

Immediate Update

1 July, 2018

Entera Bio Ltd., a subsidiary of DNA Biomedical Solutions Ltd. has announced the share pricing for its forthcoming IPO (Nasdaq); As pricing was at similar valuation to our initiation report, target price remains unchanged.

Primary Exchange: TASE

Ticker: TLV: DNA

Sector: Healthcare

Industries: Biotechnology and Medical Devices

Data as at 1 July, 2018

(Source: TASE)

Closing price: NIS 0.28

Market cap: NIS 41.3M

of shares: 147,606,627

Stock performance (12 mos.): -7.5%

Daily-trading-vol. (12 mos.): NIS 347K

Stock target price: NIS 0.79

Company Overview

Israeli holdings firm **DNA Biomedical Solutions Ltd.** (hereinafter 'DNA', 'DNA Biomed' or 'the Company') was founded in 2004 and went public on the Tel Aviv Stock Exchange ([TLV: DNA](#)) in 2007. DNA has two key holdings, respective 35% and 40% stakes (both fully diluted) in biomedical companies - *Entera Bio* and *BeamMed*.

Entera Bio Ltd. (hereinafter 'Entera') is a drug development company, founded in 2009 by DNA and Oramed ([TLV/NASDAQ: ORMP](#)), the latter from whom it has licensed a unique drug delivery platform for oral administration of pharmaceutically active large molecule proteins that are nowadays injected. *Entera* is conducting clinical trials for two candidate drugs treating three indications: hypoparathyroidism, osteoporosis, and non-union fractures.

BeamMed Ltd. (hereinafter 'BeamMed') and its global subsidiaries, are medical device companies that deliver an ultrasound based screening solution for determining a patient's risk of developing osteoporosis, with unique additional product features. They have established themselves in the screening stage of the osteoporosis therapy value chain. Their product utilizes ultrasonically measurable parameters as the basis of a patient's risk factor. After initial success in East Asia, they are now looking to expand their US sales.

Highlights & Analysis

Entera, a subsidiary of DNA, announced on June 28 that it had completed the pricing process of an initial public offering (IPO) and that it had recorded 1.4 million ordinary shares and options for the acquisition of 700,000 in the company.

- After a \$91 million issue, without dilution, the total amount of the gross consideration before the options are exercised is \$11.2 million.
- The company's shares will be traded on NASDAQ under the symbol [ENTX \(NASDAQ:ENTX\)](#).
 - Entera rose 0.32% on the first day of trading (Friday June 29, 2018); its market cap currently stands at \$75M and its share price at \$6.32.

DNA is expected to hold 27.5% of Entera's share capital without dilution.

- **The value of Entera fully diluted was estimated by Frost & Sullivan to range between \$79.2 million and \$90.2 million; an average of \$ 84.6 million.**
- The capital raising, conducted at a similar price, reinforces our valuation of Entera, our understanding of the company's technological basis, and its potential to use the funds raised to go through with its strategic development plans, without the need to raise additional capital, at least for the next 18 months.

We keep DNA's value at \$30.9 million (NIS 108.7M) corresponding to a target price of \$0.23 (NIS 0.79) per share.

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