

ColPlant Holdings

Q1 results

Continuing to build on 2016

Pharma & biotech

ColPlant is building on its progress in 2016 by increasing its distribution of VergenixFG and actively pursuing potential partnerships for its earlier-stage rhCollagen technology BioInk for 3D printing of organs and tissues. We forecast the need for a fund-raising this year and management indicated in the Q1 results that it believes it has sufficient funds into Q317. We have slightly increased our rNPV to \$70m (NIS248m) as a result of rolling our model forward and using the Q1 cash position.

Year end	Revenue (NISm)	PBT* (NISm)	EPS* (NIS)	DPS (NIS)	P/E (x)	Yield (%)
12/15	0.0	(18.7)	(22.03)	0.0	N/A	N/A
12/16	0.3	(27.9)	(27.72)	0.0	N/A	N/A
12/17e	1.3	(16.3)	(12.72)	0.0	N/A	N/A
12/18e	2.9	(17.8)	(13.86)	0.0	N/A	N/A

Note: *PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

Commercialisation of its first products progressing

In Q1 ColPlant continued to progress commercialisation of VergenixSTR in EMEA (via its partnership with Arthrex) and VergenixFG in Europe. Following the end of the quarter it announced that it had expanded its distributor footprint in Europe with the signing of a distribution agreement in Turkey for its wound healing product, VergenixFG. The company has indicated that it intends to continue to work towards signing additional distribution agreements in further territories in Europe. Demonstrating successful traction of VergenixSTR and VergenixFG in Europe is a key factor for ColPlant in 2017. Early traction would underpin the products' potential and therefore our forecasts, and would also start to validate the underlying technology, rhCollagen.

Earlier-stage applications becoming a focus

ColPlant has indicated that it is actively pursuing potential joint ventures to develop its biological ink (BioInk) for the production of 3D scaffolds. The company has indicated that it believes this area to be a major growth opportunity. This technology has the potential to be applied in a number of areas such as orthopaedics, dermatology, ophthalmology and cardiology.

Valuation: Increased slightly to \$70m

Our rNPV-based valuation has increased to \$70m/54.2c per share (NIS248m or NIS1.92/share) from \$66m/52c per share as we roll our model forward by one quarter and apply an updated Q1 cash position of \$1.24m. We continue to model illustrative long-term debt of NIS16m in 2017. We note the funding requirement in 2017 and that the company has indicated it has enough funds into Q317. Potential catalysts for the stock in our opinion include finding a partner or raising additional funding to develop its bone void filler and/or additional applications of its technology such as BioInk for 3D printing of organs and sales traction in Europe.

5 June 2017

Price* **NIS0.42**

Market cap **NIS54m**

*Priced at 1 June 2017

\$1:NIS3.69

Net cash (NISm) as at 31 March 2017 4.4

Shares in issue 128.3m

Free float 80.6%

Code CLPT

Primary exchange TASE

Secondary exchange OTCO

Share price performance



% 1m 3m 12m

Abs (14.6) 33.1 (62.0)

Rel (local) (16.5) 32.1 (63.2)

52-week high/low NIS1.1 NIS0.3

Business description

ColPlant is an Israel-based regenerative medicine company. It is focused on developing and commercialising tissue repair products with its plant-based technology, rhCollagen. It has two products on the market, VergenixSTR and VergenixFG.

Next events

Earlier-stage applications of its technology developments 2017/18

Q2 results August 2017

Fundraising or partnership deal 2017

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[Edison profile page](#)

Exhibit 1: Financial summary

	NIS'000s	2014	2015	2016	2017e	2018e
Year end 31 Dec		IFRS	IFRS	IFRS	IFRS	IFRS
PROFIT & LOSS						
Revenue		0	0	292	1,260.57	2,948.78
Cost of Sales		0	0	0	(630)	(1,474)
Gross Profit		0	0	292	630	1,474
R&D expenses, net		(9,734)	(11,864)	(16,789)	(13,431)	(15,446)
SG&A expenses		(3,906)	(6,950)	(11,048)	(3,535)	(3,889)
EBITDA		(12,838)	(18,026)	(27,023)	(15,535)	(17,150)
Operating Profit (before GW and except)		(13,640)	(18,814)	(27,545)	(16,336)	(17,860)
Intangible Amortisation		0	0	0	0	0
Exceptionals		0	0	0	0	0
Operating Profit		(13,640)	(18,814)	(27,545)	(16,336)	(17,860)
Other		0	0	0	0	0
Net Interest		617	164	(348)	20	76
Profit Before Tax (norm)		(13,023)	(18,650)	(27,893)	(16,316)	(17,785)
Profit Before Tax (FRS 3)		(13,023)	(18,650)	(27,893)	(16,316)	(17,785)
Tax		0	0	0	0	0
Profit After Tax (norm)		(13,023)	(18,650)	(27,893)	(16,316)	(17,785)
Profit After Tax (FRS 3)		(13,023)	(18,650)	(27,893)	(16,316)	(17,785)
Average Number of Shares Outstanding (m)		80.4	84.7	100.6	128.3	128.3
EPS - normalised (NIS)		(16.19)	(22.03)	(27.72)	(12.72)	(13.86)
EPS - FRS 3 (NIS)		(16.19)	(22.03)	(27.72)	(12.72)	(13.86)
Dividend per share (NIS)		0.0	0.0	0.0	0.0	0.0
BALANCE SHEET						
Fixed Assets		4,348	4,971	6,364	5,907	5,782
Intangible Assets		1,725	1,721	1,631	1,631	1,631
Tangible Assets		2,007	2,612	4,008	3,551	3,426
Other		616	638	725	725	725
Current Assets		12,610	8,558	8,069	19,253	5,310
Stocks		0	0	487	487	487
Debtors		1,548	3,241	3,785	3,785	3,785
Cash		11,062	5,317	3,797	14,981	1,038
Other		0	0	0	0	0
Current Liabilities		(2,647)	(3,750)	(6,806)	(6,806)	(6,806)
Creditors		(1,642)	(2,496)	(5,189)	(5,189)	(5,189)
Short term borrowings		0	0	0	0	0
Short term leases		0	0	0	0	0
Other		(1,005)	(1,254)	(1,617)	(1,617)	(1,617)
Long Term Liabilities		0	0	(2,467)	(18,467)	(18,467)
Long term borrowings		0	0	(286)	(16,286)	(16,286)
Long term leases		0	0	0	0	0
Other long term liabilities		0	0	(2,181)	(2,181)	(2,181)
Net Assets		14,311	9,779	5,160	(113)	(14,181)
CASH FLOW						
Operating Cash Flow		(12,958)	(14,496)	(19,384)	(11,852)	(13,282)
Net Interest		(35)	(2)	8	(20)	(76)
Tax		35	1	0	0	0
Capex		(336)	(1,389)	(492)	(344)	(585)
Acquisitions/disposals		0	0	0	0	0
Financing		0	10,010	18,505	7,400	0
Dividends		0	0	0	0	0
Other		(16)	27	(286)	0	0
Net Cash Flow		(13,310)	(5,849)	(1,649)	(4,816)	(13,944)
Opening net debt/(cash)		(23,777)	(11,062)	(5,317)	(3,511)	1,305
HP finance leases initiated		0	0	0	0	0
Other		595	104	(157)	0	0
Closing net debt/(cash)		(11,062)	(5,317)	(3,511)	1,305	15,248

Source: Company accounts, Edison Investment Research

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