completed the Concurrent Subscription Receipt Financing by issuing 2,293,554 Concurrent Subscription Receipts at a price per Concurrent Subscription Receipt of $0.75 for aggregate consideration of $1,720,165.50. Each Concurrent Subscription Receipt will be automatically exchangeable, without additional consideration, into one (1) SR Share and one (1) SR Warrant, pursuant to the terms of the Concurrent Subscription Receipt Agreement. Under the Concurrent Subscription Receipt Agreement, the Concurrent Subscription Receipts will automatically convert into SR Shares and SR Warrants upon the "Escrow Release Conditions" (as defined under the Concurrent Subscription Receipt Agreement), which includes satisfaction of all conditions precedent in the Share Exchange Agreement and the receipt of all regulatory approvals necessary for completion of the Proposed RTO Transaction. Under the Concurrent Subscription Receipt Financing, all proceeds are subject to escrow and held by Endeavor Trust Corporation (the "**Concurrent Escrowed Funds**" and together with the Bridge Escrowed Funds, the "**Escrowed Funds**"). Upon satisfaction of the Escrow Release Conditions for the Concurrent Subscription Receipts, the Company will pay finders in connection with the Concurrent Subscription Receipt Financing cash commissions of $120,412 and share-based commissions of 137,613 Common Shares.

Dividends or Distributions

The Company has not declared any cash dividends or distributions for any of its securities in any of the three most recently completed financial years and no such dividends or distributions are contemplated for the current financial year. As of the date of this Prospectus, there are no restrictions that prevent the Company from paying dividends or distributions on its Common Shares.

It is not contemplated that the Company will pay dividends in the immediate or foreseeable future. The Company currently intends to retain future earnings, if any, to finance the expansion of its business. Any future decision to pay dividends on the Company's Common Shares will be made by the Board on the basis of the earnings, financial requirements and other conditions existing at such time.

Selected Financial Information and Management's Discussion & Analysis

Selected Financial Information

The following selected financial information has been derived from and is qualified in its entirety by the annual financial statements for the period from incorporation until December 31, 2023 (audited) and for the

period ended June 30, 2024 (unaudited) and notes thereto included in this Prospectus, and should be read in conjunction with such financial statements and the related notes thereto, along with the MD&A included in Appendix "A" of this Prospectus. All financial statements of the Company are prepared in accordance with IFRS Accounting Standards.

	As at June 30, 2024 (unaudited) (C$, thousands)	As at December 31, 2023 (audited) (C$, thousands)
Current Assets	55	56
Total Assets	55	56
Current Liabilities	319	129
Total Liabilities	319	129
Total Equity (Deficiency)	(264)	(73)
Revenues	Nil	Nil
Expenses	193	260
Net Income (Loss)	(191)	(26)

Management's Discussion and Analysis

The MD&A of the Company for the financial year ended December 31, 2023 and the period ended June 30, 2024 is included in this Prospectus at Appendix "A". The MD&A of the Company should be read in conjunction with the respective financial statements and the accompanying notes thereto included in this Prospectus.

Description of Share Capital

Common Shares

The authorized capital of the Company consists of an unlimited number of Common Shares. As of the date hereof, there are 17,200,100 Common Shares issued and outstanding.

The Company expects to issue 3,613,900 SR Shares upon exercise of the Bridge Subscription Receipts pursuant to the Bridge Subscription Receipt Financing and 2,293,554 SR Shares and 2,293,554 SR Warrants upon exercise of the Concurrent Subscription Receipts pursuant to the Concurrent Subscription Receipt Financing. The Company also expects to issue 35,193,001 Payment Shares closing of the Proposed RTO Transaction. See "*Information Concerning the Proposed RTO Transaction*" for a description of the Proposed RTO Transaction.

Holders of Common Shares are entitled to receive notice of, and to attend and vote at, all meetings of the shareholders of the Company, and each Common Share confers the right to one vote, provided that the shareholder is a holder on the applicable record date declared by the Company Board. The holders of Common Shares, subject to the prior rights, if any, of any other class of shares of the Company with special rights as to dividends, are entitled to receive such dividends in any financial year as the Company Board may determine. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Company, the remaining property and assets of the Company. The Common Shares are not subject to call or assessment rights, redemption rights, rights regarding purchase for cancellation or surrender, or any pre-emptive or conversion rights. See *"Information Concerning the Company – Consolidated Capitalization*".

Option to Acquire Securities

RTO Subscription Receipts

The Company issued an aggregate of 5,907,454 RTO Subscription Receipts on a private placement basis pursuant to the RTO Subscription Receipt Financings for gross proceeds of $3,527,115.50. The RTO Subscription Receipts are governed by the terms of the applicable Subscription Receipt Agreement. The following summary of certain provisions of the Subscription Receipt Agreements does not purport to be complete and is subject in its entirety to the detailed provisions of each Subscription Receipt Agreement.

Each RTO Subscription Receipt shall be automatically exchanged, without payment of any additional consideration and without further action on the part of the holder thereof, into one (1) SR Share (in the case of Bridge Subscription Receipts) and one (1) SR Share and one (1) SR Warrant (in the case of the Concurrent Subscription Receipts) upon the satisfaction of the Escrow Release Conditions (as defined in the applicable Subscription Receipt Agreement), all in accordance with the terms and conditions of the applicable Subscription Receipt Agreement, and until such time, no RTO Subscription Receipts may be exchanged into SR Shares and/or SR Warrants by the holders thereof. At the direction of the Subscription Receipt Agent, the Escrowed Funds have been deposited into a segregated interest bearing account of the Subscription Receipt Agent and invested by the Subscription Receipt Agent in short-term obligations of, or guaranteed by, the Government of Canada or a major Schedule 1 Canadian chartered bank, or any interest bearing trust account of the Company. The Escrowed Funds will only be released to the Company for use, on or before the Escrow Release Deadline (as defined in the applicable Subscription Receipt Agreement), upon delivery of a Closing Notice by the Company confirming that the Escrow Release Conditions have been satisfied and directing the Subscription Receipt Agent to release the Escrowed Funds. In the event that (i) the Company provides written notice to the Subscription Receipt Agent confirming that the Proposed RTO Transaction will not be completed; or (ii) the Escrow Release Conditions have not been satisfied prior to the Escrow Release Deadline, the Escrowed Funds (less applicable withholding taxes), will be returned to the holders of the Subscription Receipts on a pro rata basis and the Subscription Receipts will be deemed to have been cancelled. To the extent that there are insufficient funds to reimburse the holders of RTO Subscription Receipts in full of the purchase price paid for the RTO Subscription Receipts, the Company will contribute to the Escrowed Funds such amount as may be necessary to satisfy any shortfall.

Each Subscription Receipt Agreement provides for adjustment of the number of SR Shares and/or SR Warrants issuable upon the exercise of the RTO Subscription Receipts upon the occurrence of certain events, including:

(i) the issuance of Common Shares or securities exchangeable for or convertible into Common Shares to all or substantially all of the holders of the Common Shares as a stock dividend or other distribution (other than a distribution of Common Shares contemplated in connection with the Proposed RTO Transaction);

(ii) the subdivision, redivision or change of the Common Shares into a greater number of shares;

(iii) the reduction, combination or consolidation of the Common Shares into a lesser number of shares;

(iv) the issuance to all or substantially all of the holders of the Common Shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase Common Shares, or securities exchangeable for or convertible into Common Shares, at a price per share to the holder (or at an exercise or conversion price per share) of less than 95% of the “current market price”, as defined in the Special Warrant Indenture (as defined in the applicable Subscription Receipt Agreement), for the Common Shares on such record date; and

(v) the issuance or distribution to all or substantially all of the holders of the Common Shares of securities including rights, options or warrants to acquire shares of any class or securities exchangeable or exercisable for, or convertible into, any such shares or property or assets or evidences of indebtedness or any property (including cash) or other assets.

The Subscription Receipt Agreements also provide for adjustments in the class and/or number of securities issuable upon exercise of the RTO Subscription Receipts in the event of the following additional events: (a) reclassifications of the Common Shares or exchange in the Common Shares into or for other shares or securities, or a capital reorganization of the Company (other than as described in clauses (i) or (ii) above), (b) the triggering of a shareholders' rights plan or consolidations, amalgamations, arrangements or mergers of the Company with or into another entity, or (c) any transfer, sale or conveyance of the property and assets of the Company as an entirety or substantially as an entirety to another entity, in which case each RTO Subscription Receipt which is thereafter exercised will receive, in lieu of the number of SR Shares and/or SR Warrants to which it was previously entitled, the kind and number of SR Shares and/or SR Warrants, or other securities or property of the Company or successor thereto that the RTO Subscription Receipt holder would have been entitled to receive as a result of such event if such holder had exercised the RTO Subscription Receipts prior to the event.

The Company also covenanted in the Subscription Receipt Agreements that, during the period in which the RTO Subscription Receipts are exercisable, it will give notice to RTO Subscription Receipt holders of certain stated events, including events that would result in an adjustment to the number of SR Shares and/or SR Warrants issuable upon exercise of the Subscription Receipts, at least 14 days prior to the record date or effective date, as the case may be, of such events.

No fractional SR Shares or SR Warrants will be issuable to any holder of RTO Subscription Receipts upon the exercise thereof, and no cash or other consideration will be paid in lieu of any fractional SR Shares or SR Warrants. The holding of RTO Subscription Receipts will not make the holder thereof a shareholder of the Company or entitle such holder to any right or interest in respect of the RTO Subscription Receipt except as expressly provided in the applicable Subscription Receipt Agreement. Holders of RTO Subscription Receipts will not have any voting or pre-emptive rights or any other rights of a holder of Common Shares.

The Subscription Receipt Agreements provide that, from time to time, the Subscription Receipt Agent and the Company, without the consent of the holders of RTO Subscription Receipts, may be able to amend or supplement the Subscription Receipt Agreements for certain purposes, including rectifying any ambiguities, defective provisions, clerical omissions or mistakes, or other errors contained in the Subscription Receipt Agreements or in any deed or indenture supplemental or ancillary to the Subscription Receipt Agreements, provided that, in the opinion of the Subscription Receipt Agent, relying on counsel, the rights of the holders of that certain class of RTO Subscription Receipt are not prejudiced, as a group. Any amendment or supplement to the Subscription Receipt Agreements that is prejudicial to the interests of the holders of a class of RTO Subscription Receipts, as a group, will be subject to approval by an "Extraordinary Resolution", which will be defined in the applicable Subscription Receipt Agreement as a resolution either: (i) passed at a meeting of the holders of Bridge Subscription Receipts or Concurrent Subscription Receipts (as the case may be) at which there are holders thereof present in person or represented by proxy representing at least 25% of the aggregate number of the then outstanding Bridge Subscription Receipts or Concurrent Subscription Receipts (as the case may be) and passed by the affirmative vote of holders of Bridge Subscription Receipts or Concurrent Subscription Receipts (as the case may be) representing not less than 66 2/3% of the aggregate number of all the then outstanding applicable Bridge Subscription Receipts or Concurrent Subscription Receipts (as the case may be); or (ii) adopted by an instrument in writing signed by the holders of Bridge Subscription Receipts or Concurrent Subscription Receipts (as the case may be) representing not less than 66 2/3% of the number of all of the then outstanding Bridge Subscription Receipts or Concurrent Subscription Receipts (as the case may be).

The principal transfer office of the Subscription Receipt Agent is in Vancouver, British Columbia and is the location at which Bridge Subscription Receipts or Concurrent Subscription Receipts (as the case may be) may be surrendered for exercise or transfer.

Equity Incentive Plan

In contemplation of the completion of the Proposed RTO Transaction, the Company's Board approved the Equity Incentive Plan on October 6, 2024. A summary of the terms of the Equity Incentive Plan is set forth below. Upon closing of the Proposed RTO Transaction, the Resulting Issuer anticipates having 1,938,452

Replacement Options issued and outstanding under the Equity Incentive Plan and an available pool of Resulting Issuer Awards (as defined below) of 3,927,048.

The purpose of the Equity Incentive Plan is to: (i) provide an incentive to the directors, officers, employees, consultants and other personnel of the Company to achieve the longer-term objectives of the Company; (ii) give suitable recognition to the ability of such persons who contribute materially to the success of the Company; and (iii) attract and retain in the employment of the Company, persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Company.

The table below provides a summary of the Equity Incentive Plan, assuming the Listing of the Common Shares on the Exchange. The full text of the Equity Incentive Plan will be available under the Company's profile on SEDAR+ at www.sedarplus.ca.

Key Terms	**Summary**
Administration	The Equity Incentive Plan is administered by the Company Board or by a special committee of directors appointed from time to time by the Company Board.
Stock Exchange Rules	All Awards (as defined below) granted pursuant to the Equity Incentive Plan are subject to applicable rules and policies of any stock exchange or exchanges on which the Common Shares are listed and any other regulatory body having jurisdiction.
Types of Awards	The Equity Incentive Plan provides for the granting of Stock Options, DSUs, RSUs and PSUs (collectively, the "**Awards**")
Common Shares Subject to Plan	The aggregate number of Common Shares issuable upon the exercise of all Awards granted under the Equity Incentive Plan are not to exceed 10% of the issued and outstanding Common Shares from time to time. If any Award granted under the Equity Incentive Plan expires for any reason without being exercised, the unpurchased Common Shares are available for the purpose of the Equity Incentive Plan.
Eligibility	Directors, officers, consultants and employees of the Company and employees of a person or company which provide management services to the Company are eligible to participate in the Equity Incentive Plan. Subject to compliance with requirements of the applicable regulators, participants may elect to hold Awards granted to them in an incorporated entity wholly owned by them and such entity is bound by the Equity Incentive Plan in the same manner as if the Awards were held by the participant.
Number of Optioned Shares	No single participant may be granted Awards to purchase a number of Common Shares equaling more than 5% of the issued Common Shares in any 12 month period unless the Company has obtained disinterested shareholder approval in respect of such grant and meets applicable regulatory requirements. Awards will not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Common Shares in any 12 month period to a consultant of the Company. Awards will not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Common Shares in any 12 month period to persons employed to provide investor relations activities. Awards granted to consultants performing investor relations activities will contain vesting provisions such that vesting occurs over a minimum of 12 months with no more than 1/4 of the Awards vesting in any three month period.

Key Terms	Summary
Exercise Price	The exercise price of the Common Shares subject to each Award will be determined by the Company Board, subject to approval by the regulators (if applicable), at the time any Award is granted.
Vesting and Exercise Period	Each Award and all rights thereunder will expire on the date set out in an award agreement, provided that in no circumstances will the duration of any Awards exceed the maximum term permitted by the applicable regulators and further provided that DSUs, PSUs and RSUs cannot vest sooner than the 12-month anniversary of the date of grant. If any Awards expire during a period when trading of the Company's securities by certain persons as designated by the Company is prohibited or within ten business days after the end of such a period, the term of those Awards will be extended to ten business days after the end of the prohibited trading period, unless such extension is prohibited by any applicable law or the policies of the applicable regulators.
Israel Resident Sub-Plan	With respect to participants resident in Israel, the Company adopted a sub-plan to the Equity Incentive Plan that provides for certain "tax-qualified" options to be granted to eligible employees under Section 102 of the ITO.
Cessation of Employment	Unless otherwise specified in the award agreement pursuant to which the Awards are granted to the participant, if a participant ceases to be a director, officer, consultant or employee of the Company, or ceases to be a management company employee, for any reason (other than death or termination for cause), such participant may exercise their Award to the extent that the participant was entitled to exercise it at the date of such cessation, provided that such exercise must occur within 90 days after the participant ceases to be a director, officer, consultant or employee, or a management company employee, unless such participant was engaged in investor relations activities, in which case such exercise must occur within 30 days after the cessation of the participant's services to the Company.
Death of Participant	In the event of the death of a participant, the Awards previously granted to such participant will be exercisable only within 12 months after such death and only if and to the extent that such participant was entitled to exercise the Awards at the date of death.

As at the date of this Prospectus, the Company does not currently have any awards issued and outstanding under its Equity Incentive Plan.

Consolidated Capitalization

Excluding the Closing, there have been no material changes in the capital of the Company since June 30, 2024, except for the completion of the Bridge Subscription Receipt Financing and the Concurrent Subscription Receipt Financing (the "**Company Changes**"). See "*Information Concerning the Company – Prior Sales*" and "*Information Concerning the Company – Business of the Company*".

The following table outlines (a) the consolidated capitalization of the Company as at June 30, 2024, (b) the *pro forma* consolidated capitalization of the Company as at the date of this Prospectus, after giving effect to the Company Changes and (c) the *pro forma* consolidated capitalization of the Resulting Issuer after giving effect to the conversion of the RTO Subscription Receipts and the completion of the Proposed RTO Transaction. The table should be read in conjunction with the Company Financial Statements, the *pro forma* consolidated financial statements of the Resulting Issuer and the accompanying notes thereto included in this Prospectus:

	Amount Authorized or to be Authorized	Amount Outstanding as at June 30, 2024	Amount Outstanding as at the date of this Prospectus	Amount Outstanding After Giving Effect to the Conversion of the RTO Subscription Receipts and completion of Proposed RTO Transaction[(1)]
Common Shares	Unlimited	17,200,100	17,200,100	58,655,002
Bridge Subscription Receipts	3,613,900	Nil	3,613,900	Nil
Concurrent Subscription Receipts	2,293,554	Nil	2,293,554	Nil
Warrants	5,733,885	Nil	Nil	5,733,855
Stock Options	10% of issued and outstanding Common Shares	Nil	Nil	1,938,452
RSUs / DSUs / PSUs		Nil	Nil	Nil

Notes:
(1) On an undiluted basis. This assumes the issuance of: (a) 5,907,454 SR Shares; (b) 35,193,001 Payment Shares; and (c) 354,447 Resulting Issuer Shares issuable to certain finders upon Closing. Upon conversion of the Concurrent Subscription Receipts and issuance the Payment Warrants and the Replacement Options on Closing, the Company will have 5,733,885 Resulting Issuer Warrants and 1,938,452 Stock Options issued and outstanding.

Prior Sales

This table sets out particulars of the Common Shares and the securities convertible or exchangeable into Common Shares that have been issued or sold by the Company within the 12 months prior to the date of this Prospectus:

Date of Issuance/Sale	Security Type	Number of Securities	Issue/Sale Price
September 10, 2024	Bridge Subscription Receipts[(1)]	3,613,900	$0.50
November 14, 2024	Concurrent Subscription Receipts[(2)]	2,293,554	$0.75

Notes:
(1) Each Bridge Subscription Receipt will convert into one (1) SR Share upon satisfaction of the Escrow Release Conditions (as defined in the Bridge Subscription Receipt Agreement). Upon Closing, the Company will issue 216,834 Common Shares to certain finders under the Bridge Subscription Receipt Financing.
(2) Each Concurrent Subscription Receipt will convert into one (1) SR Share and one (1) SR Warrant upon satisfaction of the Escrow Release Conditions (as defined in the Concurrent Subscription Receipt Agreement). Upon Closing, the Company will issue 137,613 Common Shares to certain finders under the Concurrent Subscription Receipt Financing.

Principal Securityholders

To the knowledge of the directors and officers of the Company, no person or company beneficially owns, or controls or directs, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to all the outstanding Common Shares other than as follows:

Name	Designation of security	Number of securities	Percentage of Common Shares Immediately Before Conversion of the RTO Subscription Receipts[(1)]	Percentage of Common Shares Immediately After Conversion of RTO Subscription Receipts [(2)]
Tamir Gedo	Common Shares	2,800,000	16.3%	11.9%
Orit Gedo	Common Shares	3,000,000	17.4%	12.8%
Lavi Krasney	Common Shares	5,000,000	28.5%	21.3%
Lihie Krasney	Common Shares	2,000,000	11.4%	8.5%

Notes:
(1) Immediately before the Conversion Date, the Company had 17,200,100 Common Shares issued and outstanding.
(2) Immediately after the Conversion Date and before the closing of the Proposed RTO Transaction, the Company will have 23,462,001 Common Shares issued and outstanding.

Directors and Executive Officers

The following table sets out the name, age, province or state and country of residence, position and offices and principal occupation during the five preceding years and periods during which each director and executive officer has served as a director or executive officer of the Company (as applicable), of each of the current directors and executive officers of the Company.

Name, Age and Residence	Position	Date of Appointment or Election	Principal Occupations During the Last 5 Years[(1)]	Number and Percentage of Common Shares Owned or Controlled[(2)]
Ohad David[(3)] Age 36 *Vancouver, Canada*	President and Director	July 11, 2023	CEO of Starmet Ventures Inc. (January 2022 – Present) Owner of Ohad Diamonds Inc. (November 2009 – Present)	900,100 (5.39%)
Gabriel Kabazo Age 50 *Vancouver, Canada*	Chief Financial Officer and Director	July 11, 2023	CFO of Plantify Foods, Inc. (July 2022 – Present) CFO of Starmet Ventures Inc. (January 2022 – Present) CFO of BYND Cannasoft Enterprises Inc. (May 2020 – Present) Sr. Strategy Manager at Telus Communications Inc. (July 2010 - June 2023)	900,000 (5.39%)

Name, Age and Residence	Position	Date of Appointment or Election	Principal Occupations During the Last 5 Years[1]	Number and Percentage of Common Shares Owned or Controlled[2]
Dr. Tamir Gedo Age 53 *Rishon le Zion, Israel*	Director	July 11, 2023	Chairman of Atlas Global Brands (January 2023 – Present) CEO of Beyond Oil (March 2021 –February 2023) CEO of BOL Pharma (January 2013 – May 2020)	2,800,000 (16.3%)[4]
Menachem Mendel Oirechman Age 22 *Vancouver, British Columbia*	Director	July 11, 2023	Student at the Rabbinical College of America (September 2019 – Present)	Nil

Notes:
(1) The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of management of the Company and has been furnished by the respective nominees.
(2) As of the date of this Prospectus, the Company has 17,200,100 Common Shares issued and outstanding on an undiluted basis.
(3) Mr. Ohad David was the incorporator of the Company.

As of the date of this Prospectus, directors and officers of the Company, as a group, own or control or exercise direction, directly or indirectly over 5,800,100 Common Shares, being approximately 34.73% of the issued Common Shares.

In connection with the completion of the Proposed RTO Transaction each of the directors of the Company will resign as directors and the proposed directors of the Resulting Issuer will be appointed. The appointment of each of these persons is conditional upon the closing of the Proposed RTO Transaction. In the event that the Proposed RTO Transaction is not completed, the current directors of the Company will remain directors of the Company.

Background – Directors and Executive Officers

The following biographies provide information in respect of the directors and officers of the Company.

Ohad David, Director and President, Age: 36

Mr. Ohad David brings over 15 years of experience in the international trading industry, particularly in the area of importing and exporting expensive high-end goods – with a specialty in loose diamonds. Since January 2022, Mr. David has served as CEO for Starmet Ventures Inc. (CSE:STAR). In his role as CEO of Starmet Ventures Inc., Mr. David focuses on business development of the business, investor relations and day to day management.

Mr. David devotes approximately 20% of his time to the business of the Company. Mr. David is not an employee of the Company and has not entered into a non-competition or non-disclosure agreement with the Company.

Gabriel Kabazo, Director and Chief Financial Officer, Age: 50

Mr. Kabazo is a finance and operations professional with over 20 years of experience supporting accounting, financing and IT operations in complex corporate settings. Since May 2020, Mr. Kabazo has served as CFO for Femto Technologies Inc. (NASDAQ: BCAN). Since July 2022, Mr. Kabazo has served as CFO for Plantify Foods, Inc. (TSXV:PTFY). Since January 2022, he has served as CFO for Starmet Ventures Inc. From 2002-2011, Mr. Kabazo served as CFO for m-Wise Inc. (OTCBB:MWIS). From 2000-2002, Mr. Kabazo served as Controller for On Track Innovations Ltd. (OTCQX:OTIVF).

Mr. Kabazo received a B.A. in Accounting & Economics from Tel Aviv University in 1997 and earned his C.P.A. (Israel) designation in 1999. In 2006, he earned an MBA (Financing) from the University of British Columbia, Sauder School of Business.

Mr. Kabazo devotes approximately 5% of his time to the business of the Company. Mr. Kabazo is not an employee of the Company and has not entered into a non-competition or non-disclosure agreement with the Company.

Menachem Mendel ("Mendy") Oirechman, Director, Age: 22

Since September 2019, Mendy has been a student at Rabbinical College of America.

Mr. Oirechman devotes approximately 5% of his time to the business of the Company. Mr. Oirechman is not an employee of the Company and has not entered into a non-competition or non-disclosure agreement with the Company.

Dr. Tamir Gedo, Director, Age: 55

Dr. Gedo draws upon over 25 years of experience as a marketing and business strategy expert serving in academic, government, and industry functions. Dr. Gedo's extensive expertise in international marketing, branding, entrepreneurship, and business strategy has served him in his various leadership roles. He has contributed to a wide range of branding, strategic planning and market penetration activities as a senior manager or executive director of major companies in a variety of industries, including the pharmaceutical industry. Dr. Gedo founded BOL Pharma and served as CEO and founding board member during which period he grew the company from four employees into the largest cannabis company in Israel, comprising approximately with a 40% market share. He served as executive director at Lundbeck Israel and Maccabi Healthcare which is the second largest health medical organization in Israel. As a consultant, Dr. Gedo provided services to companies in the medical, nutrition and pharmaceutical industries. In addition to his business and consulting practice, Dr. Gedo has served as the head of the marketing department and other faculty positions of several colleges in Israel such as the Max Stern Yizrael Valley College and IDC Herzelia College and has been a guest lecturer in the Department of Business Administration of Shanghai University. He has taught undergraduate and graduate-level courses in global marketing, business strategy, innovation and entrepreneurship. Dr. Gedo received his Ph.D. in Economics from Manchester Business School (UK) and an MBA from Ben Gurion University (Israel). He completed a B.Sc. in Molecular Biology at Bar Ilan University (Israel).

Dr. Gedo devotes approximately 15% of his time to the business of the Company. Dr. Gedo is not an employee of the Company and has not entered into a non-competition or non-disclosure agreement with the Company.

Corporate Cease Trade Orders and Bankruptcies

No director or executive officer of the Company is at the date of this Prospectus, or was within ten years before the date of this Prospectus, chief executive officer or chief financial officer of any company (including the Company) that was:

(a) subject to a cease trade or similar order or an order that denied the issuer access to any statutory exemptions under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) subject to a cease trade or similar order or an order that denied the issuer access to any statutory exemptions under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No director or executive officer of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company

(a) is at the date of this Prospectus, or was within ten years before the date of this Prospectus, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or with a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the ten years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Penalties or Sanctions and Personal Bankruptcies

No director, executive officer of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

No existing or proposed director, executive officer or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company has as of the date hereof, or within the ten years prior to the date hereof, been declared bankrupt or made a voluntary assignment into bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets.

Committees

The Company Board does not currently have any committees.

Conflicts of Interest

Conflicts of interest may arise as a result of the directors and officers of the Company also holding positions as directors or officers of other companies. Some of the individuals who will be directors and officers of the Company have been and will continue to be engaged in the identification and evaluation of assets, businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers of the Company will be in direct competition with the Company. Conflicts, if any, will be subject to the procedures and remedies provided under British Columbia corporate law. Directors who are in a position of conflict will abstain from voting on any matters relating to the conflicting company.

Executive Compensation

NEO Compensation

The following table sets out the compensation to the Company's Named Executive Officers and directors from incorporation on May 10, 2023 to December 31, 2023, the last financial year of the Company.

Name and Position	Year	Salary, consulting fee, retainer or commission (CAD$)	Bonus (CAD$)	Committee or meeting fees(CAD$)	Value of perquisites [1] (CAD$)	Value of all other Compen-sation[2] (CAD$)	Total Compen-sation (CAD$)
Ohad David *President and Director*	2023	40,740	Nil	Nil	Nil	Nil	40,740
Gabriel Kabazo *Chief Financial Officer and Director*	2023	4,200	Nil	Nil	Nil	Nil	4,200
Menachem Mendel Oirechman *Director*	2023	Nil	Nil	Nil	Nil	Nil	Nil
Dr. Tamir Gedo *Director*	2023	Nil	Nil	Nil	Nil	Nil	Nil

Notes:
(1) Consists of standard social benefits in Israel.
(2) Consists of customary fringe benefits, primarily a car allowance.

Stock Options and Other Compensation Securities

The Company has not granted or issued any compensation securities to any director or Named Executive Officer of the Company for services provided or to be provided, directly or indirectly, to the Company. Similarly, no director or Named Executive Officer has exercised any compensation securities.

Exercise of Compensation Securities by Directors and NEOs

No director or Named Executive Officer of the Company has exercised any compensation securities.

Pension Plan Benefits and Other Deferred Compensation Plans

The Company does not have, any pension or deferred compensation plan.

External Management Companies

All Named Executive Officers are consultants of the Company.

Aggregate Indebtedness

As of the date of this Prospectus, no current or former director, executive officer or employee is indebted to the Company, including in respect of indebtedness owing to another entity, if the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

Indebtedness of Directors and Executive Officers under Securities Purchase and Other Programs

Other than Routine Indebtedness, no directors or executive officers of the Company, and associates of such directors or executive officers, are or were indebted to the Company as at the date of this Prospectus.

Board of Directors

The Company Board currently consists of four (4) directors, of whom one is independent based on the test for director independence set out in NI 52-110. Mr. Oirechman is the independent director of the Company. Mr. David and Mr. Kabazo are the Chief Executive Officer and the Chief Financial Officer of the Company, respectively, and are not considered to be independent based on the test for director independence set out in NI 52-110. Dr. Gedo is not considered independent due to his significant shareholdings in the Company.

Directorships

Some of the directors of the Company serve on the boards of directors of other reporting issuers (or the equivalent) in Canada or foreign jurisdictions. The table below lists the directors of the Company who serve on boards of directors of other reporting issuers (or the equivalent) and the identities of such reporting issuers (or the equivalent).

Director	Reporting issuer	Exchange	Position
Ohad David	Starmet Ventures Inc.	CSE	Director & Chief Executive Officer
Gabriel Kabazo	Femto Technologies Inc.	NASDAQ	Director & Chief Financial Officer
	Plantify Foods, Inc.	TSXV	Director & Chief Financial Officer
	Starmet Ventures Inc.	CSE	Chief Financial Officer
	Hydreight Technologies Inc.	TSXV	Director

The Company Board has determined that these directorships do not adversely impact the effectiveness of this director on the Company Board or create any potential for unmanageable conflicts of interest.

Orientation and Continuing Education

New members of the Company Board are provided with: (i) information respecting the functioning of the Company Board and its committees, and a copy of the Company's corporate governance documents; (ii) access to all documents of the Company, including those that are confidential; and (iii) access to management.

Each new director participates in the Company's initial orientation program and each director participates in the Company's continuing director development programs, all of which are reviewed annually by the Company Board.

Company Board members are encouraged to: (i) communicate with management and auditors; (ii) keep themselves current with industry trends and developments and changes in legislation with management's assistance; (iii) attend related industry seminars; and (iv) visit the Company's operations.

Ethical Business Conduct

The Company Board has adopted the Code for the directors, officers, employees and consultants of the Company. All new employees must read the Code when hired and acknowledge that they will abide by the Code.

The Company Board is responsible for monitoring compliance with the Code. In accordance with the Code, directors, officers, employees and consultants of the Company should raise questions regarding the

application of any requirement under the Code, and report a possible violation of a law or the Code, promptly to their superior or manager. If reporting a concern or complaint to a superior or manager is not possible or advisable, or if reporting it to such person does not resolve the matter, the matter should be addressed with the Chief Financial Officer of the Company.

The Company Board monitors compliance with the Code by, among other things, obtaining reports from the Chief Executive Officer regarding breaches of the Code. The Company Board also reviews investigations and any resolutions of complaints received under the Code. In addition, the Company Board approves changes to the Code it considers appropriate, at least annually. The Code will be available under the Company's profile on SEDAR+ at www.sedarplus.ca.

The Company Board takes steps to ensure that directors, officers and other employees exercise independent judgment in considering transactions and agreements in respect of which a director, officer or other employee of the Company has a material interest, which include ensuring that directors, officers and other employees are thoroughly familiar with the Code and, in particular, the rules concerning reporting conflicts of interest and obtaining direction from their superior or manager or the Chief Financial Officer regarding any potential conflicts of interest. The Company Board encourages and promotes an overall culture of ethical business conduct by: (i) promoting compliance with applicable laws, rules and regulations; (ii) providing guidance to directors, officers and other employees to help them recognize and deal with ethical issues; (iii) promoting a culture of open communication, honesty and accountability; and (iv) ensuring awareness of disciplinary action for violations of ethical business conduct.

Nomination of Directors

The Company Board does not have a nominations committee or a formal procedure with respect to the nomination of directors. In addition, the Company does not have any defined policy or procedure requirements of shareholders to submit recommendations or nominations for directors, and it has not established any specific or minimum criteria for nominating directors, or specific process for evaluating any such nominees. The Company Board expects to identify future potential director candidates from recommendations made by its directors, management and shareholders, as appropriate.

Assessments

The Company Board is responsible for ensuring that an appropriate system is in place to evaluate the effectiveness of the Company Board as a whole, the individual committees of the Company Board (if any), and the individual members of the Company Board and such committees, with a view of ensuring that they are fulfilling their respective responsibilities and duties. In connection with such evaluations, each director is required to provide his assessment of the effectiveness of the Company Board and each committee (if any) as well as the performance of the individual directors, annually. Such evaluations take into account the competencies and skills each director is expected to bring to his particular role on the Company Board or on a committee, as well as any other relevant facts.

Compensation

The Company Board determines compensation for the officers, employees, and non-executive directors of the Company. The Company Board annually reviews all forms of compensation paid to officers, employees and non-executive directors, both with regards to the expertise and experience of each individual and in relation to industry peers. See "*Information Concerning the Company – Executive Compensation*".

Legal Proceedings and Regulatory Actions

Legal Proceedings

The Company is not and was not since the beginning of the most recently completed financial year, a party to any legal proceeding nor are or were any of its property the subject of any legal proceedings and the Company does not know of any such proceedings to be contemplated.

Regulatory Actions

No penalties or sanctions have been imposed against the Company by a court relating to provincial and territorial securities legislation or by a securities regulatory authority within the three years preceding the date of this Prospectus and there are no other penalties or sanctions that have been imposed by a court or regulatory body against the Company that must be described herein for the Prospectus to contain full, true and plain disclosure of all material facts relating to the securities being distributed.

The Company has not entered into a settlement agreement before a court relating to provincial and territorial securities legislation or with a securities regulatory authority within the three years preceding the date of this Prospectus.

Interests of Management and Others in Material Transactions

Except as disclosed above under the headings "*Information Concerning the Company – Directors and Officers*" and "*Information Concerning the Company – Executive Compensation*", no director or executive officer of the Company, no person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of its outstanding voting securities or and no associate or affiliate of any such person has any material interest, direct or indirect, in any transaction within the three years before the date of this Prospectus that has materially affected or is reasonably expected to materially affect the Company.

Audit Committee and Corporate Governance

Audit Committee

The Audit Committee of the Company provides assistance to the Company Board in fulfilling its obligations relating to the integrity of the internal financial controls and financial reporting of the Company. The external auditor of the Company report directly to the Audit Committee of the Company. The Audit Committee of the Company's primary duties and responsibilities include: (i) reviewing and reporting to the Company Board on the annual audited financial statements (including the auditor's report thereon) and unaudited interim financial statements and any related management's discussion and analysis, if any, and other financial disclosure related thereto that may be required to be reviewed by the Audit Committee of the Company pursuant to applicable legal and regulatory requirements; (ii) reviewing material changes in accounting policies and significant changes in accounting practices and their impact on the financial statements; (iii) overseeing the audit function, including engaging in required discussions with the Company's external auditor and reviewing a summary of the annual audit plan at least annually, overseeing the independence of the Company's external auditor, overseeing the Company's internal auditor, and pre-approving any non-audit services to the Company; (iv) reviewing and discussing with management the appointment of key financial executives and recommending qualified candidates to the Company Board; (v) reviewing with management and the Company's external auditor, at least annually, the integrity of the internal controls over financial reporting and disclosure; (vi) reviewing management reports related to legal or compliance matters that may have a material impact on the Company and the effectiveness of the Company's compliance policies; and (vii) establishing whistleblowing procedures and investigating any complaints or concerns it deems necessary. The full text of the Company's Audit Committee charter is included in this Prospectus as Appendix "D".

Composition of the Audit Committee

The Audit Committee of the Company is composed of three directors, being Gabi Kabazo, Ohad David and Tamir Gedo. As the Company is a "venture issuer" within the meaning of NI 52-110, the Audit Committee does not need to comply with Part 3 of NI 52-110. Accordingly, none of the members of the Audit Committee are considered "independent" within the meaning of NI 52-110. Each member of the Audit Committee is considered "financially literate" within the meaning of NI 52-110.

Relevant Education and Experience

Each of the members of the Audit Committee of the Company has extensive education and experience relevant to the performance of their responsibilities as members of the Audit Committee. See "*Information Concerning the Company* - **Error! Reference source not found.** – **Error! Reference source not found.**".

Pre-Approval Policies and Procedures

The Company's Audit Committee charter requires that the Audit Committee pre-approve any retainer of the auditor of the Company to perform any non-audit services to the Company that it deems advisable in accordance with applicable legal and regulatory requirements and policies and procedures of the Company Board. The Audit Committee of the Company is permitted to delegate pre-approval authority to one of its members; however, the decision of any member of the Audit Committee of the Company to whom such authority has been delegated must be presented to the full Audit Committee at its next scheduled meeting.

External Auditor Service Fees

Fees billed by the Company's external auditor, Fahn Kanne & Co., during the year ended December 31, 2023, were as set out in the table below.

Fiscal Period Ending	Audit Fees[(1)]	Audit Related Fees[(2)]	Tax Fees[(3)]	All Other Fees[(4)]
December 31, 2023	$25,000	Nil	Nil	Nil

Notes:
(1) Fees for audit services.
(2) Fees for assurance and related services not included in audit services above.
(3) Fees for tax compliance, tax advice and tax planning.
(4) All other fees not included above.

Reliance on Exemptions

Following completion of the Proposed RTO Transaction, the Company will be a "venture issuer" and will therefore be exempt from the requirements of Part 3 (*Composition of Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110. For information on the Resulting Issuer Audit Committee, please see "*Information Concerning the Resulting Issuer – Audit Committee and Corporate Governance – Composition of Audit Committee*".

Corporate Governance Disclosure

The Company and the Company Board recognize the importance of corporate governance to the effective management of the Company and to the protection of its employees and shareholders. The Company's approach to significant issues of corporate governance is designed with a view to ensuring that the business and affairs of the Company are effectively managed so as to enhance shareholder value. The Company Board fulfills its mandate directly and through its committees at regularly scheduled meetings or at meetings held as required. Frequency of meetings may be increased and the nature of the agenda items may be changed depending upon the state of the Company's affairs and in light of opportunities or risks which the Company faces. The directors are kept informed of the Company's business and affairs at these meetings as well as through reports and discussions with management on matters within their particular areas of expertise.

Ethical Business Conduct

The Company Board has adopted the Code for the directors, officers, employees and consultants of the Company. All new employees must read the Code when hired and acknowledge that they will abide by the Code.

The Company Board is responsible for monitoring compliance with the Code. In accordance with the Code, directors, officers, employees and consultants of the Company should raise questions regarding the application of any requirement under the Code, and report a possible violation of a law or the Code, promptly to their superior or manager. If reporting a concern or complaint to a superior or manager is not possible or advisable, or if reporting it to such person does not resolve the matter, the matter should be addressed with the Chief Financial Officer of the Company.

The Company Board monitors compliance with the Code by, among other things, obtaining reports from the Chief Executive Officer regarding breaches of the Code. The Company Board also reviews investigations and any resolutions of complaints received under the Code. In addition, the Company Board approves changes to the Code it considers appropriate, at least annually. The Code will be available under the Company's profile on SEDAR+ at www.sedarplus.ca.

The Company Board takes steps to ensure that directors, officers and other employees exercise independent judgment in considering transactions and agreements in respect of which a director, officer or other employee of the Company has a material interest, which include ensuring that directors, officers and other employees are thoroughly familiar with the Code and, in particular, the rules concerning reporting conflicts of interest and obtaining direction from their superior or manager or the Chief Financial Officer regarding any potential conflicts of interest.

The Company Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to directors, officers and other employees to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary action for violations of ethical business conduct.

Promoters

Ohad David may be considered to be a Promoter of the Company.

Mr. David currently holds 900,100 Common Shares and he will hold 1.41% of the issued and outstanding Resulting Issuer Shares after giving effect to the conversion of the RTO Subscription Receipts and completion of the Proposed RTO Transaction. For further information on the security holdings and consideration received by the Promoter see "*Information Concerning the Company – Directors and Officers*" and "*Information Concerning the Company – Executive Compensation*". As of the date of this Prospectus, Mr. David, and his wholly-owned consulting company, has also received total compensation of $40,740 as a consultant for the Company.

INFORMATION CONCERNING DIAGNOSTEAR

Corporate Structure

Names, Addresses and Incorporation

DiagnosTear is a company incorporated under the laws of Israel on February 6, 2012. The head office and registered office of DiagnosTear is located at Menahem Plaut 10 Rehovot, Israel.

Intercorporate Relationships

DiagnosTear is a subsidiary of BioLight, which owns 76.9% of DiagnosTear.

DiagnosTear does not have any subsidiaries. Upon completion of the Proposed RTO Transaction, it will be a wholly-owned or majority-owned subsidiary of the Company. See "*Information Concerning the Proposed RTO Transaction*" for a description of the Proposed RTO Transaction.

Amended and Restated Articles of Association

In connection with the 2020 Share Purchase Agreement (as defined below), DiagnosTear adopted an amended and restated articles of association to give certain shareholder rights to "Qualified Shareholders" (the "**A&R AoA**"). Under the A&R AoA, a "Qualified Shareholder" was defined as any shareholder of DiagnosTear holding not less than 5% of the issued and outstanding DiagnosTear Shares. As of the date of this Prospectus, the Qualified Shareholders under the A&R AoA are: BioLight, Elcam Medical Ltd. ("**Elcam**"), and Dr. Eran Eilat.

Each Qualified Shareholder has pre-emptive rights to participate in any issuance of securities by DiagnosTear up to the pro rata percentage of Qualified Shareholder's ownership of DiagnosTear. Also, if a Qualified Shareholder wishes to dispose of its DiagnosTear Shares (an "**Offering Shareholder**"), the A&R AoA includes a right of first refusal to other Qualified Shareholders to acquire such securities of the Offering Shareholder (the "**Right of First Refusal**"). The A&R AoA also provides for co-sale provision whereby if a Right of First Refusal is not exercised by the Qualified Shareholders, then the Offering Shareholder must offer the same sale terms to the other Qualified Shareholders. Lastly, the A&R AoA includes a bring-along right whereby if DiagnosTear Shareholders holding more that 75% of the DiagnosTear Shares ("**Proposing Shareholders**") agree to sell all of their shares, then all remaining DiagnosTear Shareholders, if so demanded by the Proposing Shareholders must also sell their DiagnosTear Shares in connection such sale (the "**Bring Along Right**"). BioLight, as Proposing Shareholder in connection with the Proposed RTO Transaction, did not elect to exercise its Bring Along Right.

Under the A&R AoA, the DiagnosTear Board shall be comprised of up to six (6) directors to be nominated as follows: (i) four (4) director nominees of BioLight; (ii) one (1) director nominee of Elcam; and (iii) one (1) director nominated by the founding shareholders (Dr. Eran Eilat, Dr. Robert David and Dr. Dan Peer ("**Founding Shareholders**")) as long as they hold in the aggregate 5% of the issued and outstanding DiagnosTear Shares.

As of the date of this Prospectus, the A&R AoA is still in effect and the DiagnosTear Board is comprised of the following nominees:

- BioLight Life Sciences Ltd. – Yaacov Michlin, Yifftach Biel, Karin Gurevitz and Suzana Nahum-Zilberberg;

- Elcam Medical Ltd. – Igal Kohn; and

- Representative of the Founding Shareholders – Dr. Eran Eilat, who served as director of DiagnosTear until his resignation on September 26, 2024.

Following completion of the Proposed RTO Transaction, the Company expects to own 100% of the issued and outstanding DiagnosTear Shares and will further amend and restate the A&R AoA to remove any special rights for the Founding Shareholders.

General Overview of DiagnosTear

In recent years, there has been significant growth in the frequency and number of people suffering from various eye diseases and syndromes. DiagnosTear believes that many eye diseases affect the tear composition and that analysis of the tear composition can help guide and improve patient treatment.

DiagnosTear is an ophthalmic company developing and commercializing disruptive diagnostic solutions for the better management of eye diseases. DiagnosTear has developed a testing platform for multi-parameter analysis of analytes (proteins) in human tears, being the TeaRx™ Point-of-Care Testing ("**POCT**") technology (the "**Technology**" or the "**TeaRx™ Technology**"), which is designed for the diagnosis of front-of-the-eye diseases by multi-parameter analysis of the composition of the tear fluid.

Based upon the Technology, DiagnosTear has developed and registered patents in the U.S., the European Union and in Israel, and launched the first minimally invasive, POCT product for Dry Eye Syndrome (the "**Dry Eye Diagnostic Product**") for multi-parametric assessment of Dry Eye Syndrome ("**DES**"). DiagnosTear is currently developing a POCT product for diagnosis of Red Eye Syndrome (the "**Red Eye Diagnostic Product**") intended for differential diagnosis of Red Eye Syndrome ("**RES**").

The Technology Products

DES

The first indication of the Technology is the diagnosis of DES through the Dry Eye Diagnostic Product.

The Technology on which the Dry Eye Diagnostic Product is based upon, relies on collection of a sample of tear fluid using a unique, single-use collection device (the "**Collector**") and analysis thereof using several proprietary testing methods developed by DiagnosTear. The Dry Eye Diagnostic Product provides semi-quantitative color readouts according to the concentration of specific components in the tear fluid, allowing detection of certain imbalances in the tear fluid. The test is for single-use and performed in the physician's clinic.

Figure 1: Components of the Technology

As specified above, the Technology behind the Dry Eye Diagnostic Product utilizes the following components:

- The microfluidic Collector (disposable, one per use);
- The multi-parametric test cassette (disposable, one per use); and
- The digital reader and the cloud-deployed calculator using a proprietary algorithm for interpretation.

There are two versions of the Dry Eye Diagnostic Product: The first version is based on the testing of 3 parameters (Lactoferrin, Human Serum Albumin and Lysozyme) and the second version is based on the testing of 5 parameters (Lactoferrin, Human Serum Albumin, Lysozyme, Mucin and Immunoglobulin A (IgA)) .

On December 19, 2018, DiagnosTear received confirmation that the 3-parameter Dry Eye Diagnostic Product is compatible with the CE standard, thereby permitting DiagnosTear to market and sell the Dry Eye Diagnostic Product in all of the countries that adopt the European regulatory standard under the CE mark. On May 6, 2024, the 3-parameter Dry Eye Diagnostic Product was recertified as a legacy product until May 2027.

On January 1, 2023, DiagnosTear also received marketing and sale approvals in Israel (Ministry of Health) to market and sell the 3-parameter Dry Eye Diagnostic Product, which was renewed on November 30, 2023 until the end of 2024.

The Dry Eye Diagnostic Product has completed the development process, obtained CE and Israeli Ministry of Health approval and DiagnosTear is determining feasibility and marketing methods for the purpose of sale and distribution of the product in Europe, and is also preparing for commencement of commercialization of the product within the ophthalmologist community in Israel. DiagnosTear is also working to complete development of processes for commercial manufacture of the product with Elcam or other manufacturers, which has undertaken to set up a system for commercial manufacture of the Collector. This process will enable significant reduction of the Technology’s manufacturing costs.

DiagnosTear is in the process of developing and validating the next generation of the Dry Eye Diagnostic Product (i.e., the 5-parameter test) that is based on the TeaRx™ Technology with the aim of diagnosing, grading and assessing the underlying cause of DES. In addition, DiagnosTear has developed the product to also predict the clinical outcome of certain DES therapies such as topical immunomodulatory therapeutics. This product is in the advanced development stages and its success is dependent on completion of clinical studies and regulator requirements and thereafter negotiations with distributors in order to enter into in certain countries in Europe, the Far East, and Israel. It should be noted that there is no certainty that DiagnosTear's aforementioned actions will culminate into binding distribution agreements. The digital reader is part of the products in development and is not yet approved for commercial use in the European Union or Israel.

DiagnosTear undertook to pay royalties at the rate of 3%-3.5% of sales resulting from the research and development that was funded by the Israel Innovation Authority in respect of the method for the diagnosis of DES, in an amount that shall not exceed 100% of the sum of the above grants that were received by DiagnosTear (linked to the dollar, plus interest at the London Inter-Bank Offered Rate, which is to be replaced by the Israel Innovation Authority with a new benchmark rate following the phasing out of the London Inter-Bank Offered Rate).

As of the date of this report, DiagnosTear has no grants from other state bodies aside from the Israel Innovation Authority.

RES

The second indication of the Technology is the diagnosis of RES through the Red Eye Diagnostic Product. The Red Eye Diagnostic Product is intended for differential diagnosis of RES. The test will provide the physician with information as per the presence or absence of Adenoviral antigens, vs. Herpetic antigens related to HSV1, HSV2, and Allergic Conjunctivitis via titer of Immunoglobulin E (IgE) in the tear fluid. The test is intended to be predominantly used at primary care settings (e.g., General practitioners (GPs), pediatricians, ERs and primary care setups) and optometry offices and will provide the physicians with immediate means for patient management without referring the patient to an ophthalmologist or for laboratory workup. In the setup of the ophthalmology office, the Red Eye Diagnostic Product may assist in diagnosing conflicting cases and better direct therapeutic decisions. The test will enable rapid (<10 min), on-site assessment of the underlying cause of RES, and will enable quick and efficient management of the condition without referral to an ophthalmologist or send out of samples to laboratory workup (which is not routinely performed).

The Red Eye Diagnostic Product, which currently is under development, is composed of (1) a sterile eye swab for sampling of tear/conjunctival fluid, (2) a unique and patent pending (U.S. Patent Application 63/560,886) multi-parametric test device which is composed of a sealed ample tube containing the lysis/running buffer, and which is attached to a specially designed test cassette containing 3 immunochromatographic test strips. Upon mixing the swab content with the lysis/running buffer in the ample tube, the user pushes the tube downwards in the assay device, and the 3 immunochromatographic reactions are initiated simultaneously. The sampling procedure takes about 2 minutes and the whole procedure, including sampling and operation of the assay device, takes less than 10 minutes to complete. The results are qualitative and are interpreted visually by the operator (i.e., yes/no for each of the parameters similar to COVID-19 Ag tests). See Figure 2 below for the composition of the test and its mode of operation:

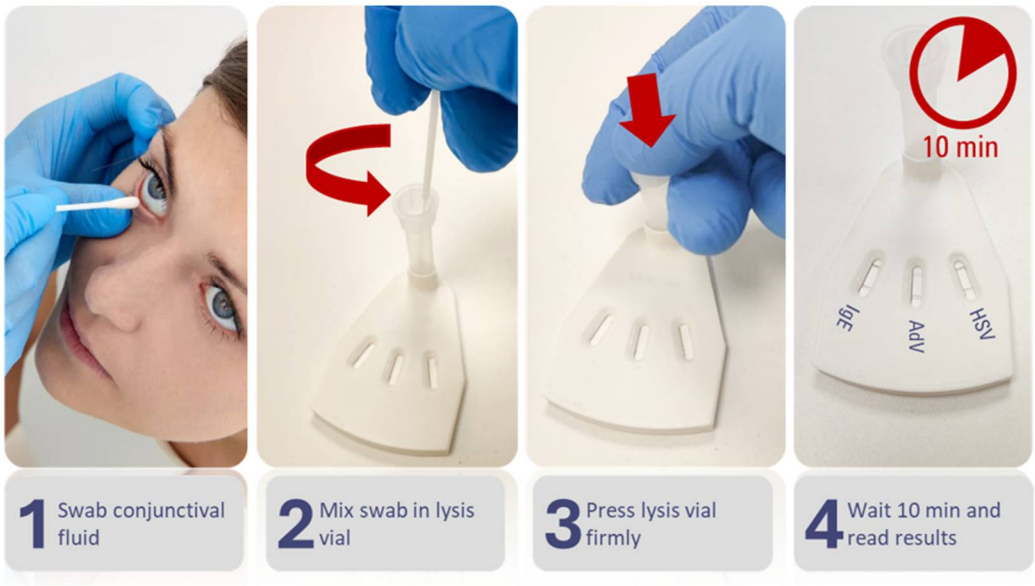

Figure 2: The Red Eye Diagnostic Product

Clinical Trials

DES

A proof-of-concept clinical trial was performed in the U.S. in 2014-2015 and was aimed at the examination of the efficacy of the Dry Eye Diagnostic Product relative to standard tests currently used to diagnose DES. The trial included 198 subjects and the results of the trial demonstrated that there is a clear statistical

correlation between the results of the Dry Eye Diagnostic Product and the results of the standard tests in the sample populations.

A second clinical trial for the Dry Eye Diagnostic Product was performed in the U.S. in 2015-2016 and was aimed at examination of the efficacy of the Dry Eye Diagnostic Product in distinguishing between healthy persons and DES sufferers. The trial included 74 subjects and the results of the trial demonstrated 86% sensitivity and 87% specificity for detection of severe DES.

A third trial was performed in the U.S., which ended in early 2018. The study was performed on 82 subjects and was aimed at testing the repetition of the findings in the previous trials in view of the completion of the development of the Collector. The results reaffirmed the capability of the Dry Eye Diagnostic Product to diagnose participants suffering from DES. In addition, the trial's results allowed the Dry Eye Diagnostic Product to be approved for marketing approval from the regulatory authority in Europe and for a meeting with the FDA for the purposes of preparing for the regulatory trial for obtaining FDA approval.

A fourth clinical trial was performed in Israel, which ended in 2019. The trial included 60 participants and was aimed at verifying the repetition of the positive findings observed in the previous trials in the identification of DES sufferers out of a population that includes sufferers with varying degrees of severity and healthy persons, for expansion of the clinical database and corroboration of the adjustments made to the Dry Eye Diagnostic Product. The results of the trial indicated the Dry Eye Diagnostic Product's ability to diagnose participants who suffer from DES with 82.4% sensitivity, 90% specificity.

In June 2020, DiagnosTear engaged with an international pharmaceutical corporation and with a leading ophthalmology medical center in India, in an agreement for the performance of a clinical trial for DiagnosTear's next generation of the Dry Eye Diagnostic Product which expands the indications for the use of the product for identification, precision treatment and monitoring of results of the treatment of DES with the aim of exploring a possible commercial collaboration with the international pharmaceutical corporation (the "**Dry Eye Diagnostic Trial**"). 600 participants participated in the Dry Eye Diagnostic Product Trial (100 healthy and 500 DES patients). The Dry Eye Diagnostic Trial was financed almost entirely by the international pharmaceutical corporation (with the exception of the supply of DiagnosTear's products and the financing of the control of the trial by DiagnosTear with non-material costs). In accordance with the agreement, each party will remain the owner of its intellectual property.

In addition, the agreement determined that according to the results of the clinical trial, DiagnosTear and the international pharmaceutical corporation will discuss engagement in a global or local collaboration agreement for the development, marketing and distribution of the Dry Eye Diagnostic Product by the international pharmaceutical corporation, all in accordance with commercial terms and conditions that shall be determined in future negotiations between the parties, which have been limited to a certain period of time from completion of the trial. Following the completion of the trial, the international pharmaceutical corporation did not exercise its option to license the Dry Eye Diagnostic Product.

In December 2022, interim results were received indicating the next generation of the Dry Eye Diagnostic Product's high capacity to diagnose participants who suffer from DES with varying degrees of severity, with 79% sensitivity and 73% specificity. In addition, an initial correlation was found between the result received by use of the Dry Eye Diagnostic Product and the severity of the DES.

In April 2024 final results were received indicating the following outcomes:

(1) the next generation of the Dry Eye Diagnostic Product differentiated between severe DES subjects (Grades 3-4) vs. non-severe patients and healthy controls (Grades 0-2) at sensitivity, specificity, and accuracy levels of 80.6%, 66.7% and 68%, respectively.

(2) the next generation of the Dry Eye Diagnostic Product differentiated between DES subjects at all severity levels (Grades 1-4) vs. healthy controls at sensitivity, specificity, and accuracy levels of 72%, 63% and 70.1%, respectively.

(3) the next generation of the Dry Eye Diagnostic Product identified the presence of severe Meibomian Gland Disfunction (MGD, the most common underlying cause of evaporative DES, as classified by meibography grades 3-4) vs. Non-MGD (meibography grade 0), within the group of eligible DES patients, at sensitivity, specificity, and accuracy levels of 80.6%, 61.3% and 76%, respectively.

(4) Analysis of the data from 35 eligible DES patients which were prescribed with topical Cyclosporin A (CysA) therapy at baseline, and for whom independent, objective data was gathered 3 and/or 6 months after initiation of therapy, revealed that the product is capable to predict at baseline responders vs. non-responders at sensitivity, specificity, and accuracy levels of 94%, 63% and 77%, respectively. Notably, the negative predictive value (NPV) achieved was 92.3%, indicating the potential of the product to identify non-responders and further increase the ability to select patients with the best chance to respond for therapy.

To the best knowledge of DiagnosTear, these results are based on the widest and most diverse cohort of subjects ever studied for diagnostics of DES.

RES

In October 2023, DiagnosTear recruited the first participant in a clinical trial in humans in Israel aimed at collecting tears from RES patients for the purpose of developing a differential diagnosis test between conjunctivitis caused by adenovirus, allergic conjunctivitis and keratitis caused by the herpes virus (the "**Red Eye Diagnostic Trial**"). The Red Eye Diagnostic Trial, which is being conducted in collaboration with Leumit Health Care Services, is expected to include up to 200 participants suffering from symptoms of RES. Subject to the rate of participant recruitment, and the opening of additional clinics for sampling, the clinical trial is expected to end around middle of 2025.

Business of DiagnosTear

Opportunity for the Dry Eye Diagnostic Product

DES appears in a large segment of the global population. To the best of DiagnosTear's knowledge, around 340 million people suffer from DES worldwide, while in the U.S. alone around 20 million people suffer from DES at varying levels of severity.

The number of people affected by DES increases each year, mainly due to the natural aging of the population and environmental changes, such as increased use of air conditioning, personal computers, smartphones and contact lenses, and frequent use of medications containing preservatives. DES is complicated and difficult to diagnose and treat since it has many causes, creating varied and decentralized sub-populations of sufferers.

Current DES Diagnostic Tools

At present, for the purposes of diagnosing patients with DES, physicians use signs and symptoms as the predominant diagnostic methodology, which include (the "**Current DES Diagnostics**"):

(a) *Schirmer's Test*:

Schirmer's Test involves placing a strip of filter paper at the lower eyelid to measure tear production, helping to evaluate aqueous deficiency associated with DES.

(b) *Fluorescein and Lissamine Green Corneal Staining*:

Dyes are used to highlight damaged or irregular areas on the ocular surface, aiding in the assessment of ocular surface damage associated with DES.

(c) *Tear Film Analysis:*

Advanced tools like tear film immunoassays that measure tear biomarkers, or tear osmolarity tests, which measure the concentration of solutes in tears, help in diagnosing and monitoring DES. Additionally, interferometry is used to assess the lipid layer of the tear film.

(d) *Non-Invasive Tear Film Break-Up Time (NIBUT):*

NIBUT allows for the measurement of tear film stability without the need for any invasive procedures

(e) *Meibomian Gland Imaging:*

Technologies like meibography allow for visualization of the meibomian glands, crucial for diagnosing evaporative DES.

For a comparison on how the Dry Eye Diagnostic Product differentiates from the Current DES treatments, please see Table 2 below.

Current DES Treatment Options

In the pharmaceutical market, the basic products for treating sufferers of DES are various and include: OTC artificial tears, which treat the syndrome's symptoms only and various drugs such as Restasis (based on CyclosporineA), Xiidra, MIebo and more. To the best of the knowledge of DiagnosTear, there are also several companies which are attempting to develop new medications for the treatment of DES and are at various development stages. There are also various medical devices used to treat DES including various IPL devices, among others.

DiagnosTear hopes and expects that the adoption of more precise diagnostic tools, such as the Dry Eye Diagnostic Product, will be able to assist to distinguish between patient groups and allow the physicians to better adjust the treatment to the real cause of the DES. Moreover, it may be possible that in the future there will be tools that will allow differentiation between patients who respond and those who do not respond to the different medications and this may enable pharmaceutical companies to reduce the development risks, increase the chances of success. Therefore, DiagnosTear is attempting to also target this market segment and engages in business development efforts to become a provider of bio marker in clinical studies or hopefully at commercial stages. As of the date of this Prospectus, DiagnosTear has signed a collaboration agreement with a contract research organization (Lexitas) but not yet signed with any pharmaceutical company.

Due to considerable need for precise, rapid and easy-to-use diagnostic tools that help clinicians to diagnose, in their clinic, sufferers of DES, and to distinguish between different sub-populations who suffer from the syndrome for different reasons, DiagnosTear believes it might have a viable market opportunity.

Dry Eye Diagnostic Competitive Landscape

There are several products on the market that are designed to measure the quantity and quality of the tear fluid and are competitive to the Technology and the Dry Eye Diagnostic Product. The DES diagnostic segment is characterized by insurance reimbursement and, in some cases, full coverage for the total cost of the test. Below is a comparison with DiagnosTear's largest competitors in the United States for the diagnostic of DES: InflammaDry® and Trukera®.

	DiagnosTear	**Schirmer's Test**	**Trukera®**	**InflammaDry®**
Product Characteristic	Designed to facilitate diagnosis, tailor treatment and monitor the	Measurement of the quantity of tear fluid.	Measurement of the osmolarity of tears.	Measurement of MMP-9 in tears.

	DiagnosTear	Schirmer's Test	Trukera®	InflammaDry®
	treatment of DES by analyzing the tear fluid.			
Method of Use	Taking tear fluid and testing the concentration of several components by chemical and biological means and using a smartphone app.	Placing filter paper inside the lower lid of the eye to absorb the tear fluid for several minutes.	Collecting tear fluid and placing it into a designated electronic device for reading.	Brushing the conjunctiva firmly to take a tissue sample and testing it using the reader.
Serious Side Effects	None.	Discomfort and pain.	Unknown.	Discomfort and pain.
Cost of Use	The expected sale price of the test ranges between $14-22 and no designated reader is required.	Negligible.	The cost of the reading device is approx. $10,000 and each test is approx. $16.	The cost of each test is approx. $20-25.
Convenience of Use	Non-invasive collection of tears from the eye and testing of composition within a few minutes at the physician's clinic.	Discomfort and pain.	Easy to use, but the location of collection of the tear effects the results of the reading and collection might be required from several points on the eye.	Requires skill in "scraping" several sites in the lower conjunctiva, and causes discomfort and a concern of considerable variance between the various persons administering the test.
Reimbursement Possibility	DiagnosTear expects its Dry Eye Diagnostic Product to be eligible for reimbursement similar to the reimbursement of Inflammadry.	To the best of DiagnosTear's knowledge, the test has no specific indemnity code in the U.S.	To the best of DiagnosTear's knowledge, the test has a CPT code in the U.S.	To the best of DiagnosTear's knowledge, the test has a CPT code in the U.S.
Market Segment	See "Information concerning DiagnosTear – Business of DiagnosTear".	N/A.	To the best of the DiagnosTear's knowledge, in the past, sales of tens of millions (USD) were reported for this product.	Unknown.
Advantages	Multi-parameter, easy to use and provides diagnosis and supporting information.	Low cost.	Relatively easy to use.	Based on a parameter which is recognized in professional literature.

	DiagnosTear	Schirmer's Test	Trukera®	InflammaDry®
Disadvantages	The overall length of the test is approximately 10 minutes.	The information received is limited and the test is painful.	High costs of the reader. Only tests one parameter. Relatively low sensitivity (approx. 64% as reported by the manufacturer)[1].	The test's accuracy is affected by how the sample is taken, only tests one parameter, during use several steps are required which may be difficult for the user and the taking of the sample causes the patient discomfort.

Table 2: Competitive Landscape for Dry Eye Diagnostic Product [2]

DES Market Opportunity

Market Trends:

Market Trends include the following:

(a) Rising Prevalence of DES:

The increasing prevalence of DES, attributed to factors such as screen time, environmental conditions and an aging population, is driving the demand for advanced diagnostics.

(b) Integration of Artificial Intelligence (AI) and smart, data-driven interpretation algorithms:

AI and data-driven interpretation algorithm-powered systems are being integrated into diagnostic tools, enabling more accurate and efficient assessment of DES conditions.

(c) Patient-Centric Approaches:

There is a growing focus on patient comfort and convenience, leading to the development of user-friendly, non-invasive diagnostic technologies.

(d) Customized and Personalized Treatment Plans:

Advanced diagnostics are enabling more personalized treatment approaches, tailoring interventions to the specific type and severity of DES.

(e) Syndromic testing:

In the last decade, there has been a greater perception and acceptance of so-called syndromic testing. This includes multi-parametric (or multiplexed) tests that are capable of simultaneously determining a few analytes, all related to a single medical condition (or a syndrome). This is opposed to singular testing in which the practitioner suspects one or more etiologies and sends

[1] https://4mz4ed.p3cdn1.secureserver.net/wp-content/uploads/2022/11/930217-Rev-A-Scout-Pro-Osmolarity-System-User-Manual_R4_111422_NB.pdf

[2] The specifications of the products in the above table are provided for presentation in table form only and reflect subjective estimates of DiagnosTear and/or the Company only. Any of the various competitors in the market may have a different position on such or other specification and the data presented. The estimates of DiagnosTear in the above tables do not constitute a professional opinion on the competing / substitute products, and are as of the date of this Prospectus only. In practice, the estimates of DiagnosTear regarding the competing / substitute products as stated in the above table may not accurately or fully reflect the reality.

multiple tests to pinpoint the underlying cause of the symptoms. Usage of the anticipated test will allow differential diagnosis and prescription of the appropriate medication on-site.

(f) *POCTs*

Considering the wide-spread use of rapid COVID-19 antigen tests during the COVID-19 pandemic, there is a much higher acceptance of POCTs by physicians, the public and the regulatory competent authorities. This has implications by means of safe sample collection, as it was evidenced that throat and nasal swabbing, even when performed by the lay user, possess minimal safety issues. Instead, the simplicity of the workflow, the ability to provide proper diagnosis and hence, on-site treatment decisions were all given a higher scoring when considering the implementation of a new in vitro diagnostic.

Specifics for DES:

Ophthalmologists are continuously seeking simple POCT devices which will assist them in the complicated task of differentially diagnosing DES at their clinic. The optimal test will not only report as per the nascence/presence of DES but also will report on the underlying condition (e.g., evaporative or aqueous deficient DES) and as per the severity of the condition. The optimal POCT will also predict the outcome of a certain therapeutic modality (e.g., topical immunomodulators). It should be noted that the American Academy of Ophthalmology (AAO) has issued a recommendation to assess DES by common and well-accepted diagnostic methods before, and 2 months after refractive and cataract surgeries[3]. Each year around 800,000 laser refractive surgeries and around 3.7 million cataract surgeries are performed in the U.S.alone[4]. In 2021, cataract surgery was the most common surgical operation in the EU, performed 4.32 million times across the European Union countries[5] In addition, there are 3.8 million refractive surgeries performed annually in the European Union[6]

In Israel and the European Union the DES product is not expected to be reimbursed by the government, health maintenance organizations or by private insurers. Instead, it is expected the clinics will pay the cost of the test as a part of a larger management or treatment plan (e.g., as one “station” in the pre/post-operative algorithms for refractive and cataract surgeries), or alternatively for patients to pay out of pocket for the test. It should be noted that Diagnostear is also looking to collaborate with global pharmaceutical and medical device companies that offer DES therapeutics with the goal of collaboration towards implementing the DES Diagnostic Product as a companion diagnostic to stratify the optimal cohorts of patients that are most likely to benefit from a certain treatment (e.g., topical immunomodulators, Intensed Pulsed Laser (IPL), thermal therapies, etc.)

In summary, the dry eye diagnostics industry is witnessing significant advancements, driven by the need for accurate and efficient assessment of dry eye conditions. These technologies are instrumental in guiding clinicians towards appropriate treatment strategies, ultimately improving the quality of life for individuals affected by dry eye syndrome.

Opportunity for the Red Eye Diagnostic Product

"Red eye" is a term used to describe the appearance of the eye when the white part (sclera) becomes noticeably red or bloodshot. This redness is a result of the dilation of blood vessels on the surface of the

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[3] *Dry Eye Syndrome Preferred Practice Pattern, American Academy of Ophthalmology, 2023*

[4] *Joffe SN. The 25th Anniversary of Laser Vision Correction in the United States. Clin Ophthalmol. 2021 Mar 17;15:1163-1172*

[5] *https://ec.europa.eu/eurostat/web/products-eurostat-news/w/ddn-20230912-1#:.*

[6] *https://www.silmakirurgia.ee/blog-en/20-aastat-lasik-operatsioone-1#:*

eye. It is a common symptom of various eye conditions and can be caused by a range of factors, including conjunctivitis (viral, bacterial or allergic), herpetic keratitis, subconjunctival hemorrhage, corneal abrasions or infections and exposure to irritants or chemicals [Cronau H et al.].[7]

The most common RES is conjunctivitis, which is characterized by inflammation and swelling of the conjunctival tissue, accompanied by engorgement of the blood vessels, ocular discharge, and pain. DiagnosTear believes many subjects are affected with conjunctivitis worldwide, and it is one of the most frequent reasons for office visits to general medical and ophthalmology clinics. As much as 1-4% of all visits in primary care settings are accounted for conjunctivitis, and more than 80% of all acute cases of conjunctivitis are reported to be diagnosed by non-ophthalmologists including internists, family medicine physicians, pediatricians, and nurse practitioners[8]. This imposes a great economic burden to the healthcare system and occupies a great proportion of the office visits in many medical specialties[9].

Types of Conjunctivitis include:

(a) *Adenoviral Conjunctivitis:*

Typically presents with redness, watery discharge, and may be linked to an upper respiratory infection. Adenoviruses are common culprits. It is estimated that the incidence of adenovirus ocular infection is as high as 20 million cases per year in the United States. [10]

(b) *Bacterial Conjunctivitis:*

Characterized by purulent discharge, this type may be unilateral, and the eyelids may stick together upon waking. Staphylococcus and Streptococcus species are common bacterial cause.

(c) *Allergic Conjunctivitis:*

Features itching, redness, and bilateral involvement, often with a history of allergies. Presence of papillae (cobblestone-like bumps) on the inner eyelids is distinctive. Allergic conjunctivitis has been estimated in 6–30% of the general population and in up to 30% of children[11]. Allergic conjunctivitis affects more than 6 million individuals annually in the United States alone.[12]

(d) *Irritant or Chemical Conjunctivitis:*

Caused by exposure to irritants like chemicals, smoke or foreign bodies. Symptoms typically resolve upon removal of the irritant.

(e) *Herpes*

Globally, the incidence of HSV keratitis is 1.5 million yearly, including 40,000 new cases that result in severe visual impairment. In the US, approximately 500,000 people are afflicted with ocular HSV.[13]

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[7] Cronau H, Kankanala RR, Mauger T. Diagnosis and management of red eye in primary care. Am Fam Physician. 2010 Jan 15;81(2):137-44. PMID: 20082509.

[8] [Azari A and Barney NP,. Conjunctivitis: A Systematic Review of Diagnosis and Treatment. JAMA 310(16), 1721-9 (2013)] [Gunnar Høvding, Acute bacterial conjunctivitis, Acta Ophthalmol. 86(1), p 5-18 (2008)].

[9] Azari A and Barney NP,. Conjunctivitis: A Systematic Review of Diagnosis and Treatment. JAMA 310(16), 1721-9 (2013).

[10] Garcia-Zalisnak, Debora M.D.; Rapuano, Christopher M.D.; Sheppard, John D. M.D.; Davis, Andrew R. M.D. Adenovirus Ocular Infections: Prevalence, Pathology, Pitfalls, and Practical Pointers. Eye & Contact Lens: Science & Clinical Practice 44(1):p S1-S7, September 2018.

[11] Leonardi, Andrea; Castegnaro, Angela; Valerio, Alvise La Gloria; Lazzarini, Daniela. Epidemiology of allergic conjunctivitis: clinical appearance and treatment patterns in a population-based study. Current Opinion in Allergy and Clinical Immunology 15(5): p 482-488, October 2015.

[12] Azari A and Barney NP,. Conjunctivitis: A Systematic Review of Diagnosis and Treatment. JAMA 310(16), 1721-9 (2013).

[13] Herpes Simplex Epithelial Keratitis. EyeWiki. American Academy of Ophthalmology, Apr 2024 (https://eyewiki.aao.org/Herpes_Simplex_Epithelial_Keratitis).

The Red Eye Diagnostic Product has clinical significance by providing differential diagnosis of the underlying causes of RES, as demonstrated by the following table:

	RESULT			
Herpes	+	-	-	-
Adenovirus	+ or -	+	-	-
IgE (Allergy)	+ or -	-	+	-
Management	Urgent referral to Ophthalmologist. No Steroids!	Prescribe topical steroids. Advise patient for proper hygiene and ocular washes	Prescribe topical anti-histamines with or without steroids	Prescribe topical antibiotics No improvement – ophthalmologist

Table 1: Diagnostic Results from Red Eye Diagnostic Product. Leftmost column references underlying causes of RES.

Current RES Diagnostic Tools

The current practice of differential diagnosis for conjunctivitis and herpetic keratitis involves a systematic evaluation to distinguish between various causes of eye inflammation. This process relies on a combination of patient history, clinical examination and virological testing, such as polymerase chain reaction (PCR) or viral cultures, may be performed on corneal samples to identify herpes simplex virus (HSV) as the causative agent. At present, for the purposes of diagnosing patients with RES, physicians use the following diagnostic methodologies:

(a) *Advanced Imaging and Examination Techniques:*

The industry has witnessed substantial advancements in diagnostic technologies. High-resolution imaging, such as slit-lamp biomicroscopy and ocular coherence tomography (OCT), allows for detailed examination of the eye's anterior segment, aiding in the identification of specific red eye causes.

(b) *Rapid Diagnostic Tests:*

POCTs have emerged as valuable tools for swift identification of infectious causes of conjunctivitis. These tests, such as PCR-based assays or antigen detection kits, enable healthcare professionals to quickly differentiate between viral, bacterial and allergic conjunctivitis.

(c) *Allergy Testing:*

With allergic conjunctivitis being a prevalent form of red eye, allergy testing methods have become integral in determining specific allergens triggering the condition. While skin prick tests and specific IgE blood tests are common approaches, rapid point of care tests for determination of ocular IgE are currently being evaluated for use.

(d) *Patient History and Clinical Evaluation:*

Effective diagnosis often begins with a comprehensive patient history, including symptoms, duration and associated factors. Clinical evaluation, which assesses features like discharge type, redness pattern and ocular discomfort, remains a crucial component.

Ongoing research endeavors focus on the discovery of novel biomarkers and diagnostic techniques for red eye and conjunctivitis, contributing to enhanced accuracy and efficiency. The two leading providers of diagnostic tools for conjunctivitis are the AdenoPlus Test made by Quidel and a diagnostic tool developed by AXIM Biotech (the "**Current RES Diagnostics**"). For a comparison on how the Red Eye Diagnostic Product differentiates from the Current DES Diagnostics, please see Table 3 below.

Current RES Treatment Options

Current treatment of conjunctivitis is mostly done by primary care physicians (general practitioners, family doctors, pediatricians, etc.). It is anticipated that the Red Eye Diagnostic Product will also potentially be adopted and used by ophthalmologists and optometrists which have in addition better expertise and additional means for diagnosis (e.g., slit lamp and fluorescent dyes). DiagnosTear anticipates that the test will also be performed by highly skilled and well-trained nurses in those settings.[14]

Diagnostics play a pivotal role in guiding treatment decisions. Accurate identification of the underlying cause of RES enables healthcare professionals to prescribe targeted therapies, including antibiotics, antivirals, antihistamines or anti-inflammatory agents.

Red Eye Diagnostic Product Competitive Landscape:

The RES diagnosis segment is characterized by insurance reimbursement and sometimes even full coverage for the total cost of the test. Below is a comparison with DiagnosTear's largest competitors in the U.S. for the diagnosis of RES, the AdenoPlus Test made by Quidel and AXIM Biotech.

	DiagnosTear	**AdenoPlus Test (Quidel Corp.)**	**AXIM Ocular IgE Test**
Product Characteristic	Designed to aid the physician to differentially diagnose RES (i.e., Adenoviral Conjunctivitis, Allergic Conjunctivitis and Herpetic Keratitis).	Intended for diagnosis of Adenoviral Conjunctivitis.	Intended for assessment of IgE in human tears as a marker for Allergic conjunctivitis.
Method of Use	Swabbing of the conjunctiva, application of the swab into the test device (specifically into the lysis buffer vial), pressing the vial into the collection chamber, 10 minutes of a simultaneous immunochromatographic reaction (2 parameters – Herpes (HSV1/HSV/2), Adenovirus Hexon Protein, and IgE (Allergy)), and visual readout of results. Test to be used as POCT at the physician's office.	Application of a brush-like conjunctival fluid collector, mounting of the collector on the test cassette, Immersion of the wick in running buffer, 10 minutes of a reaction (immunochromatography) and visual readout of the results. The test is to be used as a POCT at ophthalmologist offices.	Collection of Tear fluid using a micro-cappilary. dilution of tears in running buffer, application of diluted tear sample on lateral-flow immunochromatographic cassette, 10 minutes of a reaction and visual inspection of results. Currently the test does not have CLIA waiver and hence, cannot be performed as a POCT.
Serious Side Effects	None. The test makes use of a sterile eye swab that is routinely used for eye cultures and/or PCR	discomfort and pain due to the requirement of aggressive and repetitive brushing of the conjunctiva.	Unknown.

[14] Azari et al., Conjunctivitis - A Systematic Review of Diagnosis and Treatment. JAMA. 013;310(16):1721-1729.

Cost of Use	The expected price of the Red Eye Diagnostic Product is approximately US$10-15.00 and will include all the three tested parameters (multiplexed test).	Approximately US$22.00 per test.	Approximately US$16.50 per test and thousands (US$) for the reader.
Convenience of Use	Minimally-invasive collection of conjunctival fluid by swabbing, and syndromic, multi-parameter testing of adenoviral conjunctivitis, Allergic Conjunctivitis and Herpetic Keratitis within ≤10 minutes at the physician's clinic without the need for a specialized reader.	Discomfort and pain while brushing the conjunctiva. Only one parameter is tested (Adenovirus Hexon Protein). There is no option for ruling out Herpetic infection, and thus to offer steroidal medication.	Tear collection using the micro-capillary is not intuitive and in most cases requires operation by an ophthalmologist. The test operation requires pipetting and transfer of liquids from the micro-capillary to the dilution vial and application of the diluted sample into the test cassette. Each cassette is designated for both right and left eyes, mandating testing of both eyes, even if only one eye is affected.
Reimbursement Possibility	It is estimated that upon FDA clearance and receipt of a CLIA waiver, the test will be reimbursed by Medicare and by private insurers. The respective potential CPT codes are 82785 (IgE), and 87809QW (Adenovirus). A new CPT code will be required for HSV POCT immunoassay.	The test is reimbursable in the U.S. by Medicare and private insurers Reimbursable CPT code: 87809QW (the reimbursement schedule in New York is $21.80-$22.50).	The test is reimbursable in the U.S. by Medicare and private insurers Reimbursable CPT code: 82785 (the reimbursement schedule in New York is $16.46-$17.01).
Advantages	Multi-parameter and easy to use. Expected to provide differential diagnosis and enables prescription of medications on-site without the need to refer to ophthalmologist examination and/or laboratory testing.	Already on the market as an FDA cleared, CLIA waived, reimbursable device.	Already on the market as an FDA cleared, not CLIA waived, reimbursable device.
Disadvantages	At this stage no significant disadvantages have yet been identified compared with the competitors.	The sampling process is painful and inconvenient. The information received is very limited, does not provide definitive differential diagnosis, and thus, the physician cannot prescribe topical steroids without referral to a ophthalmologist to rule out Herpetic Keratitis.	High costs of the reader. Only tests one parameter (IgE). Cannot be used to rule out viral conjunctivitis or dry eye disease which has very similar symptoms to Allergic conjunctivitis.

Table 2: Competitive Conditions for Red Eye Diagnostic Product[15]

RES Market Opportunity

The overall RES market size was estimated at $4.7B in 2020 with an annual growth rate (CAGR) of 3.65%[16]. Assuming that 15-20% of the clinical workup costs are attributed to diagnostic procedures, DiagnosTear estimates that the Total Available Market (TAM) will be $1B in 2026 (the expected launching year).

The red eye and conjunctivitis diagnostics industry plays a critical role in identifying and differentiating the underlying causes of ocular redness and inflammation. Red eye is a common symptom that can be indicative of various eye conditions, with conjunctivitis (commonly known as pink eye) being a major contributor. The industry encompasses a range of diagnostic tools and techniques aimed at providing accurate and timely assessments.

Collaboration

Marketing and sales require engagement with local distributors, marketing activity and inclusion in indemnity codes to the extent required in the various countries.

Specialized Skill and Knowledge

DiagnosTear's team is composed of highly proficient scientists with many years of experience in the development, manufacturing and commercialization of in vitro diagnostic devices, and specifically rapid, immunochromatographic tests. Diagnostear is an ISO-13485 accredited medical device manufacturer with a designated quality management system. As of the date of this Prospectus, DiagnosTear has performed multiple clinical trials involving hundreds of subjects worldwide and is well connected to the leading ophthalmic centers and contract research organizations. DiagnosTear is maintaining close relationships with stakeholders, key opinion leaders and prominent figures in the ophthalmology industry in Israel, the EU, India and the US. In addition, DiagnosTear, through Biolight, has close connections with global pharmaceutical and medical device companies offering specific therapies for DES and RES.

Intangible Properties

DiagnosTear attaches significant importance to patents for the protection of new technologies, products and processes. Accordingly, the success of DiagnosTear depends, in part, on its ability to obtain patents or rights thereto, to protect its commercial secrets and carry on its activities without infringing on the rights of third parties. Where appropriate, and consistent with management's objectives, patents are pursued once concepts have been investigated through appropriate laboratory work. In general, DiagnosTear's approach to intellectual property is to file and/or license patents and patent applications as appropriate and to seek to obtain patent protection in the major markets, including Canada, the U.S., Israel and major European countries.

In addition, all employees execute agreements containing confidentiality clauses and agree that any new intellectual property is owned by DiagnosTear. Further, it is DiagnosTear's practice to require its consultants and service providers to enter into agreements which provide that specified information obtained or developed during the relationship remains confidential and that any intellectual property, trade secrets, know-how and work products belong to DiagnosTear.

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[15] The specifications of the products in the above table are provided for presentation in table form only and reflect subjective estimates of DiagnosTear and/or the company only. Any of the various competitors in the market may have a different position on such or other specification and the data presented. The estimates of DiagnosTear and/or the company in the above tables do not constitute a professional opinion on the competing / substitute products, and are as of the date of this report only. In practice, the estimates of DiagnosTear and/or the company regarding the competing / substitute products as stated in the above table may not accurately or fully reflect the reality.

[16] Conjunctivitis Market Size, Share, Trends, Report 2022-2030. Precedence Research (2020).

DiagnosTear's intellectual property portfolio has been the result of in-house technology and product research and development.

Economic Dependence

Since the incorporation of DiagnosTear, DiagnosTear has been dependent on funding by Biolight, and more recently, Elcam, as well as grants from the IIA. For the Dry Eye Diagnostic Product, DiagnosTear is currently dependent on its German exclusive manufacturer of the Collector, Microfluidic ChipShop GmbH. For more information on DiagnosTear's relationship with Microfluidic ChipShop GmbH, see "*Information Concerning DiagnosTear – Supply Chain and Production – ChipShop Collaboration*". There is no limitation or dependency on any manufacturer with respect to the Red Eye Diagnostic Product, however, DiagnosTear expects that Elcam will take major part in the manufacturing of the commercial test. For more information on DiagnosTear's relationship with Elcam, see "*Information Concerning DiagnosTear – Supply Chain and Production – Elcam Partnership*".

Changes to Contracts

DiagnosTear does not expect to renegotiate or terminate any material contracts or sub-contracts to which it is currently a party.

Environmental Protection

Given the nature of DiagnosTear's operations, environmental protection requirements did not have any operational or financial effect on the capital expenditures, profit or loss or competitive position of DiagnosTear in the current financial year nor is any effect expected in future years.

Employees

As of date of this Prospectus, DiagnosTear has approximately 3 employees.

Foreign Operations

DiagnosTear has its manufacturing and research and development centers in Israel. However, it plans to market and sell its product in Europe, the United States and Canada (subject to receipt of regulatory approvals) as well as other foreign markets. International operations are subject to certain additional risks inherent in conducting business outside of North America, including price and currency exchange controls, changes in currency exchange rates, limitations on foreign participation in local markets, expropriation, wars, nationalization and other governmental action. See "*Risk Factors"*.

Bankruptcy and Similar Procedures

There is no, and there has not been any, bankruptcy, receivership or similar proceedings against DiagnosTear, or any voluntary bankruptcy, receivership or similar proceedings by DiagnosTear within the three most recently completed financial years or during or proposed for the current financial year.

Reorganizations

On August 17, 2023, DiagnosTear and BioLight entered into the Share Exchange Agreement with the Company for the reverse take-over of DiagnosTear. Please see "*Information Concerning the Proposed RTO Transaction*" for a description of the Proposed RTO Transaction.

There has been no other material restructuring transactions of DiagnosTear within the three most recently completed financial years or proposed for the current financial year.

Social or Environmental Policies

As of the date of this Prospectus, DiagnosTear has not implemented social or environmental policies that are fundamental to its operations, such as policies regarding its relationship with the environment or with the communities in which it does business, or human rights policies. Nonetheless, DiagnosTear is required to take care of biological waste as a routine in its laboratory.

Intellectual Property Portfolio

Patents

DiagnosTear currently has a patent portfolio comprising three patent families: (1) A patent family that protects the Dry Eye Diagnostic Product's clinical interpretation algorithm based on the measured biochemical parameters, and the age and the gender of the patient; (2) a provisional patent application that protects the Red Eye Diagnostic Product's multi-parametric testing device; and (3) a utility patent that protects the specific design of the Collector.

In addition, DiagnosTear has an exclusive license to three patents covering some technological aspects required for the manufacturing of the Dry Eye Diagnostic Product through its collaboration, production and license agreement with Microfliodic ChipShop GMBH and IDENDO Gesellschaft fur mikrfluidische Systeme mnH (the "**Exclusive License Agreement**"). For more information on the Exclusive License Agreement, please see "*Information Concerning DiagnosTear – Supply Chain and Production*".

Dry Eye Diagnostic Product

The owned (granted) or licensed patents and patent applications for the Dry Eye Diagnostic Product are described below:

Patent Number	Description of Patent	The rights in the patent	Expected expiration date of the patent	Countries where the patent has been approved
EP3288458	Method For Measuring Tear Constitutes In A Tear Sample	Ownership	1 May 2036	European Union, Switzerland, United Kingdom and Liechtenstein
IL255311			14 September 2036	Israel
IL260351			13 January 2037	Israel
U.S.10,527,628			10 September 2037	United States
CA 3011353			13 January 2037	Canada
U.S. 11,499980 (Divisional patent under U.S. patent no. 10,527,628)	Method for measuring tear constitutes in a tear sample	Ownership	10 September 2037	United States

DE 102016122056B4	technology with respect to building blocks relevant to the collector which is part of the DiagnosTear Dry Eye Diagnostic Product	License	17 November 2036	Germany, U.S., Europe, Korea and China
DE102018111822B4	technology with respect to building blocks relevant to the collector which is part of the DiagnosTear Dry Eye Diagnostic Product	License	17 May 2038	Germany, U.S., Europe, Korea and China
DE102018111834A1	technology with respect to building blocks relevant to the collector which is part of the DiagnosTear Dry Eye Diagnostic Product	License	16 May 2038	Germany, Russia, Europe, Brazil, Canada, U.S. and China

Collector

The owned (granted) patents and patent applications for the Collector are described below:

Patent Number	Description of Patent	The rights in the patent	Expected expiration date of the patent	Countries where the patent has been approved
DE202019101327U1	Utility Patent: Fluid Collection and Dispensing Device	Ownership	30 March 2029	Germany

Red Eye Diagnostic

As of the date of this Prospectus, the following applications have been submitted for material patents to protect the technology underlying the Red Eye Diagnostic Product:

Patent Application Number	Description of Patent	The rights in the patent application	Expected expiration date of the patent	Countries where the patent has been approved
Provisional Application no. *63/560,886*	Diagnostic Device	Ownership	To be confirmed once granted	N/A

Trademarks

Generally, trademarks are registered for a fixed period, as set forth in the applicable legal provisions, and may be renewed at the end of each period. Below is a table summarizing registered trademarks and/or applications filed by DiagnosTear for the registration of trademarks in its name:

Name of Trademark	Status/description of the process	Countries where the registration application was filed	The rights in the trademark	Date of filing of the application for approval	Date of registration of the trademark
TEARX	Registered Trademark	USA	Ownership	November 2014	January 2018

Regulatory Environment - DES

In the US, any POCT to be performed by professional staff in a non-laboratory setting is required to have FDA clearance and a waiver under the Clinical Laboratory Improvement Amendments of 1988 ("**CLIA**"), which is administered by Centre for Disease Control (U.S.) ("**CDC**"). Under the CLIA, waived tests are those tests that are determined by CDC or FDA to be so simple that there is little chance for risk of error. With respect to the Collector, the operation of the Collector by the professional staff should be proven simple, accurate, and non-hazardous to the patient and the operator to get CLIA waived.

In the European Union, the Technology (and the Collector as a part thereof) is regulated by Regulation 2017/746 of the European Parliament regarding in vitro diagnostic medical devices (the "**IVDR Regulation**"). Under the IVDR Regulation, the production records, safety and performance tests will be conducted by the manufacturer and audited routinely by a notified body. For both the FDA and the European Union regulations (as well as in most countries around the globe), manufacturing of the Collector is required to be performed in an ISO13485 (Medical Device Manufacturer) and ISO11607 (Manufacturer of Terminally Sterilized Medical Products) accredited facility. DiagnosTear is ISO13485- accredited, and will be considered as the Legal Manufacturer of the Technology as a whole. This means that DiagnosTear has the legal responsibility and accountability for the Test's performance, conformity, and safety (including the Collector).

Supply Chain and Production

Through its partnership with Elcam, a world-class medical device manufacturer (fully accredited in 21 CFR 820 and ISO 13485:2016), DiagnosTear has established a business arrangement that has the potential to support DiagnosTear in scaling up the commercial manufacture of the Collector. This process will enable significant reduction of the Dry Eye Diagnostic Product's manufacturing costs if and to the extent very large quantities will be required. For more information on DiagnosTear's partnership with Elcam, please see "*Information Concerning DiagnosTear – Supply Chain and Production – Elcam Partnership*".

Further, DiagnosTear entered into a turn-key manufacturing agreement dated February 15, 2022, with B.Y. Medimor Ltd., an Israel-based ISO13485 accredited medical device manufacturer specializing in contract manufacturing of clinical immunoassays, and in particular rapid immunochromatographic test devices, as a sub-contractor for production and assembly of the test cassette and packaging the test kits. DiagnosTear has also appointed Savyon Diagnostics (Ashdod, Israel) as an alternative sub-contractor (an ISO13485 accredited medical device manufacturer) capable of assembling and packaging the Dry Eye Diagnostic Product. Savyon Diagnostics also owns a reel-to-reel automated immunochromatographic strip manufacturing line, thus providing scalability for the strip production process. To DiagnosTear best knowledge, Savyon Diagnostics is an IVD manufacturer with experience in manufacturing diagnostic tests, ISO13485 and GMP certifications.

It should be noted that the commercial production and sales of the DiagnosTear products are contingent, among other things, on various conditions and obtaining preliminary approvals, including, but not limited to, marketing and sales approvals for the DiagnosTear products in various jurisdictions, which there is no certainty will be obtained in a timely manner (if at all). As of the date of this Prospectus, DiagnosTear has authorization to sell only its 3 parameter Dry Eye Diagnostic Product in the European Union and Israel. DiagnosTear currently does not plan to seek approval for the DES Product in U.S. or Canada. Once a distributor for the DES Product is found, it anticipates reliance on the European Union approval for authorization in other markets.

DES

The first commercial pilot production batch is expected to be manufactured within the first quarter of 2025. ChipShop (as defined below) will be responsible for manufacturing the Collector until production quantities justify the transition to Elcam (as defined below). The manufacture of the test strips is currently produced in-house and by two alternate suppliers, B.Y. Medimor Ltd. and Savyon Diagnostics. Qualify control procedures are currently performed in-house at DiagnosTear. Once DiagnosTear enters into a distribution agreement with distributors in either the European Union or Israel, DiagnosTear will commence commercial production of its Dry Eye Diagnostic Product with Elcam. The costs to initiate commercial production with Elcam have already been paid in full by DiagnosTear. See "*Supply Chain and Production – Elcam Partnership*" and "*Information Concerning the Resulting Issuer – Business Objectives and Milestones"*.

RES

Automated reel-to-reel production of uncut sheets, dicing said sheets into test strips, assembly and packaging are expected to be performed at Savyon Diagnostics (which owns such production instrumentation, and to the best of DiagnosTear knowledge has the expertise and ISO13485/GMP accreditations). Sterile eye swabs are to be sourced from a third party (Copan, Italy). Quality control procedures are planned to be performed by DiagnosTear. Setup and validation of the full production line is expected to take approx. 6 months. The production of the test cassettes is currently performed in-house at DiagnosTear (production of uncut test sheets) and by two alternative suppliers (B.Y. Medimor Ltd. and Savyon Diagnostics) for uncut sheets dicing into test strips, filling and sealing of wash reagent vials, assembly and packaging. Quality control procedures are performed at DiagnosTear.

As the legal manufacturer, DiagnosTear maintains its Medical Device Manufacturer Certificate issued by the Israeli Standards Institute, which is globally recognized. Before DiagnosTear can commercially produce its Red Eye Diagnostic Product, it will need to reach certain business milestones. Please see "*Information Concerning the Resulting Issuer – Business Objectives and Milestones*".

Elcam Partnership

On October 15, 2020, DiagnosTear entered into a contract manufacturing agreement with Elcam whereby Elcam agreed to provide manufacturing and support services to produce the Collector and cassette shell portion of the Technology (the "**Elcam Manufacturing Agreement**"). Under the terms of the Elcam Manufacturing Agreement, Elcam has the exclusive right to manufacture 5,000,000 Collectors. Elcam also agreed to establish a production line for the technology with a capacity of up to 2,000,000 Collector units per year and 500,000 cassette shell units per year.

DES

The costs of setting up a production line at Elcam have been paid in full. Should annual quantities justify the transition from ChipShop to Elcam, an estimated 6-month transition for pilot productions will be required. For more information, please see "*Information Concerning DiagnosTear – Supply Chain and Production – ChipShop Collaboration*".

RES

The mold injection of the Red Eye test device is expected to be performed at Elcam Medical. Setup costs have been paid excluding the production of high-capacity mold and an automated vial filing and sealing machine.

In connection with the Elcam Manufacturing Agreement, DiagnosTear also entered into a share purchase agreement dated October 15, 2020, with Elcam and BioLight for investment in DiagnosTear (the "**2020 Share Purchase Agreement**"). Under the 2020 Share Purchase Agreement, Elcam acquired 61,050 DiagnosTear Shares at a price per DiagnosTear Share of US$32.76 for total consideration of US$2,000,000. After the acquisition of DiagnosTear Shares under the 2020 Share Purchase Agreement, Elcam held 11.9% of the issued and outstanding DiagnosTear Shares.

On December 1, 2020, Elcam acquired an additional 25,946 DiagnosTear Shares under the 2020 Share Purchase Agreement at a price per DiagnosTear Share of US$32.76 for total consideration of US$850,000. Following this investment, Elcam held 15.8% of the issued and outstanding DiagnosTear Shares.

On July 24, 2023, Elcam invested a total of approximately US$45,000 under a share purchase agreement with DiagnosTear at a price of US$32.76 per DiagnosTear Share for 1,374 DiagnosTear Shares (the "**July 2023 Share Purchase Agreement**"). In connection with the July 2023 Share Purchase Agreement, Elcam was granted an option by DiagnosTear to acquire an additional 1,319 DiagnosTear Shares at a price of US$32.76 (the "**Elcam Option Agreement**"). On November 23, 2023, Elcam exercised its option under the Elcam Option Agreement and acquired an additional 1,319 DiagnosTear Shares at a price of US$32.76 per DiagnosTear Shares for total consideration of US$43,200.

On June 6, 2024, Elcam acquired an additional 4,121 DiagnosTear Shares under another share purchase agreement with DiagnosTear (the "**June 2024 Share Purchase Agreement**") at a price of US$32.76 per DiagnosTear Share for total consideration of US$135,000. Following the June 2024 Share Purchase Agreement, Elcam holds 93,810 DiagnosTear Shares or 16.4% of the issued and outstanding DiagnosTear Shares.

On September 24, 2024, Elcam exercised its option under the Elcam Option Agreement and acquired an additional 1,496 DiagnosTear Shares at a price of US$32.76 per DiagnosTear Shares for total consideration of US$49,000

Following the above investments, Elcam holds approximately 16.6% of the issued and outstanding DiagnosTear Shares.

ChipShop Collaboration

On April 2, 2024, DiagnosTear and Microfluidic ChipShop GmbH ("**ChipShop**") entered into the Exclusive License Agreement. According to the Exclusive License Agreement, ChipShop will manufacture the Collector for annual quantities which are up to a certain threshold, at a predetermined price, under the regulatory provisions required by the respective European Union directive and the applicable ISO13485 standard. As the manufacturing process contains intellectual property that is owned by ChipShop, the Exclusive License Agreement also provides the terms for an exclusive license of three patents covering some technological aspects required for the manufacturing of the Collectors. The Exclusive License Agreement provides the basis for the exclusive supply of Collectors to DiagnosTear at low-medium scale quantities by ChipShop, and allows DiagnosTear to source the manufacture of Collectors at large scale quantities from a third party (Elcam) without infringing upon the patents owned by ChipShop and against running royalties of low one digit percentage of the price of which DiagnosTear sources the Collectors from said third parties.

Other Distribution Methods

Marketing and sales require engagement with local distributors, marketing activity and inclusion in indemnity codes to the extent required in the various countries.

As of September 2024, Diagnostear is engaged in negotiations that might potentially lead to execution of distribution agreements with an entity in Spain and Portugal, and in discussions with certain potential distributors in the Far East.

Three Year History

2022

Clinical Trials and Results

In December 2022, interim results were received in the clinical study in India indicating the new generation of the Dry Eye Diagnostic Product's high capacity to diagnose participants who suffer from DES with varying degrees of severity, with 79% sensitivity and 73% specificity. In addition, an initial correlation was found between the result received by use of the product and the severity of the DES. For more information on this study, see "*Information Concerning DiagnosTear – Clinical Trials – DES*".

Funding

On December 1, 2022, Biolight - the Majority DiagnosTear Shareholder acquired 10,684 DiagnosTear Shares at a price per DiagnosTear Share of US$32.76 for aggregate consideration of US$350,000. Following the acquisition of the DiagnosTear Shares, the Majority DiagnosTear Shareholder held, directly and indirectly, 422,108 DiagnosTear Shares, representing 76.6% of the issued and outstanding DiagnosTear Shares.

On December 1, 2022, Elcam acquired 25,946 DiagnosTear Shares for aggregate consideration of US$850,000. For more information on the acquisition of DiagnosTear Shares by Elcam, please see "*Information Concerning DiagnosTear – Supply Chain and Production – Elcam Partnership*".

Supply Chain and Production

On February 15, 2022, DiagnosTear entered into a turn-key manufacturing agreement with B.Y. Medimor Ltd., an Israel-based ISO13485 accredited medical device manufacturer, as a sub-contractor for production and assembly of the test cassette, and packaging the test kits. The first pilot production batch is expected to be manufactured within the first quarter of 2025. For more information regarding the turn-key manufacturing agreement and 'Savyon', an alternative manufacturer , see "*Information Concerning DiagnosTear – Supply Chain and Production*".

Intellectual Property

On November 15, 2022, DiagnosTear was granted a patent by the United States Patent and Trademark Office (patent no. 11,499,980) titled "Method for Measuring Tear Constituents in a Tear Sample". For more information regarding DiagnosTear's intellectual property portfolio, including the aforementioned patent, please see "*Information Concerning DiagnosTear – Intellectual Property Portfolio*".

Other Material Developments

On October 25, 2022, DiagnosTear appointed Dr. Shimon Gross as its CEO and issued him 10,916 DiagnosTear Options to Shimon Gross, CEO of DiagnosTear.

2023

Clinical Trials and Results

On June 4, 2023, DiagnosTear entered into a clinical study agreement with Leumit Health Services ("**LHS**"), pursuant to which DiagnosTear and LHS will collaborate to conduct a study aimed at collecting tears from RES patients for the purpose of developing the RES Product - a differential diagnosis test between conjunctivitis caused by adenovirus, allergic conjunctivitis and keratitis caused by the herpes virus. The parties agreed that following the first commercial sale of any commercialized diagnostic test for differential detection of adenoviral conjunctivitis, herpetic keratitis and allergic conjunctivitis derived directly from the results of the study or if Diagnostear upgrades or creates a different product which is directly based on LHS'

data that was collected in the original study product, DiagnosTear will pay LHS a low one digit percentage out of its net revenue, subject to specific caps, while maintaining all other rights under the Agreement.

In October 2023, DiagnosTear recruited the first participant in the clinical trial with LHS. This study is expected to include up to 200 participants suffering from symptoms of red eye. Subject to the rate of participant recruitment, and the opening of additional clinics and additional entities for sampling the clinical trial is expected to end in mid 2025.

Funding

On May 30, 2023, DiagnosTear entered into warrant cancellation agreements with the Majority DiagnosTear Shareholder and Elcam, pursuant to which all warrants issued to Majority DiagnosTear Shareholder and Elcam respectively under the 2020 Share Purchase Agreement were cancelled. For more information on DiagnosTear's partnership with Elcam, please see "*Information Concerning DiagnosTear – – Supply Chain and Production – Elcam Partnership*".

On July 24, 2023, Elcam acquired 1,374 DiagnosTear Shares for aggregate consideration of US$45,000. For more information on the acquisition of DiagnosTear Shares by Elcam, please see "*Information Concerning DiagnosTear – Supply Chain and Production – Elcam Partnership*". On the same date, DiagnosTear issued 155 DiagnosTear Shares to an employee at a price per DiagnosTear Share of US$32.76 for total consideration of $5,078.

On July 24, 2023, the Majority DiagnosTear Shareholder acquired 7,040 DiagnosTear Shares at a price per DiagnosTear Share of US$32.76 for aggregate consideration of US$230,630. Following the acquisition of the DiagnosTear Shares, the Majority DiagnosTear Shareholder held, directly and indirectly, 429,148 DiagnosTear Shares, representing 76.8% of the issued and outstanding DiagnosTear Shares.

On November 23, 2023, Elcam acquired 1,319 DiagnosTear Shares for aggregate consideration of US$43,200. For more information on the acquisition of DiagnosTear Shares by Elcam, please see "*Information Concerning DiagnosTear – Supply Chain and Production – Elcam Partnership*".

On November 23, 2023, the Majority DiagnosTear Shareholder acquired 6,758 DiagnosTear Shares at a price per DiagnosTear Share of US$32.76 for aggregate consideration of US$221,400. Following the acquisition of the DiagnosTear Shares, the Majority DiagnosTear Shareholder held, directly and indirectly, 435,906 DiagnosTear Shares, representing 76.9% of the issued and outstanding DiagnosTear Shares.

Supply Chain and Production

On April 9, 2023, DiagnosTear entered into a non-exclusive finders' fee agreement with Up Wind Technologies Ltd. for the identification of, and introduction to, potential distributors of DiagnosTear's products in Italy.

On May 19, 2023, DiagnosTear entered into a non-exclusive finders' fee agreement with R & M Co. for the identification of, and introduction to, potential distributors of DiagnosTear's products in South Korea, Taiwan, Thailand, Singapore and the Philippines.

In July 2023, DiagnosTear approved the amendment to the management service fees between DiagnosTear and BioLight, according to which, upon the successful completion of the Listing, the monthly management fee shall be increased to approximately US$21,000.

Intellectual Property

On July 3, 2023, DiagnosTear was granted a patent by the Israel Patent Office (patent no. 260531) titled "Method for Measuring Tear Constituents in a Tear Sample". For more information regarding DiagnosTear's intellectual property portfolio, including the aforementioned patent, please see "*Information Concerning DiagnosTear – Intellecual Property Portfolio*".

Regulatory

On January 1, 2023, DiagnosTear received marketing and sale approvals in Israel (Ministry of Health) to market and sell the Dry Eye Diagnostic Product, which was renewed on November 30, 2023.

On June 20, 2023, DiagnosTear entered into an authorized representative agreement with MedNet EC-REP GmbH ("**MedNet EC**") pursuant to which MedNet EC will provide authorized representative services to DiagnosTear in Europe in support of its in-vitro diagnostic medical devices.

Other Material Developments

On June 4, 2023, DiagnosTear entered into the LOI with the Company with respect to the Proposed RTO Transaction, which outlined the general terms and conditions pursuant to which DiagnosTear and the Company would be willing to complete the Proposed RTO Transaction.

In July 2023, DiagnosTear entered into a cooperation agreement with Lexitas Pharma Services, Inc., one of the largest companies operating in the U.S. for the management of clinical studies in the field of ophthalmology (the "**Lexitas Cooperation Agreement**"). As part of the Lexitas Cooperation Agreement, Lexitas was expected to offer its potential customers, who are in clinical research trials for the treatment of diseases in the front of the eye, to include the TeaRx™ Technology, and the products created thereunder, as part of their clinical trials.

On August 17, 2023, DiagnosTear entered into the Share Exchange Agreement with BioLight and the Company, whereby the Company agreed to acquire all of the issued and outstanding shares of DiagnosTear in exchange for the issuance of the Payment Shares, Payment Warrants and Replacement Options. See "*Information Concerning the Proposed RTO Transaction*" for a more detailed summary of the Proposed RTO Transaction.

Effective December 31, 2023, the Company, DiagnosTear and the Majority DiagnosTear Shareholder amended the terms of the Share Exchange Agreement, pursuant to which the parties extended the outside date of the Proposed RTO Transaction to November 29, 2024 and established the terms of the Concurrent Subscription Receipt Financing.

2024

Financing

In January 2024, DiagnosTear was granted approval for a research and development grant from the IIA in the aggregate amount of C$365,000. In January 2024, under such approval, DiagnosTear received an amount of C$182,000.

On June 6, 2024, Elcam acquired 4,121 DiagnosTear Shares for aggregate consideration of US$135,000. For more information on the acquisition of DiagnosTear Shares by Elcam, please see "*Information Concerning DiagnosTear – Supply Chain and Production - Elcam Partnership*".

On September 24, 2024 and September 29, 2024, Elcam and the Majority DiagnosTear Shareholder acquired 1,496 DiagnosTear Shares and 3,663 DiagnosTear Shares, respectively, at a price per DiagnosTear Share of US$32.76 for aggregate consideration of US$169,000. Following the acquisition of

the DiagnosTear Shares, the Majority DiagnosTear Shareholder held, directly and indirectly, 439,569 DiagnosTear Shares, representing 76.3% of the issued and outstanding DiagnosTear Shares.

Supply Chain and Production

In April 2024, DiagnosTear and Microfluidic ChipShop GmbH (ChipShop) entered into the ChipShop Collaboration Agreement. For more information on the ChipShop Collaboration Agreement, see "*Information Concerning DiagnosTear – Supply Chain and Production – ChipShop Collaboration*".

Regulatory

On May 6, 2024, the Dry Eye Diagnostic Product has been recertified as a legacy product until May 2027 under the CE standard.

Other Material Developments

On October 30, 2024, the Company, DiagnosTear and the Majority DiagnosTear Shareholder amended the terms of the Share Exchange Agreement, pursuant to which the parties extended the term of the SR Warrants and Payment Warrants from 12 months to 18 months.

Timing and Stage of Development Programmes

Short-Term Objectives

Over the next twelve months, DiagnosTear plans to accomplish the following objectives with respect to its Dry Eye Product and Red Eye Product:

Dry Eye Diagnostic Product:

1. Pursue and act to enter into distribution agreements in EU and Israel regarding the currently approved DES Product (based on the 3 parameters) Expected Completion: June 2025. Expected cost: C$30,000.

Red Eye Diagnostic Product:

1. Finalize the development of a fully functional device to administer the Red Eye Diagnostic Product. Expected Completion: February 2025. Expected cost: C$68,000;

2. Finalize the clinical trials aimed at collection and characterization of approximately 150- 200 clinical RES samples. Expected Completion: May 2025. Expected cost: C$122,000;

3. Finalize injection mold for the Red Eye Diagnostic Product and produce 3,000 Red Eye Diagnostic Products for clinical trials and validations. Expected Completion: May 2025. Expected cost: C$47,000;

4. Ensure the readiness of DiagnosTear to commence the required external, independent clinical trials for obtaining the regulatory approvals for the Red Eye Diagnostic Product in the U.S. (FDA and CLIA waiver). Determine and confirm the trial protocols (FDA pre-submission). Expected Completion: July 2025. Expected cost: C$41,000; and

5. Commence clinical trials in at least three sites in the U.S. and in Israel through a dedicated contract research organization. . Expected Completion: December 2025. Expected cost: C$475,000.

Dividends or Distributions

DiagnosTear has not declared any cash dividends or distributions for any of its securities in any of the three most recently completed financial year and no such dividends or distributions are contemplated for the current financial year. As of the date of this Prospectus, there are no restrictions that prevent DiagnosTear from paying dividends or distributions on its DiagnosTear Shares.

It is not contemplated that DiagnosTear will pay dividends in the immediate or foreseeable future.

Selected Financial Information and Management's Discussion & Analysis

Selected Financial Information

The following selected financial information has been derived from and is qualified in its entirety by the annual financial statements for the years ended December 31, 2023 and December 31, 2022 (audited) and the interim financial statements of DiagnosTear for the six months ended June 30, 2024 (unaudited) and notes thereto included in this Prospectus, and should be read in conjunction with such financial statements and the related notes thereto, along with the MD&A included in Appendix "B" of this Prospectus. All financial statements of DiagnosTear are prepared in accordance with IFRS Accounting Standards.

	As at June 30, 2024 (unaudited) (C$ in thousands)	**As at December 31, 2023 (audited) (C$ in thousands)**	**As at December 31, 2022 (audited) (C$ in thousands)**
Total Assets	1,705	1,813	1,256
Total Liabilities	851	634	748
Total shareholders' Equity	854	1,179	508
Revenue	Nil	Nil	Nil
Gross Profit	Nil	Nil	Nil
Comprehensive Loss for the Period	(518)	(1,158)	(1,255)

Statement of Comprehensive Loss

	For the six months ended June 30, 2024 (Unaudited) (C$ in thousands)	**For the year ended December 31, 2023 (audited) (C$ in thousands)**	**For the year ended December 31, 2022 (audited) (C$ in thousands)**
Operating loss	(542)	(1,136)	(1,100)
Financing income (expense)	23	(17)	(87)
Loss for the year	(519)	(1,153)	(1,187)
Comprehensive loss for the period	(518)	(1,158)	(1,255)

Management's Discussion and Analysis

The MD&A of DiagnosTear for the years ended December 31, 2023, 2022 and 2021 (audited) and for the three and six months ended June 30, 2024 (unaudited) is included in this Prospectus at Appendix "B".

The MD&A should be read in conjunction with the respective financial statements and the accompanying notes thereto included in this Prospectus.

Governmental Grants

Through June 30, 2024, DiagnosTear has been receiving grants in respect of participation in research and development from the IIA, in a total amount of C$800,000, including interest. In return, DiagnosTear undertook to pay royalties at a rate of 3% - 3.5% of the revenues that will be derived from the know-how and technology to be developed as part of the projects in respect of which such financing was received. The liability amount is linked to the U.S. dollar and bears interest at the London Inter-Bank Offered Rate ("**LIBOR**"). As to the replacement of the LIBOR benchmark rate due to the phasing out of LIBOR, even though the IIA has not declared the alternative benchmark rate to replace the LIBOR, DiagnosTear does not believe that the change in the benchmark rate will have a significant impact on DiagnosTear. Such payments to the IIA might be higher in case of transfer of IP or manufacturing rights outside of Israel.

For additional information regarding DiagnosTear's accounting policy and recognition of the IIA liability in its financial statements, see note 3K and 9 to the financial statements of DiagnosTear for the financial year ended December 31, 2023 (audited).

For additional information on the IIA's restrictions on the transfer of know-how and/or manufacturing, see "*Risk Factors – Risks Associated with DiagnosTear – Limitations of transfer of know-how and/or manufacturing under IIA*".

Description of Share Capital

DiagnosTear Shares

The authorized capital of DiagnosTear consists of NIS 10,000 divided by 1,000,000 DiagnosTear Shares par value NIS 0.01. As of the date hereof, there are 575,846 DiagnosTear Shares issued and outstanding.

Holders of DiagnosTear Shares are entitled to receive notice of, and to attend and vote at, all meetings of the shareholders of DiagnosTear, and each DiagnosTear Share confers the right to one vote, provided that the shareholder is a holder on the applicable record date declared by the DiagnosTear Board. The holders of DiagnosTear Shares, subject to the prior rights, if any, of any other class of shares of the DiagnosTear with special rights as to dividends, are entitled to receive such dividends in any financial year as the DiagnosTear Board may determine. In the event of the liquidation, dissolution or winding-up of the DiagnosTear, whether voluntary or involuntary, the holders of the DiagnosTear Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the DiagnosTear, the remaining property and assets of the DiagnosTear. The DiagnosTear Shares are subject assessment rights, rights regarding purchase for cancellation or surrender, or any pre-emptive or conversion rights. See *"Information Concerning DiagnosTear – Corporate Structure – Amended and Restate Articles of Association*" and "*Information Concerning DiagnosTear* – Consolidated *Capitalization*".

Options to Purchase Securities

DiagnosTear adopted the DiagnosTear Option Plan in accordance with Section 102 of the Israeli ITO.

As of the date of this Prospectus, 31,718 DiagnosTear Options have been granted and are outstanding under the DiagnosTear Option Plan. The table below summarizes information about the options outstanding as at the date of this Prospectus:

	Securities Under Options	Exercise Price	Expiry Date
Executive Officers and Past Executive officers of DiagnosTear, as a group[(1)]	16,683	USD 10.8 - 32.76	September 30, 2027 - May 30, 2030
Directors and past Directors of DiagnosTear as a groups	6,272	USD 32.76	May 5, 2028
All other employees and past employees of DiagnosTear, as a group	2,400	USD 32.76	April 24, 2031
All consultants, as a group	6,363	USD 26.21 – 32.76	October 8, 2025 - December 25, 2030
Any other person or company	-	-	-

Notes:
(1) Consists of grants of 10,916 DiagnosTear Options to Shimon Gross, CEO of DiagnosTear and grants of 5,767 DiagnosTear Options to Amos Sommer, VP, Technology of DiagnosTear.

DiagnosTear Option Plan

On January 19, 2014, DiagnosTear adopted the DiagnosTear Option Plan, which is summarized below. On January 28, 2014, the ITA approved the DiagnosTear Option Plan. On December 28, 2023, the Option Plan was extended for additional 10 years.

Key Terms	Summary
Administration	The DiagnosTear Option Plan is administered by the DiagnosTear Board or by a special committee of directors appointed from time to time by the DiagnosTear Board.
DiagnosTear Shares Subject to Plan	The aggregate number of DiagnosTear Shares issuable upon the exercise of all DiagnosTear Options granted under the DiagnosTear Option Plan are not to exceed 36,500 DiagnosTear Shares and may be enlarged according to the DiagnosTear Board's (the plan administrator) decision. If any DiagnosTear Options granted under the DiagnosTear Option Plan expires for any reason without being exercised, the unpurchased DiagnosTear Shares are available for the purpose of the DiagnosTear Option Plan.
Eligibility	Directors, officers, consultants and employees of the DiagnosTear and employees of a person or company which provide management services to DiagnosTear are eligible to participate in the DiagnosTear Option Plan. Subject to compliance with requirements of the applicable regulators, participants may elect to hold DiagnosTear Options granted to them in an incorporated entity wholly owned by them and such entity is bound by the DiagnosTear Option Plan in the same manner as if the DiagnosTear Options were held by the participant.

Key Terms	Summary
Designation of DiagnosTear Options	DiagnosTear Options awarded to employees can be designated under Israeli law as either a "Capital Gain Option" or an "Ordinary Income Option". If designated as either a "Capital Gain Option" or an "Ordinary Income Option", the awarded DiagnosTear Option will need to be held in trust for such period of time as required under Section 102 of the 1961 Israeli ITO. If DiagnosTear Options are either awarded to non-employees or are considered "Unapproved 102 Options", such grant of DiagnosTear Options do not require a trustee to hold such securities.
Exercise Price	The exercise price of the DiagnosTear Shares subject to each DiagnosTear Option will be determined by the DiagnosTear Board in its sole and absolute discretion, subject to approval by the regulators (if applicable), at the time any DiagnosTear Option is granted.
Expiry Period	Each DiagnosTear Option and all rights thereunder will expire seven (7) years from the date of grant, unless decided otherwise by the DiagnosTear Board.
Vesting Period	Unless otherwise determined by the DiagnosTear Board, the DiagnosTear Options will vest over a period of 36 months, with a third of granted DiagnosTear Options vesting every 12 months.
Cessation of Employment	Unless otherwise specified in the award agreement pursuant to which the DiagnosTear Options are granted to the participant, if a participant ceases to be a director, officer, consultant or employee of DiagnosTear, for any reason (other than death or termination for cause), such participant may exercise their vested DiagnosTear Options to the extent that the participant was entitled to exercise it at the date of such cessation, provided that such exercise must occur within 90 days after the participant ceases to be a director, officer, consultant or employee without cause. If the director, officer, consultant or employee is terminated by reason of death or disability, the vested DiagnosTear Option can be exercised within 12 months after such date of termination. If a director, officer, consultant or employee are terminated with cause, all outstanding DiagnosTear Options will terminate immediately.

Pursuant to the terms of the Share Exchange Agreement, all outstanding DiagnosTear Options will either be terminated or exercised prior to completion of the Proposed RTO Transaction or, to the extent not exercised or terminated, exchanged for Replacement Options.

Consolidated Capitalization

Other than the issuance of DiagnosTear Shares to Biolight and Elcam due to the exercise of DiagnosTear Options under the Elcam Option Agreement, there have been no material changes in the capital of DiagnosTear since June 30, 2024. The following table outlines (a) the consolidated capitalization of DiagnosTear as of June 30, 2024, (b) the consolidation capitalization of DiagnosTear as of the date of this Prospectus and (c) the *pro forma* consolidated capitalization of the Resulting Issuer after giving effect to the conversion of the RTO Subscription Receipts and the completion of the Proposed RTO Transaction. The table should be read in conjunction with the DiagnosTear Financial Statements and the accompanying notes thereto included in this Prospectus:

	Amount Authorized or to be Authorized	Amount Outstanding as at June 30, 2024	Amount Outstanding as at the date of this Prospectus	Amount Outstanding After Giving Effect to the Conversion of the RTO Subscription Receipts and completion of Proposed RTO Transaction [(1)]
DiagnosTear Shares	1,000,000	570,687	575,846	575,846
DiagnosTear Options	36,500	31,718	31,718	31,718

Notes:
(1) On an undiluted basis.

Additional Disclosure for IPO Venture Issuers Without Significant Revenue

The table below sets forth a comparative breakdown of material components of DiagnosTear's (a) expensed research and development costs, (b) intangible assets arising from development, (c) general and administrative expenses, and (d) any material costs, whether expensed or recognized as assets, not referred to in items (a) through (c) for the six months ended June 30, 2024, and the years ended December 31, 2023 and 2022.

	Six months ended June 30, 2024 (unaudited, $ thousands)	Year ended December 31, 2023 (audited, $ thousands)	Year ended December 31, 2022 (audited, $ thousands)
Research and development expenses			
Subcontractors	86	195	331
Payroll and related expenses	362	701	484
Patents	16	10	12
Depreciation	11	87	85
Share-based payments	8	10	31
General and administrative expenses			
Managements fees to parent company	59	133	157
Other	-	-	-

Additional Disclosure for Junior Issuers

DiagnosTear had negative cash flow from operations for its most recently completed financial year. DiagnosTear expects to have sufficient funds available to fund operations for a period of 12 months. DiagnosTear estimates costs of C$2,933 thousands to achieve its stated short-term business objectives and general and administrative costs for the next 12 months. See "*Information Concerning DiagnosTear – Timing and Stage of Development Programs*" and "*Information Concerning the Resulting Issuer - Use of Available Funds by the Resulting Issuer*".

Prior Sales

This table sets out particulars of the DiagnosTear Shares and the securities exercisable for or exchangeable into DiagnosTear Shares that have been issued or sold by DiagnosTear within the 12 months prior to the date of this Prospectus:

Date of Issuance	Security Type	Number of Securities	Issue/Exercise Price
November 23, 2023[(1)]	DiagnosTear Shares	1,319	US$32.76
November 23, 2023[(2)]	DiagnosTear Shares	6,758	US$32.76
December 25, 2023[(3)]	DiagnosTear Options	2,777	US$32.76
April 24, 2024[(4)]	DiagnosTear Options	2,400	US$32.76
June 6, 2024[(5)]	DiagnosTear Shares	4,121	US$32.76
September 24, 2024[(6)]	DiagnosTear Shares	1,496	US$32.76
September 29, 2024[(7)]	DiagnosTear Shares	3,663	US$32.76

Notes:
(1) Issued to Elcam. Following the acquisition of DiagnosTear Shares by Elcam, Elcam held, directly or indirectly, 89,689 DiagnosTear Shares, representing 15.8% of the issued and outstanding DiagnosTear Shares on a non-diluted basis. Elcam holds no convertible securities.
(2) Issued to the Majority DiagnosTear Shareholder. Following the acquisition of DiagnosTear Shares by BioLight, Biolight held, directly or indirectly, 435,906 DiagnosTear Shares, representing 76.9% of the issued and outstanding DiagnosTear Shares on a non-diluted basis. BioLight holds no convertible securities.
(3) Granted pursuant to the DiagnosTear Option Plan.
(4) Granted pursuant to the DiagnosTear Option Plan.
(5) Issued to Elcam. Following the acquisition of DiagnosTear Shares by Elcam, Elcam held, directly or indirectly, 93,810 DiagnosTear Shares, representing 16.4% of the issued and outstanding DiagnosTear Shares on a non-diluted basis. Elcam holds no convertible securities.
(6) Issued to Elcam. Following the acquisition of DiagnosTear Shares by Elcam, Elcam held, directly or indirectly, 95,306 DiagnosTear Shares, representing 16.6% of the issued and outstanding DiagnosTear Shares on a non-diluted basis. Elcam holds no convertible securities.
(7) Issued to the Majority DiagnosTear Shareholder. Following the acquisition of DiagnosTear Shares by BioLight, Biolight held, directly or indirectly, 439,569 DiagnosTear Shares, representing 76.3% of the issued and outstanding DiagnosTear Shares on a non-diluted basis. BioLight holds no convertible securities.

Principal Securityholders

To the knowledge of the directors and officers of DiagnosTear, no person or company beneficially owns, or controls or directs, directly or indirectly, ordinary shares of DiagnosTear carrying 10% or more of the voting rights attached to all the outstanding DiagnosTear Shares, other than as follows:

Name of Shareholder	Amount of DiagnosTear Shares Owned, Controlled or Directed [(1)]	Percentage of DiagnosTear Shares Owned, Controlled or Directed (on a non-diluted basis)
BioLight Life Sciences Ltd.	439,569	76.3%
Elcam Medical	95,306	16.6%

Notes:
(1) As of the date of this Prospectus, DiagnosTear has 575,846 DiagnosTear Shares issued and outstanding.

Directors and Executive Officers

Name, Occupation and Security Holdings

The following table sets out the name, age, city and country of residence, position and offices and principal occupation during the five preceding years and periods during which each director and executive officer has served as a director or executive officer of DiagnosTear (as applicable), of each of the current directors and executive officers of DiagnosTear.

Name and Residence	Position	Period In Which Served as Director	Principal Occupations Held During the Last 5 Years	Number and Percentage of Ordinary Shares Owned or Controlled (non-diluted basis)
Yaacov Michlin *Rehovot, Israel*(1)	Director (Chairman of the Board)	Since April 2020	BioLight's CEO as of April 2020	Nil
Igal Kohn *Baram, Israel*	Director	Since October 2020	Elcam's CEO	Nil
Suzana Nahum Zilberberg *Herzeliya, Israel*(1)	Director	Since February 2013	BioLight's Deputy Chairman of the board since July 2020; BioLight's CEO until March 2020	Nil
Karin Gurevitz *Tel-Aviv, Israel*(1)	Director	Since May 2019	BioLight's VP Legal	Nil
Yifftach Biel *Ramat HaSharon, Israel*(1)	Director, CFO	Since October 2020	BioLight's CFO	Nil
Shimon Gross *Yavne, Israel*	CEO	N/A	DiagnosTear's CEO as of October 2022; AID Genomics, Executive VP; Savyon Diagnostics, Senior VP	Nil

Notes:
(1) Appointed as representatives of BioLight in accordance with BioLight's rights under the articles of association of DiagnosTear.
(2) Appointed as representative of Elcam in accordance with Elcam's rights under the articles of association of DiagnosTear.

Background – Directors and Executive Officers

The following is a brief description of each of the directors and executive officers of DiagnosTear, including their names, ages, positions and responsibilities with DiagnosTear, relevant educational background, principal occupations or employment during the five years preceding the date of this Prospectus and experience in DiagnosTear's industry:

Yaacov Michlin, Director (Chairman), Age: 55

Yaacov Michlin has served as CEO of Biolight since April 2020. Before joining Biolight, Mr. Michlin managed a medical device company selling mainly in U.S. and led such company's initial public offering on the NASDAQ. Mr. Michlin currently serves on various boards of directors in the portfolio of Biolight and is leading the life sciences activities in IATI (umbrella organization of the Israeli high-tech sector). Mr. Michlin is also the chairman of MIXIII Health Tech IL, a major conference in Israel. Mr. Michlin has an MBA from the Technion, cum laude, LLM and LLB and BSC in Economics, cum laude, Bar Ilan University.

Igal Kohn, Director, Age:62

Igal Kohn is currently, and has been since January 2017, the CEO of Elcam. Mr. Kohn has been with Elcam for over 25 years, starting in January 1998 as the CFO. Mr. Kohn holds an Israeli CPA certification.

As the CFO of Elcam, Mr. Kohn was responsible for overseeing all mergers and acquisitions activities, managing the Elcam's subsidiaries and handling all financial and legal matters. Mr. Kohn's extensive experience in financial management and strategic operations positioned him to lead Elcam as CEO.

Suzana Nahum Zilberberg, Director, Age: 53

Suzana Nahum-Zilberberg, Deputy Chair of the BioLight Board of Directors, served as BioLight's CEO from 2011 to 2020. Suzana serves as a board member in several publicly traded companies and private companies and serves as a strategic advisor for several companies.

Ms. Nahum-Zilberberg holds a B.A. in Accounting and Economics and an MBA, majoring in finance and marketing, both from Tel Aviv University. She is a Certified Public Accountant and holds a MA in Holocaust studies from Haifa University.

Karin Gurevitz, Director, Age: 53

Karin Gurevitz has served as BioLight Vice President, BioLight Group General Counsel and Company Secretary since 2015. Ms. Gurevitz is a veteran legal advisor with 25 years of experience in legal and compliance management in global public and private companies in various fields.

Ms. Gurevitz holds an LL.B. and an MBA from Tel Aviv University, Israel and is a member of the Israel Bar Association.

Yifftach Biel, CFO and Director, Age: 48

Yifftach Biel is currently, and since 2020 has been, the CFO and a director of DiagnosTear. Mr. Biel has over 20 years of experience in financial management and with a proven track record of strategic financial leadership. Mr. Biel has served as BioLight's CFO since November 2020.

Mr. Biel holds a B.A. in Management from the Open University and is a Certified Public Accountant.

Shimon Gross, CEO, Age: 54

Dr. Gross is currently, and since October 2022 has been, the CEO of DiagnosTear. Dr. Gross has over 20 years of experience in the clinical diagnostics industry and has served in a variety of commercial and technical executive roles. Prior to joining DiagnosTear, Dr. Gross served as the Vice President of the Genomics Division at AID Genomics between 2021-2022. Prior, Dr. Gross served as the Vice President of Sales and Marketing (2012 -2021), Director of Sales (2010-2012) and R&D Project Manager (2007-2010) at Savyon Diagnostics. Dr. Gross completed his post-doctoral fellowship at Washington University School of Medicine in Missouri, United States (2003-2007). Dr. Gross holds a Ph.D. and M.Sc. in Biochemistry and Molecular Biology from the Weizmann Institute of Science in Rehovot, Israel and a B.Sc. in Biology from the Hebrew University in Jerusalem, Israel.

Corporate Cease Trade Orders or Bankruptcies

No director or executive officer of DiagnosTear is at the date of this Prospectus, or was within ten years before the date of this Prospectus, chief executive officer or chief financial officer of any company (including DiagnosTear) that was:

(a) subject to a cease trade or similar order or an order that denied the issuer access to any statutory exemptions under securities legislation that was in effect for a period of more than 30 consecutive

days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) subject to a cease trade or similar order or an order that denied the issuer access to any statutory exemptions under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No director or executive officer of DiagnosTear or a shareholder holding a sufficient number of securities of DiagnosTear to affect materially the control of DiagnosTear:

(a) is at the date of this Prospectus, or was within ten years before the date of this Prospectus, a director or executive officer of any company (including DiagnosTear) that, while that person was acting in that capacity, or with a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

(b) has, within the ten years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Penalties or Sanctions and Personal Bankruptcies

No director, executive officer of DiagnosTear or a shareholder holding a sufficient number of securities of DiagnosTear to affect materially the control of DiagnosTear has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Committees

The DiagnosTear Board does not have any committees.

Conflicts of Interest

Conflicts of interest may arise as a result of the directors and officers of DiagnosTear also holding positions as directors or officers of other companies including Biolight and Elcam. Some of the individuals who will be directors and officers of DiagnosTear have been and will continue to be engaged in the identification and evaluation of assets, businesses and companies on their own behalf and on behalf of other companies,. Conflicts, if any, will be subject to the procedures and remedies provided under Israeli corporate law. Directors who are in a position of conflict will abstain from voting on any matters relating to the conflicting company.

Executive Compensation

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets out the compensation to the DiagnosTear's Named Executive Officers (NEOs) and directors for its financial years ended December 31, 2023 and 2022 as reflected in the Financial Statements.

Name and Position	Year	Salary [(1)], consulting fee, retainer or commission ($C thousands)	Bonus ($C thousands)	Share based payments ($C thousands)	Value of perquisites ($C thousands)	Value of all other Compensation [(2)] ($C thousands)	Total Compensation ($C thousands)
Shimon Gross *Chief Executive Officer*	2023	240	Nil	19	Nil	26	285
	2022	45	Nil	4	Nil	4	53
Yifftach Biel[(3)] *Chief Financial Officer and Director*	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Amos Sommer *Vice President, Technology*	2023	222	Nil	2	Nil	24	248
	2022	229	15	20	Nil	3	267
Yaacov Michlin[(3)] *Director (Chairman of the Board)*	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Eran Eilat[(4)] *Director*	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Igal Kohn *Director*	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Suzana Nahum Zilberberg[(3)] *Director*	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Karin Gurevitz[(3)] *Director*	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) Including standard social benefits costs in Israel.

(2) Consists of customary fringe benefits and a car allowance.

(3) Mr. Biel, Mr. Michlin, Ms. Zilberberg and Ms. Gurevitz were paid by BioLight directly as consideration for their services provided to DiagnosTear under the BioLight Management Services Agreement. For more information on the amounts paid by BioLight to Mr. Biel, Mr. Michlin, Ms. Zilberberg and Ms. Gurevitz, see "*Information Concerning DiagnosTear – Executive Compensation – External Management Companies*".

(4) Eran Eilat resigned as a director of DiagnosTear on September 26, 2024.

External Management Companies

As of the date of this Prospectus, the services of Yaacov Michlin, Yifftach Biel, Karin Gurevitz and Suzana Nahum Zilberberg were provided to DiagnosTear through a management service agreement dated September 1, 2020 between DiagnosTear and BioLight (the "**BioLight Management Services Agreement**"). Under the BioLight Management Services Agreement, BioLight provides bookkeeping, Payroll accounting, Audit and review (quarterly + annual), Annual tax report, Legal advice and company secretarial services, Management services (CEO, CFO, Accountant, Legal VP, Strategic), Insurance consulting, Business development services, development plan creation, identifying strategic partners and investors, assistance in negotiations with international partners and strategic investors, assistance in acquainting and employing Key Opinion Leaders; Medical/scientific consulting; Public relations services and Administrative services - use of meeting room, IT services including computer maintenance and communication services etc.to DiagnosTear, including an office lease (until February 2024) for a flat fee of NIS 50,000 per month (without the office lease, NIS 30,000 per month). According to a new management services agreement between DiagnosTear and Biolight dated July 16, 2023, upon Closing of the Proposed RTO Transaction, the flat fee will increased to NIS 60,000 per month.

BioLight paid the following amounts to the directors of DiagnosTear during the financial year ended December 31, 2023. BioLight does not allocate any portion of their salaries to the services provided to DiagnosTear.

Name and Position	Year	Salary, consulting fee, retainer or commission ($C thousands)	Bonus ($C thousands)	Total[(1)]
Yaacov Michlin *Director (Chairman of the Board)*	2023	376	54	430
	2022	396	146	542
Yifftach Biel *Chief Financial Officer and Director*	2023	223	29	252
	2022	237	54	291
Karin Gurevitz *Director*	2023	218	23	241
	2022	232	40	272
Suzana Nahum Zilberberg *Director*	2023	82	Nil	82
	2022	116	Nil	116

Notes:
(1) The amounts are subject to the exchange rate fluctuations CAD/NIS during the period.

Stock Options and Other Compensation Securities

The following table discloses information regarding all compensation securities granted or issued to each director and Named Executive Officer of DiagnosTear for services provided or to be provided, directly or indirectly, to the DiagnosTear during the financial year ended December 31, 2023.

Name and Position	Type of Compensation Security	Number of compensation securities, number of underlying securities and percentage of class	Date of issue or grant	Issue, conversion or exercise price	Closing price of security or underlying security on date of grant	Closing price of security or underlying security at year end	Expiry date
Amos Sommer *Vice President, Technology*	DiagnosTear Options	2,447	May 29, 2023	US$32.76	N/A	N/A	7 years from grant unless Mr. Sommer terminates his employment with DiagnosTear before such time

Employment, Consulting and Management Agreements

The Company entered into an employment agreement with Shimon Gross, the Chief Executive Officer of DiagnosTear, dated September 1, 2022 (the "**Shimon Employment Agreement**"), pursuant to which Mr. Gross serves as Chief Executive Officer of DiagnosTear. Pursuant to the Shimon Employment Agreement, Mr. Gross is entitled to a monthly gross salary of NIS 42,000 and an annual bonus equal to up to three months salary, subject to the achievement of certain goals and objectives as set by the board of directors of DiagnosTear. In connection with the Shimon Employment Agreement, Mr. Gross was also granted DiagnosTear Options equal to 2% of DiagnosTear's issued and outstanding share capital on a fully-diluted basis as of September 1, 2022. Mr. Gross may terminate the Shimon Employment Agreement at any time with sixty (60) days notice. The Company may terminate the Shimon Employment Agreement at any time with cause. The Company may terminate the Shimon Employment Agreement without cause at any time with sixty (60) days notice. Upon termination of the Shimon Employment Agreement, Mr. Gross shall be entitled to receive the amounts contributed by DiagnosTear to its manager's insurance policy on behalf of Mr. Gross, in lieu and in full and final substitution of any severance pay. Upon Closing of the Proposed RTO Transaction, Mr. Gross' annual salary will be $240,000.

The Company entered into an employment agreement with Amos Sommer, the Vice-President Technology of DiagnosTear, dated September 1, 2021 (the "**Amos Employment Agreement**"), pursuant to which Mr. Amos serves as the Vice-President Technology of DiagnosTear. Pursuant to the Amos Employment Agreement, Mr. Sommer is entitled to a monthly gross salary of NIS 38,280. Mr. Sommer may terminate the Amos Employment Agreement at any time with sixty (60) days notice. The Company may terminate the Amos Employment Agreement at any time with cause. The Company may terminate the Amos Employment Agreement without cause at any time with sixty (60) days notice. Upon termination of the Amos Employment Agreement, Mr. Sommer shall be entitled to receive the amounts contributed by DiagnosTear to its manager's insurance policy on behalf of Mr. Sommer, in lieu and in full and final substitution of any severance pay. Upon Closing of the Proposed RTO Transaction, Mr. Sommer's annual salary will be $211,000.

Compensation Discussion and Analysis

The purpose of this compensation discussion and analysis is to provide information about DiagnosTear's executive compensation objectives and processes and to discuss compensation decisions relating to its directors and Named Executive Officers listed in the compensation table set out above. In accordance with applicable securities legislation, DiagnosTear currently has two Named Executive Officers, being Shimon Gross, Chief Executive Officer, and Yifftach Biel, Chief Financial Officer.

The DiagnosTear Board assumes responsibility for reviewing and monitoring the long-range compensation strategy for the senior management of DiagnosTear. In determining executive compensation, the

DiagnosTear Board considered a variety of factors, including: (i) the overall financial and operating performance of DiagnosTear; (ii) each executive officer's individual performance and contribution towards meeting corporate objectives; (iii) each executive officer's level of responsibility and length of service; and (iv) industry comparable.

Compensation Objectives and Principles

The compensation program for the senior management of DiagnosTear is designed to ensure that the level and form of compensation achieves certain objectives, including:

(a) attracting and retaining qualified executives;

(b) motivating the short and long-term performance of these executives; and

(c) better aligning their interests with those of the DiagnosTear Shareholders.

In compensating its senior management, DiagnosTear has employed a combination of base salary, bonus compensation and equity participation through the DiagnosTear Option Plan.

Elements of Compensation

(a) Base Salary

In the DiagnosTear Board's view, paying base salaries which are reasonable in relation to the level of service expected while remaining competitive in the markets in which DiagnosTear operates is a first step to attracting and retaining qualified and effective executives. Competitive salary information on comparable companies within DiagnosTear's industry is compiled from a variety of sources, including national and international publications.

(b) Equity Participation

DiagnosTear believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the grant of DiagnosTear Options under the DiagnosTear Option Plan (as described below). DiagnosTear Options may be granted to executives and employees considering a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. The amounts and terms of options granted are determined by the DiagnosTear Board.

(c) Compensation Risks

The DiagnosTear Board is keenly aware of the fact that compensation practices can have unintended risk consequences. The DiagnosTear Board will continually review DiagnosTear's compensation policies to identify any practice that might encourage an employee to expose DiagnosTear to unacceptable risk. At the present time the DiagnosTear Board is satisfied that the current executive compensation program does not encourage the executives to expose the business to inappropriate risk. The DiagnosTear Board takes a conservative approach to executive compensation rewarding individuals for the success of DiagnosTear once that success has been demonstrated and incenting them to continue that success through the grant of long-term incentive awards.

(d) Hedging Policy

DiagnosTear has no policy on whether a NEO or director is permitted to purchase certain financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds which are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

(e) Compensation Process

DiagnosTear does not have a compensation committee or a formal compensation policy. DiagnosTear relies solely on the directors to determine the compensation of the Named Executive Officers. In determining compensation, the directors consider industry standards and DiagnosTear's financial situation, but DiagnosTear does not have any formal objectives or criteria. The performance of each executive officer is informally monitored by the directors, having in mind the business strengths of the individual and the purpose of originally appointing the individual as an officer.

In establishing compensation for executive officers, the DiagnosTear Board as a whole seeks to accomplish the following goals:

- To recruit and subsequently retain highly qualified executive officers by competitive offering overall compensation;

- To motivate executives to achieve important corporate and personal performance objectives and reward them when such objectives are met; and

- To align the interests of executive officers with the long-term interests of the DiagnosTear Shareholders through participation in the DiagnosTear Option Plan.

When considering the appropriate executive compensation to be paid to our officers, the DiagnosTear Board considers a number of factors including: (i) recruiting and retaining executives critical to the success of DiagnosTear and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and DiagnosTear's shareholders; (iv) rewarding performance, both on an individual basis and with respect to operations generally; and (v) available financial resources.

(f) Option-Based Awards

Long-term incentives in the form of DiagnosTear Options are intended to align the interests of its directors and executive officers with those of the DiagnosTear Shareholders and to provide a long-term incentive to reward those individuals for their contribution to the generation of shareholder value, while reducing the burden of cash compensation that would otherwise be payable by DiagnosTear.

The DiagnosTear Option Plan is administered by the DiagnosTear Board. In determining the number of incentive DiagnosTear Options to be granted to the Named Executive Officers, the DiagnosTear Board has regard to several considerations including previous grants of DiagnosTear Options and the overall number of outstanding DiagnosTear Options relative to the number of outstanding DiagnosTear Shares, as well as the degree of effort, time, responsibility, ability, experience and level of commitment of the executive officer. For a detailed discussion of the DiagnosTear Option Plan, please see "*Information Concerning DiagnosTear – Options to Purchase Securities – DiagnosTear Option Plan*".

Compensation of Directors

Other than as disclosed, the only arrangements DiagnosTear has, standard or otherwise, pursuant to which DiagnosTear compensated directors for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as a consultant or expert during the most recently completed financial year or subsequently, are by: (i) the issuance of DiagnosTear Options; and (ii) reimbursement for out-of-pocket expenses incurred on behalf of DiagnosTear.

Indebtedness of Directors and Executive Officers

As of the date of this Prospectus, no current or former director, executive officer or employee is indebted to DiagnosTear, including in respect of indebtedness owing to another entity, if the indebtedness is the

subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by DiagnosTear.

Promoters

BioLight is a Promoter of DiagnosTear. BioLight currently holds directly 435,906 DiagnosTear Shares, which represents 76.4% of the issued and outstanding DiagnosTear Shares on a non-diluted basis. Upon completion of the Proposed RTO Transaction, BioLight will own 26,864,391 Resulting Issuer Shares, representing 45.8% of the issued and outstanding Resulting Issuer Shares on a non-diluted basis, and 2,626,158 Payment Warrants, representing 45.8% of the issued and outstanding Resulting Issuer Warrants. Under the BioLight Management Services Agreement, BioLight provides accounting (including CFO services), legal, business development, CMO, IT and etc. services to DiagnosTear, including an office lease (until February 2024) for a flat fee of NIS 50,000 per month (without the office lease, NIS 30,000 per month). According to a new management services agreement between DiagnosTear and Biolight dated July 16, 2023, upon Closing of the Proposed RTO Transaction, the flat fee will increased to NIS 60,000 per month.

Legal Proceedings and Regulatory Actions

Legal Proceedings

DiagnosTear is not and was not since the beginning of the most recently completed financial year, a party to any legal proceeding nor are or were any of its property the subject of any legal proceedings and DiagnosTear does not know of any such proceedings to be contemplated.

Regulatory Actions

No penalties or sanctions have been imposed against DiagnosTear by a court relating to provincial and territorial securities legislation or by a securities regulatory authority within the three years preceding the date of this Prospectus and there are no other penalties or sanctions that have been imposed by a court or regulatory body against DiagnosTear that must be described herein for the Prospectus to contain full, true and plain disclosure of all material facts relating to the securities being distributed.

DiagnosTear has not entered into a settlement agreement before a court relating to provincial and territorial securities legislation or with a securities regulatory authority within the three years preceding the date of this Prospectus.

Interest of Management and Others in Material Transactions

Except as disclosed above under the headings "*Information Concerning the DiagnosTear - Executive Compensation*" and "*Information Concerning the DiagnosTear – Directors and Executive Officers*", no director or executive officer of DiagnosTear, no person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of its outstanding voting securities or and no associate or affiliate of any such person has any material interest, direct or indirect, in any transaction within the three years before the date of this Prospectus that has materially affected or is reasonably expected to materially affect DiagnosTear.

INFORMATION CONCERNING THE PROPOSED RTO TRANSACTION

Pursuant to the Share Exchange Agreement, as amended effective December 31, 2023 and amended on October 30, 2024, the Company will acquire all of the issued and outstanding ordinary shares in the capital of DiagnosTear held by BioLight and other Participating DiagnosTear Shareholders. Following the completion of the Proposed RTO Transaction, DiagnosTear will become a wholly-owned or majority-owned subsidiary of the Company. It is anticipated that the Proposed RTO Transaction will be completed on or about November 28, 2024.

The completion of the Proposed RTO Transaction is subject to, among other things, prior satisfaction or waiver of a number of conditions set out in the Share Exchange Agreement, including, but not limited to: (i) completion of Concurrent Subscription Receipt Financing; and (ii) receipt of all required regulatory, corporate, shareholder and third-party approvals necessary to complete the Proposed RTO Transaction and the Listing including (a) authorization to file the Final Prospectus subject to execution of the Closing Agreement; (b) approval of the Listing by the Exchange; and (c) receipt of a 103K Tax Ruling acceptable to the Majority DiagnosTear Shareholder.

The purchase price for the acquisition of the DiagnosTear Shares will be satisfied through the issuance by the Company to DiagnosTear of the Payment Shares, Payment Warrants and Replacement Options. See "*Plan of Distribution*".

Share Exchange Agreement

The Share Exchange Agreement contains covenants, representations and warranties of and from each of the Company, DiagnosTear and the Majority DiagnosTear Shareholder and various conditions precedent and covenants, both mutual and with respect to each entity.

The following is a summary of certain provisions of the Share Exchange Agreement, which is qualified in its entirety by reference to the full text of the Share Exchange Agreement, a copy of which is filed under the Company's issuer profile on SEDAR+, accessible at www.sedarplus.ca.

Lock-Up Agreements

Under the Share Exchange Agreement, the Company will cause all of the shareholders under the Initial Financing to be subject to lock-up agreements with the Resulting Issuer which will provide that:

> (i) 25% of the Resulting Issuer Shares purchased pursuant to the Initial Financing, subject to lock-up agreements, may be sold immediately upon Closing provided that any such sale is at a price per Resulting Issuer Share of $0.75 or greater; and
>
> (ii) the Resulting Issuer Shares purchased pursuant to the Initial Financing, subject to lock-up agreements, shall be released in accordance with the following release schedule:

Release Date	**Resulting Issuer Shares issued pursuant to the Initial Financing**
At the Closing Date	25% (subject to (i) above)
6-month anniversary of Closing Date	25%
12-month anniversary of Closing Date	25%
18-month anniversary of Closing Date	25%
Total	**100%**

Representations, Warranties, and Covenants

The Share Exchange Agreement contains customary representations and warranties made by each of the Company, DiagnosTear, and the Majority DiagnosTear Shareholder. Those representations and warranties were made solely for the purposes of the Share Exchange Agreement and are subject to important

qualifications and limitations agreed to by the parties in connection with negotiating its terms. Moreover, some of the representations and warranties contained in the Share Exchange Agreement are qualified by knowledge or by reference to a contractual standard of materiality (including Material Adverse Effect) that may be different from that generally applicable to public disclosure to shareholders, or those standards used for the purpose of allocating risk between parties to an agreement.

The representations and warranties provided by each of the Company, DiagnosTear, and the Majority DiagnosTear Shareholder relate to, among other things: their valid incorporation and existence; authorized capital and outstanding securities; authority and capacity to enter into the Share Exchange Agreement; no material defaults under any contracts, agreements or licenses; no insolvency proceedings, audits or outstanding reassessments or written enquiries in respect of any taxes; and an absence of certain material changes and litigation, and in the case of DiagnosTear, certain representations and warranties regarding the operation of its business.

All of the representations and warranties contained in the Share Exchange Agreement, or document given thereunder, terminate on the earlier of the Closing Date and the date the Share Exchange Agreement is terminated in accordance with its terms.

In addition, the Share Exchange Agreement contains customary affirmative and negative covenants whereby, among other things, each of the Company and DiagnosTear, provide covenants to maintain their respective businesses and not take certain actions outside the ordinary course and to use commercially reasonable efforts to satisfy certain conditions precedent to their respective obligations under the Share Exchange Agreement.

Conditions Precedent to the Proposed RTO Transaction Becoming Effective

The respective obligation of the Company, DiagnosTear and the Majority DiagnosTear Shareholders to complete the Proposed RTO Transaction is subject to the satisfaction or waiver of certain conditions on or before the time of closing.

Generally, it is a condition precedent to the obligations to each of the Company, DiagnosTear and the Majority DiagnosTear Shareholder that the representations and warranties made by each of them that are qualified by the expression “material”, “Material Adverse Change” or “Material Adverse Effect” made as of the date of the Share Exchange Agreement remain true and correct as of Closing as if made on and as of Closing (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date), and all other representations and warranties which are not so qualified shall be true and correct in all material respects as of the date of Share Exchange Agreement and as of Closing as if made on and as of Closing (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date).

Mutual Conditions of Closing

The respective obligations of the Company, DiagnosTear and the Majority DiagnosTear Shareholder to complete the Proposed RTO Transaction are subject to the fulfillment of certain conditions at or before the Closing Time, including (but not limited to) the following:

- the conditional approval of the Exchange (subject only to usual conditions) to the Equity Incentive Plan and to the Listing on the Exchange of the Resulting Issuer Shares (including the Payment Shares);
- receipt of all required regulatory, corporate, shareholder, in the event required and third-party approvals, consents, assignments, waivers, permits, orders or approvals, necessary to permit the completion of the Proposed RTO Transaction shall have been obtained and compliance with all applicable regulatory requirements and conditions necessary to complete the Proposed RTO Transaction;

- following execution of the Closing Agreement, the BCSC shall have issued the Final Regulatory Approval by November 29, 2024;
- there shall have been no provision of applicable Laws or any actions taken by any court of Governmental Entity that makes it illegal or restrains, enjoins or prohibits the Proposed RTO Transaction, results in a judgment or assessment of damages relating to the Proposed RTO Transaction that is materially adverse to the Parties or that could reasonably be expected to impose any condition or restriction upon any of the Parties which, after giving effect to the Proposed RTO Transaction, would so materially and adversely impact the economic or business benefits of the Proposed RTO Transaction as to render inadvisable the consummation of the Proposed RTO Transaction;
- the Escrow Agreement will have been executed by each of the Company's and DiagnosTear's shareholders, directors, officers and Employees who will constitute Related Persons (as defined in policy 1 of the Exchange); and
- the Share Exchange Agreement shall not have been terminated in accordance with its terms.

Conditions of Closing in Favour of the Company

The obligation of the Company to complete the Proposed RTO Transaction is subject to the fulfillment of certain conditions at or before the Closing Time, including (but not limited to) the following:

- the representations and warranties made by DiagnosTear in the Share Exchange Agreement that are qualified by the expression "material", "Material Adverse Change" or "Material Adverse Effect" shall be true and correct as of the date of the Share Exchange Agreement and as of the Closing Date as if made on and as of the Closing Date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date), and all other representations and warranties made by DiagnosTear in the Share Exchange Agreement which are not so qualified shall be true and correct in as of the date of the Share Exchange Agreement and, in all material respects, as of the Closing Date as if made on and as of the Closing Date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date);
- the representations and warranties made by the Majority DiagnosTear Shareholder in the Share Exchange Agreement shall be true and correct as of the date of the Share Exchange Agreement and, in all material respects, as of the Closing Date (except to the extent such representations and warranties speak as of an earlier date, and in such event such representations and warranties shall be true and correct as of such earlier date);
- DiagnosTear and the Majority DiagnosTear Shareholder having tendered all closing deliveries;
- there shall not have occurred a Material Adverse Change in respect of DiagnosTear;
- there being no legal proceeding or regulatory actions or proceedings against DiagnosTear at the Closing Time which may have a Material Adverse Effect on DiagnosTear, its business, assets or financial condition; and
- DiagnosTear and the Majority DiagnosTear Shareholder shall have complied in all material respects with its covenants herein.

Conditions of Closing in Favour of DiagnosTear and the Majority DiagnosTear Shareholder

The obligation of DiagnosTear and the Majority DiagnosTear Shareholder to complete the Proposed RTO Transaction is subject to the fulfillment of certain conditions at or before the Closing Time, including (but not limited to) the following:

- the representations and warranties made by the Company in the Share Exchange Agreement that are qualified by the expression "material", "Material Adverse Change" or "Material Adverse Effect" shall be true and correct as of the date of the Share Exchange Agreement and as of the Closing Date as if made on and as of the Closing Date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date), and all other representations and warranties made by the Company in the Share Exchange Agreement which are not so

qualified shall be true and correct as of the date of the Share Exchange Agreement and, in all material respects, as of the Closing Date as if made on and as of the Closing Date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date);

- the Company shall have completed each of the Bridge Subscription Receipt Financing and Concurrent Subscription Receipt Financing;
- there shall not have occurred a Material Adverse Change in respect of the Company;
- the Company shall have complied in all material respects with its covenants herein;
- there being no legal proceeding or regulatory actions or proceedings against the Company which may have a Material Adverse Effect on the Company, its business, assets or financial condition;
- the Company Board shall be reconstituted as of the Closing Date to consist of five (5) directors and will include the following nominees: (i) four nominees from DiagnosTear, one of whom will serve as Chair and two of whom will be independent; and (ii) one nominee designated by the Company (subject to pre-approval by DiagnosTear), who will be an independent director;
- the following shall have been appointed officers of the Resulting Issuer as of the Closing Date: (i) Shimon Gross, CEO; and (ii) Yifftach Biel, CFO (each a "**Resulting Officer**" and collectively, the "**Resulting Officers**");
- Oceanview shall have duly authorized the Equity Incentive Plan and authorized the grant thereunder, subject to Closing, of (i) up to that number of Oceanview Options as is equal to 4% of the issued and outstanding Resulting Issuer Shares at Closing to Shimon Gross (the "**Initial Options**") and (ii) as to the balance of available options, after taking into account the grant of Replacement Options, in accordance with a direction from DiagnosTear;
- there shall be no restrictions on the resale of any of the Payment Shares, other than as contemplated by the Share Exchange Agreement or the Escrow Agreement;
- the Company having purchased a directors and officers liability insurance policy in a form acceptable to DiagnosTear;
- the Company's name shall have been changed to "DiagnosTear Technologies Inc.", or such other name which is acceptable to the Company, DiagnosTear, the Exchange and the Registrar of Companies for British Columbia, as of the Closing Date;
- the executive officers of the Resulting Issuer shall have entered into new employment or consulting agreements, as the case may be, on terms and conditions acceptable to each such officer or consultant, the Company and DiagnosTear, acting reasonably; and
- the Company shall have delivered the closing documents required of it including the delivery of the Payment Shares and a certificate of an officer of the Company certifying that as at the Closing Time, the Company has cash of at least USD$2,000,000 calculated on a Net Unrestricted Cash (as defined in the Share Exchange Agreement) basis.

Conditions of Closing in Favour of the Majority DiagnosTear Shareholders

The obligation of Majority DiagnosTear Shareholders to complete the Proposed RTO Transaction is subject to the fulfillment of the following conditions:

- the 103K Tax Ruling shall have been received by DiagnosTear, in such form and substance acceptable to Majority DiagnosTear Shareholder in its sole discretion, acting reasonably, and such 103K Tax Ruling shall not have been withdrawn or rescinded and will remain in full force and effect as of the Closing Date (the "**Majority Shareholder Condition**").

Non-Solicitation

Until completion of the Proposed RTO Transaction or the earlier termination of the Share Exchange Agreement, each of the Company and DiagnosTear hereto agreed not to solicit, initiate, knowingly encourage, cooperate with or facilitate (including by way of furnishing any confidential information or entering into any form of agreement, arrangement or understanding) the submission, initiation or continuation of any oral or written inquiries or proposals or expressions of interest regarding, constituting or that may reasonably be expected to lead to any activity, arrangement or transaction or propose any

activities or solicitations in opposition to or in competition with the Proposed RTO Transaction, and without limiting the generality of the foregoing, not to induce or attempt to induce any other Person to initiate any Alternative Transaction including, without limitation, allowing access to any third party to conduct due diligence, nor to permit any of its officers or directors to do so, except as required by statutory obligations.

In the event that a Party, including in the case of DiagnosTear or the Company, any of its officers or directors, receives any form of offer or inquiry in respect of an Alternative Transaction, that Party shall forthwith (and in any event within one business day following receipt) notify the Company or DiagnosTear as applicable of such offer or inquiry and provide it with such details as it may request.

Termination

The Share Exchange Agreement may be terminated at any time prior to the closing of the Proposed RTO Transaction by: (a) mutual written consent of the Company and DiagnosTear; (b) either DiagnosTear or the Company or the Majority DiagnosTear Shareholder, if closing of the Proposed RTO Transaction has not been consummated on or prior to the earlier of: (i) 30 days following the receipt of conditional approval from the Exchange; (ii) November 29, 2024, or (iii) such other later date as may be agreed in writing between the Parties, without liability to the terminating party provided this right to terminate shall not be available to a Party whose breach or violation of any representation, warranty, covenant, obligation or agreement under the Share Exchange Agreement has been the cause of or has resulted in the failure of the Proposed RTO Transaction to occur on or before such date; (c) either DiagnosTear, the Majority DiagnosTear Shareholder or the Company, if there has been a material breach by DiagnosTear or the Majority DiagnosTear Shareholder on the one hand, and the Company on the other hand, of any representation, warranty, covenant or agreement contained in the Share Exchange Agreement, which would result in the failure to satisfy one or more of the conditions of closing set forth in the Share Exchange Agreement, and the breaching party fails to cure such breach within 10 business days after receiving written notice; (d) the Majority DiagnosTear Shareholder, if the Majority Shareholder Condition is not satisfied; (e) either the Company or DiagnosTear if the other completes an Alternative Transaction or enters into a definitive and binding agreement to effect an Alternative Transaction; and (f) any Party, if a permanent injunction or decision rendered from other order of court or competent authority prevents closing and is final and non-appealable, provided no Party shall be entitled to terminate the Share Exchange Agreement if such Party's material breach of this Agreement or any of the documents contemplated hereby has resulted in such permanent injunction or order.

In the event of the termination of the Share Exchange Agreement by the Company in the circumstances set out above as (c) or (e), then DiagnosTear shall pay to the Company a termination fee of US$100,000.00, plus the Company's reasonable legal and accounting costs up to an amount of US$50,000 (excluding taxes and disbursements), as soon as practicable, and in any event within five (5) Business Days of such termination (the "**DiagnosTear Termination Fee**") by wire transfer of immediately available funds.

In the event of the termination of the Share Exchange Agreement by DiagnosTear or the Majority DiagnosTear Shareholder in the circumstances set out above as (c) or (e), then the Company shall pay to DiagnosTear a termination fee of US$100,000.00, plus DiagnosTear's reasonable legal and accounting costs up to an amount of US$50,000 (excluding taxes and disbursements), plus the legal fees incurred by DiagnosTear's Israeli counsel, provided the fees of Israeli counsel shall not exceed: (a) US$20,000 (excluding disbursements and taxes) for all legal services rendered until signing of the Share Exchange Agreement; and (b) US$20,000 (excluding disbursements and taxes) for all legal services rendered from signing the Share Exchange Agreement until the effective date of the Listing, as soon as practicable, and in any event within five (5) Business Days of such termination (the "**Company Termination Fee**") by wire transfer of immediately available funds.

The DiagnosTear Termination Fee and Company Termination Fee, as the case may be, is the sole and exclusive remedy any termination of the Share Exchange Agreement including in respect of the event giving to such termination.

Indemnification

The Share Exchange Agreement contains indemnification provisions in favour of the Company and DiagnosTear pursuant to which the DiagnosTear Shareholders agree to indemnify DiagnosTear and the Company from and against all losses, whether or not arising due to third party claims, that any indemnified arty may suffer or incur, directly or indirectly, as a result of or in connection with or arising from any misrepresentation or any incorrectness in or breach of any representation or warranty of such DiagnosTear Shareholder contained in or made pursuant to the Share Exchange Agreement.

INFORMATION CONCERNING THE RESULTING ISSUER

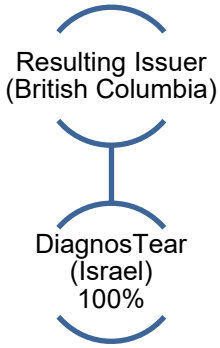
Corporate Structure

Name, Address and Incorporation

The corporate name of the Resulting Issuer is expected to be "DiagnosTear Technologies Ltd." or such other name as may be approved by the Company, in its discretion, and accepted by the Exchange. The Resulting Issuer will be a corporation incorporated under BCBCA. The Resulting Issuer's registered office will continue to be located at 2600-1066 West Hastings Street, Vancouver, British Columbia V6E 3X1 and the Resulting Issuer's head office will be located at Menahem Plaut 10 Rehovot, Israel. The year end of the Resulting Issuer will be December 31.

Intercorporate Relationships

Upon closing of the Proposed RTO Transaction, DiagnosTear will be the only wholly-owned or majority-owned subsidiary of the Resulting Issuer.



Business of the Resulting Issuer

The Resulting Issuer will carry on the business of DiagnosTear and will use the funds available to it as stated in this Prospectus. See "*Information Concerning DiagnosTear – Business of DiagnosTear*".

Use of Available Funds by the Resulting Issuer

The Company is not raising any funds in conjunction with this Prospectus. Accordingly, there are no proceeds to the Company, DiagnosTear or the Resulting Issuer in connection with the filing of this Prospectus. Since no securities are being offered pursuant to this Prospectus, no proceeds will be raised and all expenses in connection with the preparation and filing of this Prospectus will be paid by the Company from its working capital. The Resulting Issuer's management will have substantial discretion concerning the use of available funds. Management may use the available funds in ways that an investor may not consider desirable. See "*Risk Factors – Risk Associated with the Resulting Issuer – Discretion Concerning the Use of Available Funds*".

Funds Available and Use of Available Funds

No proceeds will be raised as no securities are being sold pursuant to this Prospectus, however, the Company received net proceeds of approximately $1,806,950 from the Bridge Subscription Receipt Financing and $1,720,165.50 from the Concurrent Subscription Receipt Financing. For more information on the funds in escrow and the conditions precedent to releasing such funds from escrow, see "*Information Concerning the Company – Option to Acquire Securities – RTO Subscription Receipts*".

Available Funds and Principal Purposes

As of September 30, 2024, the most recent month end before the date of this Prospectus, the Company had approximately $(277) thousands in estimated working capital deficiency and DiagnosTear had approximately $(233) in estimated working capital deficiency. On Closing of the Proposed RTO Transaction and the deemed exercise of the RTO Subscription Receipts, the Resulting Issuer will receive proceeds of approximately $3,392 thousands, and with the above aggregated negative working capital, the Resulting Issuer will have $2,882 thousands as available funds (the "**Available Funds**").

The principal purposes for which the Resulting Issuer intends to spend the Available Funds is set out below:

Expense	**Estimated Amounts (C$ thousands)**
Proposed RTO Transaction Expenses[(1)]	$410
Dry Eye Diagnostic Product commercialization expense [(2)]	$30
Research and development expenses [(3)]	$1,658
General and Administrative Expenses[(4)]	$422
Unallocated working capital	$362
TOTAL	**$2,882**

Notes:

(1) Consists of filing, listing, legal and auditing fees and expenses related to completion of Proposed RTO Transaction and the Listing.

(2) The Resulting Issuer does not expect any further research and development expenses for the Dry Eye Diagnostic Product. For more information on the Resulting Issuer's objectives for commercializing the Dry Eye Diagnostic Product, please see "*Information Concerning DiagnosTear – Timing and Stage of Development Programs – Dry Eye Diagnostic Product", "Information Concerning DiagnosTear – Supply Chain and Production – DES"* and "*Information Concerning the Resulting Issuer – Business Objectives and Milestones*."

(3) Consists of $753 thousands related to research and development expenditures related to the business objectives and milestones for the Red Eye Diagnostic Product (as discussed below), and $905 thousands for salaries, intellectual property, quality assurance and regulatory assurance, and office and lab lease related to the research and development that is not otherwise captured in the General and Administrative Expense. See below the table under "*Information Concerning the Resulting Issuer - Business Objectives and Milestones*".

(4) Consists of fees to BioLight under the BioLight Management Services Agreement, audit fees, legal, regulation, etc.

The Company and DiagnosTear currently anticipate that the Resulting Issuer will use the Available Funds as set forth above, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary for the Resulting Issuer to achieve its objectives. The Resulting Issuer may require additional funds in order to fulfill all of its expenditure requirements to meet its business objectives and may either issue additional securities or incur debt. There can be no assurance that additional funding required by the Resulting Issuer will be available, if required. See "*Risk Factors – Risks Affecting Resulting Issuer – Discretion Concerning the Use of Available Funds*".

The Company and DiagnosTear estimate that the Available Funds will be sufficient to meet the Resulting Issuer's administrative costs for the 12-month period following the Proposed RTO Transaction. Estimated administrative costs for such 12-month period are described in the table below.

Estimated general and administrative costs for 12-month period [(1)]	**Estimated amounts (C$ thousands)**
Management fees	238
Audit fees	54

Estimated general and administrative costs for 12-month period [(1)]	Estimated amounts (C$ thousands)
Legal fees	50
IR/PR	50
Regulatory and filing fees	30
TOTAL:	**$**422

Notes:

(1) Not included anticipated costs associated with the salaries of DiagnosTear employees, office lease and travel, which is reflected in the research and development expenses.

Principal Purposes – Research and Development

The Resulting Issuer intends to use at least 10% of the Available Funds, together with cash flow from operations, for the following research and development programs to be completed by the following dates:

- Finalize a fully functional Red Eye Diagnostic Product prototype by December 2024 – February 2025;
- Collect RES samples and validate the Red Eye Diagnostic Product prototype by December 2024 – May 2025;
- Finalize injection mold for Red Eye Diagnostic Product and produce 3,000 Red Eye Diagnostic Products for clinical trials and validations by February 2025 – May 2025;
- Ensure the readiness of DiagnosTear to commence the required external, independent clinical trials for obtaining the regulatory approvals for the Red Eye Diagnostic Product in the U.S. (FDA and CLIA waiver) and determine and confirm the trial protocols (FDA pre-submission) by February 2025 – July 2025; and
- Commence clinical trials in at least three sites in the United States and in Israel through a dedicated contract research organization and conduct trial by July 2025 – December 2025.

The major components for the foregoing research and development programs that will be funded using the proceeds from the distribution, including an estimate of anticipated costs, are specified in the "*Business Objectives and Milestones*" table below. The Resulting Issuer is conducting its research development through a combination of its own research and development and subcontractors.

Business Objectives and Milestones

The primary business objectives the Resulting Issuer expects to accomplish using the funds available of $2,933 thousands together with each significant event that must occur for the business objectives to be accomplished and the Development Programs expected time period in which each such event is expected to occur and the costs related to each event are as follows:

Business objectives	Estimated expenditure (C$ thousands)	Anticipated time period
DES		
Pursue and act to enter into distribution agreements in EU and Israel regarding the currently approved DES Product (based on the 3 parameters)(1)	30	February 2025 - June 2025
RES		
Finalize a fully functional Red Eye Diagnostic Product prototype	68	December 2024 – February 2025
Collect RES samples and validate the Red Eye Diagnostic Product prototype clinically	122	December 2024 – May 2025
Finalize injection mold for the Red Eye Diagnostic Product and produce 3,000 Red Eye Diagnostic Products for clinical trials and validations	47	February 2025 – May 2025
Ensure the readiness of DiagnosTear to commence the required external, independent clinical trials for obtaining the regulatory approvals for the Red Eye Diagnostic Product in the U.S. (FDA and CLIA waiver). Determine and confirm the trial protocols (FDA pre-submission)	41	February 2025 – July 2025
Commence clinical trials in at least three sites in the U.S. and in Israel through a dedicated contract research organization.	475	July 2025 – December 2025
TOTAL(2)	**783**	

Notes:

(1) Once a distribution agreement for the Dry Eye Diagnostic Product is entered into by the Resulting Issuer and a distributor in either the European Union or Israel, the Resulting Issuer will work with Elcam to launch commercial production of the Dry Eye Diagnostic Product. DiagnosTear has already pre-paid Elcam for the costs to initiate commercial production. Please see "*Information Concerning DiagnosTear – Supply Chain and Production – Elcam Partnership*".

(2) Does not include salaries, office and lab lease, intellectual property, quality assurance and regulatory assurance that is not otherwise captured in General and Administrative Expenses of the Resulting Issuer. For more information, please see "*Information Concerning the Resulting Issuer – Funds Available and Use of Available Funds*".

Negative Operating Cash Flow

Since incorporation, neither the Company nor DiagnosTear have generated cash flow from operations and both have incurred certain operating losses. Such losses and negative operating cash flow are expected to continue. Although the Company and DiagnosTear have allocated amounts to fund the Resulting Issuer's ongoing operations for a period of 12 months, thereafter the Resulting Issuer will be reliant on any working capital and future equity financings for its funding requirements.

Dividends or Distributions

The Resulting Issuer intends to retain its cash to finance growth and expand its operations and does not anticipate paying any dividends on the Resulting Issuer Shares in the foreseeable future. Any determination

to pay dividends in the future will be at the discretion of the Resulting Issuer Board and will depend on many factors, including, among others, the Resulting Issuer's financial condition, current and anticipated cash requirements, contractual restrictions and financing agreement covenants, solvency tests imposed by applicable corporate law and other factors that the Resulting Issuer Board may deem relevant.

Description of Share Capital

Resulting Issuer Shares

The attributes of the Resulting Issuer Shares will be the same as the Company Shares, and did not change as a result of the Proposed RTO Transaction. See "*Information Concerning the Company – Description of Share Capital*".

Upon Closing of the Proposed RTO Transaction, and following the deemed automatic exercise of the RTO Subscription Receipts, the Resulting Issuer is anticipated to have 58,655,002 Resulting Issuer Shares issued and outstanding on the Listing Date.

Options To Purchase Securities

Resulting Issuer Options

The Resulting Issuer will maintain the Equity Incentive Plan. Upon Listing, the Resulting Issuer anticipates issuing 1,938,452 Replacement Options to holders of DiagnosTear Options. The Resulting Issuer Options will be governed by the Equity Incentive Plan. See "*Information Concerning the Company – Options to Purchase Securities – Equity Incentive Plan*".

Warrants

Upon Listing, the Resulting Issuer anticipates having 5,733,885 Resulting Issuer Share purchase warrants ("**Resulting Issuer Warrants**") issued and outstanding, each exercisable for the purchase of one Resulting Issuer Share at an exercise price of $1.00 per Resulting Issuer Share and with an expiry date of 18 months from Closing. See "*Information Concerning the Company – Options to Purchase Securities – RTO Subscription Receipts*".

Consolidated Capitalization

The *pro forma* consolidated capitalization of the Resulting Issuer, after giving effect to the Conversion of the RTO Subscription Receipts and completion of Proposed RTO Transaction is set out at "*Information Concerning the Company – Consolidated Capitalization*" and "*Information Concerning DiagnosTear – Consolidated Capitalization*".

Principal Securityholders

Except as disclosed below, to the knowledge of management of the Company and DiagnosTear, no securityholder is anticipated to own of record or beneficially, directly or indirectly, or exercise control or direction over, more than 10% of any class of voting securities of the Resulting Issuer after giving effect to the Proposed RTO Transaction.

Name	Designation of security	Number of Common Shares Held Before the Closing	Percentage of Common Shares Immediately Before the Closing[(1)]	Number of Common Shares Held After the Closing	Percentage of Common Shares Immediately After the Closing[(2)]
BioLight	Common Shares	Nil	Nil	26,864,393	45.8%

Notes:
(1) Immediately before the Closing, the Resulting Issuer is expected to have 23,462,001 Common Shares issued and outstanding.
(2) Assuming completion of the Proposed RTO Transaction, the Resulting Issuer is expected to have 58,655,002 Resulting Issuer Shares issued and outstanding on a non-diluted basis.

Escrowed Securities and Other Securities Subject to Resale Restrictions

Upon completion of the Proposed RTO Transaction, trading in all securities of the Resulting Issuer will be prohibited during the period between the date on which a receipt for the Company's final prospectus is issued by the regulator and the time the Resulting Issuer Shares are listed for trading on the CSE, except where appropriate registration and prospectus exemptions are available under securities legislation or pursuant to an order of the applicable securities regulatory authority.

In the event that the Resulting Issuer Shares become listed on the CSE, the Company anticipates that the Resulting Issuer will be classified as an "emerging issuer", as defined under NP 46-201, upon such listing. There is no guarantee that the Listing will be completed as presently expected or at all.

Escrowed Securities

As at the date of this Prospectus, the securities of the Company expected to be subject to escrow upon completion of the Proposed RTO Transaction are shown in the table below.

Designation of class	Type of Escrow	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of each class (shares, warrants and options) after giving effect to the conversion of the RTO Subscription Receipts and completion of the Proposed RTO Transaction [(1)(2)]
Resulting Issuer Shares	Escrowed pursuant to the Escrow Agreement	26,864,393[(3)]	45.8%
Resulting Issuer Warrants	Escrowed pursuant to Escrow Agreement	2,626,158[(3)]	45.8%
Resulting Issuer Options	Escrowed pursuant to the Escrow Agreement	667,134[(3)]	34.4%
Resulting Issuer Shares	Escrowed pursuant to Lock-Up Agreements	19,204,054	32.7%
Resulting Issuer Warrants	Escrowed pursuant to Lock-Up Agreements	244,777	4.3%

Notes:
(1) On a non-diluted basis.
(2) Based on an aggregate of 58,655,002 Resulting Issuer Shares,1,938,452 Resulting Issuer Options and 5,733,885 Resulting Issuer Warrants issued and outstanding on the Closing Date.
(3) Pursuant to the 103K Tax Ruling, the Escrowed Securities (as defined below) will be registered in the name of Altshares Trust Ltd. for the benefit of the Escrowed Shareholders (as defined below).

Escrow Agreement

Directors, executive officers and insiders of the Company holding securities of the Resulting Issuer upon Closing of the Proposed RTO Transaction (or trustees on behalf thereof) (the "**Escrowed Shareholders**") will enter into an escrow agreement (the "**Escrow Agreement**") with the Company pursuant to which the Escrowed Shareholders have agreed to deposit the securities of the Company which they hold (the "**Escrowed Securities**") with Endeavor Trust Corporation until they are released in accordance with terms of the Escrow Agreement, the policies of the CSE and applicable securities law as set out in the table below.

Under the Escrow Agreement, a total of 26,894,393 Common Shares and 667,134 Replacement Options will be subject to the following escrow schedule.

Date of automatic timed release	Amount of escrowed securities released
On the Closing Date	1/10 of the escrowed securities
6 months after the Closing Date	1/6 of the remaining escrowed securities
12 months after the Closing Date	1/5 of the remaining escrowed securities
18 months after the Closing Date	1/4 of the remaining escrowed securities
24 months after the Closing Date	1/3 of the remaining escrowed securities
30 months after the Closing Date	1/2 of the remaining escrowed securities
36 months after the Closing Date	The remaining escrowed securities

The Escrowed Shareholders and the number of Escrowed Securities subject to the Escrow Agreement are listed in the following table:

Name	Type of Security	Number of Escrowed Securities	Percentage of class after giving effect to the conversion of the RTO Subscription Receipts and completion of the Proposed RTO Transaction Minimum (1)
BioLight	Resulting Issuer Shares	26,864,393	45.8%
	Resulting Issuer Warrants	2,626,158	45.8%
Shimon Gross	Resulting Issuer Options	667,134	34.4%

Notes:

(1) Based on an aggregate of 58,655,002 Resulting Issuer Shares,1,938,452 Resulting Issuer Options and 5,733,885 Resulting Issuer Warrants issued and outstanding on the Closing Date.

Lock-Up Agreements

As of the date of this Prospectus, the Company anticipates entering into lock up agreements (the "**Lock-Up Agreements**") with certain shareholders of the Company and DiagnosTear, whereby an aggregate of 19,204,054 Resulting Issuer Shares and 244,777 Resulting Issuer Warrants held by (a) shareholders that subscribed for Common Shares under the Initial Financing and Seed Financing (the "**Company Lock-Up**"); and (b) certain shareholders of DiagnosTear other than Elcam and BioLight (the "**DiagnosTear Lock-Up**"). The release schedule for the DiagnosTear Lock-Up will be the same as the release schedule of the Escrow Agreement. The Company Lock-Up will be subject to the following release schedule: 25% on Closing Date, provided no sale of Resulting Issuer Shares is below C$0.75; and 25% every six months thereafter.

Directors and Executive Officers

The following table sets out the name, age, province or state and country of residence, position and offices, principal occupation during the five preceding years of each of the proposed directors and officers of the Resulting Issuer.

Name, role(s) and residence	Principal occupation (past 5 years)	Amount of Resulting Issuer Shares to be owned	Percentage of Resulting Issuer Shares to be owned	Percentage of Resulting Issuer Shares to be owned (Fully Diluted)
Yaacov Michlin Director (Chairman) *Rehovot, Israel*	CEO BioLight (2020- Present) CEO, Brainsway (2016-2019)	Nil	Nil	Nil

Name, role(s) and residence	Principal occupation (past 5 years)	Amount of Resulting Issuer Shares to be owned	Percentage of Resulting Issuer Shares to be owned	Percentage of Resulting Issuer Shares to be owned (Fully Diluted)
Shimon Gross CEO *Yavne, Israel*	CEO of DiagnosTear (2022-present) VP Genomics Division, AID Genomics (2021-2022) Senior VP Sales and Marketing, Savyon Diagnostics Ltd. (2012-2021)	Nil	Nil	0.95%(1)
Yifftach Biel CFO *Ramat HaSharon, Israel*	CFO BioLight (2020-Present)	Nil	Nil	Nil
Julia Reznick Zilberman Director *Kfar Saba, Israel*	VP BD, CytoReason (2023-Present) CFO and BD, Orasis Pharmaceuticals (2018-2023)	Nil	Nil	Nil
Karin Gurevitz Director *Tel-Aviv, Israel*	VP Legal, BioLight (2015-Present)	Nil	Nil	Nil
Igal Kohn Director *Baram, Israel*	CEO, Elcam (2017 - Present)	Nil	Nil	Nil
John Sinclair Director *Toronto, Ontario*	Founder and President of Kitchen Sinc Consulting Limited since September 2022; prior to that, from January, 2018 to September, 2022 Managing Partner (Toronto) of Baker Tilly WM LLP	Nil	Nil	Nil

Notes:
(1) Represents 667,134 Replacement Options to be issued to Mr. Gross on Closing.
(2) Upon Closing, the Resulting Issuer will have 58,655,002 Resulting Issuer Shares on a non-diluted basis.
(3) On a fully diluted basis, it is expected 66,327,339 Resulting Issuer Shares will be issued and outstanding after the Closing, which includes the SR Warrants, Payment Warrants, and the Replacement Options.

Assuming completion of the Proposed RTO Transaction, directors and officers of the Resulting Issuer, as a group, will own or control or exercise direction nil Common Shares of the Resulting Issuer, other than the Resulting Issuer Options issued to Shimon Gross, proposed CEO of the Resulting Issuer, referenced in the above table.

Each Resulting Director and Resulting Officer expects that they will be an employee or independent contractor and will enter into a standard non-competition and non-disclosure agreement with the Resulting Issuer or DiagnosTear. Each director and officer expects that they will dedicate their time to their respective positions with the Resulting Issuer as set out in the table below.

Name	Estimated percentage of time
Yaacov Michlin, Director (Chairman)	20%
Julia Reznick Zilberman, Director	5%
Karin Gurevitz, Director	15%
Igal Kohn, Independent Director	5%
John Sinclair, Independent Director	5%
Shimon Gross, CEO	100%
Yifftach Biel, CFO	20%

Background – Directors and Executive Officers

The following is a brief description of each of the proposed directors and executive officers of the Resulting Issuer, including their names, ages, positions and responsibilities with the Resulting Issuer, relevant educational background, principal occupations or employment during the five years preceding the date of this Prospectus and their experience in the Resulting Issuer's industry:

Shimon Gross, CEO, Age: 54

Dr. Gross is currently, and since October 2022 has been, the CEO of DiagnosTear. Dr. Gross has over 20 years of experience in the clinical diagnostics industry and has served in a variety of commercial and technical executive roles. Prior to joining DiagnosTear, Dr. Gross served as the Vice President of the Genomics Division at AID Genomics between 2021-2022. Prior, Dr. Gross served as the Vice President of Sales and Marketing (2012 -2021), Director of Sales (2010-2012) and R&D Project Manager (2007-2010) at Savyon Diagnostics. Dr. Gross completed his post-doctoral fellowship at Washington University School of Medicine in Missouri, United States (2003-2007). Dr. Gross holds a Ph.D. and M.Sc. in Biochemistry and Molecular Biology from the Weizmann Institute of Science in Rehovot, Israel and a B.Sc. in Biology from the Hebrew University in Jerusalem, Israel.

Yifftach Biel, CFO and Director, Age: 48

Yifftach Biel is currently, and since 2020 has been, the CFO and a director of DiagnosTear. Mr. Biel has over 20 years of experience in financial management and with a proven track record of strategic financial leadership. Mr. Biel has served as BioLight's CFO since November 2020.

Mr. Biel holds a B.A. in Management from the Open University and is a Certified Public Accountant.

Yaacov Michlin, Director (Chairman), Age: 55

Yaacov Michlin has served as CEO of Biolight since April 2020. Before joining Biolight, Mr. Michlin managed a medical device company selling mainly in U.S. and led such company's initial public offering on the NASDAQ. Mr. Michlin currently serves on various boards of directors in the portfolio of Biolight and is leading the life sciences activities in IATI (umbrella organization of the Israeli high-tech sector). Mr. Michlin is also the chairman of MIXIII Health Tech IL, a major conference in Israel. Mr. Michlin has an MBA from the Technion, cum laude, LLM and LLB and BSC in Economics, cum laude, Bar Ilan University.

Julia Reznick Zilberman, Director, Age: 50

Julia Reznick Zilberman has been serving as VP of Business Development at Psifas (National Initiative for Precision Medicine) since May 2024. Before joining Psifas, Ms. Reznick Zilberman led strategic initiatives

at a company developing AI solutions for drug development (January 2023 to February 2024) and served as VP of Finance (CFO) and Business Development at an innovative ophthalmology startup (January 2018 to January 2023), which successfully completed several funding rounds. Prior to that, Ms. Reznick worked for 18 years at Teva Pharmaceutical Industries, where she held various senior finance and commercial roles, including managing financial strategy and operations. Ms. Reznick Zilberman also consults for startup companies, providing her expertise in business development and financial strategy. Ms. Reznick Zilberman holds an MBA in Finance and Information Systems, as well as a bachelor's degree in Economics and Management, both from Tel Aviv University.

Karin Gurevitz, Director, Age: 53

Karin Gurevitz has served as BioLight Vice President, BioLight Group General Counsel and Company Secretary since 2015. Ms. Gurevitz is a veteran legal advisor with 25 years of experience in legal and compliance management in global public and private companies in various fields.

Ms. Gurevitz holds an LL.B. and an MBA from Tel Aviv University, Israel and is a member of the Israel Bar Association.

Igal Kohn, Director, Age: 62

Igal Kohn is currently, and has been since January 2017, the CEO of Elcam. Mr. Kohn has been with Elcam for over 25 years, starting in January 1998 as the CFO. Mr. Kohn holds an Israeli CPA certification.

As the CFO of Elcam, Mr. Kohn was responsible for overseeing all mergers and acquisitions activities, managing the Elcam's subsidiaries and handling all financial and legal matters. Mr. Kohn's extensive experience in financial management and strategic operations positioned him to lead Elcam as CEO.

John Sinclair, Director, Age: 64

Mr. Sinclair is a Canadian CPA with extensive experience in the field of finance, accounting and the audit of public companies. With a career spanning several decades, he has served as Senior Partner with various audit firms including Smith, Nixon LLP, Collins Barrow Toronto LLP and Baker Tilly WM LLP, including as Managing Partner of Baker Tilly WM LLP's Toronto office. During these tenures, Sinclair played a pivotal role in initiating and driving growth, managing complex projects, and providing financial advisory services to clients around the world. Mr. Sinclair is currently a director of Lifeist Wellness Inc. ("**Lifeist**"), a company listed on the TSX Venture Exchange, where he also serves as the chair of the Lifeist audit committee. Mr. Sinclair graduated from the University of Toronto with a Bachelor of Arts, Commerce and Economics, in April 1983.

Corporate Cease Trade Orders and Bankruptcies

No proposed director or executive officer of the Resulting Issuer is at the date of this Prospectus, or was within ten years before the date of this Prospectus, chief executive officer or chief financial officer of any company that was:

(a) subject to a cease trade or similar order or an order that denied the issuer access to any statutory exemptions under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) subject to a cease trade or similar order or an order that denied the issuer access to any statutory exemptions under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No proposed director or executive officer of the Resulting Issuer or a shareholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer:

(a) is at the date of this Prospectus, or was within ten years before the date of this Prospectus, a director or executive officer of any company that, while that person was acting in that capacity, or with a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the ten years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Penalties or Sanctions and Personal Bankruptcies

No proposed director, executive officer of the Resulting Issuer or a shareholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

No proposed director, executive officer of the Resulting Issuer or a shareholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer has as of the date hereof, or within the ten years prior to the date hereof, been declared bankrupt or made a voluntary assignment into bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets.

Conflicts of Interest

Conflicts of interest may arise as a result of the directors and officers of the Resulting Issuer also holding positions as directors or officers of other companies. Some of the individuals who will be directors and officers of the Resulting Issuer have been and will continue to be engaged in the identification and evaluation of assets, businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers of the Resulting Issuer will be in direct competition with the Resulting Issuer. Conflicts, if any, will be subject to the procedures and remedies provided under British Columbia corporate law. Directors who are in a position of conflict will abstain from voting on any matters relating to the conflicting company.

Directorships

Some of the proposed directors of the Resulting Issuer serve on the boards of directors of other reporting issuers (or the equivalent) in Canada or foreign jurisdictions. The table below lists the proposed directors of the Resulting Issuer who serve on boards of directors of other reporting issuers (or the equivalent) and the identities of such reporting issuers (or the equivalent).

Director	Reporting issuer	Exchange	Position
John Sinclair	Lifeist Wellness Inc.	TSXV	Director

The Resulting Issuer Board has determined that these directorships do not adversely impact the effectiveness of this director on the Resulting Issuer Board or create any potential for unmanageable conflicts of interest.

Executive Compensation

The table below sets out the anticipated compensation to the Resulting Issuer's Named Executive Officers, being Shimon Gross (CEO), Yifftach Biel (CFO) and Amos Sommer (VP, Technology), for the 12-month period following the completion of the Proposed RTO Transaction. The Resulting Issuer may also grant equity compensation to the Named Executive Officers. Such equity based compensation will be approved by the Resulting Issuer Board.

Name and position	Period	Salary [(1)], consulting fee, retainer or commission ($C thousands)	Bonus ($C thousands)	Share based payments ($C thousands)	Value of perquisites ($C thousands)	Value of all other Compensation[(2)] ($C thousands)	Total Compensation ($C thousands)
Shimon Gross *CEO*	12 months after Closing	$240	Nil	Nil	Nil	$26	$266
Yifftach Biel[(3)] *CFO*	12 months after Closing	Nil	Nil	Nil	Nil	Nil	Nil
Amos Sommer *VP, Technology*	12 months after Closing	$211	Nil	$2	Nil	$26	$239

Notes:
(1) Including social benefits costs.
(2) Consists of customary fringe benefits, primarily a car allowance.
(3) Mr. Biel will not earn any compensation from the Resulting Issuer after Closing as he will continue to provide services through the BioLight Management Services Agreement. For more information on Mr. Biel compensation's from Biolight for the year ended December 31, 2023, see "*Information Concerning DiagnosTear - Executive Compensation - External Management Companies*".

In addition to the executive compensation as disclosed above, the Resulting Issuer may pay non-executive directors an amount per person per Resulting Issuer Board meeting at a rate to be determined. The definition of "director" under securities legislation includes an individual who acts in a capacity similar to that of a director.

Compensation Philosophy

The Resulting Issuer will adopt the compensation philosophy of DiagnosTear. Please refer to "*Information Concerning DiagnosTear – Executive Compensation – Compensation Discussion and Analysis*".

Ethical Business Conduct

The Resulting Issuer Board intends on continuing the practices and procedures of the Company Board with respect to ethical business conduct. See "*Information Concerning the Company – Executive Compensation – Ethical Business Conduct"*.

Nomination of Directors

The Resulting Issuer Board will consider its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Resulting Issuer Board's duties effectively and to maintain a diversity of views and experience.

Compensation

The Resulting Issuer Board will be responsible for determining compensation for the officers, employees, and non-executive directors of the Company. The Resulting Issuer Board will review all forms of

compensation paid to officers, employees and non-executive directors, both with regards to the expertise and experience of each individual and in relation to industry peers.

Pension Plan Benefits and Other Deferred Compensation Plans

It is anticipated the Resulting Issuer will not have any pension or deferred compensation plan in the 12-month period following the completion of the Proposed RTO Transaction, other than the Equity Incentive Plan.

Compensation to Associates

No awards, earnings, payments or payables are expected to be made to any associates of Named Executive Officers or directors of the Resulting Issuer.

External Management Companies

All proposed Named Executive Officers of the Resulting Issuer will be employees or consultants of the Resulting Issuer.

Aggregate Indebtedness

As of the date of this Prospectus, no proposed director, executive officer or employee is indebted to the Resulting Issuer, including in respect of indebtedness owing to another entity, if the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Resulting Issuer.

Indebtedness of Directors and Executive Officers under Securities Purchase and Other Programs

Other than Routine Indebtedness, no directors or executive officers of the Resulting Issuer, and associates of such directors or executive officers, are or were indebted to the Resulting Issuer as at the date of this Prospectus.

Employment, Consulting and Management Agreements

On Closing, the Resulting Issuer will assume the obligations under existing consulting agreements of the Company and DiagnosTear. It is anticipated that the Resulting Issuer will enter into an employment agreement with Shimon Gross in relation to his position as the CEO of the Resulting Issuer. See "*Information Concerning the Company - Executive Compensation - Employment, Consulting and Management Agreements*" and "*Information Concerning DiagnosTear - Executive Compensation - Employment, Consulting and Management Agreements*".

Audit Committee and Corporate Governance

Composition of the Audit Committee

The only committee of the Resulting Issuer Board is anticipated to be the audit committee (the "**Resulting Issuer Audit Committee**").

At closing of the Proposed RTO Transaction, the Resulting issuer Board will appoint the Resulting Issuer Audit Committee. In accordance with section 6.1.1(3) of NI 52-110, relating to the composition of the audit committee for venture issuers, a majority of the members of the Resulting Issuer Audit Committee will not be executive officers, employees or control persons of the Resulting Issuer.

At closing of the Proposed RTO Transaction, the Audit Committee will adopt a charter in substantially the form included in this Prospectus as Appendix "D" setting forth the responsibilities, powers and operations of the Audit Committee consistent with NI 52-110.

The Resulting Issuer Audit Committee is expected to be composed of three directors, being Karin Gurevitz, John Sinclair, and Julia Reznick Zilberman. Of the members of the Resulting Issuer Audit Committee, John Sinclair and Julia Reznick Zilberman are considered to be independent directors and all of the Resulting Issuer Audit Committee members are considered financially literate, in each case within the meaning of NI 52-110. Karin Gurevitz is a proposed director of the Resulting Issuer and will receive compensation from BioLight for services provided to the Resulting Issuer and, as such, is not an independent director of the Resulting Issuer. John Sinclair is expected to serve as the chair of the Resulting Issuer Audit Committee. See "*Information Concerning DiagnosTear – Executive Compensation – External Management Companies*".

Reliance on Certain Exemptions

The Resulting Issuer will be relying upon the exemption in Section 6.1 of NI 52-110 in respect of the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*), available to venture issuers.

Relevant Education and Experience

Each of the members of the Resulting Issuer Audit Committee has education and experience relevant to the performance of their responsibilities as members of the Audit Committee. For more information on the education and experience of each of the members of the Resulting Issuer Audit Committee, see "*Information Concerning the Resulting Issuer – Directors and Executive Officers – Background – Directors and Executive Officers*".

PLAN OF DISTRIBUTION

This Prospectus qualifies the distribution of the Qualified Securities, consisting of: (i) 3,613,900 SR Shares issuable upon the deemed exercise of the previously issued Bridge Subscription Receipts, (ii) 2,293,554 SR Shares issuable upon the deemed exercise of the previously issued Concurrent Subscription Receipts; (iii) 2,293,554 SR Warrants issuable upon the deemed exercise of the previously issued Concurrent Subscription Receipts; (iv) the Payment Shares and (v) the Payment Warrants. The Bridge Subscription Receipts were sold to subscribers at a price of $0.50 per Subscription Receipt for aggregate gross proceeds of $1,806,950. The Concurrent Subscription Receipts were sold to subscribers at a price of $0.75 per Concurrent Subscription Receipt for aggregate gross proceeds of $1,720,165.50.

The RTO Subscription Receipts and the underlying SR Shares and SR Warrants, as applicable, and the Payment Shares have not been and will not be registered under the U.S. Securities Act or under any state securities laws. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities qualified for distribution hereunder within the United States or to U.S. persons (as defined in Regulation S under the *U.S. Securities Act*).

The RTO Subscription Receipts were issued pursuant to the terms of the Subscription Receipt Agreements. See "*Information Concerning the Company – Option to Purchase Securities – RTO Subscription Receipts*".

Certificates or DRS statements representing the Common Shares, SR Shares and SR Warrants Shares to be issued upon deemed exercise of the RTO Subscription Receipts, as applicable, will be available for delivery upon the deemed exercise of the RTO Subscription Receipts.

Certificates or DRS statements representing the Payment Shares and certificates representing the Payment Warrants will be delivered on closing of the Proposed RTO Transaction.

No securities are being offered or sold pursuant to this Prospectus. This Prospectus is being filed by the Company with its overseeing regulators. Since no securities are being offered pursuant to this Prospectus, no proceeds will be raised and no agent or underwriter is involved.

As at the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by Plus Market Groups plc).

The Company has applied to list its Common Shares on the CSE. Listing will be subject to the Company fulfilling all the listing requirements of the CSE.

Closing Agreement

It is a condition to closing the Proposed RTO Transaction that a receipt be issued for the Final Prospectus. It is anticipated that the securities regulatory authorities will not issue such a receipt unless the Proposed RTO Transaction has been completed, absent which the Company does not have an active business suitable for listing. As such, the Share Exchange Agreement provides that the closing of the Proposed RTO Transaction will be effected pursuant to the Closing Agreement, pursuant to which the parties thereto shall confirm that all conditions to closing the Proposed RTO Transaction have been satisfied or waived, but for the receipt of the Final Regulatory Approval, that upon receipt of the Final Regulatory Approval, the Proposed RTO Transaction will be deemed closed and all payments and documents will be deemed delivered to the appropriate party and if the Final Regulatory Approval is not received on or prior to November 29, 2024, the Share Exchange Agreement will terminate, the Company will withdraw its application for Listing and none of the Qualified Securities will be issued by the Company.

RISK FACTORS

The business of DiagnosTear will be the business of the Resulting Issuer. Accordingly, risk factors relating to DiagnosTear's current business will be risk factors relating to the Resulting Issuer's business. An investment in DiagnosTear or the Resulting Issuer involves a high degree of risk. There are risks inherent with respect to the business of the Resulting Issuer. You should carefully consider the risk factors set out below as well other risk factors referred to elsewhere in this Prospectus.

General

A purchase of any of the securities of the Resulting Issuer involves a high degree of risk and should be undertaken only by purchasers whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the securities of the Resulting Issuer should not constitute a major portion of an individual's investment portfolio and should only be made by persons who can afford a total loss of their investment. Prospective purchasers should evaluate carefully the following risk factors associated with an investment in the securities of Resulting Issuer prior to purchasing any securities.

Risks Associated with Proposed RTO Transaction

Regulatory Approval of the Proposed RTO Transaction may not be obtained.

The completion of the Proposed RTO Transaction is subject to the satisfaction of a number of conditions, including final acceptance of the CSE. There can be no assurance that all of the necessary regulatory approvals will be obtained. If the Proposed RTO Transaction, as contemplated by the Share Exchange Agreement, is not completed for these reasons or for any others, DiagnosTear and the Company will have incurred significant costs associated with the failed implementation of the Proposed RTO Transaction.

The Definitive Agreement may be terminated.

The Share Exchange Agreement specifies that the parties' obligation to effect the Proposed RTO Transaction is conditional upon the satisfaction of a number of conditions. If any of the conditions are not satisfied or waived, the Proposed RTO Transaction may not be completed. Accordingly, there can be no certainty that Share Exchange Agreement will not be terminated by either party prior to the completion of the Proposed RTO Transaction.

Significant sales of Resulting issuer Shares after the expiry of lock-up or escrow restrictions could adversely affect the market price of the Resulting Issuer Shares.

Resulting Issuer Shares held by certain directors, executive officers and control persons of the Resulting Issuer will be subject to escrow pursuant to the policies of the CSE or by contract. Sales of a substantial number of the Resulting Issuer Shares in the public market after the expiry of lock-up or escrow restrictions, or the perception that these sales could occur, could adversely affect the market price of the Resulting Issuer Shares and may make it more difficult for investors to sell Resulting Issuer Shares at a favourable time and price.

Risks Associated with DiagnosTear

Research and Development (R&D)

DiagnosTear's products are developed internally by its R&D team. In brief, the development process can be divided into four major steps: (1) conceptualization and definition of the product and its specifications; (2) proof of concept (PoC) and the initial experiment demonstrating that the product meets the specifications; (3) completion of a final prototype having all the products components and engineered parts assembled and fully functional; and (4) completion of external clinical trials that meet the minimal success criteria which are required for registration with the competent authorities for marketing as a medical device. There are various risks within these steps associated with the ability of DiagnosTear to successfully meet

the success criteria and develop products that meet the required analytical, safety, engineering, utility and clinical specifications. Such risks may include risks associated with the sourcing of optimal core reagents (antibodies, antigens, etc.), risks associated with insufficient allocation of analytical and clinical samples which are required for development, risks associated with procedural, regulatory and logistic aspects of conducting clinical trials, risks associated with low recruitment rates of subjects for clinical trials and risks associated with failure to meet the primary outcomes of said clinical trials.

Foreign Operations

DiagnosTear intends to expand its business to include international sales of its products. There are a number of risks inherent in international activities, including, but not limited to: unexpected changes in governmental policies concerning the import and export of goods; services and technology and other regulatory requirements; tariffs and other trade barriers; costs and risks of localizing products for foreign languages; longer accounts receivable payment cycles; limits on repatriation of earnings; the burdens of complying with a wide variety of foreign laws; and difficulties supervising and managing local personnel. As such, DiagnosTear's operations may be adversely affected by changes in foreign government policies and legislation or social instability and other factors which are not within the control of DiagnosTear, including, but not limited to, changes in regulatory requirements, economic sanctions, risk of terrorist activities, revolution, border disputes, implementation of tariffs and other trade barriers and protectionist practices, volatility of financial markets, labour disputes and other risks arising out of foreign governmental sovereignty over the areas in which DiagnosTear's operations are conducted. Laws and policies of Israel and such foreign jurisdictions affecting foreign trade, taxation and investment may have a material adverse effect on DiagnosTear's operations.

If DiagnosTear's operations are disrupted and/or the economic integrity of its contracts is threatened for unexpected reasons, DiagnosTear's business may be harmed. In the event of a dispute arising in connection with DiagnosTear's operations in a foreign jurisdiction where DiagnosTear does conduct or will conduct its business, DiagnosTear may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of the courts of Canada or enforcing Canadian judgments in such other jurisdictions. DiagnosTear may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. Accordingly, DiagnosTear's activities in foreign jurisdictions could be substantially affected by factors beyond their control, any of which could have a material adverse effect on DiagnosTear. DiagnosTear believes that its management and the proposed management of the Resulting Issuer are sufficiently experienced to reduce these risks.

As of October 7, 2023, Israel is in war with some of its neighbor countries. This has an effect on the Israeli economy and might impact DiagnosTear in numerous ways including, but not limited to, slowing patients recruitment in clinical studies, difficulties in raising capital and employees, delays in importation of materials and reagents due to interrupted freight schedules and significant fluctuations of the exchange rate of the Israeli Shekel.

Initiating Intellectual Property Claims

DiagnosTear's success will depend, in part, on its ability to establish and maintain trade secret protection, enforce the rights granted to it by its existing patents and trademarks, and operate without infringing the property rights of third parties. To the extent DiagnosTear does not hold patents or trademarks for any intellectual property, current or future, where patent or trademark protection will be an effective and affordable means of maintaining competitive advantage, it is expected that DiagnosTear will make application for patents and trademarks in the appropriate jurisdictions, however it is uncertain whether any such application will be approved. The products DiagnosTear develops will also incorporate technologies that may not be protected by any patent and are capable of being duplicated or improved upon by competitors.

DiagnosTear enters into confidentiality agreements with key employees and consultants, and generally control access to and distribution of proprietary information. Despite these precautions, it may be possible for a third party to copy or otherwise obtain and use DiagnosTear's products or technology without

authorization, or to develop a similar technology or technologies independently. In addition, effective patent, copyright and trade secret protection may be unavailable or limited in certain foreign countries and may be unenforceable under the laws of certain jurisdictions. Any lack of protection of DiagnosTear's intellectual property rights, whether due to the unavailability of or limitations on such protection or due to the prohibitive costs of such protection, may have a substantial negative impact on it.

If DiagnosTear resorts to legal proceedings to enforce intellectual property rights, the proceedings could be burdensome, disruptive and expensive, and distract the attention of management which could have a material adverse effect on DiagnosTear and, as a result, its business, operating results or financial condition. There can be no assurance that DiagnosTear would prevail in any legal proceedings to enforce DiagnosTear's intellectual property rights.

Defending Intellectual Property Claims

The health diagnostics technology industry is characterized by the existence of a large number of patents and frequent claims and related litigation regarding patent and other intellectual property rights. DiagnosTear cannot be certain that the products developed by it do not and will not infringe issued patents, patents that may be issued in the future or other intellectual property rights of others.

In addition, product development is inherently uncertain in a rapidly evolving technological environment in which there may be numerous patent applications pending, in any number of jurisdictions, many of which are confidential when filed, with regard to similar technologies. DiagnosTear may face claims by third parties that a product or products, mark or name, or a technology or technologies infringe their patents or other intellectual property rights, as applicable. Any claim of infringement could cause DiagnosTear to incur substantial costs in defending against the claim, particularly if the counterparty to such claim has greater resources than DiagnosTear, even if the claim is invalid, and could distract the attention of management. If any of DiagnosTear's technologies is found to violate third-party proprietary rights, it may be required to pay substantial damages. In addition, DiagnosTear may be required to re-engineer a product or products or obtain licenses from third parties to continue to offer those products. Any effort to re-engineer products or obtain licenses on commercially reasonable terms may not be successful, which could prevent DiagnosTear from selling its products, and in any case, could substantially increase costs and have a material adverse effect on DiagnosTear and, thus, its business, financial condition and results of operations.

Limitations of transfer of know-how and/or manufacturing under IIA

In general, Israeli innovation law requires that the products developed as part of the programs under which the grants were given be manufactured in Israel, unless prior approval is attained from the IIA (such approval is not required for the transfer of a portion of the manufacturing capacity which does not exceed, in the aggregate, 10% of the manufacturing (in which case only notification is required, however, the IIA has a right to deny such notice within 30 days following the receipt of such notice)). In general, the transfer of manufacturing capacity outside of Israel may be subject to an increase in the amount of royalties payable (depending on the manufacturing volume to be performed outside of Israel) and to an increase in the rate of royalties. Israeli innovation law also restricts the ability to transfer IIA-funded know-how outside of Israel. A transfer for the purpose of Israeli innovation law is generally interpreted very broadly and includes, among other things, any sale of the IIA-funded know-how, any license to develop the IIA-funded know-how or the products resulting from such IIA-funded know-how or any other transaction, which, in essence, constitutes a transfer of IIA-funded know-how. This limitation does not restrict the export of products that incorporate IIA-funded know-how. A transfer of IIA-funded know-how outside of Israel requires prior approval and may be subject to payment of a redemption fee to the IIA, calculated in accordance with a formula provided under Israeli innovation law. The redemption fee is subject to a cap of six times the total amount of the IIA grants, plus interest. The restrictions under Israeli innovation law, including restrictions on the transfer of IIA-funded know-how and manufacturing outside of Israel, continue to apply even after the payment of the full amount of royalties in respect of grants. However, upon payment of the redemption fee on a transfer of IIA-funded know-how outside Israel, the obligations towards the IIA (including the obligation to pay royalties) and restrictions under Israeli innovation law cease to apply. DiagnosTear cannot be certain that any approval of the IIA will be obtained on terms that are acceptable to us, or at all. DiagnosTear may not

receive the required approvals should it wish to transfer IIA-funded know-how and/or manufacture products developed with IIA-funded know-how outside of Israel in the future.

Dependence on Key Personnel and Employees

The success of DiagnosTear is dependent on the services and performance of key executives, including some of the directors of the Resulting Issuer and a small number of highly skilled and experienced executives and personnel. DiagnosTear strongly depends on the business and technical expertise of its management and key personnel including, Dr. Shimon Gross, Chief Executive Officer of DiagnosTear. Due to the size of DiagnosTear and the high competition for highly skilled technical, research and development, management and other employees, the loss of any of these individuals or DiagnosTear's inability to attract and retain additional highly skilled employees may adversely affect its business and future operations.

Management of Growth

DiagnosTear may be subject to growth-related risks, including capacity constraints and pressure on its internal systems and controls. The ability of DiagnosTear to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of DiagnosTear to deal with this growth may have a material adverse effect on DiagnosTear's business, financial condition, results of operations and prospects.

Competing Technologies and Products

The ability of DiagnosTear to successfully sell its products, strongly depends on current existing competing products and potential new products and technologies competing with it.

Third-Party Supplier Compliance

Failure by DiagnosTear's suppliers of raw materials and components to comply with clinical safety, environmental or other laws and regulations, or with the specifications and requirements of its products, may disrupt DiagnosTear's supply of products and adversely affect its business. If suppliers or partners fail to comply with clinical safety, environmental or other laws and regulations, or face allegations of non-compliance, their operations may be disrupted. In the event of actual or alleged noncompliance, DiagnosTear might be forced to find alternative suppliers or partners and it may be subject to lawsuits related to such non-compliance. As a result, DiagnosTear's supply of raw materials or finished products could be disrupted or its costs could increase, which would adversely affect its business, results of operations and financial condition. Additionally, actions DiagnosTear may take to mitigate the impact of any disruption or potential disruption in its supply of raw materials or finished products, including increasing inventory in anticipation of a potential supply or production interruption, may adversely affect DiagnosTear's business, results of operations and financial condition.

Supply and Demand Risk

If DiagnosTear fails to modify its manufacturing and production capacity for initial commercial production, its business and operating results and its brand reputation could be harmed.

Thereafter, if DiagnosTear does not have sufficient capacity to meet customers' demands and to satisfy increased demand, it will need to expand operations, supply and manufacturing capabilities. However, there is risk in DiagnosTear's ability to effectively scale production processes and effectively manage supply chain requirements as DiagnosTear must accurately forecast demand for products in order to ensure it has adequate available manufacturing capacity. DiagnosTear forecasts are based on multiple assumptions which may cause estimates to be inaccurate and affect its ability to obtain adequate manufacturing capacity in order to meet the demand for products, which could prevent it from meeting increased customer demand and harm DiagnosTear's brand and its business. However, if DiagnosTear overestimates its demand and overbuilds capacity, it may have significantly underutilized assets and may experience reduced margins. If DiagnosTear does not accurately align its manufacturing capabilities with demand, if it experiences disruptions or delays in its supply chain, or if it cannot obtain raw materials of sufficient quantity and quality

at reasonable prices and in a timely manner, DiagnosTear's business, financial condition and results of operations may be materially adversely affected.

Reliance on Key Inputs and Supply Chain Management

DiagnosTear's business is dependent on a number of key inputs both for the commencement of commercial production and then for continued operation. Any significant interruption or negative change in the availability of the supply chain for key inputs could materially impact the business, financial condition and operating results of DiagnosTear. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the business, financial condition and operating results of DiagnosTear.

Transportation and Delivery Risk

In the future, DiagnosTear will seek to distribute its products directly to end-users, and will rely on third party distribution and transportation services. This can cause logistical problems with, and delays in, end-users obtaining their orders which DiagnosTear's has no control over. Any delay by third party transportation services may adversely affect DiagnosTear's financial performance. Moreover, any breach of security during transport could have material adverse effects on DiagnosTear's business, financial condition and prospects.

Regulatory Approval and Permits

DiagnosTear designs, manufactures and distributes in-vitro diagnostic devices to a global market. The products are subjected to extensive regulations applicable for the different markets where the products are distributed and made available. The initial marketing strategy for a product is defined in the design and development phase to assess the applicable regulations for the operation and the product registration.

DiagnosTear holds an ISO 13485:2016 certification. The conformity towards the ISO 13485:2016 is verified by the certified body by an annual on-site audit. Israeli Standards Institute is the certified body and MedNet GmbH is the company's EU authorized representative.

European Market: As a manufacturer in Europe, all DiagnosTear's products are required to be CE marked and subjected to the European IVD 98/79 EC directive. The TeaRx Dry Eye product is classified as self-declared according to the IVD 98/79 directive with EU Declaration of Conformity.

The current IVD 98/79 directive will be replaced by an IVD regulation (EU 2017/217) coming into force in May 2027. The new regulation (IVDR) has a significant impact to the quality management system for manufacturers, importers and distributors as well as to the required product documentation for each IVD medical device. There is no grandfathering rule with the IVDR, meaning that all IVD medical devices available on the market May 2027 must comply to the IVDR. To maintain the existing products on the market after May 2027, DiagnosTear has to demonstrate the safety and performance of the devices through retrospective evaluation of existing data and generating new data to meet the IVDR regulation. New products (devices) must comply with the IVDR regulations as of May 22nd, 2022.

The main changes from the current IVD 98/79 EC directive to the IVD 2017/746 Regulation (IVDR) are the following: **New classification system of IVD medical devices:** Currently 80% of IVD medical devices are classified as self-declared and do not require any pre-approval by a notified body. The new classification system consists of 4 risk class from A to D with A as low risk and D as high risk. The manufacturer proposes risk class for the product in accordance with the regulation and guidance document. The justification for risk class will be verified by the notified body. **Unique Device Identifier:** All products are required to have a Unique Device Identifier (UDI) on the product labelling as a barcode or data matrix. A system recognized by the European commission must be used. The UDI improves the traceability of the product from the manufacturer throughout the supply chain. **Clinical benefit of the IVD medical device:** Clinical evidence for the product towards the intended purpose for the device must be demonstrated prior to placing the device on the market. The extent of the clinical evidence needs to be proportionate to the risk class of the product, i.e. class A products require less documentation compared to C and D class products. Clinical

evidence consists of three elements: analytical performance of the product, scientific validity by assessing available publications of the analyte and clinical performance of the device. Clinical performance is either clinical performance studies to be performed using the respective product or collect data from publications and determine the required clinical characteristics. **Post-Market surveillance of the IVD medical device:** Post-launch of the product, the manufacturer is required to have a system and processes implemented to continue evaluating and demonstrating the safety, performance and quality of the product. Data shall be gathered from several sources and appraised in detail to ensure the product still meet the defined claims and make sure actions are taken to reduce emerging risks and issues with the product. **Person Responsible for regulatory compliance (PRRC):** The manufacturer shall have in their organization a person complying to defined competence requirements in the IVDR. This role is responsible to overlook and ensure defined processes and routines are in place, and that products released for the markets comply to the respective routines and processes.

DiagnosTear acknowledge the importance of certifying for ISO 13485:2016 and the IVD regulation (EU 2017/746) to deliver high quality and reliable products, and to ensure the company maintain a compliant and efficient Quality management System integrated in all business areas.

The US market: The US market is an important market for DiagnosTear's products and especially for the TeaRx Red Eye product, and thus the FDA regulations for IVD devices, 21 CFR Part 820, will be integrated into the quality management system. The following essential requirements will be integrated in the Group's quality management system: • Current Good Manufacturing Practice (cGMP) and quality system requirements • Labelling requirements • Quality control of an IVD device • Handling of medical device reporting and recalls/withdrawals • Classification of products to determine the regulatory premarket process (Class I, II and III with class III as highest risk classification).

Prior to distribution and placing an IVD medical device on the market in US, the product must be assessed and approved by the FDA. The regulatory assessment and pathway for a product depends on the classification of the product and whether there are any similar devices already approved for the market. There are three regulatory processes for approval of an IVD device by the FDA; • **510(k):** for medical devices where there is a similar product already approved in the market where substantial equivalence can be demonstrated by the manufacturer (class I and II). • **De Novo:** process to classify novel medical devices for which there is no marketed predicate device (class I and II). • **Premarket Approval (PMA):** process to evaluate the scientific and regulatory review of class III devices. After a clearance of the IVD device is given, any modifications or changes which may impact the safety or effectiveness of the device or constitute a major change to the intended use of the device, will require new documentation and approval process by the FDA where the level of documentation and process applied is depending on the extent of modification or change. The exact regulatory pathway for the Red eye Product and the exact requirements for FDA registration will be established after the pre-submission process (expected around Q1/2025).

The future performance of DiagnosTear is dependent on, among other matters, the timely receipt of necessary regulatory clearances and approvals for its products. Marketing and distribution of IVD's requires regulatory approval in each country where DiagnosTear sells its products. It is therefore a risk that a product can be approved for sale in some countries and at the same time rejected in others. Regulatory clearance and approval can be a lengthy, expensive and uncertain process. DiagnosTear may not be able to obtain regulatory approvals on a timely basis, or at all, and any failure to do so may lead the Company to incur additional costs or prevent it from marketing its products in certain countries, which may have a material adverse effect on the company's business, financial condition and results of operations.

In addition, regulatory processes are subject to change, and new or changed regulations can result in increased costs and unanticipated delays. As an example, the IVD regulation (EU 2017/217) ("IVDR") entered into force in the EU 26 May 2022. The IVDR will have a significant impact to the quality management system for manufacturers, importers and distributors as well as to the required product documentation for each IVD medical device. This will impact the regulatory approval process for DiagnosTear's products in the EU by making it more costly and time consuming. Further, all IVD medical devices available on the market after 26 May 2022 must comply to the IVDR. To maintain the existing products on the market, DiagnosTear must demonstrate the safety and performance of its devices through retrospective evaluation of existing data and generating new data to meet the IVDR regulation.

DiagnosTear's failure to demonstrate the safety and performance of its devices in accordance with the IVDR in time, or at all, may lead to products being temporary or permanently withdrawn from the European market, which may have a material adverse effect on the company's revenues and financial performance.

The company's future performance depends also on its ability to maintain and obtain necessary certifications. DiagnosTear is certified according EN ISO 13485:2016. ISO 13485 is required to legally manufacture and distribute in vitro diagnostic products (IVD's). The ISO 13485 certificate is also required to achieve the Certificate of Free Sales issued by the Israeli Health Directorate (National Authority for medical devices and in vitro diagnostics in Israel). The Certificate of Free Sales is a requirement to IVD's in all regulated markets worldwide.

The company's future performance depends also on its ability to register the Red-eye Product with the FDA to market this product in the US. Failure to meet the FDA clinical and technical requirements which may have a material adverse effect on the company's revenues and financial performance.

The most critical risks associated with the company's ability to meet the FDA requirements are related to the company's ability to successfully conduct the clinical trials and meet the endpoint criteria to meet the FDA minimal requirements as will be specified at the pre-submission process. The success of this phase is dependent upon a few critical factors:

(1) Failure to begin or complete clinical trials due to disagreements with regulatory authorities: Reaching agreement with the FDA authorities as per the regulatory pathway, the required requirements and the study protocol
(2) The timely completion of clinical trials in accordance with their protocols depends, among other things, on our ability to enroll a sufficient number of patients who remain in the trial until its conclusion. We may experience difficulties in patient enrollment in our clinical trials for a variety of reasons, including the size and nature of the patient population and the patient eligibility criteria defined in the protocol.
(3) the performance by contract research organizations, or CROs, or other third parties we may retain to conduct clinical trials, of their duties to us in a manner that complies with our protocols and applicable laws and that protects the integrity of the resulting data
(4) Failure to demonstrate that the product is safe and effective for its proposed intended use, or failure of clinical trial results to meet the level of statistical significance required for approval
(5) Regulatory requests for additional analyses, reports, data, non-clinical studies and clinical trials, or questions regarding interpretations of data and results
(6) clinical sites, investigators or other participants in our clinical trials deviating from a trial protocol, failing to conduct the trial in accordance with regulatory requirements, or dropping out of a trial
(7) Changes in regulatory requirements and guidance may also occur, and we may need to amend clinical trial protocols submitted to the FDA authorities to reflect these changes. Amendments may require us to resubmit clinical trial protocols to institutional review boards or ethics committees for re-examination, which may impact the costs, timing or successful completion of a clinical trial.

Environmental, Health and Safety Laws

DiagnosTear is subject to environmental, health and safety laws and regulations in each jurisdiction in which it operates or is planning to operate. Such regulations govern, among other things, emissions of pollutants into the air, wastewater discharges, waste disposal and the health and safety of employees. DiagnosTear may be required to obtain environmental permits from governmental authorities for certain of its future operations. DiagnosTear may not have been, nor may it be able to be at all times, in full compliance with such laws, regulations and permits. If DiagnosTear violates or fails to comply with these laws, regulations or permits, DiagnosTear could be fined or otherwise sanctioned by regulators.

As with other companies engaged in similar activities or that own or operate real property, DiagnosTear may faces inherent risks of environmental liability at its future and historical production sites. Certain environmental laws impose strict and, in certain circumstances, joint and several liability on current or

previous owners or operators of real property for the cost of the investigation, removal or remediation of hazardous substances as well as liability for related damages to natural resources. In addition, DiagnosTear may discover new facts or conditions that may change its expectations or be faced with changes in environmental laws or their enforcement that would increase its liabilities.

The costs of complying with current and future environmental and health and safety laws, or DiagnosTear's liabilities arising from past or future releases of, or exposure to, regulated materials, may have a material adverse effect on its business, financial condition and results of operations.

Success of Quality Control Systems

The quality and safety of DiagnosTear's products are critical to the success of its business and operations. As such, it is imperative that DiagnosTear's (and its service providers) quality control systems operate effectively and successfully. Quality control systems can be negatively impacted by the design of the quality control systems, the quality training program, and non-adherence by employees to quality control guidelines. Any significant failure or deterioration of such quality control systems could have a material adverse effect on DiagnosTear's business and operating results.

Potential Political, Economic and Military Instability in Middle East and Israel

DiagnosTear's principal corporate offices and principal research and development facilities are located in Israel. Accordingly, political, economic and military conditions in and surrounding Israel may directly affect its business. Since the State of Israel was established in 1948, a number of armed conflicts have occurred between Israel and its neighbors, including the hostilities between Israel and Hezbollah, the hostilities between Israel and Hamas and the Iron Swords war that started on October 7, 2023. There can be no assurance that attacks launched from the Gaza Strip or Lebanon will not reach DiagnosTear's or Elcam's facilities, which could result in a significant disruption of DiagnosTear's business. In addition, there are significant ongoing hostilities in the Middle East, particularly in Syria and Iran, which may impact Israel in the future.

Furthermore, some neighbouring countries, as well as certain companies and organizations continue to participate in a boycott of Israeli firms and others who do business with Israel or with Israeli companies. However, generally this is not the case with the major corporations in the industry that deal with Israel.

Any hostilities involving Israel, a significant increase in terrorism or the interruption or curtailment of trade between Israel and its present trading partners, or a significant downturn in the economic or financial condition of Israel, could materially adversely affect DiagnosTear's operations. Ongoing and revived hostilities or other Israeli political or economic factors could have a material adverse effect on DiagnosTear's business, operating results and financial condition.

DiagnosTear's operations could be disrupted by the absence for significant periods of one or more of its senior management, key employees or a significant number of other employees because of military service. A number of DiagnosTear's Israeli senior management and the majority of its male employees in Israel under the age of 45 are obliged to perform military reserve duty, which accumulates annually from several days to up to two months in special cases and circumstances. The length of such reserve duty depends, among other factors, on an individual's age and prior position in the military. In addition, if a military conflict occurs, these persons could be required to serve in the military for extended periods of time. Any disruption in DiagnosTear's operations as the result of military service by key personnel could harm its business.

Recent uprisings and armed conflicts in various countries in the Middle East and North Africa are affecting the political stability of those countries. This instability may lead to deterioration of the political and trade relationships that exist between the State of Israel and these countries.

Insurance Coverage

DiagnosTear has insurance to protect its assets, operations, clinical trials and employees. While DiagnosTear believes its insurance coverage addresses all material risks to which it is exposed and is

adequate and customary in its current state of operations, such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which DiagnosTear is exposed. In addition, no assurance can be given that such insurance will be adequate to cover DiagnosTear's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If DiagnosTear were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if DiagnosTear were to incur such liability at a time when it is not able to obtain liability insurance, DiagnosTear's business, results of operations and financial condition could be materially adversely affected.

Information Security Threats

DiagnosTear's operations depend, in part, on how well it and its suppliers protect networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, hacking, computer viruses, vandalism and theft. DiagnosTear's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact DiagnosTear's reputation and results of operations.

DiagnosTear has not experienced any material losses to date relating to cyber-attacks or other information security breaches, but there can be no assurance that DiagnosTear will not incur such losses in the future. DiagnosTear's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access is a priority. As cyber threats continue to evolve, DiagnosTear may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Risks Associated with the Resulting Issuer

No Market for Securities

There is currently no market through which any of the securities of the Company or the Resulting Issuer may be sold and there is no assurance that the securities of the Company or the Resulting Issuer will be listed for trading on a Canadian stock exchange, or if listed, will provide a liquid market for such securities. Until the securities of the Company or the Resulting Issuer are listed on a Canadian stock exchange, holders of the securities of the Company and the Resulting Issuer may not be able to sell their securities. Even if the Listing is obtained, there can be no assurance that an active public market for the securities of the Company or the Resulting Issuer will develop or be sustained. The holding of securities of the Company and the Resulting Issuer involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. The securities of the Company and the Resulting Issuer should not be purchased by persons who cannot afford the possibility of the loss of their entire investment.

Market Price Volatility

The market price of the Resulting Issuer Shares may be adversely affected by a variety of factors relating to the Resulting Issuer's business, including fluctuations in the Resulting Issuer's operating and financial results, the results of any public announcements made by the Resulting Issuer, and the failure to meet analysts' expectations.

The market price of the Resulting Issuer Shares may experience wide fluctuations which may not necessarily be related to the financial condition, operating performance, underlying asset values or prospects of the Resulting Issuer. Securities of micro-cap and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects

of the companies involved. These factors include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries.

Other factors unrelated to the Resulting Issuer's performance that may have an effect on the price of the Resulting Issuer Shares include (among others) the following: (i) the extent of analytical coverage available to investors concerning the Resulting Issuer's business may be limited if investment banks with research capabilities do not follow the Resulting Issuer Shares; (ii) lessening in trading volume and general market interest in the Resulting Issuer Shares may affect an investor's ability to trade significant numbers of the Resulting Issuer Shares; (iii) the size of the Resulting Issuer's public float may limit the ability of some institutions to invest in the Resulting Issuer Shares; and (iv) a substantial decline in the price of the Resulting Issuer Shares that persists for a significant period of time could cause the Resulting Issuer Shares to be delisted from the CSE or from any other exchange upon which the Resulting Issuer Shares may trade from time to time, further reducing market liquidity.

As a result of any of these factors, the market price of the Resulting Issuer Shares at any given point in time may not accurately reflect the Resulting Issuer's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Resulting Issuer may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Financial markets have historically, at times, experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. In particular, the conflict between Russia and Ukraine and any restrictive actions that are or may be taken by Canada, the U.S. and other countries in response thereto, such as sanctions or export controls, could have negative implications on the financial markets. Accordingly, the market price of the Resulting Issuer Shares may decline even if the Resulting Issuer's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Resulting Issuer's operations could be adversely impacted and the trading price of the Resulting Issuer Shares may be materially adversely affected.

General Economic Conditions in Canada, the U.S. and Globally

The ongoing economic slowdown and downturn of global capital markets has generally made the raising of capital by equity or debt financing more difficult. The Resulting Issuer will be dependent upon the capital markets to raise additional financing in the future while completing its business objectives. Access to financing has been negatively impacted by the ongoing global economic downturn. As such, the Resulting Issuer will be subject to liquidity risks in meeting development and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the Resulting Issuer's ability to raise equity or obtain loans and other credit facilities in the future and on terms favorable to the Resulting Issuer and its management. If uncertain market conditions persist, the ability of the Resulting Issuer to raise capital could be jeopardized and thus have an adverse impact on its operations, on the trading price of the Resulting Issuer's Shares on the CSE, and on the ability of the Resulting Issuer to raise capital, generally.

Requirements for Further Financing

The Resulting Issuer's cash flows may not be sufficient to fund its ongoing activities and/or expansion projects at all times; and as such, from time to time, the Resulting Issuer may require additional financing in order to carry out its current business and/or its proposed growth strategy. As a result of intense competition, governmental regulation as well as global economic volatility, the Resulting Issuer, along with many of its competitors, may, from time to time, have restricted access to capital and increased borrowing costs. Failure to obtain any required financing on a timely basis could cause the Resulting Issuer to fail to (i) execute its proposed growth strategy, (ii) continue to develop its business, or (iii) satisfy the demands of its customers, and ultimately reduce or terminate its operations. If the Resulting Issuer's revenues decrease

as a result of competition or otherwise, it will affect the Resulting Issuer's ability to expend the necessary capital to maintain its business and fund the continued development of its products. To the extent that external sources of capital become limited or unavailable, or available on onerous terms, the Resulting Issuer's ability to make capital investments and maintain existing assets may be impaired, and its assets, liabilities, business, financial condition and results of operations may be materially and adversely affected as a result. In addition, the future development of the Resulting Issuer's products may require additional financing and there are no assurances that such financing will be available or, if available, will be available upon acceptable terms. Failure to obtain any required financing necessary for the Resulting Issuer's capital expenditure plans may result in a delay in the development or production of the Resulting Issuer's products.

Discretion Concerning the Use of Available Funds

The Resulting Issuer's management will have substantial discretion concerning the use of available funds as well as the timing of the expenditure of the funds thereof. As a result, investors will be relying on the judgment of management as to the specific application of the available funds. Management may use the available funds in ways that an investor may not consider desirable. The results and effectiveness of the application of the available funds are uncertain.

Issuance of Debt

From time to time, the Resulting Issuer may enter into transactions to acquire assets or shares of other organizations. These transactions may be financed in whole or in part with debt, which may increase the Resulting Issuer's debt levels above industry standards. Depending on its plans, the Resulting Issuer may require additional debt financing that may not be available or, if available, may not be available on favourable terms. The articles of the Resulting Issuer do not limit the amount of indebtedness that the Resulting Issuer may incur. The level of the Resulting Issuer's indebtedness from time to time could impair the Resulting Issuer's ability to obtain additional financing on a timely basis to take advantage of business opportunities that may arise.

Cash Flow from Operations

Since incorporation, neither the Company nor DiagnosTear have generated cash flow from operations and both have incurred certain operating losses. Such losses and negative operating cash flow are expected to continue. Neither the Company nor DiagnosTear can guarantee that the Resulting Issuer will attain or maintain positive cash flow status into the future. To the extent that the Resulting Issuer has negative cash flow in any future period, the Resulting Issuer will be reliant on any working capital and future equity financings to meet its cash flow requirements.

Liquidity Risk

Liquidity risk is the risk that the Resulting Issuer will not be able to meet its financial obligations as they fall due. The Resulting Issuer is anticipated to have a planning and budgeting process in place to help determine the funds required to support the Resulting Issuer's normal operating requirements on an ongoing basis. The Resulting Issuer ensures that there are sufficient funds to meet its short-term business requirements, taking into account its holdings of cash, however, the Resulting Issuer’s access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Risks Associated with Acquisitions

As part of the Resulting Issuer's overall business strategy, the Resulting Issuer may pursue select strategic acquisitions, which would provide additional product offerings, vertical integrations, additional industry expertise, and a stronger industry presence in both existing and new jurisdictions. Future acquisitions may expose the Resulting Issuer to potential risks, including risks associated with: (a) the integration of new operations, services and personnel; (b) unforeseen or hidden liabilities; (c) the diversion of resources from the Resulting Issuer's existing business and technology; (d) potential inability to generate sufficient revenue to offset new costs; (e) the expenses of acquisitions; or (f) the potential loss of or harm to relationships with

both employees and existing users resulting from its integration of new businesses. In addition, any proposed acquisitions may be subject to regulatory approval.

Variations in Foreign Exchange Rates and Interest Rates

As the Resulting Issuer will operate in or currently operates in various other countries which utilize non-Canadian currencies, including the New Israeli Shekel, the revenue received by the Resulting Issuer will be materially affected by fluctuations in exchange rates. In recent years, the Canadian dollar has, at times, increased materially in value against other currencies. Material increases in the value of the Canadian dollar negatively impact the revenues of the Resulting Issuer. Future exchange rates could accordingly impact the future value of the Resulting Issuer's operations.

To the extent that the Resulting Issuer engages in risk management activities related to foreign exchange rates, there is a credit risk associated with counterparties with which the Resulting Issuer may contract. An increase in interest rates could result in a significant increase in the amount the Resulting Issuer pays to service debt, which could negatively impact the market price of the Resulting Issuer Shares.

International Operations Risks

The Resulting Issuer intends to expand its business to include international sales of its products. There are a number of risks inherent in international activities, including: unexpected changes in governmental policies concerning the import and export of goods; services and technology and other regulatory requirements; tariffs and other trade barriers; costs and risks of localizing products for foreign languages; longer accounts receivable payment cycles; limits on repatriation of earnings; the burdens of complying with a wide variety of foreign laws; and difficulties supervising and managing local personnel. As such, the Resulting Issuer's operations may be adversely affected by changes in foreign government policies and legislation or social instability and other factors which are not within the control of the Resulting Issuer, including, but not limited to, changes in regulatory requirements, economic sanctions, risk of terrorist activities, revolution, border disputes, implementation of tariffs and other trade barriers and protectionist practices, volatility of financial markets, labour disputes and other risks arising out of foreign governmental sovereignty over the areas in which the Resulting Issuer's operations are conducted. Laws and policies of Israel and such foreign jurisdictions affecting foreign trade, taxation and investment may have a material adverse effect on the Resulting Issuer's operations.

If the Resulting Issuer's operations are disrupted and/or the economic integrity of its contracts is threatened for unexpected reasons, its business may be harmed. In the event of a dispute arising in connection with the Resulting Issuer's operations in a foreign jurisdiction where the Resulting Issuer does conduct or will conduct its business, the Resulting Issuer may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of the courts of Canada or enforcing Canadian judgments in such other jurisdictions.

The majority of the directors and officers of the Resulting Issuer will be based in Israel, and most of the Resulting Issuer’s assets and assets of the directors and officers of the Resulting Issuer will be located outside of Canada. Therefore, a judgment obtained against the Resulting Issuer, or any of these persons, including a judgment based on the civil liability provisions of Canadian securities laws, may not be collectible in Canada and may not be enforced by an Israeli court. It also may be difficult to effect service of process on these persons in Canada or to assert Canadian securities law claims in original actions instituted in Israel. Israeli courts may refuse to hear a claim based on an alleged violation of Canadian securities laws reasoning that Israel is not the most appropriate forum in which to bring such a claim. In addition, even if an Israeli court agrees to hear a claim, it may determine that Israeli law and not Canadian law is applicable to the claim. If the Canadian law is found to be applicable, the content of applicable Canadian law must be proven as a fact by expert witnesses, which can be a time consuming and costly process. Certain matters of procedure will also be governed by Israeli law. There is little binding case law in Israel that addresses the matters described above. As a result of the difficulty associated with enforcing a judgment against the Resulting Issuer or the Resulting Issuer in Israel, it may be difficult to collect any damages awarded by either a Canadian or a foreign court.

Operating Costs

Higher operating costs for underlying assets will directly decrease the amount of funds from operations received by the Resulting Issuer and, therefore, may reduce amounts available to carry out the Resulting Issuer's capital programs. Labour, electricity, technology upgrading, materials and asset acquisition, manufacturing, data storage, sales and marketing costs are examples of types of operating costs that are susceptible to price fluctuation.

Costs of operation and expansion may be difficult to predict for the Resulting Issuer. Higher than anticipated operating costs or longer than anticipated lead times and other unexpected expenditures may lead to decreases in the amount of funds available for operation and may hinder any capital expenditure programs proposed to be taken by the Resulting Issuer, as applicable.

Additionally, if the Listing is completed, the Resulting Issuer will incur significant additional legal, accounting and filing fees that, at present, are not required. Canadian securities legislation and the rules and policies of the CSE require listed companies to, among other things, adopt corporate governance and related practices, and to continuously prepare and disclose material information, all of which will significantly increase legal and financial compliance costs.

Reliance on Management

Equity-based awards are expected to comprise a key component of executive and senior management compensation, and if the price of the Resulting Issuer Shares declines or is volatile, it may be difficult to retain such individuals. The Resulting Issuer's retention and recruiting may require significant increases in compensation expense, which may adversely affect its results of operation.

Limited Experience in Management of Publicly-Traded Company

The individuals who now constitute the Resulting Issuer's senior management team have limited experience managing a publicly-traded company and limited experience complying with the increasingly complex laws pertaining to public companies. The Resulting Issuer's senior management team may not successfully or efficiently manage the Resulting Issuer's transition to being a public company subject to significant regulatory oversight and reporting obligations under Canadian securities laws. In particular, these new obligations will require substantial attention from the Resulting Issuer's senior management and could divert their attention away from the day-to-day management of the Resulting Issuer's business.

Eligibility for Registered Plans

There is no assurance as to when, or if, the securities of the Resulting Issuer will be listed on any stock exchange. If the securities of the Resulting Issuer are not listed on a designated stock exchange in Canada at the time they are acquired or if the Resulting Issuer does not otherwise satisfy the conditions in the *Income Tax Act* (Canada) (the "**Tax Act**") to be a "public corporation", the securities of the Resulting Issuer will not be considered to be a qualified investment under the Tax Act for a trust governed by a registered retirement savings plan, a registered retirement income fund, a registered education savings plan, a registered disability savings plan, a tax-free savings account and a deferred profit sharing plan (collectively, "**Registered Plans**") from their date of issue. Where a Registered Plan acquires a Resulting Issuer Share in circumstances where the securities of the Resulting Issuer are not a qualified investment under the Tax Act for the Registered Plan, adverse tax consequences may arise for the Registered Plan and the annuitant, subscriber or holder (the "**Controlling Individual**") under the Registered Plan, as the case may be, including that the Registered Plan may become subject to penalty taxes, the Controlling Individual of such Registered Plan may be deemed to have received income therefrom or be subject to a penalty tax or, in the case of a registered education savings plan, such plan may have its tax exempt status revoked.

Officer and Director Conflicts of Interest

The Resulting Issuer may be subject to various potential conflicts of interest because some of its officers and directors may be engaged in a range of business activities. In addition, the Resulting Issuer’s executive

officers and directors may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Resulting Issuer. In some cases, the Resulting Issuer's executive officers and directors may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Resulting Issuer's business and affairs and that could adversely affect the Resulting Issuer's operations. These business interests could require significant time and attention of the Resulting Issuer's executive officers and directors.

In addition, the Resulting Issuer may become involved in other transactions which conflict with the interests of its directors and officers who may from time to time deal with persons, firms, institutions or companies with which the Resulting Issuer may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Resulting Issuer. In addition, from time to time, these persons may be competing with the Resulting Issuer for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, if such a conflict of interest arises at a meeting of the Resulting Issuer's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Resulting Issuer are required to act honestly, in good faith and in the best interests of the Resulting Issuer.

Failure to Meet Continued Listing Requirements Could Result in a De-Listing of the Resulting Issuer Shares

If the Resulting Issuer fails to satisfy the continued listing requirements of the CSE after it is listed, the CSE may take steps to de-list the Resulting Issuer Shares. Such de-listing would likely have a negative effect on the price of the Resulting Issuer Shares and would impair an investor's ability to sell or purchase the Resulting Issuer Shares when so desired. In the event of a de-listing, the Resulting Issuer would take actions to restore compliance with the CSE listing requirements; however, the Resulting Issuer can provide no assurance that any such action taken by the Resulting Issuer would allow the Resulting Issuer Shares to become listed again on the CSE, stabilize the market price or improve the liquidity of the Resulting Issuer Shares.

Company Reputation

Damage to the Resulting Issuer's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views regarding the Resulting Issuer and its activities, whether true or not. Although the Resulting Issuer believes that it operates in a manner that is respectful to all stakeholders and that it takes care in protecting its image and reputation, the Resulting Issuer does not ultimately have direct control over how it is perceived by others. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to the Resulting Issuer's overall ability to advance its projects, thereby having a material adverse impact on financial performance, financial condition, cash flows and growth prospects.

Internal Controls and Public Confidence

One or more material weaknesses in the Resulting Issuer's internal controls over financial reporting could occur or be identified in the future. In addition, because of inherent limitations, the Resulting Issuer's internal controls over financial reporting may not prevent or detect misstatements, and any projections of any evaluation of effectiveness of internal controls to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the Resulting Issuer's policies or procedures may deteriorate. If the Resulting Issuer fails to maintain the adequacy of the Resulting Issuer's internal controls, including any failure or difficulty in implementing required new or improved controls, its business and results of operations could be harmed, the Resulting Issuer may not be able to provide reasonable assurance as to its financial results or meet its reporting obligations and there could be a material adverse effect on the price of its securities.

MATERIAL CONTRACTS

Except for material contracts entered into in the ordinary course of business, set out below are material contracts which the Company entered into prior to or since the date of incorporation of the Company and which DiagnosTear entered into within two years of the date of this Prospectus and, in either case, which are considered material to the Company. The below material contracts are or will be available for review under the Company's profile on SEDAR+ at www.sedarplus.ca.

- the Equity Incentive Plan dated October 6, 2024. See "*Information Concerning the Company – Executive Compensation – Option to Acquire Securities – Equity Incentive Plan*".
- the Code dated October 6, 2024. See "*Information Concerning the Company - Audit Committee and Corporate Governance – Corporate Governance Disclosure – Ethical Business Conduct*";
- the Share Exchange Agreement dated August 16, 2023 and the amendments thereto;
- the Bridge Subscription Receipt Agreement dated August 25, 2024. See "*Information Concerning the Company – Option to Acquire Securities – RTO Subscription Receipts*";
- the Concurrent Subscription Receipt Agreement dated November 14, 2024. See "*Information Concerning the Company – Option to Acquire Securities – RTO Subscription Receipts*";
- the BioLight Management Services Agreement dated July 16, 2023. See "*Information Concerning DiagnosTear – Executive Compensation – External Management Companies*";
- the Elcam Manufacturing Agreement dated October 15, 2020. See ""*Information Concerning DiagnosTear – Supply Chain and Production – Elcam Partnership*";
- the Exclusive License Agreement with ChipShop dated April 2, 2024. See ""*Information Concerning DiagnosTear – Supply Chain and Production – ChipShop Collaboration*";
- the Escrow Agreement. See "*Information Concerning the Resulting Issuer – Escrowed Securities and Other Securities Subject to Resale Restrictions*".

EXPERTS

The independent auditor of the Company and DiagnosTear, Fahn Kanne & Co., Grant Thornton Israel, is independent with respect to the Company and DiagnosTear, respectively, within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia. The independent auditor's responsibilities are outlined in full in the independent auditor's report. The auditor is located in Tel Aviv, Israel.

OTHER MATERIAL FACTS

There are no other material facts relating to the securities of the Company, DiagnosTear or the Resulting Issuer that are not disclosed in this Prospectus.

ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS

Each of DiagnosTear and BioLight is incorporated under the laws of a foreign jurisdiction and, Yaacov Michlin, Igal Kohn, Suzana Nahum Zilberberg, Karin Gurevitz, Shimon Gross, Julia Reznick Zilberman and Yifftach Biel, each a director or officer of DiagnosTear or the Resulting Issuer, and Tamir Gedo, a director of the Company, resides outside of Canada as of the date of this Prospectus. Each of the foregoing persons has appointed MLT Aikins LLP located at 2600-1066 West Hastings Street, Vancouver, British Columbia V6E 3X1, as its agent for service of process. Investors are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued

or otherwise organized under the laws of a foreign jurisdiction or that resides outside of Canada, even if the party has appointed an agent for service of process.

RIGHT OF WITHDRAWAL AND RESCISSION

Statutory Right of Withdrawal and Rescission

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two Business Days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

In an offering of RTO Subscription Receipts, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial securities legislation, to the price at which the RTO Subscription Receipts are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

Contractual Right of Action for Rescission

The Company has granted to each holder of RTO Subscription Receipts a contractual right of recession of the prospectus-exempt transaction under which the RTO Subscription Receipts were initially acquired. The contractual right of rescission provides that if a holder of RTO Subscription Receipts who acquires Resulting Issuer Shares on exercise of the RTO Subscription Receipts as provided for in this Prospectus is, and becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of this Prospectus or an amendment to this Prospectus containing a misrepresentation: (a) the holder is entitled to rescission of both the holder's exercise of its RTO Subscription Receipt and the subscription under which the RTO Subscription Receipt was initially acquired, (b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the Company and on the acquisition of the RTO Subscription Receipts, and (c) if the holder is a permitted assignee of the interest of the original RTO Subscription Receipt subscriber, the holder is entitled to exercise the rights of rescission and a refund as if the holder was the original subscriber.

The contractual rights of action described above are in addition to and without derogation from any other right or remedy that a purchaser of RTO Subscription Receipts may have at law.

APPENDIX A

FINANCIAL STATEMENTS OF THE COMPANY AND MANAGEMENT'S DISCUSSION ANALYSIS

OCEANVIEW TECHNOLOGIES INC.

FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2023

OCEANVIEW TECHNOLOGIES INC.

FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF OCEANVIEW TECHNOLOGIES INC.

Opinion

We have audited the accompanying financial statements of OceanView Technologies Inc. (the "Company"), which comprise the statement of financial position as at December 31, 2023, and the statements of loss and comprehensive loss, statement of changes in shareholders' deficit and statement of cash flow for the period commencing May 10, 2023 (Inception Date) through December 31, 2023, and the notes to the financial statements, including summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023, and its financial performance and its cash flows for the period commencing May 10, 2023 (Inception Date) through December 31, 2023 in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1B to the financial statements, which indicates that to date the Company has no business activity and it has limited liquidity resources. As described in Note 1B, the Company is pursuing to complete a reverse takeover transaction with a development stage private company which operates in the ophthalmic field. These events or conditions, along with other matters as set forth in Note 1B, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our auditor's report.

Other Information

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the Management Discussion and Analysis prior to the date of this auditors' report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because of the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ishay De Lyon.

Fahn Kanne & Co.

FAHN KANNE & CO. GRANT THORNTON ISRAEL
Certified Public Accountants (Isr.)

Tel-Aviv, September 22, 2024

OCEANVIEW TECHNOLOGIES INC.

STATEMENT OF FINANCIAL POSITION
(Expressed in Canadian Dollars in thousands)

	Note	As of December 31, 2023
Assets		
Current assets		
Cash		$ 56
Total assets		$ 56
Current liabilities		
Accounts payable and accrued liabilities	4	$ 129
Total current liabilities		129
Shareholders' deficit	5	
Share capital and premium		187
Accumulated deficit		(260)
Total shareholders' deficit		(73)
Total liabilities and shareholders' deficit		$ 56

These financial statements were approved for issue by the Board of Directors on September 22, 2024 and signed on its behalf by:

"Ohad David" (signed)	"Gabi Kabazo" (signed)
Ohad David	Gabi Kabazo
Chief Executive Officer	Chief Financial Officer

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

OCEANVIEW TECHNOLOGIES INC.

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

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

	For the period from inception date to December 31, 2023
Expenses:	
Consulting fees	$ 45
Professional fees	215
Operating loss	260
Financing expenses	(*) -
Loss for the period	$ 260
Comprehensive loss for the period	$ 260
Basic and diluted loss per share:	
Basic and diluted loss per share	$ (0.02)
Weighted average of number of shares used in computing basic and diluted loss per share	15,181,198

(*) Represents amount lower than $1.

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

OCEANVIEW TECHNOLOGIES INC.

STATEMENT OF CHANGES IN SHAREHOLDERS' DEFICIT

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

	Note	Number of outstanding shares	Share capital and premium	Accumulated deficit	Total
Balance as of inception date		-	$ -	$ -	$ -
Shares issued upon inception date	5C1	100	(*) -	-	(*) -
Shares issued for cash	5C2- 5C4	17,200,000	187	-	187
Comprehensive loss for the period		-	-	(260)	(260)
Balance as of December 31, 2023		17,200,100	$ 187	$ (260)	$ (73)

(*) Represent amount lower than $1.

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

OCEANVIEW TECHNOLOGIES INC.

STATEMENT OF CASH FLOWS

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

	Note	For the period from inception date to December 31, 2023
Cash flow from current operations		
Loss for the period		$ (260)
Adjustments required to present cash flows from operating activities		
Accounts payable and accrued liabilities		129
Net cash used in operating activities		(131)
Cash flows from financing activity		
Proceeds received upon issuance of shares	5C2-5C4	187
Net cash provided by financing activity		187
Change in balance of cash and cash equivalents		56
Balance of cash and cash equivalents, beginning of period		-
Balance of cash and cash equivalents, end of period		$ 56

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

Note 1 - General

A. Incorporation and Description of Business

Oceanview Technologies Inc. (the "Company" or "OceanView") 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.

B. Financial position of the Company and going concern uncertainty

From inception date through the signing of these financial statements, the Company has no business activity. In addition, as of December 31, 2023, the Company has limited liquidity resources.

In August 2023, the Company entered into Share Exchange Agreement ("SEA") with DiagnosTear Ltd. ("DiagnosTear"), an Israeli development stage private company which is a subsidiary of BioLight Life Sciences Ltd, an Israeli publicly traded company on the Tel Aviv Stock Exchange. DiagnosTear operates in the field of ophthalmic research and development 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. The development and commercialization of TeaRx is expected to require substantial further expenditures.

Based on the terms of the SEA, subject to achievement of certain conditions, the shareholders of DiagnosTear 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 that will be listed on the Canadian Stock Exchange ("CSE") (the "Reverse Takeover ("RTO") Transaction"). According to the provisions of the SEA, the completion date of the Transaction is expected to be in the fourth quarter of the year 2024.

Management has considered the significance of such conditions and determined that these conditions create material uncertainty that may be considered to cast significant doubt about the Company's ability to continue as a going concern. Management is pursuing the completion of the RTO Transaction and plans to finance the merged operations of the Company and DiagnosTear by raising capital from sale of equity through private offerings and/or through revenues from commercial sale of DiagnosTear product, TeaRx.

There can be no assurance that the Company will succeed in obtaining the necessary financing and/or to complete the aforesaid RTO Transaction with DiagnosTear to continue its operations as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

During the period commencing the inception date through December 31, 2023, the Company raised net proceeds of $187 through private placement transactions upon execution of subscription agreements (see Notes 5C2-5C4 below)). 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 (see Note 9 below).

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.

Although the Company has no business activity in Israel, management is striving for completion of the RTO Transaction with DiagnosTear, an Israeli Company, which currently pending on certain conditions that includes, inter alia, raising capital from sale of equity through private offerings. In addition, the War may impact on clinical trials to be performed by DiagnosTear which is based on fund raising as well. However, since this is an event beyond the Company's and Diagnostear'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 effort to complete the RTO Transaction.

Note 2 - Basis of Presentation

A. Statement of Compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and interpretations of the IFRS Interpretations Committee ("IFRIC").

These financial statements of the Company for the period commencing May 10, 2023 through December 31, 2023, have been prepared by management using the material accounting policies described in Note 3 below and were authorized for issuance in accordance with a resolution of the board of directors on September 22, 2024.

B. Basis of Measurement

These financial statements have been prepared on a historical cost basis. In addition, these audited financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The accounting policies set out below have been applied consistently to the period presented in these audited financial statements.

C. Use of Significant Accounting Estimates and Assumptions and Judgements

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make accounting estimates and assessments that involve use of judgment and that affect the amounts of assets and liabilities presented in the financial statements, the disclosure of contingent assets and liabilities at the dates of the financial statements, the amounts of expenses during the reporting period and the accounting policies adopted by the Company. Actual results could differ from those estimates.

D. The Functional Currency and the Presentation Currency

1. The Company prepares its financial statements in accordance with the currency of the country and principal economic environment in which it operates, which constitutes the functional currency from which it is primarily affected (the "Functional Currency"). Management has determined that the Functional Currency of the Company is the Canadian Dollars ("CAD" or "$").

2. The Company's financial statements are presented in Canadian Dollars.

Note 3 - Material Accounting Policies

A. Cash

Cash include cash held in banks and highly liquid investments, including short-term bank deposits (with original maturity dates of up to three months from date of deposit) that are not restricted as to withdrawal or use.

B. Financial assets

Recognition and derecognition

Financial assets are recognized when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

Classification and initial measurement of financial assets

All financial assets are initially measured at fair value adjusted for transaction costs (where applicable). Financial assets are classified into the following categories: amortized cost, fair value through profit or loss (FVTPL), or, fair value through other comprehensive income (FVOCI). In the periods presented the Company did not have any financial assets categorized under the FVOCI nor FVTPL category.

The classification is determined by both, the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

Subsequent measurement of financial assets

Financial assets are measured at amortized cost if the assets meet the following conditions (and are not designated as FVTPL when such designation is allowed):

- They are held within a business whose objective is to hold the financial assets and collect its contractual cash flows, and
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest amount outstanding.

After initial recognition, these are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

C. Impairment of Financial Assets

The Company recognizes an allowance for loss under the "Expected Credit Loss Recognition Model" for financial debt assets that are not measured at FVTPL model,

Note 3 - Material Accounting Policies (Cont.)

D. Financial Liabilities

Financial liabilities are recognized in the statements of financial position if and only if the Company becomes a party to the contractual provisions of the instrument.

Financial Liabilities Measured at Amortized Cost

Financial liabilities measured at amortized cost are recognized initially in the financial statements based on fair value, adjusted for direct transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost, using the effective interest method.

E. Derecognition of Financial Instruments

1. Derecognition

Financial assets

A financial asset is derecognized when:

- The contractual rights to cash flows from the financial asset have expired; or
- The Company transfers the financial asset and the transfer qualifies for Derecognition.

Financial liabilities

A financial liability is derecognized when the liability is settled, i.e., when the obligation defined in the contract has been repaid, cancelled or it expired.

2. Offsetting financial instruments

Financial assets and financial liabilities are presented in the statement of financial position at a net amount only when the Company has an enforceable legal right to offset and there is an intention to settle the asset and liability on a net basis or simultaneously.

An enforceable right to offset exists when it can be enforced at any time, both during normal course of business and in the event of insolvency, and when it is not continued it on any future event.

F. Fair Value Measurements

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 3 - Material Accounting Policies (Cont.)

G. Loss per share

The basic loss per share is calculated by dividing the net loss attributed to the shareholders of the Company by the weighted average number of ordinary shares outstanding during the period and, if necessary, after deducting shares held by the Company.

For purposes of calculating the diluted loss per share, the loss attributed to the ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding are adjusted in respect of the possible impact of potential ordinary shares that may derive from the exercise or conversion of convertible financial instruments in respect of which there is a dilutive effect.

H. Operating cycle

The operating cycle of the Company is 12-months.

I. New Standards, Amendments and Interpretations to Existing Standards that are Effective and Relevant to the Company's Activity

Some accounting pronouncements which have become effective from January 1, 2023 and therefore have been adopted do not have a significant impact on the Company's financial results or position.

Note 3 - Material Accounting Policies (Cont.)

J. Standards, Amendments and Interpretations to Existing Standards that are not yet Effective and have not been Adopted Early by the Company

At the approval date of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB or IFRIC. None of these Standards or amendments to existing Standards have been adopted early by the Company.

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.

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

Note 4 - Accounts Payable and Accrued Liabilities

Composition:

	As of December 31, 2023
Related parties (see also Note 8A below)	$ (*) -
Accrued expenses	129
	$ 129

(*) Represent amount lower than $1.

Note 5 - Shareholders' Equity

A. Composition of Share Capital

	As of December 31, 2023	
	Authorized	Issued and outstanding
Common Stock, without par value (the "Common Stock")	(*) -	17,200,100

(*) No maximum amount was determined.

B. Rights Attached to the Common Stock

The shares of Common Stock of the Company grant the holders thereof the right to participate and vote in shareholders meetings, the right to receive a dividend, as declared, the right to participate in distributions of bonus shares and the right to participate in the distribution of the assets of the Company upon liquidation.

C. Issuance of Shares of Common Stock

1. In May 2023, the Company entered into subscription agreements under which 100 Common Stock were issued to Ohad David (the "Founder and President") for total proceeds which representing price of $0.1 per share.

2. In June 2023, the Company entered into subscription agreements under which 14,000,000 Common Stock were issued for total proceeds of $70, representing price of $0.005 per share.

3. In June 2023, the Company entered into subscription agreements under which 2,700,000 Common Stock were issued for total proceeds of approximately $67, representing price of $0.025 per share. As part of such private placement, the Founder and President of the Company, purchased 900,000 Common Shares at a price of $0.025 per Common Share.

4. In June and July 2023, the Company entered into subscription agreements under which 500,000 Common Stock were issued for total proceeds of $50, representing price of $0.10 per share.

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

Note 6 - Taxes on Income

A. Taxation of the Company in Canada

The corporate tax rate applicable to the Company for all reported periods is 27%.

B. Losses and Deductions for Tax Purposes - Carried Forward to Future Years

As of December 31, 2023, the carryforward net operating losses of the Company amounted to $260 which shall be expired in 2043. The Company did not record deferred taxes in respect of the loss carryforward since their utilization is not expected in the foreseeable future.

C. Final Tax Assessment

The Company has no final tax assessments since Inception Date.

D. Income Tax Recovery

A reconciliation of the Company's expected income tax recovery to actual income tax recovery is as follows:

	As of December 31, 2023
Net operating losses	$ 260
Statutory income tax rate	27%
Expected income tax recovery	70
Unrecognized deductible temporary differences and other	(70)
Income tax recovery	$ -

E. The following tabular represents reconciliation between the amount of the "theoretical" tax that would have applied and the amount of the tax on ordinary operating income, as recorded in the statements of comprehensive loss:

	For the period from inception date to December 31, 2023
Pre-tax loss as reported in the statements of comprehensive loss	$ 260
Corporate tax rate	27%
Theoretical tax savings	70
Losses in respect of which no deferred taxes were recorded	(70)
Tax expenses in respect of the reported year	$ -

Note 7 - Financial Instruments

A. Financial Risk Management

1. General

The activities of the Company expose it to a range of financial risks: currency risks, market risks, credit risks and liquidity risks. During each period, the Company assesses the financial risks and makes decisions regarding them accordingly.

Risk management is conducted by management of the Company, which identifies, assesses and hedges the risks to the extent possible.

2. Financial Risk Factors

A. Exposure to Changes in Interest Rates

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash is held in a checking account in a bank and therefore there is currently minimal interest rate risk. Because of the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as of December 31, 2023.

B. Credit Risks

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk includes cash. The Company's cash is held in a checking account in a bank. The Company's maximum exposure to credit risk is the carrying value of its financial assets. The Company's management regularly assesses the financial strength of the financial institutions the Company works with. Accordingly, management believes that the credit risk related to its cash is negligible.

The following is a breakdown of the financial assets in respect of which the Company is exposed to credit risks:

	As of December 31, 2023
Cash	$ 56

C. Liquidity Risks

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments.

As of December 31, 2023, the Company's negative working capital amounted to $73. The Company's policy is to manage its liquidity by assessing current forecasts for purposes of managing its cash for operating purposes during the normal course of business. Depending on its current needs, the Company conducts, from time to time, additional rounds of fundraising.

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

Note 7 - Financial Instruments (Cont.)

B. A summary of Financial Instruments Broken Down by Categories:

	As of December 31, 2023
Financial Assets Measured at Depreciated Cost	
Cash and cash equivalents	$ 56
Financial Liabilities Measured at Depreciated Cost	
Accounts payable and accrued liabilities	$ 129

C. Fair Value of Financial Instruments

The Company's financial instruments, which are part of its working capital, include cash and accounts payable and accrued liabilities. As of the reported periods, the balances of these financial instruments in the statements of financial position constitute an approximation of their fair values.

D. Company Capital Risk Management Policy

The goals of the Company's capital risk management policy are to preserve its ability to continue operating as a going concern with a goal of providing its shareholders with a yield on their investment and to maintain a beneficial equity structure with a goal of reducing the costs of equity.

The Company may take various steps with a goal of preserving or adapting its equity structure, including the issuance of new shares and warrants through equity fundraising for purposes of meeting its financial obligations and for purposes of continuing its development operations and commencing sales in commercial volumes.

Note 8 - Related Parties Transactions

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined its key management personnel to be executive and non-executive officers and directors of the Company.

Transactions with related parties

	For the period from inception date to December 31, 2023
Consulting fees	$ 45

Note 9 - Significant Events After the Reporting Period

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 of certain escrow release conditions in accordance with the terms of a subscription receipt agreement which including completion of the RTO Transaction, each subscription receipt will automatically be exchanged, without payment of any additional consideration, for one common share of the Resulting Issuer. In connection with such private placement, the Company may incur a finder's fee expenses related to the non-brokered private placement consisting of a commitment for issuance of 216,834 shares of common stock of the Resulting Issuer estimated in total amount of $108 and a cash fee of $126.

OCEANVIEW TECHNOLOGIES INC.

INTERIM CONDENSED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024
UNAUDITED

OCEANVIEW TECHNOLOGIES INC.

INTERIM CONDENSED FINANCIAL STATEMENTS

AS OF JUNE 30, 2024

UNAUDITED

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OCEANVIEW TECHNOLOGIES INC.

INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars in thousands)

	Note	As of June 30, 2024	As of December 31, 2023
		Unaudited	Audited
Assets			
Current assets			
Cash		$ 53	$ 56
Interest receivable		2	-
Total assets		$ 55	$ 56
Current liabilities			
Accounts payable and accrued liabilities		$ 319	$ 129
Total current liabilities		319	129
Shareholders' deficit			
Share capital and premium		187	187
Accumulated deficit		(451)	(260)
Total shareholders' deficit		(264)	(73)
Total liabilities and shareholders' deficit		$ 55	$ 56

These condensed financial statements were approved for issue by the Board of Directors on September 22, 2024 and signed on its behalf by:

"Ohad David" (signed)
Ohad David
Chief Executive Officer

"Gabriel Kabazo" (signed)
Gabi Kabazo
Chief Financial Officer

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

OCEANVIEW TECHNOLOGIES INC.

INTERIM CONDENSED STATEMENTS OF COMPREHENSIVE LOSS

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

	For the six months ended June 30, 2024	For the period from inception date to June 30, 2023 Unaudited	For the three months ended June 30, 2024
Consulting fees	$ 40	$ 29	$ 20
Professional fees	153	154	153
Operating loss	193	183	173
Financing income, net	(2)	(*) -	(1)
Loss for the period	$ 191	$ 183	$ 172
Comprehensive loss for the period	$ 191	$ 183	$ 172
Basic and diluted loss per share:			
Basic and diluted net loss per share	$ (0.01)	$ (0.02)	$ (0.01)
Weighted average of number of shares used to calculate the basic and diluted net loss per share	17,200,100	8,080,492	17,200,100

(*) Represents amount lower than $1.

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

OCEANVIEW TECHNOLOGIES INC.

INTERIM CONDENSED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT

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

	Number of outstanding shares	Share capital and premium	Shares to be issued	Accumulated deficit	Total
Balance as of inception date	-	$ -	$ -	$ -	$ -
Shares issued upon inception date	100	(*) -	-	-	(*) -
Shares issued for cash	16,700,000	137	-	-	137
Shares to be issued	-	-	8	-	8
Comprehensive loss for the period	-	-	-	(184)	(184)
Balance as of June 30, 2023	16,700,100	137	8	(184)	(39)

(*) Represent amount lower than $1.

	Number of outstanding shares	Share capital and premium	Accumulated deficit	Total
Balance as of January 1, 2024	17,200,100	187	(260)	(73)
Comprehensive loss for the period	-	-	(191)	(191)
Balance as of June 30, 2024	17,200,100	$ 187	$ (451)	$ (264)

(*) Represent amount lower than $1.

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

OCEANVIEW TECHNOLOGIES INC.

INTERIM CONDENSED STATEMENTS OF CASH FLOWS

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

	Note	For the six months ended June 30, 2024	For the period from inception date to June 30, 2023
		(Unaudited)	
Cash flow to current operations			
Loss for the period		$ (191)	$ (183)
Adjustments required to present cash flows from operating activities (Appendix A)		188	161
Net cash used in operating activities		(3)	(22)
Cash flows from financing activity			
Proceeds received on shares to be issued		-	8
Proceeds received upon issuance of shares		-	137
Net cash provided by financing activity		-	145
Change in balance of cash		(3)	123
Balance of cash, beginning of period		56	-
Balance of cash, end of period		$ 53	$ 123
Appendix A - Adjustments required to present cash flows from operating activities			
Changes in asset and liability items			
Increase in loan receivable		(2)	-
Increase in accounts payable and accrued liabilities		190	161
		$ 188	$ 161

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

Note 1 - General

A. Incorporation and Description of Business

Oceanview Technologies Inc. (the "Company" or "OceanView") 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.

B. Financial position of the Company and going concern uncertainty

From inception date through the signing of these financial statements, the Company has no business activity. In addition, as of June 30, 2024, the Company has limited liquidity resources.

In August 2023, the Company entered into Share Exchange Agreement ("SEA") with DiagnosTear Ltd. ("DiagnosTear"), an Israeli development stage private company which is a subsidiary of BioLight Life Sciences Ltd, an Israeli publicly traded company on the Tel Aviv Stock Exchange. DiagnosTear 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. The development and commercialization of TeaRx is expected to require substantial further expenditures.

Based on the terms of the SEA, subject to achievement of certain conditions, the shareholders of DiagnosTear 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 that will be listed on the Canadian Stock Exchange ("CSE") (the "Reverse Takeover ("RTO") Transaction"). According to the provisions of the SEA, the completion date of the Transaction is expected to be in the fourth quarter of the year 2024.

Management has considered the significance of such conditions and determined that these conditions create material uncertainty that may be considered to cast significant doubt about the Company's ability to continue as a going concern. Management is pursuing the completion of the RTO Transaction and plans to finance the merged operations of the Company and DiagnosTear by raising capital from sale of equity through private offerings and/or through revenues from commercial sale of DiagnosTear product, TeaRx.

There can be no assurance that the Company will succeed in obtaining the necessary financing and/or to complete the aforesaid RTO Transaction with DiagnosTear to continue its operations as a going concern. The interim condensed financial statements do not include any adjustments that might result from the outcome of this uncertainty.

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 (see Note 3 below).

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.

Although the Company has no business activity in Israel, management is striving for completion of the Reverse Merger Transaction with DiagnosTear an Israeli Company which currently pending on certain conditions that includes, inter alia, raising capital from sale of equity through private offerings. In addition, the War may impact on clinical trials to be performed by DiagnosTear which is based on fund raising as well. However, since this is an event beyond the Company's and Diagnostear'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 effort to complete the Reverse Merger Transaction.

Note 2 - Basis of Presentation

A. The interim condensed financial statements for the three and six months ended June 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 June 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.

Note 2 - Basis of Presentation (Cont.)

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.

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.

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 After the Reporting Period

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 of certain escrow release conditions in accordance with the terms of a subscription receipt agreement which including completion of the Reverse Merger Transaction, each subscription receipt will automatically be exchanged, without payment of any additional consideration, for one common share of the Resulting Issuer. In connection with such private placement, the Company may incur a finder's fee expenses related to the non-brokered private placement consisting of a commitment for issuance of 216,834 shares of common stock of the Resulting Issuer estimated in total amount of $108 and a cash fee of $126.

OCEANVIEW TECHNOLOGIES INC.

Management's Discussion and Analysis

for the period ended December 31, 2023

(Expressed in Canadian Dollars)

Prepared as of September 22, 2024

ABOUT THIS MD&A

The following management's discussion and analysis ("**MD&A**") of financial condition and results of operations of Oceanview Technologies Inc. (the "**Company**") should be read in conjunction with the Company's audited financial statements for the period from incorporation on May 10, 2023 to December 31, 2023, and the accompanying notes thereto (the "**Financial Statements**"), which have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IFRS Accounting Standards**"). This MD&A has been prepared as of September 22, 2024, pursuant to the disclosure requirements under National Instrument 51-102 - *Continuous Disclosure Obligations* of the Canadian Securities Administrators. Additional information relating to Oceanview Technologies Inc. is available on SEDAR+ at www.sedarplus.ca.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains certain statements which may constitute "forward-looking information" and "forward-looking statements" within the meaning of Canadian securities law requirements (collectively, "**forward-looking statements**" or "**FLS**"). These forward-looking statements are made as of the date of this MD&A and the Company does not intend, and does not assume any obligation, to update these FLS, except as required under applicable securities legislation. FLS relate to future events or future performance and reflect Company management's expectations or beliefs regarding future events. In certain cases, FLS can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. In this document, certain forward-looking statements are identified by words including "may", "future", "expected", "intends" and "estimates". By their very nature FLS involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the FLS. The Company provides no assurance that FLS will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on FLS.

The Company's anticipated future operations are forward-looking in nature and, as a result, are subject to certain risks and uncertainties. Although the Company believes that the expectations reflected in these FLS are reasonable, undue reliance should not be placed on them as actual results may differ materially from the forward-looking statements. Such FLS are estimates reflecting the Company's best judgment based upon current information and involve a number of risks and uncertainties, and there can be no assurance that other factors will not affect the accuracy of such forward-looking statements.

DESCRIPTION OF BUSINESS

The Company was incorporated under the *Business Corporations Act* (British Columbia) (the "**BCBCA**") on May 10, 2023. The Company's head office and records and registered office is located at 2600 – 1066 West Hastings Street Vancouver, BC V6E 3X1.

The principal business of the Company is to identify, evaluate and then acquire an interest in a business or assets. The Company's continuing operations, as intended, are dependent upon its ability to identify, evaluate and negotiate an acquisition of or participation in an interest in properties, assets or businesses. There can be no assurance that the Company will be able to complete such activities or obtain financing to continue; therefore, a material uncertainty exists that casts significant doubt over the Company's ability to continue as a going concern.

OVERALL PERFORMANCE FROM MAY 10, 2023 (THE DATE OF INCORPORATION) THROUGH DECEMBER 31, 2023.

On May 10, 2023, the Company issued 100 common shares (each, a "**Common Share**") in the capital of the Company at a price of $0.10 per Common Share to its founder and President, Ohad David.

On June 5, 2023, the Company completed a non-brokered private placement of 14,000,000 Common Shares at a price of $0.005 per Common Share, for gross proceeds of $70 thousands. No finder's fees were paid in connection with such private placement.

On June 7, 2023, the Company completed a non-brokered private placement of 2,700,000 Common Shares at a price of $0.025 per Common Share, for gross proceeds of approximately $67 thousands. No finder's fees were paid in connection with such private placement. As part of such private placement, Ohad David, founder and President of the Company, purchased 900,000 Common Shares at a price of $0.025 per Common Share.

On July 17, 2023, the Company completed a non-brokered private placement of 79,000 Common Shares at a price of $0.10 per Common Share, for gross proceeds of approximately $8 thousands. No finder's fees were paid in connection with such private placement.

On July 19, 2023, the Company completed a non-brokered private placement of 421,000 Common Shares at a price of $0.10 per Common Share, for gross proceeds of approximately $42 thousands. No finder's fees were paid in connection with such private placement.

On August 17, 2023, the Company entered into an arms length Share Exchange Agreement (the "**SEA**") with DiagnosTear Ltd. ("**DiagnosTear**") and Biolight Life Sciences Ltd. ("**Biolight**"), as majority shareholder of DiagnosTear. DiagnosTear is an Israeli development stage private company that operates in the field of ophthalmic research and development 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. The development and commercialization of TeaRx is expected to require substantial further expenditures. Based on the terms of the SEA, subject to achievement of certain conditions, the shareholders of DiagnosTear will exchange their shares for Common Shares of the combined company (the **"Resulting Issuer"**) representing approximately 60% of the issued and outstanding shares of the Resulting Issuer (the "**Reverse Takeover Transaction**") that will be listed on the Canadian Stock Exchange ("**CSE**"). According to the provisions of the SEA, the completion date of the Reverse Takeover Transaction is expected to be in the fourth quarter of the year 2024.

SELECTED ANNUAL INFORMATION

(Information extracted from the Company's Financial Statements)

Selected Annual Financial Information
(Expressed in Canadian Dollars in thousands)

	For the period from inception date to December 31, 2023 (audited) (C$, thousands)
Total revenue	Nil
Net loss	$(260)
Basic and diluted loss per share	$(0.02)
Total assets	$56
Shareholders' deficit	$(73)
Share capital and premium	$187
Accumulated deficit	$(260)

DISCUSSION OF OPERATIONS

Share capital increased as securities were issued to raise equity. The Company has total assets of $56 which consists of cash. During the period from incorporation on May 10, 2023, to December 31, 2023, the Company didn't generate any revenue; however, the Company spent $215 thousands on professional fees and $45 thousands on consulting fees.

LIQUIDITY AND CAPITAL RESOURCES

For the period from incorporation on May 10, 2023 through December 31, 2023, the Company received an aggregate amount of $187 thousands from financing activities. The amount received from financing activities is comprised in its entirety of proceeds from non-brokered private placements of common stock of the Company. As of December 31, 2023, the Company has an aggregate of 17,200,100 Common Shares issued and outstanding.

CASH FLOW ANALYSIS	**For the period of December 31, 2023 (audited) (C$, thousands)**
Operating Activities	
Loss for the period	$(260)
Net changes in non-cash working capital items:	
Accounts payable and accrued liabilities	$129
Net Operating Activities	$(131)
Financing Activity:	
Proceeds from share issuance	$187
Cash, end of the period	$56

The Financial Statements have been prepared on a going-concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. Continuing operations, as intended, are dependent on management's ability to raise required funding through future equity issuances, its ability to acquire resource, property or business interests and develop profitable operations or a combination thereof, which is not assured, given today's volatile and uncertain financial markets. The Company may revise programs depending on its working capital position.

As at December 31, 2023, the Company had a cash balance of $56 thousands. The Company had accumulated a deficit of $260 thousands and a working capital deficit of $73 thousands. For the period ended December 31, 2023, cash used by the Company in operating activities was $131 thousands and cash provided to the Company by financing activities was $187 thousands. The Company has no assets and has no pledges as security for loans, or otherwise and is not subject to any debt covenants.

Other than the above-mentioned current liabilities, the Company has no short-term capital spending requirements and future plans and expectations are based on the assumption that the Company will realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. There can be no assurance that the Company will be able to obtain adequate financing in the future or if available that such financing will be on acceptable terms. If adequate financing is not available when required, the Company may be required to delay, scale back or eliminate various programs and may be unable to continue in operation. The Company may seek such additional financing through debt or equity offerings. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

Historically, the Company's sole source of funding has been from private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as low.

OFF-BALANCE SHEET TRANSACTIONS

During the period from incorporation on May 10, 2023 to December 31, 2023, the Company has not entered into any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

On May 10, 2023, the Company issued 100 Common Shares at a price of $0.10 per Common Share to its founder and President, Ohad David.

On June 7, 2023, the Company completed a non-brokered private placement of 2,700,000 Common Shares at a price of $0.025 per Common Share, for gross proceeds of approximately $67 thousands. As part of such private placement, Ohad David, founder and President of the Company, purchased 900,000 Common Shares at a price of $0.025 per Common Share.

PROPOSED TRANSACTIONS

On August 17, 2023, the Company entered into the SEA with DiagnosTear and Biolight. DiagnosTear is an Israeli development stage private company that operates in the field of ophthalmic and currently it engages in development of TeaRx which is designed for the diagnosis of front-of-the-eye diseases by analyzing the composition of the tear fluid. The development and commercialization of TeaRx is expected to require substantial further expenditures. Based on the terms of the SEA, subject to achievement of certain conditions, the shareholders of DiagnosTear will exchange their shares for Common Shares of the Company representing approximately 60% of the issued and outstanding shares of the Company that will be listed on the CSE. According to the provisions of the SEA, the completion date of the Reverse Takeover Transaction is expected to be in the fourth quarter of the year 2024.

Upon completion of the Reverse Takeover Transaction, DiagnosTear will become a wholly-owned subsidiary of the Company with the Company continuing to be governed by the BCBCA and DiagnosTear continuing to be governed by the Israeli Corporation Act.

The Company anticipates filing an application to have its Common Shares listed on the CSE. As of the date hereof, the CSE has not conditionally approved the Company's listing application and there is no assurance that it will do so.

CRITICAL ACCOUNTING ESTIMATES

The preparation of Financial Statements in accordance with IFRS Accounting Standards requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's Financial Statements include the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Financial Statements.

FINANCIAL INSTRUMENTS AND OTHER 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 assets or liability either directly or indirectly; and
- Level 3 – inputs that are not based on observable market data.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The board of directors of the Company approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts and subscription receivable. The majority of cash is deposited in bank accounts held with a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. Credit risk related to cash is assessed as low. Subscription receivable was owed by subscribers to the Company's private placements. Credit risk related to subscription receivable was assessed as low.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. As of December 31, 2023, the Company had working capital deficit of $73 thousands.

Historically, the Company's sole source of funding has been private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as low.

Foreign Exchange Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to foreign exchange risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at December 31, 2023, the Company did not have any financial instruments subject to interest rate risk.

Price Rate Risk

The Company has no exposure to price risk with respect to equity prices as the Company is not listed. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market.

Management of Capital

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity and cash. There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements.

MATERIAL ACCOUNTING POLICIES

The accounting policies in Note 3 of the Company's audited financial statements for the period from May 10, 2023 to December 31, 2023, have been consistently applied to all periods presented in the Financial Statements.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Please see Note 7 of the Company's audited Financial Statements for the period from May 10, 2023 to December 31, 2023, for full discussion on financial instruments, the fair value measurement and associated risk management.

OUTSTANDING SHARE DATA

As at December 31, 2023 and the date of this MD&A, the Company has 17,200,100 Common Shares issued and outstanding. There are no other securities of the Company issued and outstanding that are convertible into Common Shares.

KEY DEVELOPMENTS SUBSEQUENT TO DECEMBER 31, 2023

On September 10, 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 $1,806,950. Upon satisfaction of certain escrow release conditions in accordance with the terms of a subscription receipt agreement which including completion of the Reverse Takeover Transaction, each subscription receipt will automatically be exchanged for one common share of the Resulting Issuer following the Reverse Takeover Transaction.

In connection with such private placement, the Company may incur a finder’s fee expenses related to the non-brokered private placement consisting of a commitment for issuance of 216,834 shares of common stock of the Resulting Issuer estimated in total amount of $108,417 and a cash fee of $126,486.

MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company’s Financial Statements and the other financial information included in this MD&A are the responsibility of the Company’s management and have been examined and approved by the board of directors of the Company. The Financial Statements were prepared by management in accordance with IFRS Accounting Standards and include certain amounts based on management’s best estimates using careful judgment. The selection of accounting principles and methods is management’s responsibility.

Management recognizes its responsibility for conducting the Company’s affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

RISK FACTORS

In addition to the other information included in this report, readers should consider carefully the risk factors contained in the preliminary prospectus of the Company under “Risk Factors”, which describe the risks, uncertainties and other factors that may materially and adversely affect the Company's business, products, financial condition and operating results. There are many factors that affect the Company's business and results of operations, some of which are beyond the Company's control.

For a discussion of risk factors, please refer to the preliminary prospectus of the Company under “Risk Factors” therein. The preliminary prospectus dated October 8, 2024, is available under the Company’s profile on SEDAR+ at www.sedarplus.ca.

OCEANVIEW TECHNOLOGIES INC.

Management's Discussion and Analysis

for the six-month period ended June 30, 2024

(Expressed in Canadian Dollars)

Prepared as of September 22, 2024

ABOUT THIS MD&A

The following management's discussion and analysis ("**MD&A**") of financial condition and results of operations of Oceanview Technologies Inc. (the "**Company**") should be read in conjunction with the Company's unaudited interim financial statements for the six-month period ended June 30, 2024, and the accompanying notes thereto (the "**Financial Statements**"), which have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IFRS Accounting Standards**"). This MD&A has been prepared as of September 22, 2024, pursuant to the disclosure requirements under National Instrument 51-102 - *Continuous Disclosure Obligations* of the Canadian Securities Administrators. Additional information relating to Oceanview Technologies Inc. is available on SEDAR+ at www.sedarplus.ca.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains certain statements which may constitute "forward-looking information" and "forward-looking statements" within the meaning of Canadian securities law requirements (collectively, "**forward-looking statements**" or "**FLS**"). These forward-looking statements are made as of the date of this MD&A and the Company does not intend, and does not assume any obligation, to update these FLS, except as required under applicable securities legislation. FLS relate to future events or future performance and reflect Company management's expectations or beliefs regarding future events. In certain cases, FLS can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. In this document, certain forward-looking statements are identified by words including "may", "future", "expected", "intends" and "estimates". By their very nature FLS involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the FLS. The Company provides no assurance that FLS will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on FLS.

The Company's anticipated future operations are forward-looking in nature and, as a result, are subject to certain risks and uncertainties. Although the Company believes that the expectations reflected in these FLS are reasonable, undue reliance should not be placed on them as actual results may differ materially from the forward-looking statements. Such FLS are estimates reflecting the Company's best judgment based upon current information and involve a number of risks and uncertainties, and there can be no assurance that other factors will not affect the accuracy of such forward-looking statements.

DESCRIPTION OF BUSINESS

The Company was incorporated under the *Business Corporations Act* (British Columbia) ("**BCBCA**") on May 10, 2023. The Company's head office and records and registered office is located at 2600 – 1066 West Hastings Street Vancouver, BC V6E 3X1.

The principal business of the Company is to identify, evaluate and then acquire an interest in a business or assets. The Company's continuing operations, as intended, are dependent upon its ability to identify, evaluate and negotiate an acquisition of or participation in an interest in properties, assets or businesses. There can be no assurance that the Company will be able to complete such activities or obtain financing to continue; therefore, a material uncertainty exists that casts significant doubt over the Company's ability to continue as a going concern.

OVERALL PERFORMANCE FROM MAY 10, 2023 (THE DATE OF INCORPORATION) THROUGH JUNE 30, 2024

On May 10, 2023, the Company issued 100 common shares (each, a "**Common Share**") in the capital of the Company at a price of $0.10 per Common Share to its founder and President, Ohad David.

On June 5, 2023, the Company completed a non-brokered private placement of 14,000,000 Common Shares at a price of $0.005 per Common Share, for gross proceeds of $70 thousands. No finder's fees were paid in connection with such private placement.

On June 7, 2023, the Company completed a non-brokered private placement of 2,700,000 Common Shares at a price of $0.025 per Common Share, for gross proceeds of approximately $67 thousands. No finder's fees were paid in connection with such private placement. As part of such private placement, Ohad David, founder and President of the Company, purchased 900,000 Common Shares at a price of $0.025 per Common Share.

On July 17, 2023, the Company completed a non-brokered private placement of 79,000 Common Shares at a price of $0.10 per Common Share, for gross proceeds of approximately $8 thousands. No finder's fees were paid in connection with such private placement.

On July 19, 2023, the Company completed a non-brokered private placement of 421,000 Common Shares at a price of $0.10 per Common Share, for gross proceeds of approximately $42 thousands. No finder's fees were paid in connection with such private placement.

On August 17, 2023, the Company entered into an arms length Share Exchange Agreement (the "**SEA**") with DiagnosTear Ltd. ("**DiagnosTear**") and Biolight Life Sciences Ltd. ("**Biolight**"), as majority shareholder of DiagnosTear. DiagnosTear is an Israeli development stage private company that 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. The development and commercialization of TeaRx is expected to require substantial further expenditures. Based on the terms of the SEA, subject to achievement of certain conditions, the shareholders of DiagnosTear will exchange their shares for Common Shares of the combined company (the **"Resulting Issuer"**) representing approximately 60% of the issued and outstanding shares of the Resulting Issuer (the "**Reverse Takeover Transaction**") that will be listed on the Canadian Stock Exchange ("**CSE**"). According to the provisions of the SEA, the completion date of the Reverse Takeover Transaction is expected to be in the fourth quarter of the year 2024.

SELECTED FINANCIAL INFORMATION

(Information extracted from the Company's Financial Statements)

Selected Financial Information
(Expressed in Canadian Dollars in thousands)

	For the six months period ended June 30, 2024 (unaudited) (C$, thousands)	For the period ended December 31, 2023 (audited) (C$, thousands)
Total revenue	Nil	Nil
Net loss	$(191)	$(260)
Basic and diluted loss per share	$(0.01)	$(0.02)
Total assets	$55	$56
Shareholders' deficit	$(264)	$(73)
Share capital and premium	$187	$187
Accumulated deficit	$(451)	$(260)

DISCUSSION OF OPERATIONS

The Company has total assets of $55 which consists of cash and interest receivable. During the six-month period ended June 30, 2024, the Company did not generate any revenue; however, the Company spent $153 thousands on professional fees and $40 thousands on consulting fees.

LIQUIDITY AND CAPITAL RESOURCES

During the six-month period ended June 30, 2024, the Company received an aggregate amount of $Nil from financing activities. As of June 30, 2024, the Company has an aggregate of 17,200,100 Common Shares issued and outstanding.

CASH FLOW ANALYSIS	For the six months period ended June 30, 2024 (unaudited) (C$, thousands)	For the period ended December 31, 2023 (audited) (C$, thousands)
Operating Activities		
Loss for the period	$(191)	$(260)
Net changes in non-cash working capital items:		
Accounts payable and accrued liabilities	$188	$129
Net Operating Activities	$(3)	$(131)
Financing Activity:		
Proceeds from share issuance	$Nil	$187
Cash, end of the period	$53	$56

The Financial Statements have been prepared on a going-concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. Continuing operations, as intended, are dependent on management's ability to raise required funding through future equity issuances, its ability to acquire resource, property or business interests and develop profitable operations or a combination thereof, which is not assured, given today's volatile and uncertain financial markets. The Company may revise programs depending on its working capital position.

As at June 30, 2024, the Company had a cash balance of $53 thousands. The Company had accumulated a deficit of $451 thousands and a working capital deficit of $264 thousands. For the six-month period ended June 30, 2024, cashed used in operating activities was $3 thousands and cash provided by financing activities was $Nil. The Company has no assets and has no pledges as security for loans, or otherwise and is not subject to any debt covenants.

Other than the above-mentioned current liabilities, the Company has no short-term capital spending requirements and future plans and expectations are based on the assumption that the Company will realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. There can be no assurance that the Company will be able to obtain adequate financing in the future or if available that such financing will be on acceptable terms. If adequate financing is not available when required, the Company may be required to delay, scale back or eliminate various programs and may be unable to continue in operation. The Company may seek such additional financing through debt or equity offerings. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

Historically, the Company's sole source of funding has been from private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as low.

OFF-BALANCE SHEET TRANSACTIONS

During the six months period ended June 30, 2024, the Company has not entered into any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

As at June 30, 2024, $40 thousands was due to related parties for consulting services. These consulting services were provided by the Chief Executive Officer and Chief Financial Officer of the Company in connection with the Reverse Takeover Transaction with DiagnosTear.

PROPOSED TRANSACTIONS

On August 17, 2023, the Company entered into the SEA with DiagnosTear and Biolight. DiagnosTear is an Israeli development stage private company that operates in the field of ophthalmic and currently it engages in development of TeaRx which is designed for the diagnosis of front-of-the-eye diseases by analyzing the composition of the tear fluid. The development and commercialization of TeaRx is expected to require substantial further expenditures. Based on the terms of the SEA, subject to achievement of certain conditions, the shareholders of DiagnosTear will exchange their shares for Common Shares of the Company representing approximately 60% of the issued and outstanding shares of the Company that will be listed on the CSE. According to the provisions of the SEA, the completion date of the Reverse Takeover Transaction is expected to be in the fourth quarter of the year 2024.

Upon completion of the Reverse Takeover Transaction, DiagnosTear will become a wholly-owned subsidiary of the Company with the Company continuing to be governed by the BCBCA and DiagnosTear continuing to be governed by the Israeli Corporation Act.

The Company anticipates filing an application to have its Common Shares listed on the CSE. As of the date hereof, the CSE has not conditionally approved the Company’s listing application and there is no assurance that it will do so.

CRITICAL ACCOUNTING ESTIMATES

The preparation of Financial Statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

FINANCIAL INSTRUMENTS AND OTHER 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 assets or liability either directly or indirectly; and
- Level 3 – inputs that are not based on observable market data.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The board of directors of the Company approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts and subscription receivable. The majority of cash is deposited in bank accounts held with a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. Credit risk related to cash is assessed as low. Subscription receivable was owed by subscribers to the Company's private placements. Credit risk related to subscription receivable was assessed as low.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. As of June 30, 2024, the Company had working capital deficit of $264 thousands.

Historically, the Company's sole source of funding has been private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as low.

Foreign Exchange Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to foreign exchange risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at June 30, 2024, the Company did not have any financial instruments subject to interest rate risk.

Price Rate Risk

The Company has no exposure to price risk with respect to equity prices as the Company is not listed. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market.

Management of Capital

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity and cash. There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements.

OUTSTANDING SHARE DATA

As at June 30, 2024 and the date of this MD&A, the Company has 17,200,100 Common Shares issued and outstanding. There are no other securities of the Company issued and outstanding that are convertible into Common Shares.

KEY DEVELOPMENTS SUBSEQUENT TO JUNE 30, 2024

On September 10, 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 $1,806,950. Upon satisfaction of certain escrow release conditions in accordance with the terms of a subscription receipt agreement which including completion of the Reverse Takeover Transaction, each subscription receipt will automatically be exchanged for one common share of the Resulting Issuer following the Reverse Takeover Transaction.

In connection with such private placement, the Company may incur a finder’s fee expenses related to the non-brokered private placement consisting of a commitment for issuance of 216,834 shares of common stock of the Resulting Issuer estimated in total amount of $108,417 and a cash fee of $126,486.

MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company’s Financial Statements and the other financial information included in this MD&A are the responsibility of the Company’s management and have been examined and approved by the board of directors of the Company. The Financial Statements were prepared by management in accordance with IFRS Accounting Standards and include certain amounts based on management’s best estimates using careful judgment. The selection of accounting principles and methods is management’s responsibility.

Management recognizes its responsibility for conducting the Company’s affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

RISK FACTORS

In addition to the other information included in this report, readers should consider carefully the risk factors contained in the preliminary prospectus of the Company under “Risk Factors”, which describe the risks, uncertainties and other factors that may materially and adversely affect the Company's business, products, financial condition and operating results. There are many factors that affect the Company's business and results of operations, some of which are beyond the Company's control.

For a discussion of risk factors, please refer to the preliminary prospectus of the Company under “Risk Factors” therein. The preliminary prospectus dated October 8, 2024, is available under the Company’s profile on SEDAR+ at www.sedarplus.ca.

APPENDIX B

FINANCIAL STATEMENTS OF DIAGNOSTEAR AND MANAGEMENT'S DISCUSSION ANALYSIS

DIAGNOSTEAR LTD.

FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2023

DIAGNOSTEAR LTD.

FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF DIAGNOSTEAR LTD.

Opinion

We have audited the accompanying financial statements of DiagnosTear Ltd. (the "Company"), which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of loss and comprehensive loss, statements of changes in shareholders' equity and statements of cash flow for each of the three years in the period ended December 31, 2023, and the notes to the financial statements, including summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2023 in accordance with IFRS Accounting Standards ("IFRS Accounting Standards").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1B to the financial statements, which indicates that the Company had an accumulated deficit of $12,272 thousand as at December 31, 2023 and incurred a comprehensive loss and had negative cash flows from operations throughout all periods since its inception. These events or conditions, along with other matters as set forth in Note 1B, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our auditor's report.

Other Information

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the Management Discussion and Analysis prior to the date of this auditors' report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because of the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ishay De Lyon.

Fahn Kanne & Co.

FAHN KANNE & CO. GRANT THORNTON ISRAEL
Certified Public Accountants (Isr.)

Tel-Aviv, September 29, 2024

DIAGNOSTEAR LTD.

STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars in thousands)

	Note	As of December 31, 2023	2022
Assets			
Current assets			
Cash	5	$ 275	$ 98
Other current assets		11	23
Total current assets		286	121
Non-current assets			
Property and equipment, net	6	1,503	1,051
Right to use assets, net	7	15	84
Long-term deposits		9	-
Total non-current assets		1,527	1,135
Total assets		$ 1,813	$ 1,256
Current liabilities			
Current maturities of lease liability	7	$ 15	$ 82
Trade payables		23	44
Other current liabilities	8	291	320
Total current liabilities		329	446
Non-current liabilities			
Liability in respect of government grants	9	305	302
Total non-current liabilities		305	302
Shareholders' equity			
Share capital and premium	10	13,386	11,101
Receipt on account of shares		-	466
Capital reserve in respect of share-based payment		137	127
Capital reserve in respect of transactions with controlling entity, net		5	5
Capital reserve in respect of translation of functional currency to presentation currency		(77)	(72)
Accumulated deficit		(12,272)	(11,119)
Total shareholders' equity		1,179	508
Total liabilities and shareholders' equity		$ 1,813	$ 1,256

These financial statements were approved for issue by the Board of Directors on September 29, 2024 and signed on its behalf by:

"Yaacov Michlin" (signed)	"Shimon Gross" (signed)	"Yifftach Biel" (signed)
Yaacov Michlin	Shimon Gross	Yifftach Biel
Chairman of the board	Chief Executive Officer	Chief Finance Officer

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

DIAGNOSTEAR LTD.

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

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

	Note	Year Ended December 31, 2023	2022	2021
Research and development expenses	12	$ (1,003)	$ (943)	$ (1,350)
General and administrative expenses		(133)	(157)	(140)
Operating loss		(1,136)	(1,100)	(1,490)
Financing expenses		(30)	(103)	(33)
Financing income		13	16	19
Financing expenses, net		(17)	(87)	(14)
Loss for the year		$ (1,153)	$ (1,187)	$ (1,504)
Other comprehensive income (loss):				
Amounts that will not be reclassified subsequently to profit or loss:				
Exchange differences from the translation of the financial statements to the presentation currency		(5)	(68)	31
Comprehensive loss for the year		$ (1,158)	$ (1,255)	$ (1,473)
Net loss per share attributed to shareholders of Company, par value NIS 0.01 each				
Basic and diluted net loss per share:				
Basic and diluted net loss per share		$ (2.12)	$ (2.31)	$ (3.04)
Weighted average of number of shares used to calculate the basic and diluted net loss per share		543,069	513,290	495,528

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

DIAGNOSTEAR LTD.

STATEMENTS OF CHANGES IN EQUITY

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

	Note	Number of outstanding ordinary shares	Share capital and premium	Receipt on account of shares	Capital reserve in respect of share-based payment	Capital reserve in respect of transactions with controlling entity, net	Capital reserve in respect of translation of functional currency to presentation currency	Accumulated deficit	Total
Balance as of January 1, 2021		494,975	$ 10,328	$ -	$ 77	$ 5	$ (35)	$ (8,428)	$ 1,947
Issuance of ordinary shares	10C	18,315	748	-	-	-	-	-	748
Share-based payment	11	-	-	-	44	-	-	-	44
Loss for the year		-	-	-	-	-	-	(1,504)	(1,504)
Other comprehensive loss for the year		-	-	-	-	-	31	-	31
Balance as of December 31, 2021		513,290	11,076	-	121	5	(4)	(9,932)	1,266
Receipt on account of shares		-	-	466	-	-	-	-	466
Expiration of share options		-	25	-	(25)	-	-	-	-
Share-based payment	11	-	-	-	31	-	-	-	31
Loss for the year		-	-	-	-	-	-	(1,187)	(1,187)
Other comprehensive loss for the year		-	-	-	-	-	(68)	-	(68)
Balance as of December 31, 2022		513,290	$ 11,101	$ 466	$ 127	$ 5	$ (72)	$ (11,119)	$ 508
Issuance of ordinary shares	10C	53,276	2,285	(466)	-	-	-	-	1,819
Share-based payment	11	-	-	-	10	-	-	-	10
Loss for the year		-	-	-	-	-	-	(1,153)	(1,153)
Other comprehensive loss for the year		-	-	-	-	-	(5)	-	(5)
Balance as of December 31, 2023		566,566	$ 13,386	$ -	$ 137	$ 5	$ (77)	$ (12,272)	$ 1,179

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

DIAGNOSTEAR LTD.

STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars in thousands)

	Note	Year ended December 31, 2023	2022	2021
Cash flow from current operations				
Loss for the year		$ (1,153)	$ (1,187)	$ (1,504)
Adjustments required to present cash flows from operating activities (Appendix A)		120	459	32
Net cash used in operating activities		(1,033)	(728)	(1,472)
Cash flows from investment activity				
Change in Lease deposits for vehicles		-	(10)	-
Purchase of property and equipment	6	(515)	(28)	(239)
Net cash used in investment activity		(515)	(38)	(239)
Cash flows from financing activity				
Repayment of lease liability principal	7	(88)	(93)	(93)
Proceeds received on the accounts of shares	10C	-	466	-
Proceeds received from issuance of ordinary shares through private placement transactions	10C	1,819	-	748
Net cash provided by financing activity		1,731	373	655
Exchange differences on cash		(6)	(28)	(7)
Change in balance of cash		177	(421)	(1,063)
Balance of cash, beginning of year		98	519	1,582
Balance of cash, end of year		$ 275	$ 98	$ 519
Appendix A - Adjustments required to present cash flows from operating activities				
Income and expenses not involving cash flows				
Depreciation		87	85	84
Share-based payment	11	10	31	44
Interest expense in respect of leasing	7	10	9	31
Changes in liability in respect of government grants	9	19	93	(6)
		126	218	153
Changes in asset and liability items				
Decrease (increase) in other current assets		1	13	(22)
Increase (decrease) in trade payables		(19)	34	(131)
Increase in other current liabilities		12	194	32
		(6)	241	(121)
		$ 120	$ 459	$ 32
Appendix B - Non-cash financing activities				
Recognition of right for use asset against a leasing liability	7	$ 15	$ 88	$ -

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

Note 1 - General

A. Incorporation and Description of Business

DiagnosTear Ltd. (the "Company" or "DiagnosTear") was incorporated under the laws of Israel in 2012. The Company's registered office is located at Rehovot, Israel.

DiagnosTear operates in the field of ophthalmic and currently it engages in development of TeaRx™ technology (the "TeaRx") which is designed for the diagnosis of front-of-the-eye diseases by analyzing the composition of the tear fluid.

In 2019, it was confirmed that the product for Dry Eye Syndrome, based on the aforesaid TeaRx technology, conforms to the standard standardized under the CE mark, under which the Company may market and sell the TeaRx technology in all countries adopting the European regulatory standard under the CE mark.

B. Financial position of the Company and going concern uncertainty

The Company has devoted substantially all its efforts to develop and commercialize of the TeaRx which is expected to require substantial further expenditures. To date, the Company has not yet generated revenues from operations to support its activities, and thus it is dependent upon external sources for financing its operations. Since its inception date, the Company has incurred accumulated losses and has generated negative operating cash flow. As of December 31, 2023, there is an accumulated deficit of $12,272. Management has considered the significance of such condition in relation to the Company's ability to meet its current obligations and to achieve its business targets which indicate a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern. The Company plans to finance its operations by raising capital from sale of equity through private and public offering transaction (including potential Reverse Takeover ("RTO") Transaction as detailed in Note 10D below) and/or through revenues from commercial sale of the TeaRx. There can be no assurance that the Company will succeed in obtaining the necessary financing or generating revenues from commercial sale of the TeaRx to continue its operations as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

During the years 2021 to 2023, the Company raised net proceeds of $3,033, through private placement transactions under which Ordinary Shares, par value NIS 0.01 each (the "Ordinary Shares") have been issued (see Note 10C below).

For more information regarding to the execution of Share Exchange Agreement and additional proceeds received through certain private placement transactions subsequent to December 31, 2023, see Notes 10D and 17 below, respectively.

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.

Since this is an event beyond the Company'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 financial condition and the results of its operations. The War may also impact clinical trials and funds raising required for the operations of the Company.

Note 2 - Basis of Presentation

A. Statement of Compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS Accounting Standards"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

These financial statements of the Company for the year ended December 31, 2023, have been prepared by management using the material accounting policies described in Note 3 below and were authorized for issuance in accordance with a resolution of the board of directors on September 22, 2024.

B. Basis of Measurement

These financial statements have been prepared on a historical cost basis. In addition, these audited financial statements have been prepared using the accrual basis of accounting. The material accounting policies set out below have been applied consistently to the period presented in these audited financial statements.

C. Use of Significant Accounting Estimates and Assumptions and Judgements

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make accounting estimates and assessments that involve use of judgment and that affect the amounts of assets and liabilities presented in the financial statements, the disclosure of contingent assets and liabilities at the dates of the financial statements, the amounts of expenses during the reporting period and the accounting policies adopted by the Company. Actual results could differ from those estimates.

For information regarding significant estimates and considerations which embody significant sensitivity to future events, see Note 4 below.

D. The Functional Currency and the Presentation Currency

1. The Company prepares its financial statements in accordance with the currency of the country and principal economic environment in which it operates, which constitutes the functional currency from which it is primarily affected (the "Functional Currency"). Management has determined that the Functional Currency of the Company is the U.S. dollar ("USD").

2. The Company's financial statements are presented in Canadian dollars ("CAD" or "$"). Consequently, in accordance with IAS 21, "Accounting for Foreign Exchange Rates", results of operations were translated into Canadian dollar using the actual action date currency rate and assets and liabilities were translated into Canadian dollar using currency rates at period end. Foreign currency translation adjustments are recorded as a component of accumulated other comprehensive income within shareholders' equity.

Note 3 - Material Accounting Policies

A. Cash

Cash includes highly liquid investments, including short-term bank deposits (with original maturity dates of up to three months from date of deposit) that are not restricted as to withdrawal or use.

B. Property and Equipment

1. Property and equipment items are presented at cost, less accumulated depreciation and accrued impairment losses, if any. Cost includes, in addition to the acquisition cost, all costs that can be directly attributed to the bringing of item to the location and condition necessary for operating in accordance with the management intentions.
2. The residual value and economic life of fixed asset items are tested at least at the fiscal year-end.
3. Fixed assets are derecognized when they are realized or when no future economic benefits are expected from their use or disposal.
4. Depreciation of fixed asset begins when it is available for use, which is when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by management.
5. Depreciation is calculated using the straight-line method, over the estimated useful lives of the fixed asset items or of a significant component.

The annual depreciation rates are as follows:

	%
Computers, office furniture and lab equipment	6 - 33
Leasehold improvements	The shorter of the contract period or the economic life of the leasehold improvement
Production line	(*)

(*) Concurrently with the signing of the 2020 SPA (see Note 10C below), Elcam and the Company signed a global commercial production agreement under which Elcam undertook to assemble production line owned by the Company based on quality control and other specifications as determined in the agreement. As of reported periods, the production line is under construction, and it is not yet available for its intended and thus depreciation has not commenced.

C. Impairment of Non-Monetary Assets

Non-monetary depreciable assets are tested for possible impairment in value when events or circumstances occur that may indicate that the carrying value of the given asset is not recoverable. When the carrying value of an asset in the statement of financial position exceeds its recoverable value, the Company recognizes an impairment loss in an amount equal to the difference between the carrying value of the asset and its recoverable value, which is the higher of its fair value less selling costs and its value in use (the present value of the estimated future cash flows expected to derive from the use and realization of the asset).

Note 3 - Material Accounting Policies (Cont.)

D. Research and Development Expenses of Internally Generated Intangible Assets

Research and development costs are expensed when incurred.

Development expenses are capitalized and recognized as an asset, commencing with the phase during which technological and commercial feasibility is achieved, when the company has intentions and financial and technological capabilities to complete and use (or sell) the asset, it is expected that the developed asset will generate future economic benefits and it is possible to estimate the development costs in a reliable manner.

The intangible asset is not amortized and it is subject to impairment testing once a year or more frequently if there are signs indicating the existence of possible impairment, until such time as it becomes available for use.

The amortization of the intangible asset commences when the asset becomes available for use, i.e., in the location and condition it requires to operate in the manner intended by Management. The asset is amortized using the straight-line method, over the estimated remainder of the economic life of the product.

An expense in respect of development that does not meet the conditions required to be recognized as an asset, as above, is carried to profit and loss when incurred. As of the reported periods, the criteria required for capitalization of development expenses were not met.

E. Income Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used are those that are enacted or substantively enacted at the reporting date.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Note 3 - Material Accounting Policies (Cont.)

F. Financial Assets

Recognition and derecognition

Financial assets are recognized when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

Classification and initial measurement of financial assets

All financial assets are initially measured at fair value adjusted for transaction costs (where applicable). Financial assets are classified into the following categories: amortized cost, fair value through profit or loss (FVTPL), or, fair value through other comprehensive income (FVOCI). During the periods presented, the Company did not have any financial assets categorized under the FVOCI nor FVTPL category.

The classification is determined by both, the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

Subsequent measurement of financial assets

Financial assets are measured at amortized cost if the assets meet the following conditions (and are not designated as FVTPL when such designation is allowed):

- They are held within a business whose objective is to hold the financial assets and collect its contractual cash flows, and
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest amount outstanding.

After initial recognition, these are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

G. Impairment of Financial Assets

The Company recognizes an allowance for loss under the "Expected Credit Loss Recognition Model" (ECL Model) for financial debt assets that are not measured at FVTPL model.

For purposes of implementing the ECL Model, the Company assesses at each reporting date whether the credit risk of the financial instrument increased significantly from the date of initial recognition and, as part of the above, use is made of reasonable and established information that can be obtained without exaggerated cost or effort.

H. Financial Liabilities

Financial liabilities are recognized in the statements of financial position if and only if the Company becomes a party to the contractual provisions of the instrument.

Financial Liabilities Measured at Amortized Cost

Financial liabilities measured at amortized cost are recognized initially in the financial statements based on fair value, adjusted for direct transaction costs. Subsequently, these financial liabilities are measured at amortized cost, using the effective interest method.

Note 3 - Material Accounting Policies (Cont.)

I. Derecognition of Financial Instruments

1. Derecognition

Financial assets

A financial asset is derecognized when:

- The contractual rights to cash flows from the financial asset have expired; or
- The Company transfers the financial asset and the transfer qualifies for Derecognition.

Financial liabilities

A financial liability is derecognized when the liability is settled, i.e., when the obligation defined in the contract has been repaid, cancelled or it expired.

2. Offsetting financial instruments

Financial assets and financial liabilities are presented in the statements of financial position at a net amount only when the Company has an enforceable legal right to offset and there is an intention to settle the asset and liability on a net basis or simultaneously.

An enforceable right to offset exists when it can be enforced at any time, both during normal course of business and in the event of insolvency, and when it is not continued it on any future event.

J. Fair Value Measurements

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 trade payables and other current liabilities approximates their carrying value, which is the amount recorded on the statement of financial position.

K. Liability in respect of Government Grants

Government grants in respect of a research and development project received from the Israeli Innovation Authority ("IIA") are recognized as a liability when received and are measured at fair value as of the receipt date, unless at that date, it is reasonably assured that the amount received will not be repaid. Amounts paid as royalties to the IIA are accounted for as a settlement of financial liability. The difference between the amount of the grant received and the fair value of the liability on the recognition date is accounted for as a government grant and, accordingly, it is carried to profit and loss under the item entitled "Research and Development Expenses". The liability amount is reassessed in each period, with any changes in the present value of the cash flows discounted by the original interest rate, are carried to profit and loss. When management determines in subsequent periods that there is reasonable assurance that the grant will not be repaid, the liability is derecognized, on that date, to profit and loss under the item entitled "Research and Development Expenses".

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

Note 3 - Material Accounting Policies (Cont.)

L. Employee Benefits

1. Liability in respect of Pensions and Severance Pay

Pursuant to Israeli labor laws and labor contracts and in accordance with Company practice, the Company is required to make severance payments to employees who are terminated and, under certain circumstances, to employees who resign or leave on their own initiative.

The liability of the Company in respect of post-employment benefits is accounted for as a defined contribution plan. The Company has defined contribution plan in accordance with section 14 of Israel's Severance Pay Law - 1963. The actuarial and economic risks in respect of such plan are not borne by the Company. Under this plan, during the employment period, the Company makes regular payments to an independent entity, without the Company having any legal or implied obligation to make any additional payments. The Company regularly deposits money in respect of its liabilities to make severance payments to all of its employees in pension funds and insurance companies.

The following tabular represents amounts paid with its defined contribution plan:

	Year ended December 31,		
	2023	2022	2021
Expenses in respect of defined contribution plans	$ 76	$ 53	$ 36

2. Short-Term Employee Benefits

Short-term employee benefits include salaries, vacation pay, recreation pay and deposits to the National Insurance Institute (Social Security) if they are expected to be settled within 12-months following the end of the annual reporting period in which the employee renders the relevant services.

M. Provisions for Legal Suits

Provisions for legal suits or disputes are recognized when the Company has a present legal obligation resulted from past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the obligation amount.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date.

N. Issuance of Financial Instruments as part of a Package

Upon initial recognition, the Company allocates total gross proceeds to the identified components issued as follows: (i) financial liabilities that are measured upon initial recognition and in subsequent periods at FVTPL (such as derivative liabilities), (ii) financial liabilities that are measured in subsequent periods at amortized cost using the effective interest method, and, (iii) the residual amount which is the difference between the gross proceeds received and the fair value of the financial derivative liability is allocated to all other instruments which are eligible to equity classification. At subsequent date, instruments determined to be classified as financial derivative liability are measured at fair value through profits and losses until their exercise or expiration date.

Incremental and direct issuance costs, if any, are allocated to identified components based on the same proportion as the allocation of the gross proceeds. The portion allocated to instruments accounted for as financial derivative liability are recognized immediately as finance expenses and the portion allocated to instruments accounted for as equity components are charged to equity.

Note 3 - Material Accounting Policies (Cont.)

O. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease.

At the initial recognition, the Company recognizes a lease liability at the present value of the future lease payments (verifying the Company's incremental interest rate), which include the exercise price of extension options that are reasonably certain to be exercised. At the same time, the Company recognizes a right-of-use asset in the amount of the lease liability, adjusted for any lease payments made on or before the commencement date, net of any lease incentives received, and including any initial direct costs incurred by the Company.

The lease period is the period during which the lease cannot be terminated, including periods covered by an extension reasonably certain to be exercised option

After the commencement of the lease, the right-of-use asset is measured at cost, net of accumulated depreciation and accumulated impairment losses, adjusted for any remeasurement of the liability lease. Depreciation of the right-of-use asset is calculated according to the straight-line method, over the estimated useful life of the leased asset or the lease term, whichever is shorter.

As of December 31, 2023, the annual average depreciation rate of the right-of-use assets is as follows:

	%
Offices and laboratory	0.08

Interest expenses for the lease liabilities are recognized in the statement of profit or loss in each period during the lease period, in an amount that produces a fixed periodic interest rate on the remaining balance of the obligation for the lease.

Regarding short-term leases (leases less than 12 months), the Company implemented practical exception, whereby such leases are accounted for as an expense on a straight-line basis over the lease term.

P. Share-Based Compensation

Share-based compensation transactions that are settled by equity instruments that were executed with employees or others who render similar services, are measured at the grant da. The vesting conditions, except for market conditions, are not taken into consideration in estimating the fair value, rather by adjusting the number of equity instruments included in the measurement of the transaction amount. Such amount is recognized as an expense with a corresponding credit in equity, over the period in which the employees' right to exercise or receive the equity instruments has vested.

Q. Loss Per Share

The basic loss per share is calculated by dividing the net loss attributed to the shareholders of the Company by the weighted average number of ordinary shares outstanding during the period and, if necessary, after deducting shares held by the Company, if any.

For purposes of calculating the diluted loss per share, the loss attributed to the ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding are adjusted in respect of the possible impact of potential ordinary shares that may derive from the exercise or conversion of convertible financial instruments in respect of which there is a dilutive effect.

R. Operating Cycle

The operating cycle of the Company is 12 months.

Note 3 - Material Accounting Policies (Cont.)

S. New Standards, Amendments and Interpretations to Existing Standards that are Effective and Relevant to the Company's Activity

1. Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendments also define what is 'material accounting policy information' and explains how to identify when accounting policy information is material. The amendments further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

The amendments to IAS 1 became effective for annual periods beginning on or after January 1, 2023.

The effect of these amendments is reflected in the disclosures presented in Note 3 to these financial statements.

2. Definition of Accounting Estimates - Amendments to IAS 8

The amendment replaces the definition of a change in accounting estimates with a definition of accounting estimates, under which accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty."

Entities develop accounting estimates if accounting policies require financial statement items to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in the accounting estimate that results from new information or new developments is not the correction of an error. It is also specified that the effects of a change in an input or measurement technique used to develop an accounting estimate are changes in accounting estimates if they are not the result of corrections from previous periods. The effect of the change in the current period is recognized as income or expense for the period.

The amendments were applied prospectively for annual reporting periods beginning on or after January 1, 2023

The first implementation of the amendment did not have a material impact on the financial statements.

T. Standards, Amendments and Interpretations to Existing Standards that are not yet Effective and have not been Adopted Early by the Company

At the reporting 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 in the Company's accounting policies for the first period beginning after the pronouncement effective date. New standards, interpretations and amendments not either adopted or listed below, are not expected to have a material impact on the Company's financial statements.

Note 3 - Material Accounting Policies (Cont.)

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

1. 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 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 significant impact on the Company's financial statements.

2. 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.

Note 4 - Significant Accounting Estimates and Considerations

The accounting estimates and assumptions that were used in the preparation of these financial statements are tested on a regular basis and are based on past experience and other factors, including future events, the occurrence of which is reasonably expected to occur in view of existing circumstances. The Company makes estimates and assumptions regarding future events or conditions. By their very nature, it is rare that such accounting estimates will be identical to actual results. The estimates and assumptions that reflect the highest exposure to material changes in the amount of assets and liabilities in the following year are set out below:

A. Capitalization of development costs

Development expenses are capitalized and recorded as an asset, commencing with the phase during which technological feasibility is achieved, when the Company has intentions and the ability to complete and use (or sell) the asset, it is expected that the developed asset will generate future economic benefits and it is possible to estimate the development costs in a reliable manner. In determining whether an expense qualified for capitalization, management estimates the cash flows expected to derive from the asset, the timing of such flows, the discounting rates and the expected benefit period. As noted in note 3D above, as of December 31, 2023, management determined that the aforesaid conditions were not met and thus development costs were not capitalized.

B. Impairment Assessment of Non-Monetary Assets

Non-monetary assets (mainly self-built production-line that have not yet brought to the location and condition necessary for it to be capable of operating in the manner intended by management) are examined for impairment, on the occurrence of events or changes in circumstances, which indicate that their carrying value will not be recoverable. Impairment loss is recognized to the extent that the carrying amount of the non-monetary asset exceeds its recoverable value. The recoverable amount is the higher of the fair value of the asset, less costs to sale, and its value in use. For the purpose of examining impairment, the assets are divided into the lowest levels for which there are separate identifiable cash flows (cash-generating units). The impairment assessment of such non-monetary assets is involved with inherent uncertainty regarding the amounts and timing of estimated future cash flows and the applicable discount rate.

C. Liability in Respect of Government Grants

Government grants in respect of a research and development project are recognized as a liability and are measured at their fair value as of the receipt date, unless at that date, it is reasonably assured that the amount received will not be repaid. In determining these assumptions, management makes use of a forecast regarding revenues expected to derive from the items in respect of which the grants were received and the royalties that have to be paid in respect thereof. There exists a degree of uncertainty in respect of the estimated future cash flows, timing of such cash flows and estimate of the discount rate used in determining the amount of the liability. See also Note 9 below.

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

Note 5 - Cash

Composition:

	As of December 31,	
	2023	2022
Cash in new Israeli shekels	$ 218	$ 96
Cash in foreign currency (mainly in USD)	57	2
	$ 275	$ 98

Note 6 - Property and equipment, net

A. Composition and changes

	Computers, office furniture and lab equipment	Leasehold improvements	Production line	Total
Cost				
At January 1, 2023	$ 119	$ 27	$ 964	$ 1,110
Additions	-	-	515	515
Foreign currency translation into presentation currency	(7)	-	(50)	(57)
At December 31, 2023	112	27	1,429	1,568
Accumulated depreciation				
At January 1, 2023	32	27	-	59
Depreciation	8	-	-	8
Foreign currency translation into presentation currency	(2)	-	-	(2)
At December 31, 2023	38	27	-	65
Depreciated cost:				
At December 31, 2023	$ 74	$ -	$ 1,429	$ 1,503

	Computers, office furniture and lab equipment	Leasehold improvements	Production line	Total
Cost				
At January 1, 2022	$ 97	$ 29	$ 1,025	$ 1,151
Additions	28	-	-	28
Foreign currency translation into presentation currency	(6)	(2)	(61)	(69)
At December 31, 2022	119	27	964	1,110
Accumulated depreciation				
At January 1, 2022	26	18	-	44
Depreciation	8	10	-	18
Foreign currency translation into presentation currency	(2)	(1)	-	(3)
At December 31, 2022	32	27	-	59
Depreciated cost:				
At December 31, 2022	$ 87	$ -	$ 964	$ 1,051

B. Depreciation period and depreciation method

In respect to depreciation period and the depreciation method, see Note 3B above.

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

Note 7 - Leasing

A. General

The Company leases offices and a laboratory as part of the management service fee agreements executed with its parent company (BioLight LiveScience Ltd.), as described in Note 13 below, in a monthly fee of NIS 20 thousand (approximately $8). The lease period is until January 31, 2024.

In accordance with the provision of IFRS 16, *Leasing*, at the commencement date of the Agreement, the Company recognized the right to use asset equals to lease liability. The lease liability was measured at the present value of the future lease payments, which are discounted based on an estimate of the estimated interest rate that the Company would be required to pay in order to borrow a similar amount for a similar period in order to obtain a similar amount on the date of first recognition of the lease (using a discount rate of 9%).

In December 2023, the Company signed a new office and lab lease agreement in Rehovot for a period of two years. The new office and lab will be ready for use in February 2024.

B. Right for use asset, net

Composition and changes in 2023

	Offices and laboratory
Cost	
Balance as of January 1, 2023	$ 246
Additions	15
Foreign currency translation into presentation currency	(14)
Balance as of December 31, 2023	247
Accumulated depreciation	
Balance as of January 1, 2023	162
Additions	79
Foreign currency translation into presentation currency	(9)
Balance as of December 31, 2023	232
Depreciated cost as of December 31, 2023	$ 15

Composition and changes in 2022

	Offices and laboratory
Cost	
Balance as of January 1, 2022	$ 169
Additions	88
Foreign currency translation into presentation currency	(11)
Balance as of December 31, 2022	246
Accumulated depreciation	
Balance as of January 1, 2022	103
Additions	67
Foreign currency translation into presentation currency	(8)
Balance as of December 31, 2022	162
Depreciated cost as of December 31, 2022	$ 84

C. Depreciation period and depreciation method

In respect to depreciation period and the depreciation method, see Note 3O above.

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

Note 7 Leasing (Cont.)

D. Leasing liability

Composition and changes in 2023

	Offices and laboratory
Balance as of January 1, 2023	$ 82
Additions	15
Interest expense	10
Lease payments	(88)
Foreign currency translation into presentation currency	(4)
Depreciated cost as of December 31, 2023	$ 15

Composition and changes in 2022

	Offices and laboratory
Balance as of January 1, 2022	$ 82
Additions	88
Interest expense	9
Lease payments	(93)
Foreign currency translation into presentation currency	(4)
Depreciated cost as of December 31, 2022	$ 82

E. Amounts recognized in profit and loss:

	Year ended December 31,		
	2023	2022	2021
Depreciation of the right for use asset	$ 79	$ 67	$ 66
Interest expense in respect of leasing	$ 10	$ 9	$ 31

F. Analysis of contractual payment dates of leasing liability at December 31, 2023:

Up to a year (undiscounted)	$ 15

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

Note 8 - Other Current Liabilities

Composition:

	As of December 31,	
	2023	2022
Parent Company (see also Note 13A below)	$ 175	$ 183
Employees and payroll accruals	74	59
Accrued expenses	42	78
	$ 291	$ 320

Note 9 - Liabilities in respect of Government Grants

Through December 31, 2023, the Company has been receiving grants in respect of participation in research and development from the IIA, in a total amount of $0.6 million, including interest. In return, the Company undertook to pay royalties at a rate of 3% - 3.5% of the revenues that will be derived from the know-how and technology to be developed as part of the projects in respect of which such financing was received. The liability amount is linked to the U.S. dollar and bears interest at LIBOR rate. As to the replacement of the LIBOR benchmark rate, even though the IIA has not declared the alternative benchmark rate to replace the LIBOR, the Company does not believe it will have a significant impact.

The Company recognized a liability in respect of these grants at the date of initial recognition in an amount equal to the fair value of the liability, based on the present value of the expected royalty payments to be paid to the IIA as a percentage of sales expectations, discounted at a discount rate of approximately 28%, as assessed by the Company's management. The difference between the amount of the grant received and the amount recognized as a liability, upon initial recognition, was carried to profit and loss (in the profits when the grant was received) against research and development expenses. During the reported periods, grants were not received from the IIA.

Movement:

	Year ended December 31,		
	2023	2022	2021
Opening balance	$ 302	$ 222	$ 221
Changes in liability due to value of time	19	93	(6)
Foreign currency translation into presentation currency	(16)	(13)	7
	$ 305	$ 302	$ 222

In January 2024, after the balance sheet date, the Company was entitled to participation in research and development from the IIA in total amount of $365 under new approval, under which in January 2024 an amount of $182 was received.

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

Note 10 - Shareholders' Equity

A. Composition of Share Capital

	As of December 31			
	2023		2022	
	Authorized	Issued and outstanding	Authorized	Issued and outstanding
Ordinary shares, par value NIS 0.01 each	1,000,000	566,566	1,000,000	513,290

B. Rights Attached to the Ordinary Shares

The ordinary shares of the Company entitle the holders thereof the right to participate and vote in shareholders meetings, the right to receive a dividend, as declared, the right to participate in distributions of bonus shares and the right to participate in the distribution of the assets of the Company upon liquidation.

C. Issuance of Ordinary Shares

2020 Share Purchase Agreement

In October 2020, (the "Effective Date"), the Company entered into 2020 Share Purchase Agreement (the "2020 SPA") with Elcam Medical Agricultural Cooperative Association Ltd. and BioLight Life Sciences Ltd. who is the parent company of the Company ("Elcam" and "BioLight" and together the "Investors") under which it was agreed that -

1. The Company will issue 117,521 Ordinary Shares to the Investors for total consideration of USD 3,850 thousand, which represented purchase price of USD 32.76 per share (the "Investment Amount" and "PPS", respectively) as follows:

   A. At the initial closing. the Company will issue to the Investors up to 62,576 Ordinary Shares (the "Initial Investment Shares"), at a PPS, for an aggregate investment amount of USD 2,050 thousand (approximately $2,701) (the "Initial Investment Amount").

   B. Upon occurrence of the earlier of (i) initiation of clinical trial in India in which 300 patients were recruited or (ii) the first commercial sale of the TeaRx product in Europe, the Company will issue to the Investors 18,315 Ordinary Shares at the PPS for an aggregate investment amount of USD 600 thousand (approximately $748) (the "First Milestone", "First Milestone Shares" and "First Milestone Investment", respectively).

   C. Upon occurrence of the earlier of (i) the receipt of an interim report from the clinical study in India; or (ii) the filing with the FDA of the pre-submission documentation with respect to a future clinical study in the US, the Company will issue to the Investors 36,630 Ordinary Shares at the PPS for an aggregate investment amount of USD 1,200 thousand (approximately $1,542) (the "Second Milestone", "Second Milestone Shares" and "Second Milestone Investment").

   In October 2020, the Company issued to the Investors the Initial Investment Shares at the PPS for the Initial Investment Amount.

2. At the Initial Closing, each Investor was entitled to receive, for no additional consideration, a warrant to purchase additional Ordinary Shares, with a fixed exercise price per share of USD 89.75. The warrant shall expire at the earlier of (i) a period of 3-years as of the Effective Date or (ii) an Investor is not participating in the First or Second Milestone Closing (the "Investors' Warrant"). In May 2023, the Investors' Warrant has been expired based on mutual consent of Elcam Medical and BioLight.

Note 10 - Shareholders' Equity (Cont.)

C. Issuance of Ordinary Shares (Cont.)

2020 Share Purchase Agreement (Cont.)

3. At the Initial Closing, Elcam was entitled to receive for no additional consideration, an option to purchase additional securities for total investment amount equal to the lower of (i) USD 2,000 thousand or (ii) 1/3 of the amount to be raised by the Company in the next capital round, at a price per share reflecting 15% discount on the price per share that will be determined in such round (the "Elcam's Option"). The Elcam's Option shall expire at the earlier of (i) capital raising by the Company for an aggregate amount of at least USD 4,000 thousand, in addition to the funds raised under the 2020 SPA, (ii) period of 2-years as of the Effective Date or (iii) Elcam is not participating the First or Second Milestone Closing. In October 2022, Elcam's Option was expired and unexercised.

At the Effective Date, the management allocated the Initial Investment Amount amounted to USD 2,050 thousand (approximately $2,701) using the assistance of an independent appraiser, as follows: first, the Company recognized a derivative liability with respect to Elcam's Option based on the fair value of such liability as of that date. The fair value of the derivative liability on initial recognition and in subsequent periods was estimated at insignificant amount due to the management's assessment that the probability of occurrence of an investment round throughout the term of the Elcam's Option was remote.

As a result of the above, the entire Initial Investment Amount was allocated to the remaining financial instruments which were all eligible to equity classification (i.e. the Initial Investment Shares, First Milestone Shares and Second Milestone Shares).

In November 2021, the Company entered an amendment to the 2020 SPA under which although a delay in the achievement of the First Milestone, the Investors made the First Milestone Investment of USD 600 thousand (approximately $748) for issuance of the First Milestone Shares of the Company.

Upon receipt of interim results in the clinical trial in India, in January and April 2023, the Investors made the Second Milestone Investment of USD 1,200 thousand (approximately $1,542, whereby an amount of $466 out of which was made during 2022) for issuance of the Second Milestone Shares of the Company.

2023 Share Purchase Agreement

In July 2023, the Company entered into 2023 Share Purchase Agreement with its existing shareholders under which the Company will issue up to 30,525 Ordinary Shares in consideration for capital in total amount of up to USD 1,000 thousand, which representing purchase price of USD 32.76 per share (the "2023 SPA", "Investors" and "PPS"). Subject to the terms and conditions under the 2023 SPA, at the closing date the Company shall issue to the Investors a number of 8,547 Ordinary Shares (the "Closing Shares"), for an aggregate investment amount of USD 280 thousand (the "Investment Amount") at the PPS. In addition, subject to the sole discretion of each Investor participating in the initial closing and according to its pro rata out of the Investment Amount, each Investor shall be entitled to invest its whole pro rata additional investment of up to a total of USD 720 thousand (per each Investor - the "Option Investment Amount") at the price per share representing valuation of the Company immediately prior to the listing on the Canadian Stock Exchange ("CSE") and up to a total consideration of 21,978 Ordinary Shares (per each Investor its respective "Option Closing Shares" and the "Option", respectively). The Option shall expire on the earlier of (i) closing of an initial public offering; (ii) occurrence of liquidation event defined in the Company's Article of Association or (iii) closing or termination of the RTO Transaction (as defined in Note 10D below).

Through December 31, 2023, an amount of USD 545 thousand (approximately $743) was received from the Investors for issuance of 16,646 ordinary shares of the Company.

Note 10 - Shareholders' Equity (Cont.)

D. Share Exchange Agreement

In August 2023, the Company entered into Share Exchange Agreement (the "SEA") with OceanView Technologies Inc. (the "OceanView"), a Canadian company which was incorporated under the Business Corporations Act (British Columbia), under which, subject to achievement of certain conditions, the shareholders of the Company will exchange their shares, inter alia, for shares of the combined company (the "Resulting issuer") representing approximately 60% of the issued and outstanding shares of the Resulting issuer that will be listed on the (Canadian Stock Exchange) (the "CSE") (the "RTO Transaction").

According to the provisions of the SEA, the completion date of the Transaction is expected to be in the fourth quarter of the year 2024.

Note 11 - Share-Based Payment

A. Options plan

The Board of Directors of the Company has adopted the Company Share Option Plan (the "Plan") in the year 2014, under which the Company is entitled to grant share options, restricted shares and restricted share units to designated participants to purchase ordinary shares of the Company, par value NIS 0.01 each. Under the Plan, options forfeited or cancelled prior to their expiration date become available for future grants. Unless stipulated otherwise by the Company's Board of Directors, the unexercised options will expire 10-years period following the grant date. The Plan is subject to article 102 of the Israeli Income Tax Ordinance (New Version) - 1961 (the "Income Tax Ordinance"), as part of the equity track with a trustee.

The Plan permits the grant of up to 36,500 options subject to adjustments set in the Plan. As of December 31, 2023, there were 7,182 options available for future issuance under the Plan.

B. Grants

2021

During the year ended December 31, 2021, the Company's Board of Directors approved grant of 11,472 share options, to several optionees. Each option is exercisable into one ordinary share of the Company par value NIS 0.01, over a vesting schedule as determined by the Board of Directors, at an exercise price of approximately $40 per share (subject to standard adjustments). The fair value of the benefit in respect of the grants was estimated at total amount of $187 to be carried to profit and loss over the vesting period.

2022

During the year ended December 31, 2022, the Company's Board of Directors approved grant of 10,916 share options to certain optionee. Each option is exercisable into one ordinary share of the Company par value NIS 0.01, over a vesting schedule as determined by the Board of Directors, at an exercise price of approximately $45 per share (subject to standard adjustments). The fair value of the benefit in respect of the grant was estimated at total amount of $29 to be carried to profit and loss over the vesting period.

2023

During the year ended December 31, 2023, the Company's Board of Directors approved grant of 5,224 share options to certain optionee and consultant. Each option is exercisable into one ordinary share of the Company par value NIS 0.01, over a vesting schedule as determined by the Board of Directors, at an exercise price of approximately $44 per share (subject to standard adjustments). The fair value of the benefit in respect of the grant was estimated at total amount of $13 to be carried to profit and loss over the vesting period.

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

Note 11 - Share-Based Payment (Cont.)

B. Grants (Cont.)

The fair value of the share options granted, as above, was estimated using the Black and Scholes model. The parameters used in calculating the model were as follows:

	2023 grants	2022 grants	2021 grants
Price per share	$11	$11	$39.87
Exercise price	$44.00	$45.00	$40.00
Expected volatility (%) (*)	52	52	38
Expected term (in years)	7	7	7
Risk-free interest (%)	4.71	4.70	1.30
Expected dividend rate (%)	-	-	-

(*) Expected volatility was calculated based upon historical volatility of peer companies in the same industry.

The following table presents additional data relating to the share-based payment under the Plan:

	2023			2022			2021		
	Number of options	Weighted average of the exercise price in $	Remaining average contractual life of the options (years)	Number of options	Weighted average of the exercise price in $	Remaining average contractual life of the options (years)	Number of options	Weighted average of the exercise price in $	Remaining average contractual life of the options (years)
Outstanding at January 1,	26,871	38.64	4.56	18,655	37.58	5.24	7,183	26.81	4.77
Granted	5,224	43.99	6.70	10,916	44.90	6.82	11,472	40.00	6.34
Forfeited	(2,777)	14.16	-	(2,700)	41.44	5.34	-	-	-
Outstanding at December 31,	29,318	41.16	4.77	26,871	38.64	4.56	18,655	37.58	5.24
Exercisable at December 31,	13,893	38.27	3.55	9,834	30.85	3.80	6,636	28.69	3.77

The share-based payment expenses for the years ended December 31, 2023, 2022 and 2021, amounted to $10, $31 and $44, respectively.

As of December 31, 2023, there was $17 of unrecognized compensation expense related to unvested options. The Company recognizes share-based payment expenses over the requisite service periods, which results in a weighted average period of approximately 1.8 years over which the unrecognized compensation expense is expected to be recognized.

NOTE 12 - Research and Development Expenses

Composition:

	Year ended December 31,		
	2023	2022	2021
Subcontractors	$ 195	$ 331	$ 795
Payroll and related expenses (*)	701	484	337
Patents	10	12	90
Depreciation	87	85	84
Share-based payments	10	31	44
	$ 1,003	$ 943	$ 1,350

(*) See Note 13B below.

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

Note 13 - Related Parties Transactions

Key management personnel include people having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined its key management personnel to be executive officers and directors of the Company.

The Company entered into management service fee agreements with its parent company (BioLight Life Science Ltd.), under which the Company is charged in monthly service fee of NIS 50 thousand (approximately $19) for certain services provided by them, which include, inter alia, costs related to customary management services and office and lab lease (till February 2024).

In July 2023, the Company entered into an amendment to the management service fee agreement, according to which upon the success completion of its listing on the CSE (see also note 10D above), the monthly service fee shall be increased to total amount of NIS 80 thousand (approximately $31).

A. Balances with Related Parties

	As of December 31,	
	2023	2022
Other current liabilities - management fee to Parent Company (see Note 8 above)	$ 175	$ 183

B. Transactions with related parties

	Year ended December 31,		
	2023	2022	2021
Operating expenses - management expenses to Parent Company	$ (220)	$ (232)	$ (233)
Interest expense in respect of leasing (see Note 7E above)	$ (10)	$ (9)	$ (31)

C. Transactions with key management personnel

	Year ended December 31,		
	2023	2022	2021
Salaries and benefits expenses	(512)	(296)	(316)
Share-based payment expenses	(21)	(24)	(26)
Total	$ (533)	$ (320)	$ (342)

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

Note 14 - Taxes on Income

A. Taxation of the Company in Israel

General

The Company is taxed in Israel pursuant to the provisions of the Israeli Income Tax Ordinance (New Version) - 1961 (the "Ordinance").

The corporate tax rate applicable to the Company for all reported periods is 23%.

B. Losses and Deductions for Tax Purposes - Carried Forward to Future Years

As of December 31, 2023, the carryforward net operating losses of the Company amounted to $10,623. The Company did not record deferred taxes in respect of the loss carryforward since their realization is not expected in the foreseeable future.

C. Final Tax Assessment

The Company has no final tax assessments since Inception Date. Notwithstanding, pursuant and subject to the provisions of article 145 of the Ordinance, the reports filed with the tax authorities for the years up to and including 2018 are considered as final.

D. Income Tax Recovery

A reconciliation of the Company's expected income tax recovery to actual income tax recovery is as follows:

	As of December 31,	
	2023	2022
Net operating loss carryforward	$ 10,623	$ 9,981
Research and development credits	867	973
	11,490	10,954
Statutory income tax rate	23%	23%
Expected income tax recovery	2,643	2,519
Unrecognized deductible temporary differences and other	(2,643)	(2,519)
Income tax recovery	$ -	$ -

E.

The following tabular represents reconciliation between the amount of the "theoretical" tax that would have applied and the amount of the tax on ordinary operating income, as recorded in the statements of comprehensive loss:

	Year ended December 31,		
	2023	2022	2021
Pre-tax loss as reported in the statements of comprehensive loss	$ 1,153	$ 1,187	$ 1,504
Corporate tax rate	23%	23%	23%
Theoretical income tax benefit	265	273	346
Non-deductible expenses	(2)	(7)	(10)
Losses and timing differences in respect of which no deferred taxes were recorded	(263)	(266)	(336)
Tax expenses in respect of the reported year	$ -	$ -	$ -

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

Note 15 - Financial Instruments

A. Financial Risk Management

1. General-

The activities of the Company expose it to a range of financial risks: currency risks, market risks, credit risks and liquidity risks. During each period, the Company assesses the financial risks and makes decisions regarding them accordingly.

Risk management is conducted by the management of the Company, which identifies, assesses and hedges the risks to the extent possible.

2. Financial Risk Factors

A. Exposure to Changes in Interest Rate

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash is held in a checking account in a bank and therefore there is currently minimal interest rate risk. Because of the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as of December 31, 2023.

B. Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. As of December 31, 2023, the Company's exposure to credit risk is mainly from cash. The Company's cash is held in a checking account in a bank. The Company's maximum exposure to credit risk is the carrying value of this assets. The management regularly assesses the financial strength of the financial institutions the Company works with. Accordingly, management believes that the credit risk related to its cash is negligible. The Company has not entered into any financial instruments to mitigate this risk.

The following is a breakdown of the financial assets in respect of which the Company is exposed to credit risks:

	As of December 31,	
	2023	2022
Cash	$ 275	$ 98
Other current assets	11	13
Total	$ 286	$ 111

C. Liquidity Risks

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments.

As of December 31, 2023, the Company's negative working capital amounted to $43. The Company's policy is to manage its liquidity by assessing current forecasts for purposes of managing its cash for operating purposes during the normal course of business. Depending on its current needs, the Company conducts, from time to time, additional rounds of fundraising from its current shareholders, however there is a significant doubt that additional funds will be available to the Company in the future.

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

Note 15 - Financial Instruments (Cont.)

A. Financial Risk Management (Cont.)

2. Financial Risk Factors (Cont.)

D. Currency exchange risk

Certain expenses and transactions of the Company are carried out in Israeli local currency (which is different than the functional currency of the Company) and therefore expose the Company to fluctuations from changes in exchange rate. However, management believe that the exposure is limited and does not represent a material currency exchange risk.

B. A summary of Financial Instruments Broken Down by Categories:

	As of December 31,	
	2023	**2022**
Financial Assets Measured at Amortized Cost		
Cash	$ 275	$ 98
Other current assets	11	13
	286	111
Financial Liabilities Measured at Amortized Cost		
Trade payables	23	44
Other current liabilities	291	320
Liability in respect of government grants	305	302
	$ 619	$ 666

C. Fair Value of Financial Instruments

The Company's financial instruments, which are part of its working capital, include cash, other current assets, trade payables and other current liabilities. As of the reported periods, the balances of these financial instruments in the statements of financial position constitute an approximation of their fair values. In addition, the Company has a liability in respect of government grants that is measured at the initial recognition date at fair value and in subsequent periods at the amortized cost using the effective interest method. Taking into consideration that there has not been a significant change in the discount rate used for recognition of both liability and the current discount rate, the balance constitutes an approximation of fair value.

D. Company Capital Risk Management Policy

The goals of the Company's capital risk management policy are to preserve its ability to continue operating as a going concern with a goal of providing its shareholders with a yield on their investment and to maintain a beneficial equity structure with a goal of reducing the costs of equity.

The Company may take various steps with a goal of preserving or adapting its equity structure, including the issuance of new shares and warrants through equity fundraising for purposes of meeting its financial obligations and for purposes of continuing its development operations and commencing sales in commercial volumes.

Note 16 - Operating Segments

The Company implements the principles of IFRS 8, *Operating Segments*. Segmental reporting is based on internal management reports which are reviewed regularly by the chief operational decision maker of the Company for purposes of making decisions regarding the allocation of resources and assessment of performance (the "management approach"). Pursuant to IFRS 8, management determined that upon commencement of the Company's business activity as noted in note 1A above and throughout the reporting periods, the Company has a sole reportable segment in this area.

Note 17 - Significant Events After the Reporting Date

A. In June 2024, the Company entered into 2024 Share Purchase Agreement with Elcam under which the Company issued 4,121 Ordinary Shares for total consideration of USD 135 thousand (approximately $185), which representing purchase price of USD 32.76 per share (the "2024 SPA").

B. In September 2024, BioLight and Elcam partially exercised their option under the 2023 SPA, under which the Company issued an aggregate amount of 5,159 Ordinary Shares for total consideration of USD 169 thousand (approximately $231), which representing purchase price of USD 32.76 per share.

DIAGNOSTEAR LTD.

INTERIM CONDENSED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024
UNAUDITED

DIAGNOSTEAR LTD.

INTERIM CONDENSED FINANCIAL STATEMENTS

AS OF JUNE 30, 2024

UNAUDITED

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DIAGNOSTEAR LTD.

INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars in thousands)

	Note	As of June 30, 2024	As of December 31, 2023
		Unaudited	Audited
Assets			
Current assets			
Cash		$ 256	$ 275
Other current assets		8	11
Total current assets		264	286
Non-current assets			
Property and equipment, net		1,285	1,503
Right to use asset, net		125	15
Long-term deposits		31	9
Total non-current assets		1,441	1,527
Total assets		$ 1,705	$ 1,813
Current liabilities			
Current maturities of lease liability	3C	$ 83	$ 15
Trade payables		18	23
Other current liabilities		383	291
Total current liabilities		484	329
Non-current liabilities			
Lease liability	3C	45	-
Liability in respect of government grants	3B	322	305
Total non-current liabilities		367	305
Shareholders' equity			
Share capital and premium		13,571	13,386
Capital reserve in respect of share-based payment	A	145	137
Capital reserve in respect of transactions with controlling entity, net		5	5
Capital reserve in respect of translation of functional currency to presentation currency		(76)	(77)
Accumulated deficit		(12,791)	(12,272)
Total shareholders' equity		854	1,179
Total liabilities and shareholders' equity		$ 1,705	$ 1,813

These condensed financial statements were approved for issue by the Board of Directors on September 29, 2024 and signed on its behalf by:

"Yaacov Michlin" (signed)	"Shimon Gross" (signed)	"Yifftach Biel" (signed)
Yaacov Michlin	Shimon Gross	Yifftach Biel
Chairman of the board	Chief Executive Officer	Chief Finance Officer

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

DIAGNOSTEAR LTD.

INTERIM CONDENSED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

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

	For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
	Unaudited			
Research and development expenses	$ (317)	$ (313)	$ (483)	$ (531)
General and administrative expenses	(33)	(34)	(59)	(68)
Operating loss	(350)	(347)	(542)	(599)
Financing expenses	(3)	(4)	(7)	(24)
Financing income	16	24	30	11
Financing income (expenses), net	13	20	23	(13)
Loss for the period	(337)	(327)	(519)	(612)
Other comprehensive income (loss):				
Amounts that will not be reclassified subsequently to profit or loss:				
Exchange differences from the translation of the financial statements to the presentation currency	(13)	(34)	1	(48)
Comprehensive loss for the period	(350)	(361)	(518)	(660)
Loss per share attributed to shareholders of Company, par value NIS 0.01 each				
Basic and diluted loss per share:				
Basic and diluted net loss per share	(0.59)	(0.60)	(0.92)	(1.13)
Weighted average of number of shares used to calculate the basic and diluted net loss per share	567,665	549,513	567,112	543,069

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

DIAGNOSTEAR LTD.

INTERIM CONDENSED STATEMENTS OF CHANGES IN EQUITY

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

	Note	Number of outstanding shares	Share capital and premium	Receipt on account of shares	Capital reserve in respect of share-based payment	Capital reserve in respect of transactions with controlling entity, net	Capital reserve in respect of translation of functional currency to presentation currency	Accumulated deficit	Total
Balance as of January 1, 2023		513,290	$ 11,101	$ 466	$ 127	$ 5	$ (72)	$ (11,119)	$ 508
Issuance of ordinary shares		36,630	1,582	(466)	-	-	-	-	1,116
Share-based payment		-	-	-	17	-	-	-	17
Loss for the period		-	-	-	-	-	-	(612)	(612)
Other comprehensive loss for the period		-	-	-	-	-	(48)	-	(48)
Balance as of June 30, 2023 (Unaudited)		549,920	$ 12,683	$ -	$ 144	$ 5	$ (120)	$ (11,731)	$ 981

	Note	Number of outstanding shares	Share capital and premium	Capital reserve in respect of share-based payment	Capital reserve in respect of transactions with controlling entity, net	Capital reserve in respect of translation of functional currency to presentation currency	Accumulated deficit	Total
Balance as of January 1, 2024		566,566	$ 13,386	$ 137	$ 5	$ (77)	$ (12,272)	$ 1,179
Issuance of ordinary shares	3A	4,121	185	-	-	-	-	185
Share-based payment		-	-	8	-	-	-	8
Loss for the period		-	-	-	-	-	(519)	(519)
Other comprehensive income for the period		-	-	-	-	1	-	1
Balance as of June 30, 2024 (Unaudited)		570,687	$ 13,571	$ 145	$ 5	$ (76)	$ (12,791)	$ 854

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

DIAGNOSTEAR LTD.

INTERIM CONDENSED STATEMENTS OF CASH FLOWS

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

	For the six months ended June 30,	
	2024	**2023**
	(Unaudited)	
Cash flow from current operations		
Loss for the period	(519)	(612)
Adjustments required to present cash flows from operating activities (Appendix A)	(1)	33
Net cash used in operating activities	(520)	(579)
Cash flows from investment activity		
Indemnity received for investment in Property and equipment	208	-
Investment in long-term deposits	(22)	-
Purchase of property and equipment	(1)	(528)
Net cash provided by (used in) investment activity	185	(528)
Cash flows from financing activity		
Proceeds received from issuance of ordinary shares through private placement transactions	185	1,116
Proceeds received from governmental grant	182	-
Repayment of lease liability principal	(51)	(45)
Net cash provided by financing activity	316	1,071
Exchange differences on cash	-	(6)
Change in balance of cash	(19)	(42)
Balance of cash, beginning of period	275	98
Balance of cash, end of period	256	56
Appendix A - Adjustments required to present cash flows from operating activities		
Income and expenses not involving cash flows		
Depreciation	59	44
Share-based payment	8	17
Interest on lease liability	5	9
Changes in liability in respect of government grants	(164)	15
	(92)	85
Changes in asset and liability items		
Decrease in other current assets	3	2
Decrease in trade payables	(4)	(17)
Increase (decrease) in other current liabilities	92	(37)
	91	(52)
	(1)	33

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

Note 1 - General

A. Incorporation and Description of Business

DiagnosTear Ltd. (the "Company" or "DiagnosTear") was incorporated under the laws of Israel in 2012. The Company's registered office is located at Rehovot, Israel.

DiagnosTear operates in the field of ophthalmic and currently it engages in development of TeaRx™ technology (the "TeaRx") which is designed for the diagnosis of front-of-the-eye diseases by analyzing the composition of the tear fluid.

In 2019, it was confirmed that a product based on the aforesaid TeaRx technology conforms to the standard standardized under the CE mark, under which the Company may market and sell the TeaRx technology in all countries adopting the European regulatory standard under the CE mark.

B. Share Exchange Agreement

In August 2023, the Company entered into Share Exchange Agreement (the "SEA") with OceanView Technologies Inc. (the "OceanView"), a Canadian company which was incorporated under the Business Corporations Act (British Columbia), under which, subject to achievement of certain conditions, the shareholders of the Company will exchange their shares, inter alia, for shares of the (the "Resulting Issuer") representing approximately 60% of the issued and outstanding shares of the Resulting Issuer that will be listed on the Canadian Stock Exchange (the "CSE") (the "Reverse Takeover ("RTO") Transaction").

According to the provisions of the SEA, the completion date of the Reverse Marger Transaction is expected to be in the fourth quarter of the year 2024.

C. Financial position of the Company and going concern uncertainty

The Company has devoted substantially all its efforts to develop and commercialize of the TeaRx which is expected to require substantial further expenditures. To date, the Company has not yet generated revenues from operations to support its activities, and thus it is dependent upon external sources for financing its operations. Since its inception date, the Company has incurred accumulated losses and has generated negative operating cash flow. As of June 30, 2024, there is an accumulated deficit of $12,791 and incurred a comprehensive loss and negative cash flows from operations throughout all periods since its inception. Management has considered the significance of such condition in relation to the Company's ability to meet its current obligations and to achieve its business targets which indicate a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern. The Company plans to finance its operations by raising capital from sale of equity through private and public offering transactions (including potential RTO Transaction as detailed in section 1B above) and/or through revenues from commercial sale of the TeaRx. There can be no assurance that the Company will succeed in obtaining the necessary financing or generating revenues from commercial sale of the TeaRx to continue its operations as a going concern. These financial statements do not include any adjustments that might result from the outcome of this uncertainty.

During the period of six months ended June 30, 2024, the Company raised net proceeds of $185, through private placement transaction under which 4,121 Ordinary Shares, par value NIS 0.01 each (the "Ordinary Shares") have been issued (see also Note 3A below).

During the period commencing July 1, 2024, through the approval of these interim condensed financial statements, the Company raised additional proceeds of USD 169 thousand (approximately $231) by partially exercise of option granted through 2023 SPA under which 5,159 Ordinary Shares have been issued (see also Note 3A below).

Note 1 - General (Cont.)

D. 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.

Since this is an event beyond the Company'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 financial condition and the results of its operations. The War may also impact clinical trials and funds raising required for the operations of the Company.

Note 2 - Basis of Presentation

A. The interim condensed financial statements for the three and six months ended June 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 ("IFRS Accounting Standards") as issued by the International Accounting Standards Board ("IASB").

As of June 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.

B. Standards, Amendments and Interpretations to Existing Standards that became Effective and Relevant to the Company's activity

At the reporting 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 in the Company's accounting policies for the first period beginning after the pronouncement effective date. New standards, interpretations and amendments not either adopted or listed below, are not expected to have a material impact on the Company's financial statements.

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.

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.)

International Financial Reporting Standard 18, Presentation and Disclosure in Financial Statements ("IFRS 18")

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.

Note 3 - Significant Events During and After the Reporting Period

A. Funds raising

1. In June 2024, the Company entered into 2024 Share Purchase Agreement with existing shareholders, Elcam Medical Ltd., under which the Company issued 4,121 Ordinary Shares for total consideration of USD 135 thousands (approximately $185), which represents purchase price of USD 32.76 per share (the "2024 SPA").

2. In September 2024, BioLight and Elcam partially exercised their option under the 2023 SPA, under which the Company issued an aggregate amount of 5,159 Ordinary Shares for total consideration of USD 169 thousand (approximately $231), which representing purchase price of USD 32.76 per share.

B. Liabilities in respect of Government Grant

In January 2024, the Company was entitled to participation in research and development from the Israeli Innovation Authority ("IIA") in total amount of $365 under new approval, under which in January 2024 an amount of approximately $182 was received.

The Company recognized a liability in respect of this grant at the initial recognition date in an amount equal to the fair value of the liability, based on the present value of the royalty payments payable to the IIA as a percentage of sales, discounted at a discount rate of 28%, as assessed by the Company's management. The difference between the amount of the grant received and the amount recognized as a liability, as above, was carried to profit and loss against research and development expenses. During the period of six months ended June 30, 2024, an amount of $137 was recognized in profit or loss, as grants.

C. Office Leasing

In December 2023, the Company signed a new office and lab lease agreement in Rehovot for a period of two years and an option for another year. The new office and lab were ready for use in February 2024.

In accordance with the provision of IFRS 16, Leasing, at the commencement date of the Agreement, the Company recognized the right to use asset equals to lease liability in total amount of $160. The lease liability was measured at the present value of the future lease payments, which are discounted based on an estimate of the estimated interest rate that the Company would be required to pay in order to borrow a similar amount for a similar period in order to obtain a similar amount on the date of first recognition of the lease (using a discount rate of 9%).

Note 4 - 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 trade payables and other current liabilities approximates their carrying value, which is the amount recorded on the statement of financial position.

DiagnosTear

Management's Discussion and Analysis

For the Financial Year Ended December 31, 2023

(Expressed in Canadian Dollars)

Prepared as of September 29, 2024

ABOUT THIS MD&A

The following management's discussion and analysis ("**MD&A**") of financial condition and results of operations of DiagnosTear Ltd. (the "**Company**", "**DiagnosTear**") should be read in conjunction with the Company's audited financial statements for the financial year ended December 31, 2023, and the accompanying notes thereto (the "**Financial Statements**"), which have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IFRS Accounting Standards**"). This MD&A has been prepared as of September 29, 2024, pursuant to the disclosure requirements under National Instrument 51-102 - *Continuous Disclosure Obligations* of the Canadian Securities Administrators. Additional information relating to DiagnosTear Ltd. is available on SEDAR+ at www.sedarplus.ca.

This MD&A was approved by the board of directors of the Company on September 29, 2024.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains certain statements which may constitute "forward-looking information" and "forward-looking statements" within the meaning of Canadian securities law requirements (collectively, "**forward-looking statements**" or "**FLS**"). These forward-looking statements are made as of the date of this MD&A and the Company does not intend, and does not assume any obligation, to update these FLS, except as required under applicable securities legislation. FLS relate to future events or future performance and reflect Company management's expectations or beliefs regarding future events. In certain cases, FLS can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. In this document, certain forward-looking statements are identified by words including "may", "future", "expected", "intends" and "estimates". By their very nature FLS involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the FLS. The Company provides no assurance that FLS will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on FLS.

The Company's anticipated future operations are forward-looking in nature and, as a result, are subject to certain risks and uncertainties. Although the Company believes that the expectations reflected in these FLS are reasonable, undue reliance should not be placed on them as actual results may differ materially from the forward-looking statements. Such FLS are estimates reflecting the Company's best judgment based upon current information and involve a number of risks and uncertainties, and there can be no assurance that other factors will not affect the accuracy of such forward-looking statements.

BUSINESS OVERVIEW

Description of the Business

The Company was incorporated under the laws of Israel on February 6, 2012. The head office and registered office of the Company is located at Menahem Plaut 10 Rehovot, Israel.

The Company 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. In 2019, it was confirmed that the product for Dry Eye Syndrome, based on the aforesaid TeaRx technology, conforms to the standard standardized under the CE mark, under which the Company may market and sell the TeaRx technology in all countries adopting the European regulatory standard under the CE mark.

Proposed Acquisition Transaction

On August 17, 2023, the Company entered into an arms length Share Exchange Agreement (the "**SEA**") with Biolight Life Sciences Ltd. ("**Biolight**"), as majority shareholder of the Company, and Oceanview Technologies Inc. ("**Oceanview**"). Based on the terms of the SEA, subject to achievement of certain conditions, the shareholders of the Company will exchange their ordinary shares in the capital of the Company (the "**Ordinary Shares**") for common shares in the capital of combined company (the "**Resulting Issuer**"), representing approximately 60% of the issued and outstanding shares of the resulting issuer (the "**Reverse Takeover Transaction**") that will be listed on the Canadian Stock Exchange ("**CSE**"). According to the provisions of the SEA, the completion date of the Reverse Takeover Transaction is expected to be in the fourth quarter of the year 2024.

OVERALL FINANCIAL PERFORMANCE

The Financial Statements have been prepared on a going concern basis in accordance with IFRS Accounting Standards. The Company prepares its financial statements in accordance with the currency of the country and principal economic environment in which it operates, which constitutes the functional currency from which it is primarily affected (the "**Functional Currency**"). Management has determined that the Functional Currency of the Company is the U.S. dollar ("**USD**"). The Financial Statements are presented in Canadian dollars ("**C$**"). Consequently, in accordance with IAS 21, "Accounting for Foreign Exchange Rates", results of operations were translated into Canadian dollar using the actual action date currency rate and assets and liabilities were translated into Canadian dollar using currency rates at period end. Foreign currency translation adjustments are recorded as a component of accumulated other comprehensive income within shareholders' equity.

The Company's auditor's draw attention to Note 1B to the Financial Statements, which indicates that the Company had an accumulated deficit of $12,272 thousands as of December 31, 2023 and incurred a comprehensive loss and had negative cash flows from operations throughout all periods since its inception. These events or conditions, along with other matters as set forth in Note 1B, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

SELECTED ANNUAL INFORMATION

The selected financial information provided below is derived from the Company's Financial Statements.

Summary of Statements of Financial Position

	Year ended December 31, 2023 (audited) (C$, thousands)	Year ended December 31, 2022 (audited) (C$, thousands)	Explanation to material changes (C$, thousands)
Current Assets	286	121	The current assets comprised mainly from cash. The increase in cash in the year 2023 compared to 2022 is mainly due to equity investment in the Company offset by expenses paid for current operating activity.
Non-current Assets	1,527	1,135	The non-current assets comprised mainly from property and equipment, net in the amounts of $1,503 and 1,051 as of December 31, 2023 and 2022, respectively. The increase in non-current assets resulted primarily from increase in property and equipment net (mainly due to additional investment in the production line) which is offset by decrease in right to use asset related to the office lease term.
Total Assets	**1,813**	**1,256**	
Current liabilities	329	446	The current liabilities in 2023 comprised mainly from (i) liability to BioLight in the amount of $175 (2022 - $183) due to management fees, (ii) employees and payroll accruals in the amount of $74 (2022 - $59) and (iii) accrued expenses in the amount of $42 (2022 - $78). The decrease in the current liabilities resulted primarily from the above fluctuations and due to current maturities of lease liability approaching the end of the office lease term.
Non-current liabilities	305	302	The non-current liabilities represent governmental grants received from the Israeli Innovation Authority.
Total liabilities	**634**	**748**	
Shareholders' equity	**1,179**	**508**	The increase in the shareholders' equity in 2023 compared to 2022, is mainly due to equity financing through private placements transactions by Ordinary Share issuance offset by the loss incurred during the year.

DISCUSSION OF OPERATIONS

Summary of Statements of loss and comprehensive loss

	Year ended December 31, 2023 (audited) (C$, thousands)	Year ended December 31, 2022 (audited) (C$, thousands)	Year ended December 31, 2021 (audited) (C$, thousands)	Explanation to material changes
Research and development expenses	(1,003)	(943)	(1,350)	The research and development expenses comprised mainly from subcontractors, payroll and related expenses and depreciation of property and equipment. The increase in the research and development expenses in 2023 compared to 2022, is mainly due to the developing efforts of the red eye product. The increase in research and development expenses in 2021 compared to 2022, is mainly due to the clinical trial in India with regards to the dry eye product.
General and administrative expenses	(132)	(139)	(140)	The general and administrative expenses comprise mainly from management fees to BioLight.
Financing expenses, net	(17)	(87)	(14)	The change in the financing expenses is mainly due to changes in the liability in respect of governmental grants received, mainly due to currency exchange differences.
Loss of the year	**(1,153)**	**(1,187)**	**(1,504)**	
Other comprehensive income (loss)	(5)	(68)	31	The change in other comprehensive loss is mainly due to the currency exchange difference between the Functional Currency of the Company (U.S dollar) and the presentation currency (Canadian dollars).
Comprehensive loss for the year	**(1,158)**	**(1,255)**	**(1,473)**	
Basic and diluted net loss per share	**(2.12)**	**(2.31)**	**(3.04)**	

LIQUIDITY AND CAPITAL RESOURCES

Summary of Statements of cash flows

	Year ended December 31, 2023 (audited) (C$, thousands)	Year ended December 31, 2022 (audited) (C$, thousands)	Year ended December 31, 2021 (audited) (C$, thousands)	Explanation to material changes (C$, thousands)
Cash	275	98	519	The increase in cash in the year 2023 compared to 2022 is mainly due to equity investment through private placements transactions in the Company offsetting by expenses incurred for current operating activities.
Net cash used in operating activities	(1,033)	(728)	(1,472)	The increase in net cash used for the years are mainly used for the research and development expenses and the on-going operations.
Net cash used in investment activity	(515)	(38)	(239)	The increase in net cash used in investment activity is primarily due to purchase of property and equipment, mainly for the production line.
Net cash provided by financing activity	1,731	373	655	The increase in net cash provided by financing activity is mainly due to equity financing through private placements transactions by Ordinary Share issuance in the year 2023 in the amount of $1,819.

The Company's future capital requirements will depend on many factors including, without limitation, the scope of the Company's research and efforts, the results of the clinical studies that comprise those efforts, the Company's ability to successfully manage its development partners, the Company's ability to grow its business and the Company's ability to conclude licensing or partnering agreements. If the development of the products proceeds as planned, and the scientific results of the planned development work are positive, the Company expects to be in a strong position to attract new investment and/or obtain additional financing. However, financial market and other conditions may result in the Company not being able to secure the additional financing needed to complete the development of any of its assets on terms acceptable to the Company, or at all.

As of December 31, 2023, the Company had no commitments for capital expenditures and no sources of financing arranged-but-not-used.

Equity Investments

To date, the Company's activities have been funded primarily by equity investments through private placements transactions from its major shareholder.

During the years ended December 31, 2023, 2022 and 2021, the Company raised total amount of $1,819, $466 and $748 thousands, respectively, in equity financing through private placements transaction.

From December 31, 2023 and as of the date of these report, the Company raised total amount of $416 thousands in further equity financing through private placements transaction.

For more information about the Company's equity financing, see Note 10 to the Financial Statements as of December 31, 2023.

Governmental grants

Through December 31, 2023, the Company has been receiving grants in respect of participation in research and development from the Israeli Innovation Authority ("**IIA**"), in a total amount of $600 thousands, including interest. In return, the Company undertook to pay royalties at a rate of 3% - 3.5% of the revenues that will be derived from the know-how and technology to be developed as part of the projects in respect of which such financing was received.

In January 2024, after the balance sheet date, the Company was entitled to participation in research and development from the IIA in total amount of $365 under new approval, under which in January 2024 an amount of $182 thousands was received.

For more information about the Company's governmental grants, see Note 9 to the Financial Statements as of December 31, 2023.

Going concern

As described above, the Company's auditor's draw attention to Note 1B to the Financial Statements, which indicates that the Company had an accumulated deficit of $12,272 thousands as of December 31, 2023 and incurred a comprehensive losses and had negative cash flows from operations throughout all periods since its inception. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern**.**

The Company's ability to raise funds from various sources depends substantially on the success of its ongoing research and development programs, economic conditions, and the state of the life sciences industry. Accessing the capital markets can be particularly challenging for companies that operate in the life sciences industry. There can be no assurance that additional funding by way of equity financing will continue to be available. Any additional equity financing, if secured, would result in dilution to the existing shareholders and such dilution may be significant. The Company may also seek additional funding from or through other sources, including technology licensing, co-development collaborations, mergers and acquisitions, joint ventures, and other strategic alliances, which, if obtained, may reduce the Company's interest in its projects or products or result in significant dilution to existing shareholders. There can be no assurance, however, that any alternative sources of funding will be available. The failure of the Company to obtain additional financing on a timely basis may result in the Company reducing, delaying, or cancelling one or more of its planned research, development and/or marketing programs, including clinical trials, further reducing overhead, or monetizing non-core assets, any of which could impair the current and future value of the business or cause the Company to consider ceasing operations and undergoing liquidation.

The Company does not have any credit facilities and is therefore not subject to any externally imposed capital requirements or covenants. The Company manages its liquidity risk by continuously monitoring forecasts and actual cash flow from operations and anticipated investment and financing activities.

There have been no changes to the Company's approach to capital management during the year ended December 31, 2023.

OFF BALANCE SHEET ARRANGEMENTS

The Company has not entered any off-balance sheet transactions that have, or are reasonably likely to have, a current or future effect on the financial performance of financial condition of the Company.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND USE OF ESTIMATES

The preparation of audited Financial Statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, if any, at the date of the Financial Statements, and the reported amount of expenses during the reporting period. Actual results may vary from the current estimates. these estimates are reviewed periodically and, as adjustments become necessary, they are reported in income in the year in which such adjustments become known. Significant estimates in the Financial Statements include capitalization of development costs, Impairment assessment of Non-Monetary assets and liability in respect of government grants.

A summary of the Company's material accounting policies and the significant accounting estimates and considerations, are described in Note 3 and 4, respectively, to the Financial Statements as of December 31, 2023.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The Company has not changed any accounting policy during the years ended December 31, 2023, 2022 and 2021. All the accounting policies (including accounting policies that were initially adopted) are described in Note 3 to the Financial Statements as of December 31, 2023.

PROPOSED TRANSACTION

On August 17, 2023, the Company entered the SEA with BioLight, as majority shareholder of the Company, and Oceanview. Based on the terms of the SEA, subject to achievement of certain conditions, the shareholders of the Company will exchange their Ordinary Shares for common shares in the capital of the resulting issuer, representing approximately 60% of the issued and outstanding shares of the resulting issuer that will be listed on the CSE. According to the provisions of the SEA, the completion date of the Reverse Takeover Transaction is expected to be in the fourth quarter of the year 2024.

Upon completion of the Reverse Takeover Transaction, the Company will become a wholly-owned subsidiary of Oceanview with Oceanview continuing to be governed by the *Business Corporations Act* (British Columbia) and the Company continuing to be governed by the Israeli Corporation Act.

Oceanview anticipates filing an application to have its common shares listed on the CSE. As of the date hereof, the CSE has not conditionally approved Oceanview's listing application and there is no assurance that it will do so.

RELATED PARTY TRANSACTIONS

The Company's key management personnel consist of those people having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined

that its key management personnel consist of members of the board of directors and executive officers (currently the Company's CEO and VP technology).

The Company entered into management service fee agreements with BioLight, under which the Company is charged in monthly service fee of NIS 50 thousands (approximately $19 thousands) for certain services provided by them, which include, inter alia, costs related to customary management services and office and lab lease (till February 2024).

In July 2023, the Company entered into an amendment to the management service fee agreement, according to which upon the success completion of its listing on the CSE, the monthly service fee shall be increased up to total amount of NIS 80 thousands (approximately $31 thousands).

During the years ended December 31, 2023, 2022 and 2021, the Company paid management fees in the amount of $220, $232 and $233 thousands, respectively.

The remuneration of directors [(1)] and key management personnel [(2)] during the periods ended December 31, 2023, 2022 and 2021, is set out below:

Related Party Reconciliation	**Year Ended December 31, 2023** **(C$, thousands)**	**Year Ended December 31, 2022[(3)]** **(C$, thousands)**	**Year Ended December 31, 2021 [(4)]** **(C$, thousands)**
Salaries and benefits	512	296	316
Share-based compensation	21	24	26
Total Compensation	**533**	**320**	**342**

Notes:

(1) The Company's directors are not compensated.
(2) The amounts represent the CEO's and VP technology compensation.
(3) On October 2022, Shimon Gross was appointed to the Company CEO replacing Amos Sommer as acting CEO from September 2021.
(4) Dr. Eran Eilat was the Company CEO till September 2021.

As of December 31, 2023, accounts payable and accrued liabilities included accrued executive salaries, management fees to BioLight and short-term benefits of $191 thousands (2022 - $192 thousands).

On May 30, 2023, the Company entered into a warrant cancellation agreement with Biolight pursuant to which all warrants issued to Biolight under the share purchase agreement between Biolight, Elcam Medical Ltd. and the Company dated October 15, 2022, were cancelled.

On July 24, 2023, Biolight acquired 7,040 Ordinary Shares at a price per Ordinary Share of US$32.76 for aggregate consideration of US$230,630. Following acquisition of the Ordinary Shares, Biolight held directly 429,148 Ordinary Shares, representing 76.8% of the issued and outstanding Ordinary Shares.

On November 23, 2023, Biolight acquired 6,758 Ordinary Shares at a price per Ordinary Share of US$32.76 for aggregate consideration of US$221,400. Following acquisition of the Ordinary Shares, Biolight held directly 435,906 Ordinary Shares, representing 76.9% of the issued and outstanding Ordinary Shares.

On September 29, 2024, Biolight acquired 3,663 Ordinary Shares at a price per Ordinary Share of US$32.76 for aggregate consideration of US$120 thousands. Following acquisition of the Ordinary Shares, Biolight held directly 439,569 Ordinary Shares, representing 76.3% of the issued and outstanding Ordinary Shares.

OUTSTANDING SHARE DATA

As of December 31, 2023, there were 566,566 Ordinary Shares, share options in respect of 29,318 Ordinary Shares. As of the date of this MD&A, there were 575,846 Ordinary Shares and share options in respect of 31,718 Ordinary Shares outstanding.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, other current assets, accounts payable, accrued liabilities and liability in respect of government grants. Financial assets and financial liabilities are measured on an ongoing basis at fair value or amortized cost. See also Note 15 to the Financial Statements as of December 31, 2023.

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 cash, other current assets, accounts payable and accrued liabilities approximate their carrying value, which is the amount recorded on the statement of financial position. In addition, the Company has a liability in respect of government grants that is measured at the initial recognition date at fair value and in subsequent periods at the amortized cost using the effective interest method. Taking into consideration that there has not been a significant change in the discount rate used for recognition of both liability and the current discount rate, the balance constitutes an approximation of fair value.

The Company's financial instruments expose it to certain financial risks, including credit risk, liquidity risk, interest rate risk and currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As of December 31, 2023, the Company did not have any financial instruments subject to any material interest rate risk. For additional information, please refer to Note 15A(2)A to the Financial Statements as of December 31, 2023.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with a major bank in Israel. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. Credit risk related to cash is assessed as low. For additional information, please refer to Note 15A(2)B to the Financial Statements as of December 31, 2023.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. As of December 31, 2023, the Company had working capital deficit of $43 thousands. For additional information, please refer to Note 15A(2)C to the Financial Statements as of December 31, 2023.

Currency exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Functional Currency of the Company is USD, and, as such, the Company is exposed to currency exchange risk due to fluctuations in foreign exchange rates against the Canadian dollar. For additional information, please refer to Note 15A(2)D to the Financial Statements as of December 31, 2023.

KEY DEVELOPMENTS SUBSEQUENT TO DECEMBER 31, 2023

In January 2024, after the balance sheet date, the Company was entitled to participation in research and development from the IIA in total amount of $365 thousands under new approval, under which in January 2024 an amount of $182 thousands was received by the Company.

In June 2024, the Company entered into 2024 Share Purchase Agreement with existing shareholders, Elcam Medical Ltd., under which the Company issued 4,121 Ordinary Shares for total consideration of USD 135 thousands (approximately C$185 thousand), which represents purchase price of USD 32.76 per share.

In September 2024, BioLight and Elcam partially exercised their option under the 2023 SPA, under which the Company issued an aggregate amount of 5,159 Ordinary Shares for total consideration of USD 169 thousands (approximately $231 thousands), which representing purchase price of USD 32.76 per share.

All the significant events after the balance sheet date are described in Note 17 to the Financial Statements as of December 31, 2023.

RISKS AND UNCERTAINTIES

In addition to the other information included in this report, readers should consider carefully the risk factors contained in the preliminary prospectus of the Company under "Risk Factors", which describe the risks, uncertainties and other factors that may materially and adversely affect the Company's business, products, financial condition and operating results. There are many factors that affect the Company's business and results of operations, some of which are beyond the Company's control.

For a discussion of risk factors, please refer to the preliminary prospectus of the Company under "Risk Factors" therein. The preliminary prospectus dated October 8, 2024, is available under the Oceanview Technologies Inc.'s profile on SEDAR+ at www.sedarplus.ca.

DiagnosTear

Management's Discussion and Analysis

for the six-month period ended June 30, 2024

(Expressed in Canadian Dollars)

Prepared as of September 29, 2024

ABOUT THIS MD&A

The following management's discussion and analysis ("**MD&A**") of financial condition and results of operations of DiagnosTear Ltd. (the "**Company**", "**DiagnosTear**") should be read in conjunction with the Company's unaudited interim financial statements for the six months period ended June 30, 2024, and the accompanying notes thereto (the "**Financial Statements**"), which have been prepared in accordance with International IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IFRS Accounting Standards**"). This MD&A has been prepared as of September 29, 2024, pursuant to the disclosure requirements under National Instrument 51-102 - *Continuous Disclosure Obligations* of the Canadian Securities Administrators. Additional information relating to DiagnosTear Ltd. is available on SEDAR+ at www.sedarplus.ca.

This MD&A was approved by the board of directors of the Company on September 29, 2024.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains certain statements which may constitute "forward-looking information" and "forward-looking statements" within the meaning of Canadian securities law requirements (collectively, "**forward-looking statements**" or "**FLS**"). These forward-looking statements are made as of the date of this MD&A and the Company does not intend, and does not assume any obligation, to update these FLS, except as required under applicable securities legislation. FLS relate to future events or future performance and reflect Company management's expectations or beliefs regarding future events. In certain cases, FLS can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. In this document, certain forward-looking statements are identified by words including "may", "future", "expected", "intends" and "estimates". By their very nature FLS involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the FLS. The Company provides no assurance that FLS will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on FLS.

The Company's anticipated future operations are forward-looking in nature and, as a result, are subject to certain risks and uncertainties. Although the Company believes that the expectations reflected in these FLS are reasonable, undue reliance should not be placed on them as actual results may differ materially from the forward-looking statements. Such FLS are estimates reflecting the Company's best judgment based upon current information and involve a number of risks and uncertainties, and there can be no assurance that other factors will not affect the accuracy of such forward-looking statements.

BUSINESS OVERVIEW

Description of the Business

The Company was incorporated under the laws of Israel on February 6, 2012. The head office and registered office of the Company is located at Menahem Plaut 10 Rehovot, Israel.

The Company 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. In 2019, it was confirmed that the product for Dry Eye Syndrome, based on the aforesaid TeaRx technology, conforms to the standard standardized under the CE mark, under which the Company may market and sell the TeaRx technology in all countries adopting the European regulatory standard under the CE mark.

Proposed Acquisition Transaction

On August 17, 2023, the Company entered into an arms length share exchange agreement (the "**SEA**") with Biolight Life Sciences Ltd. ("**Biolight**"), as majority shareholder of the Company, and Oceanview Technologies Inc. ("**Oceanview**"). Based on the terms of the SEA, subject to achievement of certain conditions, the shareholders of the Company will exchange their ordinary shares in the capital of the Company (the "**Ordinary Shares**") for common shares in the capital of the combined company (the "**Resulting Issuer**"), representing approximately 60% of the issued and outstanding shares of Resulting Issuer (the "**Reverse Takeover Transaction**") that will be listed on the Canadian Stock Exchange ("**CSE**"). According to the provisions of the SEA, the completion date of the Reverse Takeover Transaction is expected to be in the fourth quarter of the year 2024.

OVERALL FINANCIAL PERFORMANCE

The Financial Statements have been prepared on a going concern basis in accordance with IFRS Accounting Standards. The Company prepares its financial statements in accordance with the currency of the country and principal economic environment in which it operates, which constitutes the functional currency from which it is primarily affected (the "**Functional Currency**"). Management has determined that the Functional Currency of the Company is the U.S. dollar ("**USD**"). The Financial Statements are presented in Canadian dollars ("**C$**"). Consequently, in accordance with IAS 21, "Accounting for Foreign Exchange Rates", results of operations were translated into Canadian dollar using the actual action date currency rate and assets and liabilities were translated into Canadian dollar using currency rates at period end. Foreign currency translation adjustments are recorded as a component of accumulated other comprehensive income within shareholders' equity.

The Company draw attention to Note 1C to the Financial Statements, which indicates that the Company had an accumulated deficit of $12,791 thousands as of June 30, 2024 and incurred a comprehensive losses and had negative cash flows from operations throughout all periods since its inception. These events or conditions, along with other matters as set forth in Note 1C, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The Company draw attention to the material uncertainty related to going concern in the Auditor's report in the audited financial statements for the year ended December 31,2023.

SELECTED INTERIM INFORMATION

The selected financial information provided below is derived from the Company's Financial Statements.

Summary of Statements of Financial Position

	As of June 30, 2024 (unaudited) (C$, thousands)	As of December 31, 2023 (audited) (C$, thousands)	Explanation to material changes (C$, thousands)
Current Assets	264	286	The current assets comprised mainly from cash. The Decrease in cash in the six-months ended June 30, 2024 compared to 2023 is mainly due to expenses paid for current operating activity offset by equity investment in the Company.
Non-current Assets	1,441	1,527	The non-current assets comprised mainly from property and equipment, net in the amounts of $1,285 and $1,503 as of June 30, 2024, and December 31, 2023, respectively. The Decrease in non-current assets resulted primarily from decrease in property and equipment net (mainly due to indemnity received from Elcam in the production line) which is offset by increase in right to use asset related to the new office lease term in Rehovot.
Total Assets	**1,705**	**1,813**	
Current liabilities	484	329	The current liabilities in June 2024 comprised mainly from (i) liability to Biolight in the amount of $248 (2023 - $175) due to management fees, (ii) employees and payroll accruals in the amount of $83 (2023 - $74) and (iii) accrued expenses in the amount of $52 (2023 - $42). The increase in the current liabilities resulted primarily from the above fluctuations and due to current maturities of lease liability with the signing of a new office and lab lease agreement in Rehovot.
Non-current liabilities	367	305	The non-current liabilities represent governmental grants received from the Israeli Innovation Authority. The increase in mainly due to a new grant received in January 2024.
Total liabilities	**851**	**634**	
Shareholders' equity	**854**	**1,179**	The decrease in the shareholders' equity in June 2024 compared to 2023, is mainly due to the loss incurred during the period of six-months ended June 30, 2024, in the amount of $519, offset by equity financing through private placements transactions by Ordinary Share issuance in the amount of $185.

DISCUSSION OF OPERATIONS

Summary of Statements of loss and comprehensive loss

	For the three months ended June 30, 2024 (unaudited) (C$, thousands)	For the three months ended June 30, 2023 (unaudited) (C$, thousands)	For the six months ended June 30, 2024 (unaudited) (C$, thousands)	For the six months ended June 30, 2023 (unaudited) (C$, thousands)	Explanation to material changes
Research and development expenses	(317)	(313)	(483)	(531)	The decrease in the six months ended June 2024 compared to June 2023, is mainly due to a governmental grant received in January 2024 from the IIA in the amount of C$137 recorded as a decrease of expenses.
General and administrative expenses	(33)	(34)	(59)	(68)	The general and administrative expenses comprise mainly from management fees to Biolight.
Financing expenses, net	13	20	23	(13)	The change in the financing expenses is mainly due to changes in the liability in respect of governmental grants received, mainly due to currency exchange differences.
Loss of the year	(337)	(327)	(519)	(612)	
Other comprehensive income (loss)	(13)	(34)	1	(48)	The change in other comprehensive loss is mainly due to the currency exchange difference between the Functional Currency of the Company (U.S dollar) and the presentation currency (Canadian dollars).
Comprehensive loss for the year	**(350)**	**(361)**	**(518)**	**(660)**	
Basic and diluted net loss per share	**(0.59)**	**(0.60)**	**(0.92)**	**(1.13)**	

LIQUIDITY AND CAPITAL RESOURCES

Summary of Statements of cash flows

	Six-months ended June 30, 2024 (unaudited) (C$, thousands)	Six-months ended June 30, 2023 (unaudited) (C$, thousands)	Explanation to material changes (C$, thousands)
Cash	256	56	The increase in cash in the six-months ended June 2024 compared to 2023 is mainly due to equity investment through private placements transactions in the Company and governmental grants from IIA offsetting by expenses incurred for current operating activities.
Net cash used in operating activities	(520)	(579)	The change in net cash for the years are mainly used for the research and development expenses and the on-going operations.
Net cash used in investment activity	185	(528)	The positive in net cash used for investment activity in the six-months ended June 2024, is primarily due to indemnity received from Elcam in the production line. The negative in net cash used for investment activity in the six-months ended June 2023, is due to additional investment in the production line.
Net cash provided by financing activity	316	1,071	The decrease in net cash provided by financing activity is mainly due to equity financing through private placements transactions by Ordinary Share issuance in the six-months period ended June 2024 in the amount of $185 compared to June 2023 in the amount of $1,116.

The Company's future capital requirements will depend on many factors including, without limitation, the scope of the Company's research and efforts, the results of the clinical studies that comprise those efforts, the Company's ability to successfully manage its development partners, the Company's ability to grow its business and the Company's ability to conclude licensing or partnering agreements. If the development of the products proceeds as planned, and the scientific results of the planned development work are positive, the Company expects to be in a strong position to attract new investment and/or obtain additional financing. However, financial market and other conditions may result in the Company not being able to secure the additional financing needed to complete the development of any of its assets on terms acceptable to the Company, or at all.

As of June 30, 2024, the Company had no commitments for capital expenditures and no sources of financing arranged-but-not-used.

Equity Investments

To date, the Company's activities have been funded primarily by equity investments through private placements transactions from its major shareholder and governmental grants from IIA.

During the six-months ended June 30, 2024, the Company raised total amount of $185 thousands in further equity financing through private placements transaction.

In September 2024, BioLight and Elcam partially exercised their option under the 2023 SPA, under which the Company issued an aggregate amount of 5,159 Ordinary Shares for total consideration of USD 169 thousands (approximately $231 thousands), which representing purchase price of USD 32.76 per share.

For more information about the Company's equity financing, see Note 10 and Note 3A to the Financial Statements as of December 31, 2023 and as of June 30, 2024, respectively.

Governmental grants

Through December 31, 2023, the Company has been receiving grants in respect of participation in research and development from the Israeli Innovation Authority ("**IIA**"), in a total amount of $600 thousands, including interest. In return, the Company undertook to pay royalties at a rate of 3% - 3.5% of the revenues that will be derived from the know-how and technology to be developed as part of the projects in respect of which such financing was received.

In January 2024, the Company was entitled to participation in research and development from the IIA in total amount of $365 thousands under new approval, under which in January 2024 an amount of approximately $182 thousands was received.

The Company recognized a liability in respect of this grant at the initial recognition date in an amount equal to the fair value of the liability, based on the present value of the royalty payments payable to the IIA as a percentage of sales, discounted at a discount rate of 28%, as assessed by the Company's management. The difference between the amount of the grant received and the amount recognized as a liability, as above, was carried to profit and loss against research and development expenses. During the period of six months ended June 30, 2024, an amount of $137 thousands was recognized in profit or loss, as grants.

Going concern

The Company draw attention to Note 1C to the Financial Statements, which indicates that the Company had an accumulated deficit of $12,791 thousands as of June 30, 2024 and incurred a comprehensive losses and had negative cash flows from operations throughout all periods since its inception. These events or conditions, along with other matters as set forth in Note 1C, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The Company draws attention to the material uncertainty related to going concern in the Auditor's report in the audited financial statements for the year ended December 31,2023.

The Company's ability to raise funds from various sources depends substantially on the success of its ongoing research and development programs, economic conditions, and the state of the life sciences industry. Accessing the capital markets can be particularly challenging for companies that operate in the life sciences industry. There can be no assurance that additional funding by way of equity financing will continue to be available. Any additional equity financing, if secured, would result in dilution to the existing shareholders and such dilution may be significant. The Company may also seek additional funding from or through other sources, including technology licensing, co-development collaborations, mergers and acquisitions, joint ventures, and other strategic alliances, which, if obtained, may reduce the Company's interest in its projects or products or result in significant dilution to existing shareholders. There can be no assurance, however, that any alternative sources of funding will be available. The failure of the Company to obtain additional financing on a timely basis may result in the Company reducing, delaying, or cancelling one

or more of its planned research, development and/or marketing programs, including clinical trials, further reducing overhead, or monetizing non-core assets, any of which could impair the current and future value of the business or cause the Company to consider ceasing operations and undergoing liquidation.

The Company does not have any credit facilities and is therefore not subject to any externally imposed capital requirements or covenants. The Company manages its liquidity risk by continuously monitoring forecasts and actual cash flow from operations and anticipated investment and financing activities.

There have been no changes to the Company's approach to capital management during the six-months ended June 30, 2024.

OFF BALANCE SHEET ARRANGEMENTS

The Company has not entered any off-balance sheet transactions that have, or are reasonably likely to have, a current or future effect on the financial performance of financial condition of the Company.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND USE OF ESTIMATES

The preparation of audited Financial Statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, if any, at the date of the Financial Statements, and the reported amount of expenses during the reporting period. Actual results may vary from the current estimates. these estimates are reviewed periodically and, as adjustments become necessary, they are reported in income in the year in which such adjustments become known. Significant estimates in the Financial Statements include capitalization of development costs, Impairment assessment of Non-Monetary assets and liability in respect of government grants.

A summary of the Company's material accounting policies is described in Note 3 to the Financial Statements as of December 31, 2023, and in Note 2 to the Financial Statements as of June 30, 2024.

A summary of the Company's significant accounting estimates and considerations is described in Note 4 to the Financial Statements as of December 31, 2023.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The Company has not changed any accounting policy during the years ended December 31, 2023, 2022 and 2021. All the accounting policies (including accounting policies initially adopted) are described in Note 3 to the Financial Statements as of December 31, 2023 and in Note 2 to the Financial Statements as of June 30, 2024.

PROPOSED TRANSACTION

On August 17, 2023, the Company entered the SEA with Biolight, as majority shareholder of the Company, and Oceanview. Based on the terms of the SEA, subject to achievement of certain conditions, the shareholders of the Company will exchange their Ordinary Shares for common shares in the capital of the Resulting Issuer, representing approximately 60% of the issued and outstanding shares of the Resulting Issuer that will be listed on the CSE. According to the provisions of the SEA, the completion date of the Reverse Takeover Transaction is expected to be in the fourth quarter of the year 2024.

Upon completion of the Reverse Takeover Transaction, the Company will become a wholly-owned subsidiary of Oceanview with Oceanview continuing to be governed by the *Business Corporations Act* (British Columbia) and the Company continuing to be governed by the Israeli Corporation Act.

Oceanview anticipates filing an application to have its common shares listed on the CSE. As of the date hereof, the CSE has not conditionally approved Oceanview's listing application and there is no assurance that it will do so.

RELATED PARTY TRANSACTIONS

The Company's key management personnel consist of those people having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that its key management personnel consist of members of the board of directors and executive officers (currently the Company's CEO and VP technology).

The Company entered into management service fee agreements with Biolight, under which the Company is charged in monthly service fee of NIS 50 thousands (approximately $19 thousands) for certain services provided by them, which include, inter alia, costs related to customary management services and office and lab lease (till February 2024).

In July 2023, the Company entered into an amendment to the management service fee agreement, according to which upon the success completion of its listing on the CSE, the monthly service fee shall be increased up to total amount of NIS 80 thousands (approximately $31 thousands).

During the six months ended June 30, 2024 and 2023, the Company paid management fees in the amount of $59 and $68 thousands, respectively.

The remuneration of directors [(1)] and key management personnel [(2)] during the six-months ended June 30, 2024 and 2023, is set out below:

Related Party Reconciliation	**Six-months ended June 30, 2024 (C$, thousands)**	**Six-months ended June 30, 2023 (C$, thousands)**
Salaries and benefits	286	264
Share-based compensation	7	17
Total	**293**	**132**

Notes:

(1) The Company's directors are not compensated.
(2) The amounts represent the CEO's and VP technology compensation.

As of June 30, 2024, accounts payable and accrued liabilities included accrued executive salaries, management fees to Biolight and short-term benefits of $264 thousands (December 31, 2023 - $191 thousands).

On May 30, 2023, the Company entered into a warrant cancellation agreement with Biolight pursuant to which all warrants issued to Biolight under the share purchase agreement between Biolight, Elcam Medical Ltd. and the Company dated October 15, 2022, were cancelled.

On July 24, 2023, Biolight acquired 7,040 Ordinary Shares at a price per Ordinary Share of US$32.76 for aggregate consideration of US$230,630. Following acquisition of the Ordinary Shares, Biolight held directly and indirectly 429,148 Ordinary Shares, representing 76.8% of the issued and outstanding Ordinary Shares.

On November 23, 2023, Biolight acquired 6,758 Ordinary Shares at a price per Ordinary Share of US$32.76 for aggregate consideration of US$221,400. Following acquisition of the Ordinary Shares, Biolight held directly and indirectly 435,906 Ordinary Shares, representing 76.9% of the issued and outstanding Ordinary Shares.

On September 29, 2024, Biolight acquired 3,663 Ordinary Shares at a price per Ordinary Share of US$32.76 for aggregate consideration of US$120 thousands. Following acquisition of the Ordinary Shares, Biolight held directly 439,569 Ordinary Shares, representing 76.3% of the issued and outstanding Ordinary Shares.

OUTSTANDING SHARE DATA

As of June 30, 2024, there were 570,687 Ordinary Shares and share options in respect of 31,718 Ordinary Shares outstanding. As of the date of this MD&A, there were 575,846 Ordinary Shares and share options in respect of 31,718 Ordinary Shares outstanding.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, other current assets, accounts payable, accrued liabilities and liability in respect of government grants. Financial assets and financial liabilities are measured on an ongoing basis at fair value or amortized cost. See also Note 15 to the Financial Statements as of December 31, 2023.

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 cash, other current assets, accounts payable and accrued liabilities approximate their carrying value, which is the amount recorded on the statement of financial position. In addition, the Company has a liability in respect of government grants that is measured at the initial recognition date at fair value and in subsequent periods at the amortized cost using the effective interest method. Taking into consideration that there has not been a significant change in the discount rate used for recognition of both liability and the current discount rate, the balance constitutes an approximation of fair value.

The Company's financial instruments expose it to certain financial risks, including credit risk, liquidity risk, interest rate risk and currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As of June 30, 2024, the Company did not have any financial instruments subject to any material interest rate risk. For additional information, please refer to Note 15A(2)A to the Financial Statements as of December 31, 2023.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with a major bank in Israel. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. Credit risk related to cash is assessed as low. For additional information, please refer to Note 15A(2)B to the Financial Statements as of December 31, 2023.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, considering its anticipated cash flows from operations and its holdings of cash. As of June 30, 2024, the Company had working capital deficit of $220 thousands (December 31, 2023 - $43 thousands). For additional information, please refer to Note 15A(2)C to the Financial Statements as of December 31, 2023.

Currency exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Functional Currency of the Company is USD, and, as such, the Company is exposed to currency exchange risk due to fluctuations in foreign exchange rates against the Canadian dollar. For additional information, please refer to Note 15A(2)D to the Financial Statements as of December 31, 2023.

KEY DEVELOPMENTS SUBSEQUENT TO JUNE 30, 2024

In September 2024, BioLight and Elcam partially exercised their option under the 2023 SPA, under which the Company issued an aggregate amount of 5,159 Ordinary Shares for total consideration of USD 169 thousands (approximately $231 thousands), which representing purchase price of USD 32.76 per share.

All the significant events after the balance sheet date are described in Note 3 to the Financial Statements as of June 30, 2024.

RISKS AND UNCERTAINTIES

In addition to the other information included in this report, readers should consider carefully the risk factors contained in the preliminary prospectus of the Company under "Risk Factors", which describe the risks, uncertainties and other factors that may materially and adversely affect the Company's business, products, financial condition and operating results. There are many factors that affect the Company's business and results of operations, some of which are beyond the Company's control.

For a discussion of risk factors, please refer to the preliminary prospectus of the Company under "Risk Factors" therein. The preliminary prospectus dated October 8, 2024, is available under the Oceanview Technologies Inc.'s profile on SEDAR+ at www.sedarplus.ca.

APPENDIX C

PRO FORMA FINANCIAL STATEMENTS

OCEANVIEW TECHNOLOGIES INC.

PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF JUNE 30, 2024

Expressed in Canadian dollars in thousands

(Unaudited)

Oceanview Technologies Inc.
Pro Forma Consolidated Statement of Financial Position
As at June 30, 2024

	Historical Oceanview Technologies Inc.	Historical Diagnostear Ltd.	Notes	Proforma Adjustments	Proforma Consolidated
Assets					
Current					
Cash and cash equivalents	53	256	3(e)	3,527	3,785
			3(d)	231	
			3(c)	(209)	
			3(e)	(247)	
Other current assets	2	8		-	10
Total current assets	**55**	**264**		**3,302**	**3,621**
Non-current					
Long term deposit	-	31		-	31
Right to use asset, net	-	125		-	125
Property and equipment, net	-	1,285		-	1,285
Total non-current assets	**-**	**1,441**		**-**	**1,441**
Total assets	**55**	**1,705**		**3,302**	**5,062**
Liabilities					
Current liabilities					
Trade payables	319	18		-	337
Current maturity of lease liability	-	83		-	83
Other current liabilities	-	383		-	383
Total current liabilities	**319**	**484**		**-**	**803**
Non-current liabilities					
Lease liability	-	45		-	45
Liability in respect of government grants	-	322		-	322
Total non-current liabilities	**-**	**367**		**-**	**367**
Shareholders' equity					
Share capital and premium	187	13,571	3(b)	(187)	32,067
			3(d)	231	
			3(a)	17,597	
			3(e)	3,527	
			3(b)	(3,071)	
			3(e)	212	
Capital reserves	-	74		-	74
Accumulated deficit	(451)	(12,791)	3(b)	451	(28,249)
			3(e)	(459)	
			3(a)	(14,790)	
			3(c)	(209)	
Total shareholders' equity (deficit)	**(264)**	**854**		**3,302**	**3,892**
Total liabilities and shareholders' equity	**55**	**1,705**		**3,302**	**5,062**

The accompanying notes are an integral part of these pro forma financial statements

Oceanview Technologies Inc.
Pro Forma Consolidated Statement of Loss and Comprehensive Loss
For the Period of Six Months Ended June 30, 2024

	Historical Oceanview Technologies Inc.	Historical Diagnostear Ltd.	Notes	Pro forma adjustments	Pro forma consolidated
Research and development expenses	-	(483)		-	(483)
General and administrative expenses	(183)	(59)		-	(242)
Operating loss	**(183)**	**(542)**		**-**	**(725)**
Financing expenses	-	(7)		-	(7)
Financing income	-	30		-	30
			3(c)	(209)	(15,458)
			3(e)	(459)	
			3(a)	(14,790)	
Loss for the period	**(183)**	**(519)**		**(15,458)**	**(16,160)**
Other comprehensive income	-	1			1
Comprehensive loss	**(183)**	**(518)**		**(15,458)**	**(16,159)**
Basic and diluted net loss per common share	(0.01)	(0.02)			(0.28)
Weighted average number of common shares outstanding used in computing diluted net loss per share	17,200,100	34,659,220			58,655,002

The accompanying notes are an integral part of these pro forma financial statements

Oceanview Technologies Inc.
Pro Forma Consolidated Statement of Loss and Comprehensive Loss
For the Year Ended December 31, 2023

	Historical Oceanview Technologies Inc.	Historical Diagnostear Ltd.	Notes	Pro forma adjustments	Pro forma consolidated
Research and development expenses	-	(1,003)		-	(1,003)
General and administrative expenses	(260)	(133)		-	(393)
Operating loss	**(260)**	**(1,136)**		**-**	**(1,396)**
Financing expenses	-	(30)		-	(30)
Financing income	-	13		-	13
			3(c)	(209)	(15,458)
			3(e)	(459)	
			3(a)	(14,790)	
Loss for the period	**(260)**	**(1,153)**		**(15,458)**	**(16,871)**
Other comprehensive income	-	(5)			(5)
Comprehensive loss	**(260)**	**(1,158)**		**(15,458)**	**(16,876)**
Basic and diluted net loss per common share	(0.02)	(0.03)			(0.29)
Weighted average number of common shares outstanding used in computing diluted net loss per share	15,181,198	33,189,825			58,655,002

The accompanying notes are an integral part of these pro forma financial statements

Oceanview Technologies Inc.
Notes to the Pro Forma Consolidated Financial Statements

1. Description of Acquisition

In August 2023, Oceanview Technologies Inc. ("Oceanview") entered into a Share Exchange Agreement (the "SEA") with DiagnosTear Ltd. ("DiagnosTear"), under which Oceanview will acquire all of the issued and outstanding DiagnosTear's Shares in exchange for common shares of Oceanview (the "Transaction").

Pursuant to the terms and conditions of the SEA, at the effective time of the Transaction (the "Effective Time"), each of the holders of the issued and outstanding ordinary shares of DiagnosTear will receive (i) 61.12 shares of the common stock of the combined entity following the Transaction ("Resulting Issuer") for each ordinary share of DiagnosTear they held prior to the Effective Time, or an aggregate of 35,193,001 shares of common stock of the Resulting Issuer at closing (the "Exchange Ratio") and (ii) 3,440,331 warrants that are eligible for exercise to the same number of shares of common stock of the Resulting Issuer at a price of $1.00 per share over a period of 18 months from the date on which the common shares of the Resulting Issuer become listed on the Canadian Stock Exchange ("CSE"). The foregoing Exchange Ratio assumes completion of Concurrent Financing transactions (as defined below).

At the Effective Time, pre-merger Oceanview's shareholders will continue to own and hold their existing shares of common stock and DiagnosTear's shareholders will hold approximately 60% of the outstanding common shares of the Resulting Issuer on a non-diluted basis. Upon completion of the Transaction, Oceanview will hold 100% of the equity interests of DiagnosTear.

2. Basis of preparation

The unaudited pro forma consolidated statement of financial position as of June 30, 2024 is presented as if the Transaction had been completed on June 30, 2024 and combines the historical results of Oceanview and DiagnosTear as of that date. The unaudited pro forma consolidated statement of loss and comprehensive loss for the year ended December 31, 2023 and the six months period ended June 30, 2024 assume that the Transaction occurred on the first day of the periods presented, and combines the historical results of Oceanview and DiagnosTear for the same periods.

The Transaction is accounted for as a reverse merger, under which although Oceanview is the legal acquirer, DiagnosTear is deemed to be the acquirer for accounting purposes on the basis that the former shareholders of DiagnosTear will own approximately 60% of the issued and outstanding common shares of the Resulting Issuer, which means the control of the combined companies passed to the former shareholders of DiagnosTear. Consequently, the unaudited pro-forma financial statements are a continuation of the financial statements of DiagnosTear.

As Oceanview did not qualify as a business according to the definition in IFRS 3 Business Combinations, the reverse merger does not constitute a business combination. Thus, the Transaction is accounted for as an issuance of shares by DiagnosTear for the net assets of Oceanview based on their carrying amounts at the Effective Time of the Transaction. Consideration paid by DiagnosTear for Oceanview's net assets is measured by calculating the number of common shares that DiagnosTear would have had to issue to acquire all of the outstanding shares of Oceanview, in order to provide the same percentage ownership as they have in the Resulting Issuer as a result of the reverse merger. The fair value of Oceanview's common shares is used in measuring the consideration paid and is based on the closing price on the transaction date. Any excess of consideration paid (allocated common shares that were issued to former shareholders of OceanView) over carrying amount of identified assets acquired and liabilities assumed will be charged immediately to profit and loss. A final determination of these estimated fair value will be based on the actual net assets acquired of OceanView that exist as of the Effective Time of the transaction.

The unaudited pro-forma consolidated financial statements has been prepared by management, under its opinion, include all adjustments necessary for fair presentation. No adjustments have been made to reflect additional costs or cost savings that could result from the combination of the operations of DiagnosTear and Oceanview, as management does not anticipate any material costs or cost savings as a result of this transaction.

The unaudited pro forma consolidated financial statements have been prepared for illustration purposes only and may not be indicative of the combined results or financial position had the Transaction been in effect at the date indicated.

3. Pro forma assumptions and adjustments:

The unaudited pro forma consolidated statement of financial position as of June 30, 2024 assumes that the Transaction took place on June 30, 2024 and combines the historical results of OceanView and DiagnosTear as of June 30, 2024. The unaudited pro forma consolidated statements of loss and comprehensive loss for the year ended December 31, 2023 and the six months period ended June 30, 2024 assumes that the Transaction occurred on the first day of each of the periods presented, and combines the historical results of OceanView and DiagnosTear for the same periods.

The unaudited pro forma consolidated financial statements are based on the assumptions and adjustments that are described in the accompanying notes. The unaudited pro forma consolidated financial statements and pro forma adjustments have been prepared based on preliminary estimates. Differences between these preliminary estimates and the final Transaction may occur and these differences could have a material impact on the accompanying unaudited pro forma consolidated financial statements and the consolidated DiagnosTear's future results of operations and financial position. The actual amounts that will be recorded as of the completion of the Transaction may differ materially from the information presented in these unaudited pro forma consolidated financial statements as a result of the timing of the closing of the Transaction; and other changes in the assets and liabilities of OceanView and DiagnosTear that occur prior to the completion of the Transaction.

The unaudited pro forma consolidated financial statements do not give effect to the potential impact of current financial conditions, regulatory matters, operating efficiencies or other savings or expenses that may be associated with the Transaction. The unaudited pro forma consolidated financial statements have been prepared for illustrative purposes only and are not necessarily indicative of the financial position or results of operations in future periods or the results that actually would have been realized had OceanView and DiagnosTear been a consolidated company during the specified periods. The unaudited pro forma consolidated financial statements, including the notes thereto, should be read in conjunction with the audited consolidated financial statements of OceanView and DiagnosTear for the year ended December 31, 2023 and the unaudited interim consolidated financial statements of OceanView and DiagnosTear for the period of six months ended June 30, 2024. All common shares and per share data included in these pro forma consolidated financial statements for all periods presented have been retroactively adjusted to reflect the Exchange Ratio.

<u>Concurrent Financing Transactions</u>

- Subscription Receipts Financing I

  In connection with the Transaction, the parties anticipate completing a non-brokered private placement of up to 3,613,900 subscription receipts of Oceanview at a price of $0.50 per subscription receipt for aggregate gross proceeds of $1,807 (the "First Non-Brokered Private Placement"). Upon satisfaction of certain escrow release conditions in accordance with the terms of a subscription receipt agreement, each subscription receipt will automatically be exchanged for one common share of the Resulting Issuer.

- Subscription Receipts Financing 2

  In connection with the Transaction, the parties anticipate completing a non-brokered private placement of up to 2,293,554 subscription receipts of units of Oceanview at a price of $0.75 per subscription receipt for aggregate gross proceeds of $1,720 (the "Second Non-Brokered Private Placement"). Upon satisfaction of certain escrow release conditions in accordance with the terms of a subscription receipt agreement, each subscription receipts will automatically be exchanged for one common stock and one warrant of the Resulting Issuer. Each Warrant will be eligible for exercise to one common share of the Resulting Issuer at a price of $1.00 per share over a period of 18 months from the date on which the common shares of the Resulting Issuer become listed on the CSE.

The First Non-Brokered Private Placement and Second Non-Brokered Private Placement are collectively referred to as the "Concurrent Financing Transactions".

The unaudited pro forma consolidated financial statements give effect to the following assumptions and adjustments:

(a) Consideration paid by DiagnosTear for Oceanview's net assets is measured by calculating the number of common shares that DiagnosTear would have had to issue to acquire all of the outstanding shares of Oceanview, in order to provide the same percentage ownership as they have in the Resulting Issuer as a result of the reverse merger. The fair value of Oceanview's common shares is used in measuring the consideration paid and is based on the closing price on the Transaction date. The fair value of the consideration paid is summarized as follows:

	In thousands
Issuance of 23,462,001 shares of common stock to shareholders of Oceanview at a price of $0.75 per share	17,597
Total consideration	**$17,597**

The allocation of consideration is as follows:

Cash and cash equivalents (including net proceeds of $3,280 to be received upon completion of the Concurrent Financing Transactions less direct and incremental costs associated with the Transaction of $209)	3,124
Other current assets	2
Trade payables	(319)
Net assets	**$2,807**
Transaction non-recurring costs expensed	**$14,790**

(b) Elimination of the share capital and premium (including net proceeds of $3,071 to be received upon completion of the Transaction and the Concurrent Financing Transactions) and accumulated deficit of Oceanview.

(c) Direct and incremental costs to be paid in cash as associated with the Transaction are estimated in total amount of $209 which are charged immediately to profit and loss.

(d) Prior to the completion of the Transaction, the existing shareholders of DiagnosTear have invested a total amount of $231 for issuance of 5,159 ordinary shares of DiagnosTear.

(e) In connection with the Transaction, 5,907,454 common shares of the Resulting Issuer shares will be issued under the Concurrent Financings Transactions for aggregated gross proceeds of $3,527.

Direct and incremental costs to be paid in cash to finder fee as associated to these Concurrent Financings Transactions amounted to $247 which are charged immediately to profit and loss. In addition, 354,447 common shares will be issued as finder's fees associated with the Concurrent Financings Transactions. The estimated fair value of the common shares is $212 and it is recorded as an increase in share capital and premium versus immediate charge to profit and loss.

For the purpose of these proforma financial statement, it was assumed that warrants associated with the Second Non-Brokered Private Placement are eligible for equity classification under IFRS. Thus, the total proceeds associated with the Concurrent Financing Transactions have been presented as an increase in shareholders' equity.

4. Pro forma share capital:

After giving effect to the pro forma assumptions in Note 3 above, the pro forma share capital of the Resulting Issuer has been determined as follows:

	Number of Shares
Common stock of Oceanview outstanding as of June 30, 2024	17,200,100
Common stock to be issued to shareholders of DiagnosTear through SEA	35,193,001
Common stock to be issued through Concurrent Financing Transactions	5,907,454
Common stock to be issued as Finder's fee through Concurrent Financing Transactions	354,447
	58,655,002

	Number of Dilutive Shares
Options to be held by the shareholders of DiagnosTear	1,938,452
Warrants to be held by the shareholders of DiagnosTear	3,440,331
Warrants to be held by the investors participated in the Second Non-Brokered Private Placement	2,293,554
	7,672,337

APPENDIX D

RESULTING ISSUER AUDIT COMMITTEE CHARTER

I. Purpose

The primary objective of the Audit Committee (the "**Committee**") of Oceanview Technologies Inc. (the "**Company**") is to act as a liaison between the Board and the Company's independent auditors (the "**Auditors**") and to oversee (a) the accounting and financial reporting processes of the Company, including the financial statements and other financial information provided by the Company to its shareholders, the public and others, (b) the Company's compliance with legal and regulatory requirements, (c) the audit of the Company's financial statements, (d) the qualification, independence and performance of the Auditors, and (e) the Company's risk management and internal financial and accounting controls, and management information systems. For greater certainty, references to the financial statements of the Company shall include, where applicable, the financial statements of the Company's subsidiary entities.

Although the Committee has the powers and responsibilities set forth in this Charter, the role of the Committee is oversight. The members of the Committee are not full-time employees of the Company and may or may not be accountants or auditors by profession or experts in the fields of accounting or auditing and, in any event, do not serve in such capacity. Consequently, it is not the duty of the Committee to conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the Auditors.

The responsibilities of a member of the Committee are in addition to such member's duties as a member of the Board.

II. Organization

The majority of the members of the Committee shall be independent directors of the Company and the Committee membership shall satisfy, at a minimum, the laws governing the Company and the independence, financial literacy and financial experience requirements under applicable securities laws, rules and regulations, stock exchange and any other regulatory requirements applicable to the Company.

Members of the Committee must be financially literate as the Board interprets such qualification in its business judgment. No member of the Committee shall have participated in the preparation of the financial statements of the Company or any current subsidiary at any time during the past three years, and all members shall be able to read and understand fundamental financial statements, including a company's balance sheet, income statement and cash flow statement.

The Committee shall consist of three or more directors of the Company, and: (i) in the event the Company is not a “venture issuer” (as defined in National Instrument 52-110 – Audit Committees (“**NI 52-110**”)) at such time, at least a majority of whom shall meet the independence requirements of NI 52-110; or (ii) in the event the Company is a “venture issuer” at such time, at least a majority of whom shall not be executive officers, employees or control persons of the Company or an affiliate of the Company, in each case, except as permitted by applicable regulatory guidelines.. The members of the Committee and the Chair of the Committee shall be appointed by the Board. A majority of the members of the Committee shall constitute a quorum. A majority of the members of the Committee shall be empowered to act on behalf of the Committee. Matters decided by the Committee shall be decided by majority votes. The chair of the Committee shall have an ordinary vote.

Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee as soon as such member ceases to be a director.

The Committee may form and delegate authority to subcommittees when appropriate.

III. Meetings

The Committee shall meet as frequently as circumstances require, but not less frequently than two times per year. The Committee shall meet at least quarterly with management, the Company's financial and accounting officer(s) and the Auditors in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately. Meetings may be held telephonically or other methods of communication to the extent permitted by the Company's organizational documents and applicable Ontario law.

In the absence of the appointed Chair of the Committee at any meeting, the members shall elect a chair from those in attendance at the meeting. The Chair, in consultation with the other members of the Committee, shall set the frequency and length of each meeting and the agenda of items to be addressed at each upcoming meeting.

The Committee will appoint a Secretary who will keep minutes of all meetings. The Secretary may also be the Chief Financial Officer, the Company's Secretary-Treasurer, or the Company's Corporate Secretary or another person who does not need to be a member of the Committee. The Secretary for the Committee can be changed by simple notice from the Chair.

The Chair shall ensure that the agenda for each upcoming meeting of the Committee is circulated to each member of the Committee as well as the other directors in advance of the meeting.

The Committee may invite, from time to time, such persons as it may see fit to attend its meetings and to take part in discussion and consideration of the affairs of the Committee. The Company's accounting and financial officer(s) and the Auditors shall attend any meeting when requested to do so by the Chair of the Committee.

IV. Authority and Responsibilities

The Board, after consideration of the recommendation of the Committee, shall nominate the Auditors for appointment by the shareholders of the Company in accordance with applicable law. The Auditors report directly to the Audit Committee. The Auditors are ultimately accountable to the Committee and the Board as representatives of the shareholders.

In fulfilling its duties and responsibilities under this Charter, the Committee will be entitled to reasonably rely on (a) the integrity of those persons within the Company and of the professionals and experts (such as the Auditors) from which it receives information, (b) the accuracy of the financial and other information provided to the Committee by such persons, professionals or experts and (c) the representations made by the Auditors as to any services provided by it to the Company.

The Committee shall have the following responsibilities:

(a) Auditors

1. Be directly responsible for the appointment, compensation, retention (including termination) and oversight of the work of any independent registered public accounting firm engaged by the Company (including for the purposes of preparing or issuing an audit report or performing other audit, review or attestation services or other work for the Company and including the resolution of disagreements between management and the Company's independent registered public accounting firm regarding financial reporting) and ensure that such firm shall report directly to it; recommend to the Board the independent auditors to be nominated for appointment as Auditors of the Company at the Company's annual meeting, the remuneration to be paid to the Auditors for services performed during the preceding year; and recommend to the Board and the shareholders the termination of the appointment of the Auditors, if and when advisable;

2. When there is to be a change of the Auditor, review all issues related to the change, including any notices required under applicable securities law, stock exchange or other regulatory requirements, and the planned steps for an orderly transition.

3. Review the Auditor's audit plan and discuss the Auditor's scope, staffing, materiality, and general audit approach.

4. Review on an annual basis the performance of the Auditors, including the lead audit partner.

5. Take reasonable steps to confirm the independence of the Auditors, which include:

(a) Ensuring receipt from the Auditors of a formal written statement in accordance with applicable regulatory requirements delineating all relationships between the Auditors and the Company;

(b) Considering and discussing with the Auditors any disclosed relationships or services, including non-audit services, that may impact the objectivity and independence of the Auditors;

(c) Approving in advance all auditing services and any non-audit related services provided by the Auditors to the Company, and the fees for such services, with a view to ensure independence of the Auditor, and in accordance with applicable regulatory standards, including applicable stock exchange requirements with respect to approval of non-audit related services performed by the Auditors; and

(d) As necessary, taking or recommending that the Board take appropriate action to oversee the independence of the Auditors.

6. The Committee is permitted to delegate pre-approval authority to one of its members; however, the decision of any member of the Committee to whom such authority has been delegated must be presented to the full Committee at its next scheduled meeting.

7. Review and approve any disclosures required to be included in periodic reports under applicable securities laws, rules and regulations and stock exchange and other regulatory requirements with respect to non-audit services.

8. Confirm with the Auditors and receive written confirmation at least once per year as to (i) the Auditor's internal processes and quality control procedures; and (ii) disclosure of any material issues raised by the most recent internal quality control review, or per review within the preceding five years respecting independent audit carried out by the Auditors or investigations or government or professional enquiries, reviews or investigations of the Auditors within the last five years.

9. Consider the tenure of the lead audit partner on the engagement in light of applicable securities law, stock exchange or applicable regulatory requirements.

10. Review all reports required to be submitted by the Auditors to the Committee under applicable securities laws, rules and regulations and stock exchange or other regulatory requirements.

11. Receive all recommendations and explanations which the Auditors place before the Committee.

(b) Financial Statements and Financial Information

12. Review and discuss with management, the financial and accounting officer(s) and the Auditors, the Company's annual audited financial statements, including disclosures made in management's discussion and analysis, prior to filing or distribution of such statements and recommend to the Board, if appropriate, that the Company's audited financial statements be included in the Company's annual reports distributed and filed under applicable laws and regulatory requirements.

13. Review and discuss with management, the financial and accounting officer(s) and the Auditors, the Company's interim financial statements, including management's discussion and analysis, and the Auditor's review of interim financial statements, prior to filing or distribution of such statements.

14. Review any earnings press releases of the Company before the Company publicly discloses this information.

15. Be satisfied that adequate procedures are in place for the review of the Company's disclosure of financial information and extracted or derived from the Company's financial statements and periodically assess the adequacy of these procedures.

16. Discuss with the Auditor the matters required to be discussed by applicable auditing standards requirements relating to the conduct of the audit including:

    (a) the adoption of, or changes to, the Company's significant auditing and accounting principles and practices;

    (b) the management letter provided by the Auditor and the Company's response to that letter; and

    (c) any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, or personnel and any significant disagreements with management.

17. Discuss with management and the Auditors major issues regarding accounting principles used in the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles. Review and discuss analyses prepared by management and/or the Auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative approaches under generally accepted accounting principles.

18. Prepare, or ensure the preparation of, and review any report under applicable securities law, stock exchange or other regulatory requirements, including any reports required to be included in statutory filings, including in the Company's annual proxy statement.

(c) Ongoing Reviews and Discussions with Management and Others

19. Obtain and review an annual report from management relating to the accounting principles used in the preparation of the Company's financial statements, including those policies for which management is required to exercise discretion or judgments regarding the implementation thereof.

20. Periodically review separately with each of management, the financial and accounting officer(s) and the Auditors; (a) any significant disagreement between management and the Auditors in connection with the preparation of the financial statements, (b) any difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information and (c) management's response to each.

21. Periodically discuss with the Auditors, without management being present, (a) their judgments about the quality, integrity and appropriateness of the Company's accounting principles and financial disclosure practices as applied in its financial reporting and (b) the completeness and accuracy of the Company's financial statements.

22. Consider and approve, if appropriate, significant changes to the Company's accounting principles and financial disclosure practices as suggested by the Auditors or management and

the resulting financial statement impact. Review with the Auditors or management the extent to which any changes or improvements in accounting or financial practices, as approved by the Committee, have been implemented.

23. Review and discuss with management, the Auditors and the Company's independent counsel, as appropriate, any legal, regulatory or compliance matters that could have a significant impact on the Company's financial statements, including applicable changes in accounting standards or rules, or compliance with applicable laws and regulations, inquiries received from regulators or government agencies and any pending material litigation.

24. Enquire of the Company's financial and accounting officer(s) and the Auditors on any matters which should be brought to the attention of the Committee concerning accounting, financial and operating practices and controls and accounting practices of the Company.

25. Review the principal control risks to the business of the Company, its subsidiaries and joint ventures; and verify that effective control systems are in place to manage and mitigate these risks.

26. Review and discuss with management any earnings press releases, including the use of "pro forma" or "adjusted" non-GAAP information, as well as any financial information and earnings guidance provided to analysts and rating agencies. Such discussions may be done generally (i.e. discussion of the types of information to be disclosed and the types of presentations made).

27. Review and discuss with management any material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company with unconsolidated entities or other persons, that may have a material current or future effect on financial condition, changes in financial condition, results of operations, liquidity, capital resources, capital reserves or significant components of revenues or expenses. Obtain explanations from management of all significant variances between comparative reporting periods.

28. Review and discuss with management the Company's major risk exposures and the steps management has taken to monitor, control and manage such exposures, including the Company's risk assessment and risk management guidelines and policies.

(d) Risk Management and Internal Controls

29. Review, based upon the recommendation of the Auditors and management, the scope and plan of the work to be done by the Company's financial and accounting group and the responsibilities, budget and staffing needs of such group.

30. Ensure that management has designed and implemented effective systems of risk management and internal controls and, at least annually, review the effectiveness of the implementation of such systems.

31. Approve and recommend to the Board for adoption policies and procedures on risk oversight and management to establish an effective and efficient system for identifying, assessing, monitoring and managing risk relating to financial management and internal control.

32. In consultation with the Auditors and management, review the adequacy of the Company's internal control structure and procedures designed to ensure compliance with laws and regulations, and discuss the responsibilities, budget and staffing needs of the Company's financial and accounting group.

33. Establish procedures for (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

34. Maintain a direct report relationship with the internal auditors and review the internal control reports prepared by management, including (i) management's assessment of the effectiveness of the Company's internal control structure and procedures for financial reporting; (ii) review on an annual basis the performance of the internal auditors; and (iii) the Auditors' attestation, and report, on the assessment made by management.

35. Review the appointment of the chief financial officer and any key financial executives involved in the financial reporting process and recommend to the Board any changes in such appointments.

(e) Other Responsibilities

36. Create an agenda for the ensuing year.

37. Review and approve related-party transactions if required under applicable securities law, stock exchange or other regulatory requirements.

38. Review and approve (a) any change or waiver in the Company's code of ethics applicable to senior financial officers and (b) any disclosures made under applicable securities law, stock exchange or other regulatory requirements regarding such change or waiver.

39. Establish, review and approve policies for the hiring of employees, partners, former employees or former partners of the Company's Auditors or former independent auditors.

40. Review and reassess the duties and responsibilities set out in this Charter annually and recommend to the Nominating and Corporate Governance Committee and to the Board any changes deemed appropriate by the Committee.

41. Review its own performance annually, seeking input from management and the Board.

42. Confirm annually that all responsibilities outlined in this Charter have been carried out.

43. Perform any other activities consistent with this Charter, the Company's articles and by-laws and governing law, as the Committee or the Board deems necessary or appropriate.

V. Reporting

The Committee shall report regularly to the Board and shall submit the minutes of all meetings of the Audit Committee to the Board. The Committee shall also report to the Board on the proceedings and deliberations of the Committee at such times and in such manner as the Board may require. The Committee shall review with the full Board any issues that have arisen with respect to quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance or independence of the Auditors or the performance of the Company's financial and accounting group.

VI. Resources and Access to Information

The Committee shall have the authority to retain independent legal, accounting and other advisors or consultants to advise the Committee, as it determines necessary to carry out its duties.

The Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities. The Committee has direct access to anyone in the organization and may request any officer or employee of the Company or the Company's outside counsel or the Auditors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee with or without the presence of management. In the performance of any of its duties and responsibilities, the Committee shall have access to any and all books and records of the Company necessary for the execution of the Committee's obligations.

The Committee shall determine the extent of funding necessary for payment of (a) compensation to the Company's independent public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attestation services for the Company, (b) compensation to any independent legal, accounting and other advisors or consultants retained to advise the Committee and (c) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

CERTIFICATE OF THE COMPANY

Dated: November 14, 2024

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities qualified by this prospectus as required by the securities legislation of the Provinces of British Columbia and Ontario.

"Ohad David"	"*Gabriel Kabazo*"
Ohad David President and Director	Gabriel Kabazo Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

"*Tamir Gedo*"	"*Menachem Mendel Oirechman*"
Tamir Gedo Director	Menachem Mendel Oirechman Director

CERTIFICATE OF DIAGNOSTEAR

Dated: November 14, 2024

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities qualified by this prospectus as required by the securities legislation of the Provinces of British Columbia and Ontario.

"*Shimon Gross*"	*"Yifftach Biel"*
Shimon Gross Chief Executive Officer	Yifftach Biel Chief Financial Officer and Director

ON BEHALF OF THE BOARD OF DIRECTORS

"Yaacov Michlin"	*"Karin Gurevitz"*
Yaacov Michlin Director	Karin Gurevitz Director

CERTIFICATE OF THE PROMOTERS

Dated: November 14, 2024

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities qualified by this prospectus as required by the securities legislation of the Provinces of British Columbia and Ontario.

"Ohad David"
Ohad David

BIOLIGHT LIFE SCIENCES LTD.

Per:

"Yaacov Michlin"
Authorized Signatory

"Yifftach Biel"
Authorized Signatory

Schedule "B"

Capitalization Tables

Issued Capital

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	%of Issued (non-diluted)	% of Issued (fully diluted)
Public Float				
Total outstanding (A)	58,788,335	66,594,005	100%	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	41,881,610	45,744,298	71.2%	68.7%
Total Public Float (A-B)	16,906,725	20,849,707	28.8%	31.3%
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	43,501,680	47,460,034	74.0%	71.3%
Total Tradeable Float (A-C)	15,286,655	19,133,971	26.0%	28.7%

Public Securityholders (Registered)

Instruction: For the purposes of this report, "public securityholders" are persons other than persons enumerated in section (B) of the previous chart. List registered holders only.

Class of Security

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	0	0
1,000 – 1,999 securities	94	94,000
2,000 – 2,999 securities	8	17,000
3,000 – 3,999 securities	1	3,000
4,000 – 4,999 securities	0	0
5,000 or more securities	84	58,674,335
TOTAL	187	58,788,335

Public Securityholders (Beneficial)

Instruction: Include (i) beneficial holders holding securities in their own name as registered shareholders; and (ii) beneficial holders holding securities through an intermediary where the Issuer has been given written confirmation of shareholdings. For the purposes of this section, it is sufficient if the intermediary provides a breakdown by number of beneficial holders for each line item below; names and holdings of specific beneficial holders do not have to be disclosed. If an intermediary or intermediaries will not provide details of beneficial holders, give the aggregate position of all such intermediaries in the last line.

Class of Security

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	0	0
1,000 – 1,999 securities	0	0
2,000 – 2,999 securities	0	0

3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	0	0
TOTAL	0	0

Non-Public Securityholders (Registered)

Instruction: For the purposes of this report, "non-public securityholders" are persons enumerated in section (B) of the issued capital chart.

Class of Security

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	0	0
1,000 – 1,999 securities	0	0
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	6	41,881,610
TOTAL	6	41,881,610

14.2 Provide the following details for any securities convertible or exchangeable into any class of listed securities.

Description of Security (include conversion / exercise terms, including conversion / exercise price)	**Number of convertible / exchangeable securities outstanding**	**Number of listed securities issuable upon conversion / exercise**
Warrants exercisable at $1.00 per Common Share for a period expiring on May 20, 2026	5,733,885	5,733,885
Warrants exercisable at $1.00 per Common Share for a period expiring on June 2, 2026	133,333	133,333
Replacement Options with an exercise price of $0.75 expiring on May 5, 2028, October 25, 2029, May 29, 2030, December 25, 2030 and April 24, 2031	1,669,179	1,669,179
Replacement Options with an exercise price of $0.25 expiring on September 30, 2027	50,114	50,114
Replacement Options with an exercise price of $0.60 expiring on October 8, 2025	219,159	219,159

14.3 Provide details of any listed securities reserved for issuance that are not included in section 14.2.

N/A

Schedule “C”

Memo To CSE on Emerging Market Issuer Status

[see following pages]

MEMORANDUM

To:	Nicolas Richard, Canadian Securities Exchange
From:	DiagnosTear Ltd. / Oceanview Technologies Inc.
Date:	November 8, 2024
Re:	Emerging Market Issuer Disclosure
File No:	ClientNumber-MatterNumber

In response to your email dated October 21, 2024, whereby you indicated that DiagnosTear Ltd. ("**DiagnosTear**") would be considered an emerging market issuer under Sections 4.4 and 4.5 of CSE Policy 4, please see commentary on the "Areas of Concern" for emerging market issues and how DiagnosTear Ltd. addresses these concerns. Please note that Oceanview Technologies Inc. ("**Oceanview**") has filed a prospectus dated November 14, 2024 (the "**Prospectus**"), in connection with the reverse takeover of DiagnosTear (the "**RTO Transaction**"). Following completion of the RTO Transaction, the business of Oceanview will become the business of DiagnosTear (the "**Resulting Issuer**").

(a) <u>Business and operating environment</u>

The Prospectus adequately refers to DiagnosTear's principal markets, competitive conditions and geographic areas in which it operates. Please refer to "Information Concerning DiagnosTear – Business of DiagnosTear" of the Prospectus.

(b) <u>Language and cultural differences</u>

The Board of Directors of the Resulting Issuer will consist of board members with extensive and vast experience in Western European and North American markets, such as:

- Mr. Yaacov Michlin, incoming director and Chairman of the Board of directors of the Resulting Issuer, who has 25 years of experience in the medical field, and who, prior to joining as CEO of BioLight Life Sciences Ltd. ("**BioLight**"), the controlling shareholder of the Resulting Issuer, and chairman of DiagnosTear, he managed a medical device company selling mainly in the US and led such company's listing on NASDAQ;
- Mr. Igal Cohen, incoming director of the Resulting Issuer, is the CEO of Elcam Medical Ltd., which owns a subsidiary in New Jersey, USA since 2002 and is engaged in marketing, sales, and distribution of medical device products in the US (the American market accounts for 40% of Elcam's sales turnover);

- Ms. Julia Reznick Zilberman, incoming director of the Resulting Issuer, has 20 years of experience as C-level executive, leading M&A and dealing both in the US and Europe. During her time at Teva Pharmaceuticals, she was actively involved in the evaluation, negotiation, and execution of multiple M&A deals, inter alia, the acquisition of a German-based pharmaceutical company, as well as international firms with a strong presence in both the U.S. and European markets, such as IVAX Pharmaceuticals and Cephalon;
- Mr. John Sinclair, incoming director of the Resulting Issuer, has more than 30 years of experience in capital markets, holding directorships in TSXV and CSE-listed companies in Canada and served as managing partner of the Toronto office Baker Tilly WM LLP;
- Ms. Karin Gurevitz, incoming director of the Resulting Issuer, has 20 years experience as C-level executive, leading investments and M&A dealing both in the US and Europe, especially in the last 9 years in the medical field. During her 9 years as VP and General Counsel at BioLight Life Sciences, she was actively involved in the negotiation, and execution of numerous deals, inter alia, investments in Aeye Health Inc. and Peripherex Inc. as well as dealings with the University of Harvard, office of Technology Development, and service providers both in the US and Europe.

(c) <u>Corporate structure</u>

The corporate structure of the Resulting Issuer is disclosed in the Prospectus under "Information Concerning the Resulting Issuer – Corporate Structure – Intercorporate Relationships". DiagnosTear does not have any subsidiaries. Following completion of the RTO Transaction, the Resulting Issuer will only have one subsidiary, DiagnosTear Ltd.

(d) <u>Related parties</u>

<u>BioLight/DiagnosTear</u>

Disclosure and procedures of approvals of related party transactions are regulated in the Israeli Companies Law and the Israeli securities Law and regulations which have basis in English law (UK). The law in Israel in that respect is quite similar to the Canadian related party transaction requirements under Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions*. As BioLight is a publicly traded company on the Tel Aviv Stock Exchange, it will be subject to these related party rules under Israeli law.

According to Israeli Companies Law, approval of a related party transaction is primarily regulated under Sections 270-275. Please see below a detailed process with respect to public companies (the rules are the same for private companies such as DiagnsoTear Ltd.)

1. Transaction Classification:
   - Special transaction - a transaction that is not in the ordinary course of business, not on market terms, or may materially affect company profitability
   - Regular transaction - in the ordinary course of business and on market terms

2. Triple Approval Process for Special Transactions (in case of a public company):
   - Audit or Compensation Committee approval
   - Board of Directors approval
   - General Shareholders Meeting approval with special majority (Majority of shareholders who have no personal interest in approving the transaction; Abstaining votes are not counted
   - Total opposing votes from said shareholders does not exceed 2% of total voting rights)

3. Disclosure and Reporting:
   - Duty to disclose personal interest
   - Publishing detailed transaction report including all material information
   - Immediate report upon transaction approval

4. Certain Exemptions:
   - De minimis transactions
   - Non-special transactions (board approval sufficient)
   - Pre-approved framework transactions
   - Transactions beneficial to the company

5. Additional Requirements:
   - Enhanced fairness duty
   - Examination of company's best interest
   - Detailed documentation of approval process
   - Examination of transaction alternatives

BioLight as a public company and as the parent company of the DiagnosTear, has established Board of Directors' policy and Board's committee policy which deals with such related party's transaction and protection of minority needs.

Incoming directors' training:

1. The specific procedures that shall ensure incoming directors of the traded company are informed of their obligations are as follows:
   - Comprehensive training on Canadian related party transaction requirements under MI 61-101 of the Canadian securities regulations (specifically Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions)
   - Written documentation and guidelines detailing the approval processes required for related party transactions
   - Review of material disclosure requirements for related party transactions
   - Training on valuation requirements and minority shareholder protections
   - Clear procedures for identifying and handling potential conflicts of interest

2. Specific policies in place include:

- Mandatory disclosure of any potential conflicts of interest
- Independent committee review requirements for related party transactions
- Valuation requirements for significant related party transactions
- Minority shareholder approval procedures when required
- Documentation requirements for all related party decisions

3. Compliance procedures:
   - Regular updates to the board on any changes to Canadian securities regulations
   - Review of any related party transactions
   - Involvement of external legal counsel when necessary for complex transactions
   - Regular audits of related party transaction compliance

Given that various directors of the Resulting Issuer currently act as directors or officers of BioLight, they are familiar with the obligations surrounding related party transactions. Further, John Sinclair, who will sit on the audit committee of the Resulting Issuer, will bring the Canadian perspective to ensuring compliance with Canadian related party disclosure rules.

(e) Risk management and disclosure

The Prospectus adequately refers to risks facing DiagnosTear's business. Please refer "Risk Factors – Risks Associated with DiagnosTear" and "Risk Factors – Risks Associated with the Resulting Issuer".

(f) Internal controls

The internal controls between DiagnosTear and BioLight as part of the Management Services Agreement ("**MSA**") include the following:

1. Corporate Governance Controls:
   - Implementation of proper separation between DiagnosTear's board and BioLight's board
   - Clear reporting lines to comply with Israeli Companies Law
   - Documentation of all intercompany decisions
   - Proper maintaining of separate corporate registries

2. Financial Controls:
   - Transfer pricing documentation and controls according to Israeli Tax Authority requirements
   - Clear procedures for intercompany charges under the MSA
   - Segregation of accounting records
   - Controls over shared resources allocation
   - Regular reconciliation of intercompany accounts

3. Management Services Specific Controls:
   - Clear documentation of services provided by BioLight

- Controls over intellectual property rights
- Documentation of strategic decisions

4. Risk Management:
   - Regular assessment of compliance with Israeli corporate law
   - Monitoring of conflicts of interest
   - Controls over information flow between companies
   - Procedures for handling confidential information

(g) Use of and reliance on experts

DiagnosTear primarily aims at three markets, namely the US, the EU and Israel.

As for the US, DiagnosTear tends to outsource the expertise and decades of experience of Dr. Ahava Stein Regulatory Affairs Consulting for all communications related to FDA and CLIA waiver application submissions. For coordinating and conducting the clinical trials, DiagnosTear plans to cooperate with Lexitas Pharma Services (https://lexitas.com/), a globally recognized Ophthalmology CRO, and for statistical analyses DiagnosTear plans to use the services of Omnistat, a company specializing in biostatistics (https://www.omnistat.co.il/).

As for the EU and Israeli markets, DiagnosTear will continue to cooperate with SYNC Projects (https://sync.co.il/en/about/), a part of the Obelis Group, a leading expert in regulatory compliance and a registered EU legal representative. SYNC Projects provide all quality assurance (QA) and Regulatory Affairs (RA) infrastructure and consulting required to meet the requirements for CE-IVDR and the Israeli Ministry of Health (AMAR) accreditations, as well as the Medical Device Manufacturer accreditation (ISO-13485). Finally, as a part of the new IVDR requirements, DiagnosTear will have to appoint a Notified Body (NB). DiagnosTear plans to appoint MDC (https://www.mdc-ce.de/en/) as its NB.

(h) Oversight of the external auditor

The auditor of DiagnosTear, the Company and the Resulting Issuer is Fahn Kanne & Co., which is a partner with Grant Thornton International. Grant Thornton auditors located in Canada provide oversight to Fahn Kanne & Co. to ensure the audit is performed in accordance with GAAS applicable in Canada. John Sinclair, as former managing partner of Baker Tilly WM LLP, will bring significant expertise in overseeing the responsibilities of the external auditor. Further, the external auditor, through its relationship with Grant Thornton International, has experience in performing audits in accordance with GAAS. Please see below a summary of the qualifications of the external auditor:

- Grant Thornton International is a global network of independent firms providing assurance, tax, advisory services and industry expertise, made up of over 73,000 people in member firms in over 145 countries, with more than 750 offices worldwide.

- Fahn Kanne & Co. Grant Thornton Israel ("**Grant Thornton Israel**") is the Israeli member firm of Grant Thornton International. Grant Thornton Israel is one of the six leading accounting firms in Israel.
- Grant Thornton Israel renders assurance services and accounting and business consulting services to public companies in Israel and abroad, private companies, governmental entities, non-profit organizations, etc.
- Grant Thornton Israel employs hundreds of professional staff, including over 25 partners who, over the years, have amassed extensive experience in the fields of auditing, accounting, tax, valuations and management advisory services, in both the academic and the business worlds.
- Grant Thornton Israel developed an adapted a program that implemented International Auditing and Assurance Standards Board (IAASB) International Standard on Quality Management (ISQM) 1, commencing fiscal 2022. The implementation process was completed in mid-2023.
- Grant Thornton Israel's audit practice is subject to quality inspections by the Israeli Peer Review Institute (a subsidiary of the Institute of Certified Public Accountants in Israel). Grant Thornton Israel is also a public accounting firm registered in the US with the Public Company Accounting Oversight Board (PCAOB) and in the UK with the Financial Reporting Council (FRC), and therefore is subject to inspections by these regulators. For additional information, attached is a link to the 2023 Grant Thornton Israel transparency report.
- The RTO Transaction between Oceanview and DiagnosTear should be accounted for as a reverse merger, since although Oceanview is the legal acquirer, DiagnosTear is deemed to be the acquirer for accounting purposes, on the basis that following the merger transaction, the former shareholders of DiagnosTear will own approximately 60% of the issued and outstanding common shares of the Resulting Issuer, which means that the control over the combined entities will remain with the former shareholders of DiagnosTear. **Consequently, the financial statements following the completion of the transaction are a continuation of the financial statements of DiagnosTear.**
- DiagnosTear was incorporated under the laws of Israel in 2012. The Company's registered office is located at Rehovot, Israel. DiagnosTear operates in Israel in the field of ophthalmic and currently it engages in development of TeaRx™ technology (the "TeaRx") which is designed for the diagnosis of front-of-the-eye diseases by analyzing the composition of the tear fluid.
- It is noted that all members of the management and Board of Directors of DiagnosTear Ltd. are located in Israel and have a fluent control over the language of Hebrew and English.
- On a regular basis, Grant Thornton Israel engagement partner in charge (Ishay De-Lyon) and director in charge (Haim Karshi) and other members in the audit engagement team communicate with the Chief Executive Officer and Chief Finance Officer of DiagnosTear on a variety of topics. In addition, on a frequent basis when the audit strategy is discussed

or financial statements are discussed or approved by the company's Board of Directors, Mr. De-Lyon participates in those Board of Directors meetings. Such direct communication between the Board of Directors and Mr. De-Lyon facilitates an important part of the Board's duties and oversight responsibility.

- DiagnosTear Ltd. is a subsidiary of BioLight Science Ltd. which is a public company who its shares are traded in the local stock exchange in Tel-Aviv ("BioLight"). BioLight is an audit client of Grant Thornton Israel since 2019. Means, all members of the audit team have (i) the language, skills relevant to, and cultural knowledge of the local jurisdiction in which DiagnosTear operate and (ii) has appropriate and relevant experience in the accounting (IFRS) and tax rules of this jurisdiction as well.
- Mr. De-Lyon is the audit engagement partner who is in charge on BioLight engagement (which controls and consolidates DiagnosTear Ltd. In its financial statements). Mr. De-Lyon has many years (|including more than a decade at E&Y Israel) of experience working with public and private companies that report under IFRS, US GAAP and Securities Regulations in different jurisdictions (mainly in Israel and the U.S.), as well as with international corporations. Mr. De-Lyon has comprehensive experience in different sectors which including clients from technology, health care, Biotech, life science, telecommunications and pharma, medical cannabis and limited R&D partnerships industries. Mr. De-Lyon also accompanied companies involved in mergers and acquisitions, reverse mergers, IPOs, ongoing issuances and private placements, including listing of shares on the stock exchange (mainly in Israel and the U.S.).
- Yaniv Ben-Baruch is the partner who is in charge on Grant Thornton Israel professional practice department. Mr. Ben-Baruch has extensive experience and know how regarding Israeli accounting standards, IFRS, US GAAP and Securities Regulations in different jurisdictions (mainly in Israel and the U.S.). Mr. Ben-Baruch also has comprehensive experience in pre-filing accounting consultancy and reviewing financial statements of companies traded in different stock exchanges (mainly in Israel and the U.S.), in consultancy and accompaniment of M&A transactions and has experience in IPOs, and companies going public. Mr. Ben-Baruch also regularly reviews BioLight financial statements and supports the engagement team in connection with the proposed transaction as well.
- In connection with the RTO Transaction, it is noted that
    - Grant Thornton Israel is also registered with the Canadian Public Accountability Board (CPAB).
    - As generally required under Grant Thornton International organization, there is a Cross-Border Filing Agreement in place which set out the terms and conditions under which Grant Thornton LLP in Canada agreed to perform the Gatekeeping Services related to Grant Thornton Israel audit of Oceanview and DiagnosTear for the periods as reported under the financial statements included in the Prospectus.

Schedule “D”

Certificate of the Issuer

Pursuant to a resolution duly passed by its Board of Directors, DiagnosTear Technologies Inc. hereby applies for the listing of the above mentioned securities on the Canadian Securities Exchange.

The foregoing contains full, true and plain disclosure of all material information relating to DiagnosTear Technologies Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, British Columbia this 3rd day of December, 2024.

"*Shimon Gross* "
Shimon Gross
Chief Executive Officer

"*Yifftach Biel* "
Yifftach Biel
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

"*Yaacov Michlin* "
Yaacov Michlin
Director (Chair)

"*Karin Gurevitz* "
Karin Gurevitz
Director

PROMOTERS

"*Ohad David* "
Ohad David

BIOLIGHT LIFE SCIENCES LTD.

" *Yaacov Michlin* " " *Yifftach Biel* "
Authorized Signatory