

# ColiPlant Holdings

Fund-raising should enable strategic delivery

ColiPlant has announced the signing of a definitive agreement with a US investor for a \$5m private placing. The investment is in three tranches: signing the agreement; approval; and successful up-listing to the NASDAQ exchange. This is a significant step for ColiPlant, in our opinion, as it enables the company to develop strategically by increasing its distribution of Vergenix products and progress its earlier-stage rhCollagen technology bioInk for 3D printing of organs and tissues. We have increased our rNPV to \$73m (NIS262m) as a result of rolling our model forward a quarter and using the Q2 cash and first tranche of the fund-raising.

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	1.2	(19.6)	(14.97)	0.0	N/A	N/A
12/18e	2.7	(18.2)	(13.96)	0.0	N/A	N/A

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

## Significant fund-raising and potential up-listing

ColiPlant has announced a \$5m fund-raising agreement with a US investor. The investment will be split – \$2m on signature of the agreement; \$2m once the agreement is approved by its shareholders; and \$1m on the successful up-listing to the NASDAQ exchange. The company has also indicated that current key shareholders are interested in investing further funds in a separate, future private placement. This fund-raising is significant as it is sufficient to provide financial stability to the company and also enables it to progress the commercialisation of its VergenixSTR and VergenixFG in Europe alongside its earlier pipeline, its biological ink (bioInk) for the production of 3D scaffolds.

## Key catalysts over the next 12-18 months

ColiPlant continues to work towards signing additional distribution agreements in further territories in Europe. Demonstrating the successful traction of VergenixSTR and VergenixFG in Europe is key for ColiPlant as it will underpin the products' potential and validate the underlying technology rhCollagen. ColiPlant has also indicated that it is actively pursuing potential joint ventures to develop its biological ink (bioInk) for the production of 3D scaffolds, a possible major growth opportunity.

## Valuation: Increased slightly to \$73m

Our rNPV-based valuation has increased to \$73m/56.1c per share pre-dilution (NIS206m or NIS1.99 per share) from \$70m/54.2c per share as a result of rolling our model forward by one quarter and using an updated cash position to include the Q2 cash position (\$1.28m) and the first tranche of its recent fund-raising (\$2m). We have included the full \$5m fund-raising in our 2017 forecasts and increased R&D spend for this year to c NIS16m, which gives a cash horizon to 2019. The fund-raising and subsequent up-listing to the NASDAQ is an important milestone as it should enable ColiPlant to raise further funding from its current shareholders and offers sufficient financing to move it toward potential catalysts.

Q2 results and fund-raising

Pharma & biotech

18 September 2017

**Price\*** **NIS0.44**

**Market cap** **NIS58m**

\*Priced at 13 September 2017

NIS3.53/\$

Net cash (NISm) as at 30 June 2017 11.6  
(pro forma adjusted for first tranche of private placement)

Shares in issue (pre-share issue) 130.6m

Free float 80.6%

Code CLPT

Primary exchange TASE

Secondary exchange OTCQB

### Share price performance



% 1m 3m 12m

Abs 40.3 14.8 (55.2)

Rel (local) 35.0 15.1 (56.3)

52-week high/low NIS1.0 NIS0.3

### Business description

ColiPlant 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 2017/2018

Q3 results November 2017

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**Exhibit 1: Financial summary**

	NIS000s	2014	2015	2016	2017e	2018e
Year end 31 December		IFRS	IFRS	IFRS	IFRS	IFRS
<b>PROFIT &amp; LOSS</b>						
Revenue		0	0	292	1,170.53	2,738.15
Cost of Sales		0	0	0	(585)	(1,369)
Gross Profit		0	0	292	585	1,369
R&D expenses, net		(9,734)	(11,864)	(16,789)	(16,621)	(15,790)
SG&A expenses		(3,906)	(6,950)	(11,048)	(3,535)	(3,889)
EBITDA		(12,838)	(18,026)	(27,023)	(18,770)	(17,600)
Operating Profit (before GW and except)		(13,640)	(18,814)	(27,545)	(19,571)	(18,310)
Intangible Amortisation		0	0	0	0	0
Exceptionals		0	0	0	0	0
Operating Profit		(13,640)	(18,814)	(27,545)	(19,571)	(18,310)
Other		0	0	0	0	0
Net Interest		617	164	(348)	20	80
Profit Before Tax (norm)		(13,023)	(18,650)	(27,893)	(19,551)	(18,230)
Profit Before Tax (FRS 3)		(13,023)	(18,650)	(27,893)	(19,551)	(18,230)
Tax		0	0	0	0	0
Profit After Tax (norm)		(13,023)	(18,650)	(27,893)	(19,551)	(18,230)
Profit After Tax (FRS 3)		(13,023)	(18,650)	(27,893)	(19,551)	(18,230)
Average Number of Shares Outstanding (m)		80.4	84.7	100.6	130.6	130.6
EPS - normalised (NIS)		(16.19)	(22.03)	(27.72)	(14.97)	(13.96)
EPS - FRS 3 (NIS)		(16.19)	(22.03)	(27.72)	(14.97)	(13.96)
Dividend per share (NIS)		0.0	0.0	0.0	0.0	0.0
<b>BALANCE SHEET</b>						
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	20,024	5,635
Stocks		0	0	487	487	487
Debtors		1,548	3,241	3,785	3,785	3,785
Cash		11,062	5,317	3,797	15,752	1,363
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)	(2,467)	(2,467)
Long term borrowings		0	0	(286)	(286)	(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	16,658	2,144
<b>CASH FLOW</b>						
Operating Cash Flow		(12,958)	(14,496)	(19,384)	(15,087)	(13,724)
Net Interest		(35)	(2)	8	(20)	(80)
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	27,406	0
Dividends		0	0	0	0	0
Other		(16)	27	(286)	0	0
Net Cash Flow		(13,310)	(5,849)	(1,649)	11,955	(14,389)
Opening net debt/(cash)		(23,777)	(11,062)	(5,317)	(3,511)	(15,466)
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)	(15,466)	(1,077)

Source: ColiPlant accounts, Edison Investment Research

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