UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
Under the Securities Exchange Act of 1934

For the month of November 2021

Commission File Number 001-38716

GAMIDA CELL LTD.
(Translation of registrant's name into English)

5 Nahum Heftsadie Street
Givaat Shaul, Jerusalem 91340 Israel
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

Other Events

On November 15, 2021, Gamida Cell Ltd. (the "***Company***") issued a press release, a copy of which is furnished as Exhibit 99.1 to this Form 6-K.

The information included under the captions "Recent Developments and Planned Presentations at ASH" "Third Quarter 2021 Financial Results" and "Expected Milestones in 2022" of the press release, as well as the Unaudited Interim Consolidated Financial Statements as of September 30, 2021 attached hereto as Exhibit 99.2 to this Form 6-K, are hereby incorporated by reference into the Company's Registration Statement on Form F-3 (File No. 333-253720), the Company's Registration Statement on Form F-3 (File No. 333-259472) and the Company's Registration Statement on Form S-8 (File No. 333-238115).

Risk Factors

Our business faces significant risks. You should carefully consider all of the information set forth in this Report on Form 6-K and in our other filings with the United States Securities and Exchange Commission (the "SEC"), including the risk factors set forth in our Annual Report on Form 20-F for the year ended December 31, 2020 filed with the SEC on March 9, 2021, as amended on March 11, 2021. Our business, financial condition, results of operations and growth prospects could be materially adversely affected by any of these risks. This report also contains forward-looking statements that involve risks and uncertainties. Our results could materially differ from those anticipated in these forward-looking statements, as a result of certain factors including the risks described in our Annual Report and our other SEC filings.

Exhibits

99.1	Press release dated November 15, 2021, Gamida Cell Reports Third Quarter 2021 Financial Results and Provides Company Update
99.2	Unaudited Interim Consolidated Financial Statements of September 30, 2021
101	Interactive data files pursuant to Rule 405 of Regulation S-T: (i) Interim Consolidated Statements of Financial Position, (ii) Interim Consolidated Statements of Comprehensive Loss, (iii) Interim Consolidated Statements of Changes in Shareholders Equity, (iv) Interim Consolidated Statements of Cash Flows, and (v) the Notes to Interim Consolidated Financial Statements

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GAMIDA CELL LTD.

November 15, 2021

By: /s/ Shai Lankry
Shai Lankry
Chief Financial Officer

gamida cell

Gamida Cell Reports Third Quarter 2021 Financial Results and Provides Company Update

- *New data being presented at American Society of Hematology (ASH) Annual Meeting demonstrating GDA-201 overall survival rate of 78% at two years with a median duration of response of 16 months and long-term clinical benefit of omidubicel with long-lasting hematopoietic recovery*

- *Finished third quarter of 2021 with $121 million in cash; reassessing expected spending and prior financial guidance due to the revised timing of the omidubicel BLA submission*

- *Company to host conference call at 8:00 a.m. ET today*

Boston, Mass. – November 15, 2021 – Gamida Cell Ltd. (Nasdaq: GMDA), an advanced cell therapy company committed to cures for cancer and other serious diseases, today provided a business update and reported financial results for the quarter ended September 30, 2021. Net loss for the third quarter of 2021 was $19.6 million, compared to a net loss of $14.8 million for the same period in 2020. As of September 30, 2021, Gamida Cell had total cash and cash equivalents of $120.8 million.

During the past quarter, Gamida Cell:

- Continued to execute on plans to submit a Biologic License Application (BLA) for omidubicel, a potentially life-saving treatment for patients with blood cancers in need of stem cell transplant. As previously disclosed, in a recent pre-BLA meeting, the FDA requested a revised analysis of the manufacturing data generated at Gamida Cell's wholly owned commercial manufacturing facility to demonstrate the comparability to the omidubicel that was produced at the clinical manufacturing sites for the Phase 3 study. The FDA did not request additional clinical data to initiate the BLA submission once analytical comparability is demonstrated.

- Progressed activities with objective to address the FDA's Clinical Hold on the Investigational New Drug (IND) application for GDA-201, which was imposed based on questions about donor eligibility procedures and sterility assay qualification prior to the initiation of the study in patients with follicular and diffuse large B-cell lymphomas.

- Expanded the company's NAM-enabled natural killer (NK) cell pipeline targeting solid-tumor and hematological cancers, including genetically modified variants of proprietary NK therapies using both CRISPR/Cas9 and CAR methodologies.

"We are committed to advance our programs and bring our important potential therapies to patients as quickly as possible. We are working diligently to respond to the FDA's information requests for omidubicel and GDA-201, and now expect to submit the BLA for omidubicel to the FDA in the first half of 2022 and we hope to promptly address outstanding issues regarding our IND application relating to GDA-201." said Julian Adams, Ph.D., chief executive officer of Gamida Cell. "Additionally, at our recent NK-focused R&D Day, we provided details on our genetically modified NK cell immunotherapy programs leveraging CAR- and CRISPR-mediated strategies against hematologic malignancies and solid tumors. The company remains focused on our goal of bringing patients with cancer potentially curative cell therapies."

Recent Developments and Planned Presentations at ASH

Omidubicel: Advanced Cell Therapy

- **BLA Submission:** During a recent pre-BLA meeting, the FDA requested that Gamida Cell provide revised analysis of the manufacturing data generated at Gamida Cell's wholly owned commercial manufacturing facility. Upon completing those requirements, the company anticipates submitting the BLA in the first half of 2022.

- **New data to be presented at ASH:** Gamida Cell will have three omidubicel presentations - two presentations of additional data from the phase III randomized trial of omidubicel, and a poster presentation summarizing long term omidubicel data from multiple studies - at the 63rd American Society of Hematology (ASH) Annual Meeting and Exposition (December 11-14, 2021).

    - Oral presentation of "Hematopoietic Stem Cell Transplantation (HSCT) with Omidubicel is Associated with Robust Immune Reconstitution and Lower Rates of Severe Infection Compared to Standard Umbilical Cord Blood Transplantation" on Saturday, December 11, 2021, at 4:30 p.m. ET. Data collected from a subset of 37 patients in the omidubicel Phase III trial shows that, in addition to more rapid short-term hematopoietic recovery, omidubicel-treated patients had more rapid recovery of a wide variety of immune cells including CD4+ T cells, B cells, monocytes, natural killer cells, and dendritic cells. The robust recovery of the broad range of the immune system correlated with and supports clinical data showing fewer severe bacterial, fungal, and viral infections in patients treated with omidubicel.

    - Poster presentation of "Hospitalization and Healthcare Resource Use of Omidubicel vs. Cord Blood Transplantation for Hematological Malignancies in a Global Randomized Phase III Clinical Trial" on Monday, December 13, 2021, 6:00-8:00 p.m. ET. Resource utilization data during the first 100 days after transplant were analyzed for 108 patients in the phase III trial and shows that omidubicel-treated patients has significantly shorter durations of hospitalization, intensive care unit time, consultant visits, procedures, and transfusions than the control arm. These data provide further evidence of the clinical benefit associated with the more rapid hematopoietic recovery in patients treated with omidubicel and the corresponding reduction in healthcare resource utilization.

    - Poster presentation, "Allogeneic Stem Cell Transplantation with Omidubicel: Long-Term Follow-up from a Single Center" on Saturday, December 11, 2021, 5:30-7:30 p.m. ET. Analysis of outcomes of 22 patients with hematologic malignancies treated with omidubicel at Duke University over a 10-year period shows long-term sustained bone marrow function and immune recovery, with a 10-year overall survival of 48%. These data provide further support for the long-term clinical benefit of omidubicel with long-lasting hematopoietic recovery.

GDA-201: NAM-Enabled NK Cell Therapy

- **IND for Phase 1/2 Study:** Gamida Cell is working to address the clinical hold on the IND for a Phase 1/2 study of GDA-201. As a result of the clinical hold, the initiation of our planned Phase 1/2 study of GDA-201 will be delayed beyond the end of 2021, as the company previously projected.

- **New data presented at SITC**: Gamida Cell recently presented promising new preclinical data in two posters characterizing the NAM-enabled mechanisms of action that contribute to the metabolic modulation properties and enhanced tumor cytotoxicity activity of GDA-201 at the Society for Immunotherapy of Cancer's 36th Annual Meeting (SITC 2021) held from November 10-14, 2021.

- **New data to be presented at ASH:** A poster titled "GDA-201, A Novel Metabolically Enhanced Allogeneic Natural Killer (NK) Cell Product Yields High Remission Rates in Patients with Relapsed/Refractory Non-Hodgkin Lymphoma (NHL): 2-year survival and correlation with cytokine IL7" will be presented at the upcoming ASH Annual Meeting and Exposition on Monday, December 13, 2021, 6:00-8:00 p.m. ET. This analysis provides longer follow-up in the investigator-led study of GDA-201 in patients with non-Hodgkin lymphoma and demonstrated an overall survival rate of 78% at two years, median duration of response of 16 months, and a safety profile that was similar to what had been previously reported.

NAM-Enabled NK Cell Pipeline Expansion

- **Advanced NAM-enabled genetically modified NK pipeline:** During Gamida Cell's NK-focused virtual R&D Day, the company presented new data and additional details on its genetically modified NK cell immunotherapy programs, which utilize CAR, membrane bound- and CRISPR-mediated strategies to increase targeting, potency and persistence against hematologic malignancies and solid tumors:
    - GDA-301: Knockout of CISH (cytokine inducible SH2 containing protein) in NK cells using CRISPR/Cas9 in combination with a membrane-bound IL-15/IL-15Ra;
    - GDA-501: anti HER2 CAR-engineered NK cells to target solid tumors expressing HER2, based on a single-chain variable fragment of the widely used humanized monoclonal antibody trastuzumab; and
    - GDA-601: CRISPR Knockout of CD38 on NK cells combined with anti CD38 CAR. CD38 is an established immunotherapeutic target in multiple myeloma, but its expression on NK cells and its further induction during ex vivo NK cell expansion represents a barrier to the development of an anti CD38 CAR-NK cell therapy. Gamida Cell recently announced a research collaboration with the Dana-Farber Cancer Institute to study the in vitro cytotoxicity of GDA-601 in fresh samples from multiple myeloma patients.
- **New data presented at PEGS Europe:** Data from early-stage studies of GDA-501 demonstrated enhanced potency and cytotoxicity against a HER2-expressing tumor cell line. Data presented on GDA-301 showed cytotoxic activity against a chronic myelogenous leukemia cell line (K562) and a multiple myeloma cell line (RPMI). These data were presented at the 13th Annual Protein and Antibody Engineering Summit (PEGS) in Barcelona, Spain November 2-4, 2021.

Third Quarter 2021 Financial Results

- Research and development expenses in the third quarter of 2021 were $12.4 million, compared to $10.5 million for the same period in 2020. The increase was mainly due to omidubicel commercial manufacturing readiness activities, and the advancement of the GDA-201 program, including broadening scientific capabilities and talent.
- Commercial expenses in the third quarter of 2021 were $6.0 million, compared to $1.9 million for the third quarter of 2020. The increase was mainly attributed to progress with omidubicel commercial readiness activities. Going forward, the company anticipates reducing its near-term commercial readiness expenses in line with the revised omidubicel BLA submission timing.
- General and administrative expenses were $4.8 million for the third quarter of 2021, compared to $2.7 million for the same period in 2020. The increase was mainly due to professional services and the hiring of key management positions, to support business growth.
- Finance income, net, was $3.5 million for the third quarter of 2021, compared to $0.3 million for the third quarter of 2020. The increase was primarily due to non-cash income, resulting from revaluation of warrants offset by convertible note interest expenses.

Net loss for the third quarter of 2021 was $19.6 million, compared to a net loss of $14.8 million for the same period in 2020.

2021 Financial Guidance

Gamida Cell is re-assessing its planned spending and prior financial guidance as a result of the revised timing of the expected omidubicel BLA submission.

Expected Milestones in 2022

Omidubicel

- BLA submission to the FDA in the first half of 2022

GDA-201

- Initiation of a company-sponsored Phase 1/2 clinical study in NHL in 2022

NK cell pipeline expansion

- Establish preclinical proof of concept studies of the NAM-enabled, genetically modified NK therapeutic targets in 2022
- Select pipeline candidate(s) for IND enabling studies by end of 2022

Conference Call Information

Gamida Cell will host a conference call today, November 15, 2021, at 8:00 a.m. ET to discuss these financial results and company updates. A live webcast of the conference call can be accessed in the "Investors & Media" section of Gamida Cell's website at www.gamida-cell.com. To participate in the live call, please dial 866-930-5560 (domestic) or 409-216-0605 (international) and refer to conference ID number 4347485. A recording of the webcast will be available approximately two hours after the event, for approximately 30 days.

About Omidubicel

Omidubicel is an advanced cell therapy under development as a potential life-saving allogeneic hematopoietic stem cell (bone marrow) transplant solution for patients with blood cancers. Omidubicel is the first bone marrow transplant graft to receive Breakthrough Therapy Designation from the U.S. FDA and has also received Orphan Drug Designation in the U.S. and EU. For more information about omidubicel, please visit https://www.gamida-cell.com.

Omidubicel is an investigational therapy, and its safety and efficacy have not been established by the FDA or any other health authority.

About GDA-201

Gamida Cell applied the capabilities of its nicotinamide (NAM)-enabled cell expansion technology to develop GDA-201, an innate NK cell immunotherapy for the treatment of hematologic and solid tumors in combination with standard of care antibody therapies. GDA-201, the lead candidate in the NAM-enabled NK cell pipeline, has demonstrated promising initial clinical trial results. GDA-201 addresses key limitations of NK cells by increasing the cytotoxicity and *in vivo* retention and proliferation in the bone marrow and lymphoid organs. Furthermore, GDA-201 improves antibody-dependent cellular cytotoxicity (ADCC) and tumor targeting of NK cells. For more information about GDA-201, please visit https://www.gamida-cell.com.

GDA-201 is an investigational therapy, and its safety and efficacy have not been established by the FDA or any other health authority.

About Gamida Cell

Gamida Cell is pioneering a diverse immunotherapy pipeline of potentially curative cell therapies for patients with solid tumor and blood cancers and other serious blood diseases. We apply a proprietary expansion platform leveraging the properties of NAM to allogeneic cell sources including umbilical cord blood-derived cells and NK cells to create therapies with potential to redefine standards of care. These include omidubicel, an investigational product with potential as a life-saving alternative for patients in need of bone marrow transplant, and a line of modified and unmodified NAM-enabled NK cells targeted at solid tumor and hematological malignancies. For additional information, please visit www.gamida-cell.com or follow Gamida Cell on LinkedIn, Twitter, Facebook or Instagram at @GamidaCellTx.

Cautionary Note Regarding Forward Looking Statements

This press release contains forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995, including with respect to timing of initiation and progress of, and data reported from, the clinical trials of Gamida Cell's product candidates (including GDA-201), anticipated regulatory filings (including the timing of submission of the BLA for omidubicel to the FDA), commercialization planning efforts, and the potentially life-saving or curative therapeutic and commercial potential of omidubicel, and Gamida Cell's expectations for the expected clinical development milestones set forth herein.. Any statement describing Gamida Cell's goals, expectations, financial or other projections, intentions or beliefs is a forward-looking statement and should be considered an at-risk statement. Such statements are subject to a number of risks, uncertainties and assumptions, including those related to the impact that the COVID-19 pandemic could have on our business, and including the scope, progress and expansion of Gamida Cell's clinical trials and ramifications for the cost thereof; clinical, scientific, regulatory and technical developments; and those inherent in the process of developing and commercializing product candidates that are safe and effective for use as human therapeutics, and in the endeavor of building a business around such product candidates. In light of these risks and uncertainties, and other risks and uncertainties that are described in the Risk Factors section and other sections of Gamida Cell's Annual Report on Form 20-F, filed with the Securities and Exchange Commission (SEC) on March 9, 2021, as amended, and other filings that Gamida Cell makes with the SEC from time to time (which are available at http://www.sec.gov), the events and circumstances discussed in such forward-looking statements may not occur, and Gamida Cell's actual results could differ materially and adversely from those anticipated or implied thereby. Although Gamida Cell's forward-looking statements reflect the good faith judgment of its management, these statements are based only on facts and factors currently known by Gamida Cell. As a result, you are cautioned not to rely on these forward-looking statements.

Contacts

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INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

U.S. dollars in thousands

	September 30,		December 31,
	2021	2020	2020
	Unaudited		
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	$ 80,613	$ 73,311	$ 127,170
Marketable securities	40,223	-	-
Prepaid expenses and other current assets	2,785	1,734	2,815
Total current assets	123,621	75,045	129,985
NON-CURRENT ASSETS:			
Property, plant and equipment, net	30,023	15,838	18,238
Right-of-use assets	4,918	7,023	6,474
Other assets	6,599	802	786
Total non-current assets	41,540	23,663	25,498
Total assets	$ 165,161	$ 98,708	$ 155,483

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

U.S. dollars in thousands (except share and per share data)

	September 30,		December 31,
	2021	2020	2020
	Unaudited		
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Trade payables	$ 7,833	$ 2,704	$ 6,329
Employees and payroll accruals	5,870	3,872	4,705
Current maturities of lease liabilities	1,622	2,345	2,532
Accrued interest	525	-	-
Accrued expenses and other payables	7,810	5,005	7,988
Total current liabilities	23,660	13,926	21,554
NON-CURRENT LIABILITIES:			
Liabilities presented at fair value	-	3,252	12,043
Employee benefit liabilities, net	768	773	768
Other long-term liabilities	4,621	5,460	5,378
Liability to Israel Innovation Authority	20,858	14,729	17,003
Convertible senior notes, net	69,298	-	-
Total non-current liabilities	95,545	24,214	35,192
SHAREHOLDERS' EQUITY:			
Share capital -			
Ordinary shares of NIS 0.01 par value - Authorized: 100,000,000 shares at September 30, 2021 and 2020 (unaudited) and December 31, 2020; Issued and outstanding: 59,298,846 and 49,556,663 shares at September 30, 2021 and 2020 (unaudited), respectively and 59,000,153 shares at December 31, 2020.	167	138	166
Share premium	381,504	304,944	375,280
Capital reserve	(441)	(541)	(441)
Reserve from financial assets measured at FVOCI	(42)	-	-
Accumulated deficit	(335, 232)	(243,973)	(276,268)
Total shareholders' equity	45,956	60,568	98,737
Total liabilities and shareholders' equity	$ 165,161	$ 98,708	$ 155,483

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

U.S. dollars in thousands (except share and per share data)

	Nine months ended September 30,		Three months ended September 30,		Year ended December 31,
	2021	2020	2021	2020	2020
	Unaudited		Unaudited		
Operating expenses:					
Research and development, net	$ 37,213	$ 27,652	$ 12,396	$ 10,454	$ 41,385
Commercial activities	15,633	4,413	5,973	1,916	8,748
General and administrative	12,004	8,180	4,774	2,690	12,167
Operating loss	64,850	40,245	23,143	15,060	62,300
Finance expense	6,330	2,367	2,218	1,001	10,640
Finance income	(11,769)	(2,203)	(5,727)	(1,309)	(236)
Loss before tax benefit	59,411	40,409	19,634	14,752	72,704
Tax benefit	(447)	-	-	-	-
Net loss	58,964	40,409	19,634	14,752	72,704
Net loss per share:					
Basic loss per share	$ 1.00	$ 0.98	$ 0.33	$ 0.30	$ 1.66
Diluted loss per share	$ 1.18	$ 0.98	$ 0.33	$ 0.30	$ 1.66

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Nine months ended September 30,		Three months ended September 30,		Year ended December 31,
	2021	2020	2021	2020	2020
	Unaudited		Unaudited		
Cash flows from operating activities:					
Net loss	$ (58,964)	$ (40,409)	$ (19,634)	$ (14,752)	$ (72,704)
Adjustments to reconcile net loss to net cash used in operating activities:					
Adjustments to the profit or loss items:					
Depreciation of property, plant and equipment and right-of-use assets	1,898	1,716	621	610	2,397
Financial (income) expense, net	1,613	(169)	606	91	483
Share-based compensation	3,976	1,969	1,513	748	2,864
Change in employee benefit liabilities, net	-	-	-	-	94
Amortization of premium on available-for-sale financial assets	-	4	-	-	4
Revaluation of liabilities presented at fair value derivatives	(11,257)	(1,969)	(5,447)	(1,299)	6,822
Revaluation of liability to IIA	3,170	2,227	1,312	912	4,302
Deferred income taxes	(447)	-		-	-
	(1,047)	3,778	(1,395)	1,062	16,966
Changes in asset and liability items:					
Decrease (increase) in prepaid expenses, other current assets, and other assets	1,005	(718)	937	347	(1,626)
Increase (decrease) in trade payables	1,504	1,535	2,397	(39)	5,083
Increase (decrease) in accrued expenses and other payables	(894)	516	(693)	1,141	3,454
	1,615	1,333	2,641	1,449	6,911
Cash received during the period for:					
Interest received	1,122	359	854	2	361
Interest paid	(128)	(120)	(43)	(40)	(161)
	994	239	811	(38)	200
Net cash used in operating activities	(57,402)	(35,059)	(17,577)	(12,279)	(48,627)
Cash flows from investing activities:					
Purchase of property, plant and equipment	(9,577)	(9,792)	(4,187)	(2,683)	(11,804)
Investment in long-term deposit	(5,803)	-	(4,803)	-	-
Purchase of marketable securities	(97,808)	-	(29,657)	-	-
Investment in restricted bank deposits	-	-	-	-	(158)
Proceeds from maturity of marketable securities	56,717	-	38,893	-	-
Proceeds from sale of marketable securities	-	13,551	-	-	13,551
Net cash provided by (used in) investing activities	$ (56,471)	$ 3,759	$ 246	$ (2,683)	$ 1,589

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Nine months ended September 30		Three months ended September 30		Year ended December 31,
	2021	2020	2021	2020	2020
	Unaudited		Unaudited		
Cash flows from financing activities:					
Proceeds from secondary offering, net	-	-	-	-	133,316
Receipt of grants from the IIA	311	200	259	-	399
Proceeds from secondary offering, net	-	63,860	-	-	-
Proceeds from issuance of convertible senior notes, net of issuance costs	70,777	-	-	-	-
Payment of lease liabilities	(1,782)	(1,539)	(653)	(417)	(1,985)
Payment of interest of Convertible senior notes	(2,191)	-	(2,191)	-	-
Exercise of options	566	169	10	21	650
Payment of issuance costs related to public offering	(468)	-	-	-	-
Net cash provided by (used in) financing activities	67,213	62,690	(2,575)	(396)	132,380
Exchange differences on balances of cash and cash equivalents	103	83	29	31	(10)
Increase (decrease) in cash and cash equivalents	(46,557)	31,473	(19,877)	(15,327)	85,332
Cash and cash equivalents at beginning of period	127,170	41,838	100,490	88,638	41,838
Cash and cash equivalents at end of period	$ 80,613	$ 73,311	$ 80,613	$ 73,311	$ 127,170
Weighted average share count	59,219,757	41,281,970	59,281,243	49,472,749	43,725,584

Exhibit 99.2

GAMIDA CELL LTD. AND ITS SUBSIDIARY

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2021

U.S. DOLLARS IN THOUSANDS

UNAUDITED

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INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

U.S. dollars in thousands

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	Unaudited		
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Total assets	$ 165,161	$ 98,708	$ 155,483

The accompanying notes are an integral part of the interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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	September 30,		December 31,
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Total shareholders' equity	45,956	60,568	98,737
Total liabilities and shareholders' equity	$ 165,161	$ 98,708	$ 155,483

The accompanying notes are an integral part of the interim consolidated financial statements.

November 9, 2021		
Date of approval of the financial statements	Julian Adams Director and Chief Executive Officer	Shai Lankry Chief Financial Officer

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

U.S. dollars in thousands (except share and per share data)

	Nine months ended September 30,		Three months ended September 30,		Year ended December 31,
	2021	2020	2021	2020	2020
	Unaudited		Unaudited		
Operating expenses:					
Research and development, net	$ 37,213	$ 27,652	$ 12,396	$ 10,454	$ 41,385
Commercial activities	15,633	4,413	5,973	1,916	8,748
General and administrative	12,004	8,180	4,774	2,690	12,167
Operating loss	64,850	40,245	23,143	15,060	62,300
Finance expense	6,330	2,367	2,218	1,001	10,640
Finance income	(11,769)	(2,203)	(5,727)	(1,309)	(236)
Loss before tax benefit	59,411	40,409	19,634	14,752	72,704
Tax benefit	(447)	-	-	-	-
Net loss	58,964	40,409	19,634	14,752	72,704
Other comprehensive loss:					
Items that will be reclassified subsequently to profit or loss:					
Actuarial net gain of defined benefit plans	-	-	-	-	(100)
Changes in the fair value of marketable securities	42	4	17	-	4
Total comprehensive loss	$ 59,006	$ 40,413	$ 19,651	$ 14,752	$ 72,608
Net loss per share:					
Basic loss per share	$ 1.00	$ 0.98	$ 0.33	$ 0.30	$ 1.66
Diluted loss per share	$ 1.18	$ 0.98	$ 0.33	$ 0.30	$ 1.66

The accompanying notes are an integral part of the interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

U.S. dollars in thousands (except share and per share data)

	Ordinary shares		Share Premium	Reserve from financial assets measured at FVOCI	Capital reserve due to actuarial losses	Accumulated deficit	Total equity
	Number	Amount					
Balance as of January 1, 2021	59,000,153	$ 166	$ 375,280	$ -	$ (441)	$ (276,268)	$ 98,737
Net loss	-	-	-	-	-	(58,964)	(58,964)
Other comprehensive loss	-	-	-	(42)	-	-	(42)
Total comprehensive loss	-	-	-	(42)	-	(58,964)	(59,006)
Exercise of options	298,693	1	565	-	-	-	566
Equity component of convertible senior notes, net of tax and issuance costs	-	-	1,683	-	-	-	1,683
Share-based compensation	-	-	3,976	-	-	-	3,976
Balance as of September 30, 2021 (unaudited)	59,298,846	$ 167	$ 381,504	$ (42)	$ (441)	$ (335,232)	$ 45,956

	Ordinary shares		Share Premium	Reserve from financial assets measured at FVOCI	Capital reserve due to actuarial losses	Accumulated deficit	Total equity
	Number	Amount					
Balance as of January 1, 2020	33,670,926	$ 92	$ 238,992	$ 4	$ (541)	$ (203,564)	$ 34,983
Net loss	-	-	-	-	-	(40,409)	(40,409)
Other comprehensive loss	-	-	-	(4)	-	-	(4)
Total comprehensive loss	-	-	-	(4)	-	(40,409)	(40,413)
Exercise of options	552,403	2	167	-	-	-	169
Issuance of ordinary shares in a secondary offering, net of issuance expenses of $1,000	15,333,334	44	63,816	-	-	-	63,860
Share-based compensation	-	-	1,969	-	-	-	1,969
Balance as of September 30, 2020 (unaudited)	49,556,663	$ 138	$ 304,944	$ -	$ (541)	$ (243,973)	$ 60,568

The accompanying notes are an integral part of the interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

U.S. dollars in thousands (except share and per share data)

	Ordinary shares		Share premium	Reserve from financial assets measured at FVOCI	Capital reserve due to actuarial losses	Accumulated deficit	Total equity
	Number	Amount					
Balance as of July 1, 2021 (unaudited)	59,271,512	$ 167	$ 379,981	$ (25)	$ (441)	$ (315,598)	$ 64,084
Net loss	-	-	-	-	-	(19,634)	(19,634)
Other comprehensive loss	-	-	-	(17)	-	-	(17)
Total comprehensive loss	-	-	-	(17)	-	(19,634)	(19,651)
Exercise of options	27,334	*)	10	-	-	-	10
Share-based compensation	-	-	1,513	-	-	-	1,513
Balance as of September 30, 2021 (unaudited)	59,298,846	$ 167	$ 381,504	$ (42)	$ (441)	$ (335,232)	$ 45,956

	Ordinary shares		Share premium	Reserve from financial assets measured at FVOCI	Capital reserve due to actuarial losses	Accumulated deficit	Total equity
	Number	Amount					
Balance as of July 1, 2020 (unaudited)	49,471,817	$ 137	$ 304,175	$ -	$ (541)	$ (229,221)	$ 74,550
Net loss	-	-	-	-	-	(14,752)	(14,752)
Total comprehensive loss	-	-	-	-	-	(14,752)	(14,752)
Exercise of options	84,846	1	21	-	-	-	22
Share-based compensation	-	-	748	-	-	-	748
Balance as of September 30, 2020 (unaudited)	49,556,663	$ 138	$ 304,944	$ -	$ (541)	$ (243,973)	$ 60,568

*) represents an amount lower than $1.

The accompanying notes are an integral part of the interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

U.S. dollars in thousands (except share and per share data)

	Ordinary shares		Share premium	Reserve from financial assets measured at FVOCI	Capital reserve due to actuarial losses	Accumulated deficit	Total equity
	Number	Amount					
Balance as of January 1, 2020	33,670,926	$ 92	$ 238,992	$ 4	$ (541)	$ (203,564)	$ 34,983
Net loss	-	-	-	-	-	(72,704)	(72,704)
Other comprehensive loss	-	-	-	(4)	100	-	96
Total comprehensive loss	-	-	-	(4)	100	(72,704)	(72,608)
Issuance of ordinary shares in a secondary offering, net of issuance expenses of $10,902	24,677,084	72	132,776	-	-	-	132,848
Exercise of options	652,143	2	648	-	-	-	650
Share-based compensation	-	-	2,864	-	-	-	2,864
Balance as of December 31, 2020	59,000,153	$ 166	$ 375,280	$ -	$ (441)	$ (276,268)	$ 98,737

The accompanying notes are an integral part of the interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Nine months ended September 30,		Three months ended September 30,		Year ended December 31
	2021	2020	2021	2020	2020
	Unaudited		Unaudited		
Cash flows from operating activities:					
Net loss	$ (58,964)	$ (40,409)	$ (19,634)	$ (14,752)	$ (72,704)
Adjustments to reconcile net loss to net cash used in operating activities:					
Adjustments to the profit or loss items:					
Depreciation of property, plant and equipment and right-of-use assets	1,898	1,716	621	610	2,397
Financial (income) expense, net	1,613	(169)	606	91	483
Share-based compensation	3,976	1,969	1,513	748	2,864
Change in employee benefit liabilities, net	-	-	-	-	94
Amortization of premium on available-for-sale financial assets	-	4	-	-	4
Revaluation of liabilities presented at fair value derivatives	(11,257)	(1,969)	(5,447)	(1,299)	6,822
Revaluation of liability to IIA	3,170	2,227	1,312	912	4,302
Deferred income taxes	(447)	-		-	-
	(1,047)	3,778	(1,395)	1,062	16,966
Changes in asset and liability items:					
Decrease (increase) in prepaid expenses, other current assets, and other assets	1,005	(718)	937	347	(1,626)
Increase (decrease) in trade payables	1,504	1,535	2,397	(39)	5,083
Increase (decrease) in accrued expenses and other payables	(894)	516	(693)	1,141	3,454
	1,615	1,333	2,641	1,449	6,911
Cash received during the period for:					
Interest received	1,122	359	854	2	361
Interest paid	(128)	(120)	(43)	(40)	(161)
	994	239	811	(38)	200
Net cash used in operating activities	(57,402)	(35,059)	(17,577)	(12,279)	(48,627)
Cash flows from investing activities:					
Purchase of property, plant and equipment	(9,577)	(9,792)	(4,187)	(2,683)	(11,804)
Investment in long-term deposit	(5,803)	-	(4,803)	-	-
Purchase of marketable securities	(97,808)	-	(29,657)	-	-
Investment in restricted bank deposits	-	-	-	-	(158)
Proceeds from maturity of marketable securities	56,717	-	38,893	-	-
Proceeds from sale of marketable securities	-	13,551	-	-	13,551
Net cash provided by (used in) investing activities	$ (56,471)	$ 3,759	$ 246	$ (2,683)	$ 1,589

The accompanying notes are an integral part of the interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Nine months ended September 30		Three months ended September 30		Year ended December 31,
	2021	2020	2021	2020	2020
	Unaudited		Unaudited		
Cash flows from financing activities:					
Proceeds from secondary offering, net	-	-	-	-	133,316
Receipt of grants from the IIA	311	200	259	-	399
Proceeds from secondary offering, net	-	63,860	-	-	-
Proceeds from issuance of convertible senior notes, net of issuance costs	70,777	-	-	-	-
Payment of lease liabilities	(1,782)	(1,539)	(653)	(417)	(1,985)
Payment of interest of Convertible senior notes	(2,191)	-	(2,191)	-	-
Exercise of options	566	169	10	21	650
Payment of issuance costs related to public offering	(468)	-	-	-	-
Net cash provided by (used in) financing activities	67,213	62,690	(2,575)	(396)	132,380
Exchange differences on balances of cash and cash equivalents	103	83	29	31	(10)
Increase (decrease) in cash and cash equivalents	(46,557)	31,473	(19,877)	(15,327)	85,332
Cash and cash equivalents at beginning of period	127,170	41,838	100,490	88,638	41,838
Cash and cash equivalents at end of period	$ 80,613	$ 73,311	$ 80,613	$ 73,311	$ 127,170
Supplemental disclosure of non-cash financing activities:					
Significant non-cash transactions:					
Lease liabilities arising from new right-of-use asset	$ -	$ 3,376	$ -	$ -	$ 3,409
IIA liability for grants to be received	$ 590	$ -	$ 590	$ -	$ 103
Issuance expenses on credit	$ -	$ -	$ -	$ -	$ 468
Purchase of property, plant and equipment on credit	$ 1,561	$ -	$ 1,561	$ -	$ 415
Borrowing costs capitalization	$ 1,287	$ -	$ 713	$ -	$ -

The accompanying notes are an integral part of the interim consolidated financial statements.

NOTE 1:- GENERAL

a. Gamida Cell Ltd. (the "Company"), founded in 1998, is an advanced cell therapy company committed to finding cures for patients with blood cancers and serious blood diseases. The Company develops novel curative treatments using stem cells and Natural Killer (NK) cells.

b. The Company has created a novel NAM cell expansion technology platform that is designed to enhance the number and functionality of allogenic donor cells. This proprietary therapeutic platform may enable the development of therapies with the potential to improve treatment outcomes beyond what is possible with current donor-derived therapies.

The lead product candidate, omidubicel, is an advanced cell therapy in development as a potential life-saving treatment option for patients in need of a bone marrow transplant (BMT). In May 2020, the Company reported that omidubicel met its primary endpoint in an international, randomized, multi-center Phase 3 clinical study in 125 patients with high-risk hematologic malignancies undergoing bone marrow transplant and who had no available matched donor. The study evaluated the safety and efficacy of omidubicel compared to standard umbilical cord blood. BMT with a graft derived from bone marrow or peripheral blood cells of a matched donor is currently the standard of care treatment for many of these patients, but there is a significant unmet need for patients who cannot find a fully matched donor.

In October 2020, the Company reported that omidubicel met all three of its secondary endpoints. All three secondary endpoints demonstrated a statistically significant improvement among patients who received omidubicel compared to the comparator group.

Omidubicel is the first bone marrow transplant product to receive Breakthrough Therapy Designation from the U.S. Food and Drug Administration and has received orphan drug designation in the U.S. and in Europe.

In addition to omidubicel, the Company is developing GDA-201, an investigational NK cell-based cancer immunotherapy to be used in combination with standard-of-care therapeutic antibodies. NK cells have potent anti-tumor properties and have the advantage over other oncology cell therapies of not requiring genetic matching, potentially enabling NK cells to serve as a universal donor-based therapy when combined with certain antibodies. GDA-201 is currently in an investigator-sponsored Phase 1/2 study for the treatment of relapsed or refractory non-Hodgkin lymphoma (NHL). In December 2020, the Company reported, updated and expanded results from the Phase 1 clinical study at the Annual Meeting of the American Society of Hematology, or ASH. The data from the first 35 patients demonstrated that GDA-201 was clinically active and generally well tolerated. Among the 19 patients with NHL, 13 complete responses and one partial response were observed, with an overall response rate of 74 percent and a complete response rate of 68 percent.

U.S. dollars in thousands (except share and per share data)

NOTE 1:- GENERAL (Cont.)

c. The Company is devoting substantially all of its efforts toward research and development activities. In the course of such activities, the Company has sustained operating losses and expects such losses to continue in the foreseeable future. The Company's accumulated deficit as of September 30, 2021 was $335,232 and negative cash flows from operating activities during the nine-month period ended September 30, 2021 was $57,402.

These conditions raise substantial doubt about the Company's ability to continue as a going concern. The interim consolidated financial statements do not include any adjustments to the carrying amounts and classifications of assets and liabilities that would result if the Company were unable to continue as a going concern.

d. Definitions:

In these financial statements:

The Company	-	Gamida Cell Ltd. and its subsidiary
Subsidiary		Gamida Cell Inc. incorporated in 2000 and intended to focus on sales and marketing upon product approval.
Related parties	-	As defined in IAS 24
Dollar	-	U.S. dollar

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES

a. The accompanying unaudited interim consolidated financial statements as of September 30, 2021 and for the nine months periods ended September 30, 2021 and 2020 have been prepared in accordance with IAS 34 "Interim Financial Reporting" for interim financial information.

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual consolidated financial statements as of December 31, 2020 and their accompanying disclosures.

The interim consolidated financial statements reflect all normal recurring adjustments necessary to present fairly the financial position, results of operations, and cash flows for the interim periods, but are not necessarily indicative of the results of operations to be anticipated for the full year ending December 31, 2021.

b. The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2020.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

c. Property, plant and equipment:

Property, plant and equipment are measured at cost, including directly attributable costs, less accumulated depreciation, accumulated impairment losses and any related investment grants, excluding day-to-day servicing expenses. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

Depreciation is calculated on a straight-line basis over the useful life of the assets at annual rates as follows:

	%
Machinery	10 - 15
Office, furniture and equipment	6 - 33
Leasehold improvements	(*)
Project in process- manufacturing plant	(**)

(*) Leasehold improvements are depreciated on a straight-line basis over the shorter of the lease term (including the extension option held by the Company and intended to be exercised) and the expected life of the improvement.

(**) As of September 30, 2021, the manufacturing plant is under validation process and therefore is not yet ready for production. Depreciation of the manufacturing plant will commence upon completion of the validation process.

The useful life, depreciation method and residual value of an asset are reviewed at least each year-end and any changes are accounted for prospectively as a change in accounting estimate.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal.

d. Borrowing costs

Borrowing costs attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

U.S. dollars in thousands (except share and per share data)

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

The carrying amount of the manufacturing plant as of September 30, 2021 was $22,517. The amount of borrowing costs capitalized during the nine and three months periods ended September 30, 2021 was $1,287 and $713, respectively.

The rate used to determine the amount of borrowing costs eligible for capitalization was 11.2%, which is the effective interest rate of the Company's borrowings.

e. Leases:

Set out below are the carrying amounts of the Company's right-of-use assets and lease liabilities and the movements during the period:

	Right-of-use assets				
	Offices and labs	Vehicles	Production Plant	Total	Lease liabilities
As of January 1, 2021	$ 2,898	$ 74	$ 3,502	$ 6,474	$ 7,910
Depreciation expense	(1,067)	(125)	(388)	(1,580)	-
Interest expense	-	-	-	-	219
Additions	-	94	-	94	92
Payments	-	-	-	-	(1,913)
Other	(18)	(22)	(30)	(70)	(65)
As of September 30, 2021 (unaudited)	$ 1,813	$ 21	$ 3,084	$ 4,918	$ 6,243

f. Investment in marketable securities:

Marketable securities are measured upon initial recognition at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets, except for financial assets measured at fair value through profit or loss in respect of which transaction costs are recorded in profit or loss.

The Company classifies and measures debt instruments in the financial statements based on the following criteria:

- The Company's business model for managing financial assets; and

- The contractual cash flow terms of the financial asset.

The Company measured all of its marketable securities at fair value through other comprehensive income (FVTCOI).

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Debt instruments are measured at fair value through other comprehensive income when:

The Company's business model is to hold the financial assets in order to both collect their contractual cash flows and to sell the financial assets, and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, the instruments in this category are measured at fair value. Gains or losses from fair value adjustments, excluding interest and exchange rate differences, are recognized in other comprehensive income. The Company evaluates at the end of each reporting period the loss allowance for financial debt instruments.

Marketable securities as of September 30, 2021 include corporate and government debentures with no significant premium or discount. The investment in marketable securities, which are measured at fair value through other comprehensive income is considered a Level 1 measurement.

g. Taxes:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

U.S. dollars in thousands (except share and per share data)

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

NOTE 3:- SHAREHOLDERS' EQUITY

a. Ordinary shares:

	Number of shares			
	Authorized as of September 30, 2021	Issued and outstanding as of December 31, 2020	September 30, 2021	December 31, 2020
Ordinary Shares of $0.01 per value each:	100,000,000	100,000,000	59,298,846	59,000,153

U.S. dollars in thousands (except share and per share data)

NOTE 3:- SHAREHOLDERS' EQUITY (Cont.)

b. Share incentive plans:

Movement during the periods:

	Nine months ended September 30,				Year ended December 31,	
	2021		2020		2020	
	Unaudited		Unaudited			
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		USD		USD		USD
Outstanding at beginning of period	3,892,714	5.15	3,405,188	4.75	3,405,188	4.76
Granted	1,017,001	8.49	1,221,200	3.68	1,492,700	4.91
Expired	(128,234)	7.24	(71,994)	8.67	(74,744)	8.60
Exercised	(298,693)	1.62	(552,403)	0.31	(652,143)	1.00
Forfeited	(100,622)	7.22	(221,981)	8.13	(278,287)	7.94
Share options outstanding at end of period	4,382,166	6.06	3,780,010	5.06	3,892,714	5.15
Share options exercisable at end of period	2,680,002	4.67	2,127,850	4.20	2,161,439	4.45

As of September 30, 2021, there is $5,124 of total unrecognized cost related to non-vested share-based compensation that is expected to be recognized over a period of up to four years.

A summary of the activity in the RSUs granted to employees for the Nine months ended September 30, 2021 is as follows:

	Number of RSUs	Weighted average grant date fair value
Unvested as of December 31, 2020:	-	$ -
Granted	228,584	8.28
Forfeited	(8,550)	9.51
Unvested as of September 30, 2021:	220,034	$ 8.24

U.S. dollars in thousands (except share and per share data)

NOTE 3:- SHAREHOLDERS' EQUITY (Cont.)

c. Share incentive plans expenses:

The total compensation cost related to all of the Company's equity-based awards, recognized during the presented periods was comprised as follows:

	Nine months ended September 30,		Three months ended September 30,		Year ended December 31,
	2021	2020	2021	2020	2020
	Unaudited				
Research and development	$ 1,197	$ 801	$ 647	$ 285	$ 1,185
Commercial activities	1,014	(115)	217	110	230
General and administrative	1,765	1,283	649	352	1,449
	$ 3,976	$ 1,969	$ 1,513	$ 748	$ 2,864

The Company estimates the fair value of stock options granted using the Binominal option-pricing model. The option-pricing model requires a number of assumptions, of which the most significant are the expected stock price volatility and the expected option term.

Expected volatility was calculated based upon historical volatilities of similar entities in the related sector index. The expected term of the options granted is derived from output of the option valuation model and represents the period of time that options granted are expected to be outstanding. The risk-free interest rate is based on the yield from U.S. treasury bonds with an equivalent term. The Company has historically not paid dividends and has no foreseeable plans to pay dividends. The following table lists the inputs to the Binomial option pricing model used for the fair value measurement of equity-settled share options for the following periods:

Based on the above inputs, the fair value of the options was determined at $4.07 - $11.01 at the grant dates during 2021 and 2020.

	September 30,		December 31,
	2021	2020	2020
	Unaudited		
Expected volatility of the share prices	65%-66%	74%-84%	74%-79%
Risk-free interest rate	1.3%-1.6%	0.6%-1.38%	0.6%-1.38%

U.S. dollars in thousands (except share and per share data)

NOTE 4:- LIABILITIES PRESENTED AT FAIR VALUE

a. Warrants to purchase Company's shares:

The Company measured the fair value of the warrants by using the Option Pricing Method utilized in a Black- Scholes simulation model. The option-pricing model requires a number of assumptions, of which the most significant are the expected stock price volatility and the expected time until liquidation. Expected volatility was calculated based upon historical volatilities of similar entities in the related sector index. The expected time until liquidation is the maximum contractual term of the warrants. The risk-free interest rate is based on the yield from U.S. treasury bonds with an equivalent term. The Company has historically not paid dividends and has no foreseeable plans to pay dividends.

	September 30,		December 31,
	2021	2020	2020
	Unaudited		
Risk-free interest rate	0.1%	0.1%	0.1%
Expected volatility	63%	74%	76%
Expected life (in years)	0.75	1.75	1.5
Expected dividend yield	0	0	0

b. Changes in the fair value of warrants classified as Level 3 in the fair value hierarchy:

	Fair value of financial derivatives
Balance as of January 1, 2021	$ 12,043
Revaluation of financial derivatives	(11,257)
Balance as of September 30, 2021 (unaudited)	$ 786

As of September 30, 2021, the fair value of the warrants at the amount of $786 is presented in accrued expenses and other payables due to maturity in July 2022.

NOTE 5:- CONVERTIBLE SENIOR NOTES, NET

On February 16, 2021, the Subsidiary issued $75 million aggregate principal amount of convertible senior notes (the "Convertible Notes") due 2026. The Convertible Notes bear regular annual interest of 5.875% that is paid twice a year. The Convertible Notes mature on February 16, 2026, unless earlier repurchased or converted in accordance with their terms.

The Convertible Notes are convertible into Gamida-Cell Ltd. shares at an initial conversion rate of 56.3063 shares per $1,000 principal amount of Convertible Notes (equivalent to an exchange price of $17.76 per share). The Subsidiary may redeem all or a portion of the notes for cash, at its option, at 100% of the principal amount plus accrued and unpaid interest on the notes to be redeemed if the closing price of its ordinary shares has been at least 130% of the exchange price for at least 20 trading days during any 30 consecutive trading day period.

U.S. dollars in thousands (except share and per share data)

NOTE 5:- CONVERTIBLE SENIOR NOTES, NET (Cont.)

The Convertible Notes are classified as a compound financial instrument in accordance with IAS 32- Financial Instruments – Presentation, and, as such, require separate accounting in the balance sheet of the equity component (the holder's call option to convert the Convertible Notes to shares) and of the liability component (the contractual arrangement to deliver cash). The fair value of the recognized liability classified as long- term debt was calculated using a fair value of a similar instrument that does not have a conversion feature.

The difference between the nominal value and the fair value of the Convertible Notes was recognized in equity under share premium, net of deferred tax and related issuance costs. In accounting for the issuance costs related to the Convertible Notes, the allocation of the issuance costs incurred between the liability and equity components were based on their relative fair values.

The interest of a similar instrument that does not have a conversion feature at issuance would have been 6.7%. The fair value of the liability component was $68.6 million upon issuance and the fair value of the equity component was $2.1 million, net of issuance costs of $4.2 million, prorated between the liability and equity components.

The net carrying amount of the liability and equity components of the Convertible Notes for the period presented is as follows:

	As of September 30, 2021
	Unaudited
Liability component:	
Principal amount	$ 75,000
Unamortized discount	(1,839)
Unamortized issuance costs	(3,338)
Net carrying amount (including accrued interest)	$ 69,823
Equity component, net of issuance costs of $127 and deferred taxes of $447	$ 1,683

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

NOTE 5:- CONVERTIBLE SENIOR NOTES, NET (Cont.)

Interest expense related to the Convertible Notes was as follows:

	Nine months ended September 30, 2021
	Unaudited
Contractual interest expense	$ 2,728
Amortization of debt discount	231
Amortization of debt issuance costs	420
Total interest expense recognized	$ 3,379

NOTE 6:- LOSS PER SHARE

Details of the number of shares and loss used in the computation of loss per share:

	Nine months ended		Three months ended	
	September 30, 2021			
	Unaudited			
	Weighted number of shares	Loss attributed to equity holders of the Company	Weighted number of shares	Loss attributed to equity holders of the Company
For the computation of basic loss	59,219,757	59,006	59,281,243	19,651
Effect of potential dilutive ordinary shares (Warrants)	128,111	11,257	-	-
For the computation of diluted loss	59,347,868	70,263	59,281,243	19,651

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