



Closing of the second stage of the binding agreement of investment in and acquisition in stages of IOptima

Tel Aviv (September 27, 2018) – Further to BioLight’s announcement dated November 21, 2017, regarding signing a binding agreement for the investment in and the acquisition in stages of its subsidiary IOptima Ltd. (“IOptima” or the “Company”) (the “Agreement”) by the Chinese pharmaceutical company Chengdu Kanghong Pharmaceutical Group Co. (the “Acquirer”), and BioLight’s announcement dated March 29, 2018 regarding completion of the first stage of the Agreement, BioLight hereby announce that the second stage was completed.

As part of the completion of the second stage, the Acquirer purchased shares of IOptima, at a total rate of approx. 41% of the issued and fully paid up share capital of IOptima on a fully diluted basis, for a total consideration of approx. USD 17.2 million (the “2nd Stage Consideration”) at a Company valuation of approx. US\$42 million .

The 2nd Stage Consideration was divided between IOptima’s shareholders, in such a manner that the Company’s gross share of the sale of IOptima shares in the second stage is approx. US\$12 million.

Following completion of the second stage of the Agreement, the Acquirer holds approximately 60% of the issued and paid-up share capital of the IOptima on a fully diluted basis, and the BioLight holds 26% of the issued and fully paid up share capital of the IOptima.

The third and fourth stages of the Agreement, subject to the receipt of preliminary approvals, that are expected to be completed during the second quarter of 2019 and the second quarter of 2021, respectively, include acquisition of the remaining shares of IOptima from its shareholders (including BioLight), approx. 20% fully diluted at each stage, at a company value of IOptima of between US\$ 40.5 and US\$ 56.25 million, which will be determined in accordance with the operating results of IOptima.

The future completion of the third and fourth stages of the Agreement are expected to generate an additional gross cash flow of between US\$ 11 million and US\$ 15.3 million, leading to total expected cash flow from the sale of all of the shares of IOptima (second to fourth stages), that will amount to US\$ 23 million and up to US\$ 27 million.