EDISON

Clal Biotechnology Industries

Gamida Cell lists on NASDAQ

Business development and financial update

Pharma & biotech

Q318 was an active period for Clal Biotechnology Industries' (CBI's) portfolio of investments on multiple fronts. First and most notably, Gamida Cell completed a ~$53m IPO on the NASDAQ under the symbol GMDA and plans to present NiCord immune reconstruction (IR) data at the American society of Haematology (ASH) meeting on 1 December. We expect Anchiano to list in the US in the coming months pending market conditions. MediWound slightly delayed its NexoBrid Phase III data readout by one quarter.

Year end	Revenue (NISm)	PBT* (NISm)	EPS* (NIS)	DPS (NIS)	P/E (x)	Yield (%)
12/15	55.8	(209.4)	(1.44)	0.0	N/A	N/A
12/16	30.5	(454.1)	(2.89)	0.0	N/A	N/A
12/17	73.6	(54.2)	(0.15)	0.0	N/A	N/A

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

Gamida Cell lists on NASDAQ and data at ASH

Gamida Cell recently completed a ~$53m IPO on NASDAQ under the symbol GMDA, for 6.25m ordinary shares at $8.00 per share. Following this offering, CBI owns 12% of the company (previously 18%). Gamida Cell also plans to present an update regarding its Phase I/II of NiCord as a graft evaluating IR after myeloablative chemotherapy versus non-manipulated cord blood and traditional unrelated bone marrow transplant at the ASH annual meeting in December.

MediWound reports earnings and updates timelines

MediWound (35% owned by CBI) recently announced its Q318 results. Revenues, which are based on NexoBrid sales in the EU, were $0.9m, up 29% from Q217. The company also announced slight adjustments to the highly anticipated readout of US NexoBrid Phase III results, which are now expected in January 2019 (previously YE18) as well as the initiation of the Phase III EscharEx trial, now expected in H119 (previously YE18). Moreover, the company was awarded another US Biomedical Advanced Research and Development Authority (BARDA) contract for up to $43m for the development of NexoBrid for sulphur mustard injuries.

Anchiano prepares for a NASDAQ IPO

Anchiano Therapeutics (31% owned by CBI) recently announced that it had filed a draft registration statement to the SEC for a potential US IPO of American Depositary Shares (ADS) representing ordinary shares. However, the number and dollar amount of the proposed ADSs have not been determined. The company is preparing to initiate its first pivotal trial for its lead asset, inodiftagene vixteplasmid, in patients with non-muscle invasive bladder cancer (NMIBC).

Valuation: NIS888m or NIS5.51 per share

We have decreased our valuation of CBI to NIS888m or NIS5.51 per share from NIS958m or NIS5.94 per share primarily driven by the decrease in value of CBI's stake (from 18% to 12%) in Gamida Cell following its IPO on the NASDAQ as well as the decrease in Biokine's royalty rates as a result of BioLineRx's recent purchase of an additional 20% stake in BL-8040 and offset by the increase in cash.

3 December 2018

Price*	**NIS3.25**
Market cap	**NIS522m**

*Priced at 28 November 2018

	NIS3.69/US$
Net cash (NISm, unconsolidated) at 30 September 2018	17.3
Shares in issue	161.2m
Free float	37.2%
Code	CBI
Primary exchange	TASE
Secondary exchange	N/A

Share price performance

%	1m	3m	12m
Abs	1.7	(2.9)	(3.9)
Rel (local)	(1.9)	(2.2)	(13.6)
52-week high/low	NIS3.7	NIS2.7	

Business description

Clal Biotechnology Industries is a healthcare investment company focused on investing in a variety of therapeutic, diagnostic and medical device companies covering a full range of development phases from preclinical to post-market. The company holds 10 direct investments, with interests ranging between 4% and 54%. It also has five indirect investments through its 50% stake in the Anatomy Fund, which it manages.

Next events

Anchiano NASDAQ IPO	Q418-Q119
MediWound NexoBrid Phase III results	Q119
MediWound EscharEx Phase III initiation	H119

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Edison profile page

Clinical presentations and business development

In terms of the underlying business, MediWound recently reported its Q318 results. Revenues, which are based on NexoBrid sales in the EU, were $0.9m, down 10% from the previous quarter this year ($1.0m). Notably, the Ministry of Health in Russia recently granted NexoBrid marketing authorisation. MediWound and their exclusive distribution partner in Russia plan to initiate sales in H119.

The company completed enrolment of the 175-patient US NexoBrid Phase III (DETECT) trial in June 2018 and recently announced that the last patient completed acute treatment and entered the follow-up period. The company now expects to release top-line data in January 2019, which is slightly behind its previous expectations (YE18). MediWound plans to schedule a pre-BLA meeting with the FDA to request submission of the BLA based on these acute primary, secondary and safety data and then further supplement the application with 12-month follow-up data during FDA review. If the meeting goes according to plan, the company expects to file a BLA in H219, which would imply a potential H220 approval. However, if the FDA does not permit BLA submission with only acute data, the company expects its timelines to be delayed by about three to four quarters. Moreover, enrolment is ongoing for the 160-patient Phase III study of NexoBrid, which is fully funded by the US Biomedical Advanced Research and Development Authority (BARDA), for debridement in children aged 0–17 years in the US and EU. In addition, MediWound is looking to add clinical sites in both regions. Regarding EscharEx, the company submitted the Phase III protocol to the FDA and, with consensus on the primary endpoint, expects to initiate the programme in H119.

In late September, MediWound was awarded another BARDA contract for the development of NexoBrid for sulphur mustard injuries. The agreement provides approximately $12m in funding to support R&D activities with additional funding of up to $31m for supplementary activities, pivotal animal studies, as well as the FDA BLA submission.

MediWound's advanced discussions with a number of third parties regarding a potential strategic transaction remain ongoing. At this time, MediWound has confirmed that this short group of potential suitors has narrowed. As a reminder, the exact nature of these proposed transactions was not disclosed, but could include anything from a product out-licensing to the acquisition of all of MediWound.

Gamida Cell's IPO on NASDAQ and NiCord data at ASH

On 26 October 2018, Gamida Cell announced the pricing of its IPO on NASDAQ under the symbol GMDA, having offered 6,250,000 ordinary shares at $8.00 per share, totalling ~$53m (including the underwriters' option). Gamida Cell is also granting a 30-day underwriters' option to purchase up to an additional 937,500 ordinary shares at the IPO price. BMO Capital Markets and RBC Capital Markets acted as joint book-running managers for the offering while Needham & Company and Oppenheimer acted as co-lead managers. Following the offering, CBI's ownership of Gamida Cell decreased to 12% (from 18%).

Moreover, Gamida Cell will present translational data from its Phase I/II study of NiCord as a graft after myeloablative chemotherapy at the ASH Annual meeting on 1 December 2018. In total, 24 (median age 41.5 years) of 36 patients had evaluable blood samples for early monitoring of IR. Delayed IR following cord blood transplantation is associated with significant morbidity (ie increased risks of infections, relapse, development of secondary malignancies) and mortality.[1, 2] IR is affected

[1] M. R. M. Van Den Brink, Velardi, E., & Perales, M. (2015). Immune reconstitution following stem cell transplantation. Hematology,2015(1), 215-219.

by human leukocyte antigen discrepancy between donor and host, graft versus host disease, preparative radiation/chemotherapy regimens and age-related thymic involution.[3] Data from this cohort were compared to subgroups of patients with hematologic malignancies receiving non-manipulated cord blood transplantation (n=27, median age 15.4 years) and T-cell-replete, unrelated bone marrow transplantation (n=20, median age 14.3 years). Overall, 91% of the patients achieved the primary endpoint, which was defined as successful CD4+ IR (>50×106/L) within the first 100 days following NiCord transplantation. No difference in probability of early CD4+ IR was noted between the groups (p=0.76). The secondary end points were IR of CD4+, CD8+, natural killer (NK) cells, B-cells and monocytes in the first year after transplantation. The study found that IR of CD4+ (p=0.71) and CD8+ (p=0.08) T-cells were similar amongst the groups whereas IR of NK cells (p<0.001), B-cells (p=0.026), and monocytes (p<0.001) after NiCord transplantation was faster in comparison to the other groups.

Anchiano's potential IPO on the NASDAQ

On 31 October 2018, Anchiano Therapeutics (31% owned by CBI) announced that it filed a draft submission statement to the SEC for a potential US IPO of American Depositary Shares (ADS) representing ordinary shares. However, the number and dollar amount of proposed ADSs have not been disclosed. As a reminder, Anchiano is traded on the TASE under the symbol ANCN. The US IPO is expected in the coming months pending market conditions. Moreover, the company appointed industry veterans Stephen Hoffman MD, PhD, and Robert Connelly to its Board of Directors, with Dr Hoffman serving as chairperson, and David Kerstein MD as the new CMO. Anchiano is also preparing to initiate its first pivotal trial for its lead asset, inodiftagene vixteplasmid, in patients with non-muscle invasive bladder cancer (NMIBC).

BioLineRx increases its stake in Biokine's BL-8040

On 3 October 2018, Biokine (27% owned by CBI) agreed to sell BioLineRx an additional 20% stake in BL-8040, its lead asset. Under the terms of the agreement, BioLineRx will pay Biokine an upfront payment of $10m in cash, plus an additional $5m in restricted shares of BioLineRx. Biokine is also entitled to receive up to $5m in future milestone payments. Following this transaction, BioLineRx will own 80% (previously 60%) of BL-8040. As a reminder, BL-8040 (previously BKT-140) is a cyclic CXC-chemokine receptor-4 (CXCR4) antagonist in development in solid tumour and haematological indications. Interestingly, this transaction was strategically placed ahead of the release of top-line results from its Phase IIa trial in combination with Keytruda (Pembrolizumab, Merck). We do not include this indication in our valuation of Biokine.

Later in October, BioLineRx presented top-line data from its open label Phase IIa COMBAT/KEYNOTE-202 study in metastatic pancreatic adenocarcinoma (PDAC) in combination with Keytruda at the European Society for Medical Oncology (ESMO) annual meeting that took place in Munich, Germany. Patients were initially administered subcutaneous (SC) injections of BL-8040 (1.25mg/kg) daily on days one through five during the first week of treatment. Combination therapy subsequently followed monotherapy treatment and consisted of repeated three-week cycles of Keytruda (200mg) via intravenous infusion on day one of each cycle plus BL-8040 (1.25mg/kg, SC) three times a week on non-consecutive days. In total, 29 of the 37 (mean age 63.8 years) enrolled patients were evaluable (ie received at least one dose of combination and have a post baseline CT). Combination therapy was found to be safe and tolerable whereas common adverse events included injection site reaction and musculoskeletal and connective tissue pain. Out of the 29 evaluable patients, one experienced a partial response demonstrating ~40% reduction in

[2] Komanduri, K. V., et al. (2007). Delayed immune reconstitution after cord blood transplantation is characterized by impaired thymopoiesis and late memory T-cell skewing. Blood,110(13), 4543-4551.

[3] Lucchini, G., Perales, M., & Veys, P. (2015). Immune reconstitution after cord blood transplantation: Peculiarities, clinical implications and management strategies. Cytotherapy,17(6), 711-722.

tumour burden, nine patients experienced stable disease, and 10 demonstrated disease control. Median overall survival (OS) in all patients (n=37) was 3.3 months with a six-month survival rate of 34.4%. What is more, in patients who received the drug combination as second-line treatment (n=17), median OS was 7.5 months with a six-month survival rate of 51.5%. It is important to note that the sample size here is relatively small. Additionally, median OS reported is somewhat in line with current therapies for metastatic PDAC (Exhibit 1).

Exhibit 1: Overall survival of select therapies for metastatic PDAC

First-line*	
Therapy	OS (months)
Gemcitabine	5.65
FOLFIRINOX	11.1
Gemcitabine + nab-paclitaxel	8.5
Second-line and beyond†	
FP	5.5
FP-FA	9.9
IRI-FP-FA	6.1

Source: Adopted from *Teague, et al. (2015), †Citterio et al. (2018). Notes: OS= overall survival. FP= fluoropyrimidine; FA= folinic acid; IRI= irinotecan.

Neon presents Phase Ib data at ESMO

Neon Therapeutics (4% owned by CBI) presented interim results from the ongoing NT-001 trial at the ESMO annual meeting in October. As a reminder, NT-001 is a single-arm Phase Ib trial investigating the safety and immunogenicity of NEO-PV-01, a personalised cancer vaccine, in combination with Bristol-Myers Squibb's Opdivo (nivolumab), a PD-1 immune checkpoint inhibitor, for the treatment of metastatic melanoma, smoking-related NSCLC and bladder cancer.

As a reminder, patients will be administered Opdivo at a dose of 240mg by intravenous infusion over 30 minutes every two weeks for 12 weeks. Regardless of disease status, all patients will receive NEO-PV-01 + adjuvant administered subcutaneously in up to four sites (extremity or flanks) while continuing with Opdivo treatment, again for 12 weeks, after which Opdivo therapy will continue until disease progression.

As of 31 August 3018, dosing has been initiated in 54 patients and no serious adverse events were observed. In total, 34 patients (16 melanoma, 11 NSCLC and seven bladder cancer) have completed the full vaccination course. Partial and complete responses to the treatment regimen are delineated for each indication by pre- and post-vaccination with NEO-PV-01 (Exhibit 2). However, it is difficult to decipher whether these clinical responses are either follow-on from Opdivo or related to the vaccine, which is the true value driver of the asset. There is some evidence that an immune response can be elicited with the vaccine, but it is still early stage and we look forward to assessing clinical correlative efficacy when full data are released. The company expects to report one-year follow-up results in H119.

Exhibit 2: Clinical results

Indication	No. patients per protocol set	Response	Pre-vaccine	Post-vaccine
Melanoma	16	PR	8/16	3/8
		CR	0%	1/16
NSCLC	11	PR	3/11	2/8
		CR	0%	0%
Bladder cancer	7	PR	2/7	0/5
		CR	0%	0%

Source: Neon Therapeutics. Notes: PR= partial response; CR= complete response.

Update on rest of portfolio

On 31 August 2018, Vedantra Pharmaceuticals announced the completion of a $26m raise. We expect the company to utilize the funding to enter the clinic with its amphiphile technology-based

vaccine against mutant KRAS for the treatment of pancreatic cancer in 2019. CBI's stake in the company has subsequently decreased to 36% (33% fully diluted) from 62%. Accordingly, CBI booked a profit of ~NIS51m in Q318 based on the fair value of its holdings in Vedantra. Moreover, Vedantra will no longer be considered a consolidated company in the financial statements and will be presented on an equity basis.

Cadent Therapeutics (16% owned by CBI) has closed its $40m Series B financing led by Atlas Venture, Access Industries, Cowen Group and Qiming Venture Partners. The recent capital injection will be used to fund two upcoming Phase II trials in essential tremor and spinocerebellar ataxia. As a reminder, Cadent is developing CAD-1883, which is a positive allosteric modulator of calcium-sensitive potassium (SK) channels. CAD-1883 increases the sensitivity of SK channels, which play an essential role in regular neuronal firing with the intent to restore regularity and improve motor function for the potential treatment of spinocerebellar ataxia, an orphan genetic disorder characterised by cerebellum dysfunction or degeneration that causes difficulty co-ordinating movements, and essential tremor, a neurological disorder characterised by involuntary and rhythmic shaking, most commonly of the hands and forearms.

Exhibit 3: CBI's key investments

Investment	Technology	% held	Founded	Status	Advantages	Targets
MediWound*	Enzyme technology for severe burns and chronic wounds	35	2001	NexoBrid: launched in Europe; in Phase III development in the US. EscharEx: Phase II complete.	Reduces time to successful eschar removal, reduces need for surgery and need for grafting.	NexoBrid Phase III study readout H119; EscharEx Phase III trial initiation H119.
Gamida Cell*	Cord stem cell transplant for haematologic diseases	12	1998	NiCord: enrolling Phase III; CordIn: two ongoing Phase I/II trials; NK cells: initiated Phase I.	UCB for transplantation only requires partial matching and nicotinamide technology increases the limited population and quality of stem and progenitor cells. NiCord received FDA breakthrough therapy designation.	Enrolment is underway for a Phase III study of NiCord.
Anchiano Therapeutics*	Inodiftagene vixteplasmid is a DNA plasmid for non-muscle invasive bladder cancer	31	2004	Ready to initiate inodiftagene vixteplasmid pivotal trial in Q418.	Inodiftagene vixteplasmid is a 4.5kb recombinant DNA plasmid containing H19 regulatory sequences that drive expression of the potent diphtheria toxin A and inhibits protein translation in malignant bladder cells. Monotherapy clinical studies demonstrated promising efficacy rates.	Initiate two (monotherapy and in combination with BCG) pivotal clinical trials in 2018 and 2019, respectively. NASDAQ listing targeted for Q418 or H119.
Biokine	Cyclic peptide inhibitor of CXCR4 for AML and other malignancies	27	2000	Phase III in stem cell mobilisation. Phase II in relapsed/refractory AML with BioLineRx; Phase Ib/II: collaboration with Genentech, combination BKT-140/BL-8040 and Tecentriq (atezolizumab) for multiple oncology indications.	Phase I/II trials showed vigorous mobilisation of CD34+ stem and progenitor cells from the bone marrow, inducing cell death and sensitising the malignant cells to anti-cancer therapies.	Third arm of Phase II pancreatic cancer trial to initiate in Q418; third arm of Phase II pancreatic cancer results in H219.

Source: Clal Biotechnology Industries. Notes: *Material assets according to CBI. All key investments included in our rNPV; BCG= Bacillus Calmette-Guerin.

Exhibit 4: CBI's direct holdings

Investment	Technology	% held	Founded	Status	Advantages	Targets
eXlthera	Factor Xla inhibition to prevent thrombosis and stroke	54	2012	Phase I: Safety, tolerability, PK, PD of parenteral EP-7041.	Positive Phase I dose escalation readout showed EP-7041 was safe and well tolerated in healthy volunteers and also demonstrated positive PK and PD data.	Potential licensing deal for EP-7041 in H218. Phase II initiation in 2019. In process of selecting an oral candidate.
Vedantra	Cancer and infectious disease immunotherapy	36	2011	Preclinical	Engineering a molecular vaccine that possesses both hydrophilic and hydrophobic properties (amph-vaccine) to exploit albumin to transport small payloads to the lymph node to initiate effective T- and B-cell responses.	Amphiphile technology-based vaccines targeting mutant KRAS oncogenes for the treatment of pancreatic cancer expected in the clinic in H219.
Neon	Personalised neoantigen therapeutics for cancer	4	2015	Phase I: NEO-PV-01 and OPDIVO combination therapy Phase I: NEO-PV-01 and combination with KEYTRUDA and chemotherapy.	Initial results published in Nature. Several collaborations in the pipeline with large pharma, academic institutions, and other clinical-stage biopharmaceutical companies. Recently completed a $106m crossover Series B financing.	NEO-PV-01 and OPDIVO combination results expected H119; NEO-PV-01 and KEYTRUDA combination results expected H219.
Cadent	Treatment of CNS disorders by targeting calcium-sensitive SK channels	16	2010	Phase I: NMDAR2B NAM molecule for treatment of treatment-resistant depression out-licensed to Novartis Phase I: CD-1883 for spinocerebellar ataxia and essential tremor.	CAD-1883 increases the sensitivity of SK channels that play an essential role in regular neuronal firing with the intent to restore regularity and improve motor function.	Potential NASDAQ listing in 2019. Initiate two Phase II trials in essential tremor and spinocerebellar ataxia.

Source: Clal Biotechnology Industries. Notes: DIPG = diffuse intrinsic pontine glioma, CXCR4 = CXC-chemokine receptor-4 pathway, AML = acute myeloid leukaemia, NMDAR = N-methyl-D-aspartate receptor subtype 2B, NAM = negative allosteric modulator.

Exhibit 5: CBI's indirect holdings through 50% stake in Anatomy

Investment	Technology	Anatomy investments at fair value to CBI ($m)	Founded	Status	Advantages	Targets
FDNA	Genetic disease diagnostics with facial recognition	1.1	2011	Market	Combines computer vision, machine learning and artificial intelligence to analyse facial features, genomic data, and patient symptoms.	Innovation needs to be linked to clinical outcomes.
Sight Diagnostics	Computer vision point-of-care blood diagnostics system	1.0	2011	Parasight: Market; OLO: CE mark, pivotal trial in US	Point-of-care full complete blood count system.	OLO: Pivotal clinical trial complete in Q418; 510k approval mid-2019; CLIA waiver in 2020.
Colospan	Developing bypass device (CG-100) for colorectal surgery	1.6	2010	CE approved in Europe	Prevents life-threatening leakage and makes it possible to cut down the use of stomas. Positive initial clinical results.	CG-100: Soft launch in Europe in 2018 for market feasibility. Recruiting approximately 137 patients to participate in the safety and efficacy trial through H219 and expects to file for FDA marketing approval following trial results.
MinInvasive	Device for arthroscopic rotator cuff repair	1.6	2011	Market	Needle-based shoulder tendon repair device that eliminates the need for suture anchors.	MicroPort granted exclusive rights to distribute device in China. FDA cleared and anticipating US launch.
Pi-Cardia*	Non-implant based technology for aortic valve stenosis	1.6	2009	Clinical	Developed a low-profile catheter to treat aortic stenosis without replacing the valve.	Clinical validation.
Total, including $1.5m in additional investments		**8.5****				

Source: Clal Biotechnology Industries. Note: *As of year-end 2017. **Pi-Cardia is also held directly (21% stake includes direct costs of CBI and 50% stake in Anatomy).

Valuation

We have decreased our valuation of CBI to NIS888m or NIS5.51 per share from NIS958m or NIS5.94 per share. This change was primarily driven by the CBI's reduced stake (from 18% to 12%) in Gamida Cell following the ~$53m IPO on the NASDAQ as well as the decrease in Biokine's royalty rates as a result of BioLineRx's additional 20% stake in BL-8040, its lead asset. These changes were offset by the increase in cash at the corporate level to NIS17.3m (from NIS5.6m at Q218 end) as well as the increase of the value of CBI's holdings in Vedantra ($13.9m from $9.1m) following the Series B even though CBI's stake in the company decreased (36% from 62%). We expect to update our valuation of MediWound further once we get more information about the discussions with potential strategic partners.

Exhibit 6: CBI valuation breakdown

Product	Setting	Status	Launch	Peak sales ($m)	Probability of success	Royalty rate	rNPV ($m)	% owned by Clal B	Clal B rNPV ($m)
MediWound	Burns	Market and Phase III ready	Nexobrid: Market, EscharEx: Phase III	375	Nexobrid US 80%, Europe 100%, EscharEx 50%	Nexobrid: 100% EscharEx: 20%	207	35%	72.4
Gamida Cell	Leukemia (AML, ALL, CML, CLL)	Phase III	2020	437	50%	100%	423	12%	50.7
Biokine	AML	Phase II	2023	1,286	30%	20% of what BioLineRx receives from a sublicense	38	27%	10.2
Anchiano Therapeutics	Bladder cancer	Phase II and Phase III ready	2022	530	30%	100%	142	31%	44.0
Neon							334	4%	13.3
Vedantra								36%	13.9
ExlThera								54%	10.3
Cadent								16%	12.0
Anatomy portfolio									8.5
Portfolio total ($m)									235
Cash, unconsolidated (As of 30 September 2018) ($m)									5
Overall valuation ($m)									240
Shekel/Dollar Conversion rate									3.7
Overall valuation in Shekels (NISm)									888
Shares outstanding (m)									161.2
Per share (NIS)									5.51

Source: Edison Investment Research

Financials

As a reminder, due to significant ownership stakes CBI consolidates the financials of several of its investments (MediWound, CureTech and the Anatomy fund) and, on this basis, it had NIS113.9m ($30.9m) in cash, cash equivalents and bank deposits as of Q318. CBI's cash position at the corporate level (excluding consolidation) was NIS17.3m ($4.7m) at 30 September 2018.

Total consolidated revenues of NIS3.1m ($0.8m) were primarily generated through the sales of MediWound's NexoBrid in Europe, Israel and Argentina, licensing agreements and rent for the quarter, which is down approximately 89% from the same period of the previous year (NIS28.1m in Q317). The company also reported NIS7.2m ($2.0m) from the decrease of equity interest in associates during the period. Moreover, CBI booked NIS51.0m ($13.8m) from the loss of control of subsidiaries, which is primarily attributed to the decrease in stake of Vedantra in Q318.

Substantial investment was made into the development of underlying technologies and products of CBI's material assets, as indicated by R&D spend of NIS8.3m ($2.2m) for Q318, which is up roughly 41% from the same period in 2017 (NIS5.8m/$1.5m). For the period, general and admin

costs, which include payroll and related expenses, management fees, and marketing and advertising expenses on a consolidated basis, were NIS12.0m ($3.3m).

Exhibit 7: Financial summary

NIS000s	2015	2016	2017
Year end 31 December	IFRS	IFRS	IFRS
PROFIT & LOSS			
Revenue	55,759	30,484	73,635
Cost of Sales	(42,549)	(46,967)	(32,433)
Gross Profit	13,210	(16,483)	41,202
R&D expenses	(54,094)	(42,011)	(32,644)
SG&A expenses	(82,747)	(81,107)	(61,679)
EBITDA	(175,382)	(434,812)	(103,330)
Operating Profit (before amort. and except.)	(179,999)	(451,764)	(103,633)
Intangible Amortisation	0	0	0
Exceptionals	0	0	0
Operating Profit	(179,999)	(451,764)	(103,633)
Other	(35,553)	(11,850)	(31,078)
Net Interest	6,197	9,510	80,478
Profit Before Tax (norm)	(209,355)	(454,104)	(54,233)
Profit Before Tax (FRS 3)	(209,355)	(454,104)	(54,233)
Tax	14,023	60,104	31,795
Profit After Tax (norm)	(195,332)	(394,000)	(22,438)
Profit After Tax (FRS 3)	(195,332)	(394,000)	(22,438)
Average Number of Shares Outstanding (m)	135.8	136.2	149.4
EPS - normalised (NIS)	(1.44)	(2.89)	(0.15)
EPS - FRS 3 (NIS)	(1.44)	(2.89)	(0.15)
Dividend per share (NIS)	0.0	0.0	0.0
BALANCE SHEET			
Fixed Assets	1,225,127	927,359	849,112
Intangible Assets	1,035,753	741,543	626,342
Tangible Assets	17,077	16,536	14,854
Other	172,297	169,280	207,916
Current Assets	307,645	191,351	185,228
Stocks	6,691	3,248	6,539
Debtors	18,784	16,415	13,612
Cash	256,105	171,022	165,077
Other	26,065	666	0
Current Liabilities	(66,785)	(68,277)	(31,182)
Creditors	(14,782)	(8,507)	(7,975)
Short term borrowings	0	0	0
Short term leases	0	0	0
Other	(52,003)	(59,770)	(23,207)
Long Term Liabilities	(373,520)	(297,938)	(194,962)
Long term borrowings	0	0	0
Long term leases	0	0	0
Other long term liabilities	(373,520)	(297,938)	(194,962)
Net Assets	1,092,467	752,495	808,196
CASH FLOW			
Operating Cash Flow	(156,274)	(52,529)	(59,400)
Net Interest	23,298	0	0
Tax	(14,023)	(60,104)	(32,005)
Capex	0	0	0
Acquisitions/disposals	27,971	(395)	(3,876)
Financing	22,499	23,123	80,611
Dividends	0	0	0
Other	146,116	5,447	72,644
Net Cash Flow	49,587	(84,458)	57,974
Opening net debt/(cash)	(207,517)	(256,105)	(171,022)
HP finance leases initiated	0	0	0
Other	(999)	(625)	(10,253)
Closing net debt/(cash)	(256,105)	(171,022)	(218,743)

Source: Company reports, Edison Investment Research

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