

February 5, 2018

Quarterly update***DNA Biomedical Solutions Ltd.: Entera's unsuccessful NASDAQ IPO is not expected to have a significant impact on its clinical plans; Price target affected by a change in the exchange rate.¹****Stock Exchange:** TASE**Symbol:** DNA**Sector:** Healthcare**Sub-sector:** Biotechnology (Holdings)**Stock Target Price:** NIS 0.79**As of February 4, 2018** (Source: TASE website):**Closing Price:** 0.29 NIS**Market Cap:** 42.1 million NIS**# of Shares:** 147.6 million**Stock Performance (TTM):** -15%**Average Daily Trading Volume:** NIS 414.3K**Kobi Hazan** - Lead Analyst**Credit to experts:**Dr. Tiran Rothman
Dr. Anna Cirmirakis*

* Frost & Sullivan

Frost & Sullivan Research & Consulting Ltd.**Email:** equity.research@frost.com**Tel.:** +972 (0) 9 950 2888**www.frost.com/equityresearchWeb:****Company Overview**

Israeli holdings firm **DNA Biomedical Solutions Ltd.** ('DNA' or 'DNA Biomed') was founded in 2004 and went public on the Tel Aviv Stock Exchange (TASE: 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 is a drug development company, founded in 2009 by DNA and Oramed (TASE/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, 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**Entera's unsuccessful NASDAQ IPO is not expected to have a significant impact on its clinical plans.**

- On January 28, the company reported that Entera announced on January 26, 2018 that it had not completed its IPO and listing process as planned. Entera announced it is examining various available alternatives for raising capital.
- To our understanding, the effect of the incomplete offering on Entera's clinical plans is immaterial. The company is currently preparing for Phase 2b/3 clinical trials, which are scheduled to begin in the first quarter of 2018. Beforehand, the company will conduct a preliminary trial to examine Pharmacokinetics/Pharmacodynamics in the drug.
- Financially, it should be noted that Entera recently completed a \$12.4 million financing round, and therefore, in our opinion, at present the company has sufficient funding to complete the necessary preparations prior to initiating the aforementioned experiment.
- At the same time, Entera expects to try to raise public or private capital in the coming months. If Entera manages to raise enough capital, there will be no delay in the clinical development program.
- In light of all these considerations, we have maintained the company's value at approximately \$30.9 million; a target price of \$0.23 per share. The estimated valuation for the company in NIS is 106.7 million ; a target price of NIS 0.79 per share (according to the exchange rate at US market close on February 2, 2018).¹

¹ The original valuation was calculated in USD. Changes in the company's value in NIS result only from changes in the USD/NIS exchange rate since the valuation was published (October 10, 2017).

*The company releases financial reports on a bi-annual basis

Upcoming Potential Catalysts

Company	Program	Indication	Event	Significance	Timeline
Entera Bio	EB612: PTH 1-34	Hypoparathyroidism	Initiation of pivotal Phase 2b/3	Medium	H2-2018
			Topline data expected	High	H2-2020
			Expected submission of NDA/BLA to FDA	Medium	Q1-2021
			Expected commencement of sales	High	2021/2022
	EB613: PTH 1-34	Osteoporosis	Phase 2a Initiation	Low	H1-2018
			IND submission	Low	H2-2018
			Pivotal phase 2b/3 with strategic partners	High	2019
			Expected commencement of sales by partner	High	2025
BeamMed	-	Osteoporosis	Signing distribution agreements in the United States.	High	H1-2018

Disclaimers, disclosures and insights for more responsible investment decisions

Entera Bio has not disclosed any other scientific information regarding the content of its platform carrier, pipeline results or any other relevant details, aside from the aforementioned; BeamMed was awarded Frost & Sullivan's 2015 Best Practice award in their field.

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