

Third stage of the binding agreement of investment in and acquisition in stages of IOptima

Tel Aviv (July 1st, 2019) – 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 announcements dated March and September 2018 regarding completions of the first and second stages of the Agreement, BioLight hereby announces that the Acquirer informed BioLight that it received all approvals required for the completion of the third stage of the Agreement. In addition, the Acquirer transferred an approval regarding the transfer of the Third Stage Consideration amount (as defined below), within such stage the Acquirer purchases shares of IOptima, at a total rate of approx. 20% of the issued and fully paid up share capital of IOptima on a fully diluted basis, for a total consideration of approx. USD 8.1 million (the “Third Stage Consideration”) at a Company valuation of approx. US\$ 40.5 million ; the Third Stage Consideration being divided between IOptima’s shareholders, in such a manner that the Company’s gross share of the sale of IOptima shares in the third stage is approx. US\$ 5.6 million. The completion of the Third Stage of the Agreement is subject to completion of procedural processes.

Following completion of the third stage of the Agreement, the Acquirer shall hold approximately 80% of the issued and paid-up share capital of the IOptima on a fully diluted basis, and the BioLight shall hold approximately 12% of the issued and fully paid up share capital of the IOptima.

The fourth stages of the Agreement, subject to the receipt of preliminary approvals, that are expected to be completed during the second quarter of 2021, includes acquisition of the remaining shares of IOptima from its shareholders (including BioLight), approx. 20% fully diluted, 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 fourth stage of the Agreement is expected to generate an additional gross cash flow of between approximately US\$ 5.5 million and US\$ 7.6 million.

