

## **Signing on a non-binding memorandum of understanding for a full purchase in the stages of IOptima by a Chinese pharmaceutical company**

**TEL AVIV (April 20, 2017) – BioLight Life Sciences Ltd. (TASE: BOLT)**, The Company is pleased to announce that IOptima Ltd., a subsidiary of the Company, has signed on April 19, 2017, a non-binding memorandum of understanding for a full purchase in the stages of IOptima by a Chinese pharmaceutical company.

In the first stage, the buyer will invest \$ 7 million in IOptima for about 19% of the share capital of IOptima at a company value of IOptima pre- money of about \$ 30 million.

In the second stage - no later than 6 months from the first stage, and after the purchaser receives an exclusive marketing license in China from IOptima for the IOptiMate system, the purchaser will acquire shares from all other shareholders of IOptima on a pro-rata basis, for an additional \$ 17.2 million, at a company value of \$ 42 million for IOptima, and hold 60% of the share capital of IOptima.

In the third and fourth stages - expected in 2019 and 2021 - the purchaser will acquire in two stages the remaining 40% of the holdings (20% each), on a pro rata basis, reflecting a company value of between \$ 40.5 million to \$ 56.25 million, subject to a final price that will be determined at the same time separately for each stage and relates to IOptima's profits.

The non-binding memorandum of understanding sets forth additional conditions that will be determined in the framework of the binding agreement, including the composition of the board of directors of IOptima, customary rights for investors in such investment rounds (which include anti-dilution rights, participation rights, rights of first refusal and the right to join), and includes reference to additional subjects, as is customary (Such as confidentiality, jurisdiction, assignment of rights, etc.).

The parties intend to act to sign a binding purchase agreement within 60 days of signing the non-binding memorandum of understanding. During the said period, IOptima undertook not to conduct parallel negotiations and / or to connect in another agreement that contradicts and / or will contradict the conditions stipulated in the non-binding memorandum of understanding.

The Company wishes to note that there is no certainty that the process will indeed mature into a binding purchase agreement of the IOptima and / or the closing of the transaction on all of its dates and stages as stated above, which also involve receiving approvals from the Chinese authorities. The Company shall again report the signing of a binding sale agreement as aforesaid, if and when it is signed, as required by law.