
**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
of the Securities Exchange Act of 1934**

For the month of August 2019

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):

INCORPORATION BY REFERENCE

Exhibits 99.1 to this Report on Form 6-K shall be deemed to be incorporated by reference into the Registration Statement on Form S-8 (Registration Number 333-228301) of Gamida Cell Ltd. (the “Company”) and to be a part thereof from the date on which this report is filed, to the extent not superseded by documents or reports subsequently filed or furnished.

Exhibit 99.2 to this Report on Form 6-K shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act.

RISK FACTORS

The risk factors set forth under the caption “Risk Factors” in the Company’s Registration Statement on Form 20-F (Registration Number 001-38716) shall be deemed to be incorporated by reference herein and to be a part thereof from the date on which this report is filed, to the extent not superseded by documents or reports subsequently filed or furnished. Additional risks and uncertainties not currently known to the Company, or that the Company currently deems to be immaterial, also may affect its business, financial condition and/or future operating results.

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.

August 7, 2019

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

EXHIBIT INDEX

| Exhibit No. | Description |
|----------------------|--|
| 99.1 | Unaudited Interim Consolidated Statements of Financial Position as of June 30, 2019 and June 30, 2018, and Unaudited Interim Consolidated Statements of Comprehensive Income, Statements of Changes in Shareholders' Equity and Statements of Cash Flows for the six months ended June 30, 2019 and June 30, 2018 |
| 99.2 | Press Release, dated August 6, 2019 Gamida Cell Reports Second Quarter 2019 Financial Results and Provides Company Update |
| 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 Income, (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 |

GAMIDA CELL LTD. AND ITS SUBSIDIARY
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2019
U.S. DOLLARS IN THOUSANDS
UNAUDITED
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INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

U.S. dollars in thousands

| | June 30, | | December 31, |
|---|------------------|------------------|------------------|
| | 2019 | 2018 | 2018 |
| | Unaudited | | Audited |
| ASSETS | | | |
| CURRENT ASSETS: | | | |
| Cash and cash equivalents | \$ 37,078 | \$ 19,004 | \$ 40,272 |
| Available-for-sale financial assets | 4,618 | 9,632 | 20,417 |
| Prepaid expenses and other current assets | 886 | 1,525 | 1,502 |
| Total current assets | 42,582 | 30,161 | 62,191 |
| NON-CURRENT ASSETS: | | | |
| Property and equipment, net | 3,437 | 1,546 | 2,311 |
| Right-of-use assets | 6,157 | - | - |
| Other assets | 1,355 | 1,141 | 662 |
| Total non-current assets | 10,949 | 2,687 | 2,973 |
| Total assets | \$ 53,531 | \$ 32,848 | \$ 65,164 |

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

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

| | June 30, | | December 31, |
|---|------------------|------------------|------------------|
| | 2019 | 2018 | 2018 |
| | Unaudited | | Audited |
| LIABILITIES AND EQUITY | | | |
| CURRENT LIABILITIES: | | | |
| Trade payables | \$ 2,121 | \$ 1,158 | \$ 1,985 |
| Employees and payroll accruals | 2,753 | - | 2,888 |
| Current maturities of lease liabilities | 1,945 | - | - |
| Accrued expenses and other payables | 2,699 | 4,057 | 1,832 |
| Total current liabilities | 9,518 | 5,215 | 6,705 |
| NON-CURRENT LIABILITIES: | | | |
| Liabilities presented at fair value | 7,654 | 13,700 | 24,049 |
| Employee benefit liabilities, net | 274 | 217 | 183 |
| Lease liability | 4,627 | - | - |
| Liability to Israel Innovation Authority (IIA) | 10,906 | 9,753 | 9,540 |
| Total non-current liabilities | 23,461 | 23,670 | 33,772 |
| SHAREHOLDERS' EQUITY: | | | |
| Share capital - | | | |
| Ordinary shares of NIS 0.01 par value - Authorized: 100,000,000, 23,277,000 and 100,000,000 shares at June 30, 2019 and 2018 and December 31, 2018, respectively; Issued and outstanding: 25,606,423, 689,898 and 24,930,736 shares at June 30, 2019 and 2018 and December 31, 2018, respectively | 69 | 2 | 67 |
| Preferred shares of NIS 0.01 par value - Authorized: 0, 16,723,000 and 0 shares at June 30, 2019 and 2018 and December 31, 2018, respectively; Issued and outstanding: 0, 14,154,743 and 0 shares at June 30, 2019 and 2018 and December 31, 2018, respectively | - | 38 | - |
| Share premium | 199,402 | 140,934 | 193,953 |
| Capital reserve due to actuarial gains | (160) | (79) | (77) |
| Available-for-sale reserve | (1) | (169) | (43) |
| Accumulated deficit | (178,758) | (136,763) | (169,213) |
| Total shareholders' equity | 20,552 | 3,963 | 24,687 |
| Total liabilities and shareholders' equity | \$ 53,531 | \$ 32,848 | \$ 65,164 |

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

August 5, 2019

Date of approval of the
financial statements

/s/ Julian Adams

Julian Adams
Director and CEO

/s/ Shai Lankry

Shai Lankry
Chief Financial Officer

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

| | Six months ended June 30, | | Three months ended June 30, | | Year ended December 31, |
|--|------------------------------|-----------|--------------------------------|-----------|----------------------------|
| | 2019 | 2018 | 2019 | 2018 | 2018 |
| | Unaudited | | | | Audited |
| Operating expenses: | | | | | |
| Research and development, net | \$ 14,319 | \$ 12,037 | \$ 7,036 | \$ 6,977 | \$ 22,045 |
| General and administrative | 7,574 | 4,570 | 3,761 | 2,917 | 11,599 |
| Operating loss | 21,893 | 16,607 | 10,797 | 9,894 | 33,644 |
| Finance expenses | 1,604 | 4,204 | 1,336 | 3,230 | 20,259 |
| Finance expenses (income) | (14,052) | (330) | (18,169) | (34) | (1,042) |
| Loss (income) before taxes on income | 9,445 | 20,481 | (6,036) | 13,090 | 52,861 |
| Taxes on income | 100 | - | 74 | - | 70 |
| Net loss (income) | 9,545 | 20,481 | (5,962) | 13,090 | 52,931 |
| Other comprehensive loss (income): | | | | | |
| Items that will be reclassified subsequently to profit or loss: | | | | | |
| Actuarial net loss of defined benefit plans | 83 | - | - | - | (2) |
| Changes in the fair value of available for sale financial assets | (42) | 135 | (9) | 86 | 9 |
| Total comprehensive loss (income) | \$ 9,586 | \$ 20,616 | \$ (5,971) | \$ 13,176 | \$ 52,938 |
| Net loss (income) per share: | | | | | |
| Basic net loss (income) per share | \$ 0.38 | \$ 29.69 | \$ (0.23) | \$ 18.97 | \$ 10.53 |
| Diluted net loss (income) per share | \$ 0.87 | \$ 29.69 | \$ 0.44 | \$ 18.97 | \$ 10.53 |

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)

| | <u>Ordinary shares</u> | | <u>Preferred shares</u> | | <u>Share premium</u> | <u>Available-for-sale reserve</u> | <u>Capital reserve due to actuarial losses</u> | <u>Accumulated deficit</u> | <u>Total equity</u> |
|---|------------------------|---------------|-------------------------|---------------|----------------------|-----------------------------------|--|----------------------------|---------------------|
| | <u>Number</u> | <u>Amount</u> | <u>Number</u> | <u>Amount</u> | | | | | |
| Balance as of January 1, 2019 (audited) | 24,930,736 | \$ 67 | - | \$ - | \$ 193,953 | \$ (43) | \$ (77) | \$ (169,213) | \$ 24,687 |
| Net loss | - | - | - | - | - | - | - | (9,545) | (9,545) |
| Other comprehensive loss | - | - | - | - | - | 42 | (83) | - | (41) |
| Total comprehensive loss | - | - | - | - | - | 42 | (83) | (9,545) | (9,586) |
| Exercise of options | 466,375 | 1 | - | - | 116 | - | - | - | 117 |
| Exercise of warrants | 209,312 | 1 | - | - | 2,923 | - | - | - | 2,924 |
| Share-based compensation | - | - | - | - | 2,410 | - | - | - | 2,410 |
| Balance as of June 30, 2019 (unaudited) | <u>25,606,423</u> | <u>\$ 69</u> | <u>-</u> | <u>\$ -</u> | <u>\$ 199,402</u> | <u>\$ (1)</u> | <u>\$ (160)</u> | <u>\$ (178,758)</u> | <u>\$ 20,552</u> |

| | <u>Ordinary shares</u> | | <u>Preferred shares</u> | | <u>Share premium</u> | <u>Available-for-sale reserve</u> | <u>Capital reserve due to actuarial losses</u> | <u>Accumulated deficit</u> | <u>Total equity</u> |
|---|------------------------|---------------|-------------------------|---------------|----------------------|-----------------------------------|--|----------------------------|---------------------|
| | <u>Number</u> | <u>Amount</u> | <u>Number</u> | <u>Amount</u> | | | | | |
| Balance as of January 1, 2018 (audited) | 689,898 | \$ 2 | 14,154,743 | \$ 38 | \$ 139,311 | \$ (34) | \$ (79) | \$ (116,282) | \$ 22,956 |
| Net loss | - | - | - | - | - | - | - | (20,481) | (20,481) |
| Other comprehensive loss | - | - | - | - | - | (135) | - | - | (135) |
| Total comprehensive loss | - | - | - | - | - | (135) | - | (20,481) | (20,616) |
| Share-based compensation | - | - | - | - | 1,623 | - | - | - | 1,623 |
| Balance as of June 30, 2018 (unaudited) | <u>689,898</u> | <u>\$ 2</u> | <u>14,154,743</u> | <u>\$ 38</u> | <u>\$ 140,934</u> | <u>\$ (169)</u> | <u>\$ (79)</u> | <u>\$ (136,763)</u> | <u>\$ 3,963</u> |

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)

| | <u>Ordinary shares</u> | | <u>Preferred shares</u> | | <u>Share premium</u> | <u>Available-for-sale reserve</u> | <u>Capital reserve due to actuarial losses</u> | <u>Accumulated deficit</u> | <u>Total equity</u> |
|---|------------------------|---------------|-------------------------|---------------|----------------------|-----------------------------------|--|----------------------------|---------------------|
| | <u>Number</u> | <u>Amount</u> | <u>Number</u> | <u>Amount</u> | | | | | |
| Balance as of April 1, 2019 (unaudited) | 25,140,048 | \$ 68 | - | \$ - | \$ 197,967 | \$ (10) | \$ (160) | \$ (184,720) | \$ 13,145 |
| Net income | - | - | - | - | - | - | - | 5,962 | 5,962 |
| Other comprehensive income | - | - | - | - | - | 9 | - | - | 9 |
| Total comprehensive income | - | - | - | - | - | 9 | - | 5,962 | 5,971 |
| Exercise of options | 466,375 | 1 | - | - | 116 | - | - | - | 117 |
| Share-based compensation | - | - | - | - | 1,319 | - | - | - | 1,319 |
| Balance as of June 30, 2019 (unaudited) | <u>25,606,423</u> | <u>\$ 69</u> | <u>-</u> | <u>\$ -</u> | <u>\$ 199,402</u> | <u>\$ (1)</u> | <u>\$ (160)</u> | <u>\$ (178,758)</u> | <u>\$ 20,552</u> |
| | | | | | | | | | |
| | <u>Ordinary shares</u> | | <u>Preferred shares</u> | | <u>Share premium</u> | <u>Available-for-sale reserve</u> | <u>Capital reserve due to actuarial losses</u> | <u>Accumulated deficit</u> | <u>Total equity</u> |
| | <u>Number</u> | <u>Amount</u> | <u>Number</u> | <u>Amount</u> | | | | | |
| Balance as of April 1, 2018 (unaudited) | 689,898 | \$ 2 | 14,154,743 | \$ 38 | \$ 140,155 | \$ (83) | \$ (79) | \$ (123,673) | \$ 16,360 |
| Net loss | - | - | - | - | - | - | - | (13,090) | (13,090) |
| Other comprehensive loss | - | - | - | - | - | (86) | - | - | (86) |
| Total comprehensive loss | - | - | - | - | - | (86) | - | (13,090) | (13,176) |
| Share-based compensation | - | - | - | - | 779 | - | - | - | 779 |
| Balance as of June 30, 2018 (unaudited) | <u>689,898</u> | <u>\$ 2</u> | <u>14,154,743</u> | <u>\$ 38</u> | <u>\$ 140,934</u> | <u>\$ (169)</u> | <u>\$ (79)</u> | <u>\$ (136,763)</u> | <u>\$ 3,963</u> |

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)

| | <u>Ordinary shares</u> | | <u>Preferred shares</u> | | <u>Share premium</u> | <u>Available-for-sale reserve</u> | <u>Capital reserve due to actuarial losses</u> | <u>Accumulated deficit</u> | <u>Total equity</u> |
|--|------------------------|---------------|-------------------------|---------------|----------------------|-----------------------------------|--|----------------------------|---------------------|
| | <u>Number</u> | <u>Amount</u> | <u>Number</u> | <u>Amount</u> | | | | | |
| Balance as of January 1, 2018 (audited) | 689,898 | \$ 2 | 14,154,743 | \$ 38 | \$ 139,311 | \$ (34) | \$ (79) | \$ (116,282) | \$ 22,956 |
| Net loss | - | - | - | - | - | - | - | (52,931) | (52,931) |
| Other comprehensive loss | - | - | - | - | - | (9) | 2 | - | (7) |
| Total comprehensive loss | - | - | - | - | - | (9) | 2 | (52,931) | (52,938) |
| Issuance of additional preferred shares following Anti-dilution Protection | - | - | 3,134,546 | 8 | (8) | - | - | - | - |
| Exercise of options | 9,692 | - | - | - | 2 | - | - | - | 2 |
| Conversion of preferred shares | 17,289,289 | 46 | (17,289,289) | (46) | - | - | - | - | - |
| Issuance of ordinary shares in initial public offering, net of issuance expenses in an amount of \$5,947 | 6,648,368 | 18 | - | - | 47,223 | - | - | - | 47,241 |
| Exercise of warrants | 293,489 | 1 | - | - | 3,850 | - | - | - | 3,851 |
| Share-based compensation | - | - | - | - | 3,575 | - | - | - | 3,575 |
| Balance as of December 31, 2018 (audited) | <u>24,930,736</u> | <u>\$ 67</u> | <u>-</u> | <u>\$ -</u> | <u>\$ 193,953</u> | <u>\$ (43)</u> | <u>\$ (77)</u> | <u>\$ (169,213)</u> | <u>\$ 24,687</u> |

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

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

| | Six months ended June 30, | | Three months ended June 30, | | Year ended December 31, |
|---|------------------------------|-------------|--------------------------------|-------------|----------------------------|
| | 2019 | 2018 | 2019 | 2018 | 2018 |
| | Unaudited | | | | Audited |
| Cash flows from operating activities: | | | | | |
| Net (loss) income | \$ (9,545) | \$ (20,481) | \$ 5,962 | \$ (13,090) | \$ (52,931) |
| 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 | 1,245 | 97 | 703 | 48 | 269 |
| Financial income, net | (569) | (375) | (378) | (362) | (858) |
| Cost of share-based compensation | 2,410 | 1,623 | 1,319 | 779 | 3,575 |
| Change in employee benefit liabilities, net | 8 | 17 | (3) | 33 | (15) |
| Amortization of premium on available-for-sale financial assets | 101 | (9) | 51 | (90) | 272 |
| Revaluation of financial derivatives | (13,471) | 3,400 | (17,378) | 3,000 | 17,600 |
| Revaluation of liability to IIA | 1,199 | 2,600 | 631 | 2,188 | 2,037 |
| | (9,077) | 7,353 | (15,055) | 5,596 | 22,880 |
| Changes in asset and liability items: | | | | | |
| Decrease (Increase) in prepaid expenses and other current assets and other assets | 117 | (1,156) | (292) | (1,256) | 942 |
| Increase (decrease) in trade payables | 244 | (1,232) | 1,088 | 306 | (405) |
| Increase in accrued expenses and other payables and employee and payroll accrual | 162 | 1,871 | 141 | 1,611 | 2,296 |
| | 523 | (517) | 937 | 661 | 2,833 |
| Cash received during the period for: | | | | | |
| Interest received | 830 | 391 | 309 | 378 | 792 |
| Interest paid | (51) | - | (23) | - | - |
| | 779 | 391 | 286 | 378 | 792 |
| Net cash used in operating activities | (17,320) | (13,254) | (7,870) | (6,455) | (26,426) |
| Cash flows from investing activities: | | | | | |
| Purchase of property and equipment | (878) | (703) | (528) | (472) | (1,645) |
| Purchase of of available-for-sale financial assets | - | - | - | - | (10,905) |
| Proceed from sale of available-for-sale financial assets | - | 4,984 | - | - | 4,949 |
| Proceed from maturity of available-for-sale financial assets | 15,740 | - | 1,847 | - | - |
| Proceeds from bank deposits | - | 5,000 | - | - | 5,000 |
| Investment in restricted bank deposits | - | - | - | - | (150) |
| Net cash provided by (used in) investing activities | 14,862 | 9,281 | 1,319 | (472) | (2,751) |

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

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

| | Six months ended June 30, | | Three months ended June 30, | | Year ended December 31, |
|---|------------------------------|-----------|--------------------------------|-----------|----------------------------|
| | 2019 | 2018 | 2019 | 2018 | 2018 |
| | Unaudited | | | | Audited |
| <u>Cash flows from financing activities:</u> | | | | | |
| Receipt of grants from the IIA | 167 | 1,653 | 167 | - | 612 |
| Proceeds from issuance of shares, net | (346) | - | (108) | - | 47,479 |
| Payment of lease liabilities | (764) | - | (324) | - | - |
| Exercise of options | 117 | - | 117 | - | 2 |
| Net cash provided by (used in) financing activities | (826) | 1,653 | (148) | - | 48,093 |
| Exchange differences on balances of cash and cash equivalents | 90 | - | 28 | - | 31 |
| Increase (decrease) in cash and cash equivalents | (3,194) | (2,321) | (6,671) | (6,927) | 18,947 |
| Cash and cash equivalents at beginning of period | 40,272 | 21,325 | 43,749 | 25,931 | 21,325 |
| Cash and cash equivalents at end of period | \$ 37,078 | \$ 19,004 | \$ 37,078 | \$ 19,004 | \$ 40,272 |

Supplemental disclosure of non-cash financing activities:Significant non-cash transactions:

| | | | | | |
|---|----------|----------|----------|----------|----------|
| IIA liability for grants to be received | \$ - | \$ 264 | \$ - | \$ 133 | \$ - |
| Exercise of warrants liabilities to equity | \$ 2,924 | \$ - | \$ - | \$ - | \$ 3,851 |
| Increase in other assets on credit | \$ (592) | \$ (791) | \$ (592) | \$ (791) | \$ (238) |
| Purchase of property, plant and equipment on credit | \$ (400) | \$ - | \$ (400) | \$ - | \$ - |

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

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**U.S. dollars in thousands****NOTE 1:- GENERAL**

- a. Gamida Cell Ltd. (the "Company"), founded in 1998, is a clinical-stage biopharmaceutical company that develops novel curative treatments for orphan indications, including hematological malignancies and rare genetic diseases using stem cells and Natural Killer (NK) cells.
- b. The Company uses its proprietary platform NAM technology to expand in culture, highly functional cells derived from umbilical cord blood or peripheral blood, while enhancing the potential therapeutic efficacy of these cells.

The lead product candidate, Omidubicel (formally known as NiCord®), is currently developed in a pivotal registration phase III clinical study to treat patients with high-risk hematological malignancies (blood cancers) such as leukemia or lymphoma who are indicated to receive a donor derived (allogeneic) Bone Marrow Transplantation (BMT). BMT transplantation 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. Omidubicel is designed as a universal bone marrow donor graft which can be available to all patients in need.

Omidubicel was granted a Breakthrough Therapy designation from the FDA and an orphan drug designation in the US and in Europe.

In December 2017, the Company presented at the ASH annual meeting final results from the phase I/II trial evaluating Omidubicel. The study met its primary endpoint, demonstrating rapid neutrophil engraftment with manageable side effects.

In addition to hematologic malignancies, the Company pursuing the development of Omidubicel for the treatment of bone marrow failure disorders. Omidubicel is currently being evaluated in a Phase 1/2 clinical trial sponsored by the National Institutes of Health in patients with severe aplastic anemia, a rare, life-threatening hematological disorder.

Beyond Omidubicel, the Company develops another product candidate, GDA-201 (formally known as NAM-NK), for innate immunotherapy of expanded natural killer, or NK cells, 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. A phase I/II investigator initiated study to treat patients with B cell lymphoma and multiple myeloma is enrolling patients.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**U.S. dollars in thousands****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 June 30, 2019 is \$178,758 and negative cash flows from operating activities during the six month period ended June 30, 2019 is \$17,320. 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 was unable to continue as a going concern. The Company requires additional financing in order to continue to fund its current operations and pay existing and future liabilities.
- d. On July 1, 2019, subsequent to the reporting date, the Company closed a follow-on offering ("offering") of its ordinary shares on the Nasdaq, which resulted in the sale of 7,000,000 ordinary shares at a public offering price of \$5 per share, before underwriting discounts. The underwriters had a 30-day option to purchase up to 1,050,000 additional shares at a public offering price of \$5 per share, and exercised in full their option to purchase an additional 1,050,000 ordinary shares at the public offering price of \$5.00 per share. The exercise of the underwriters' option closed on July 8, 2019. The Company received net proceeds from the offering of \$37,135 (net of issuance costs and underwriting discounts of \$3,115).
- e. 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 |

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**U.S. dollars in thousands****NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES**

- a. The accompanying unaudited interim consolidated financial statements for the six and three months periods ended June 30, 2019 and 2018 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, 2018 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, 2019.

- 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, 2018, except for the adoption of new standards effective as of January 1, 2019. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.
- c. IFRS 16 - Leases:

The Company applies, for the first time, IFRS 16 Leases . As required by IAS 34, the nature and effect of these changes are disclosed below.

The Company adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of January 1, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Company elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

The Company has a number of lease contracts, mainly leases of an office building and a production plant. Before the adoption of IFRS 16, the Company classified each of its leases (as lessee) at the inception date as an operating lease. The leased property was not capitalized and the lease payments were recognized as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognized under prepaid expenses and other current assets and accrued expenses and other payables, respectively.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**U.S. dollars in thousands****NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

Upon adoption of IFRS 16, the Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Company.

The Company recognized right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognized. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

Based on the foregoing, as at January 1, 2019:

- Right-of-use assets of \$7,106 were recognized and presented separately in the statement of financial position.
- Additional lease liabilities of \$7,032 were recognized and presented separately in the statement of financial position.
- Prepaid expenses and other current assets of \$256 and accrued expenses and other payables of \$182 related to previous operating leases were derecognized.

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 | | | | Lease liabilities |
|---------------------------------|----------------------------|-----------------|-------------------------|--------------|--------------------------|
| | Offices and labs | Vehicles | Production Plant | Total | |
| As of January 1, 2019 (audited) | \$ 2,104 | \$ 291 | \$ 4,711 | \$ 7,106 | \$ 7,032 |
| Depreciation expenses | (588) | (67) | (438) | (1,093) | - |
| Interest expenses | - | - | - | - | 211 |
| Re-measurement | - | 2 | 56 | 58 | 58 |
| Additions | - | 86 | - | 86 | 86 |
| Payments | - | - | - | - | (815) |
| As of June 30, 2019 (unaudited) | <u>1,516</u> | <u>312</u> | <u>4,329</u> | <u>6,157</u> | <u>6,572</u> |

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**U.S. dollars in thousands****NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

The lease liabilities as of January 1, 2019 reconciliation to the operating lease commitments as of December 31, 2018 are as follows:

| | |
|---|-----------------|
| Operating lease commitments as of December 31, 2018 | \$ 7,441 |
| Weighted average incremental borrowing rate as of January 1, 2019 (%) | 1.45-4.01 |
| Discounted operating lease commitments of January 1, 2019 | <u>7,032</u> |
| Lease liabilities as of January 1, 2019 | <u>\$ 7,032</u> |

Set out below are the new accounting policies of the Company upon adoption of IFRS 16, which have been applied from the date of initial application:

1. Right-of-use assets:

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

2. Lease liabilities:

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period in which the event or condition that triggers the payment occurs.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**U.S. dollars in thousands****NOTE 3:- SHARE-BASED PAYMENT**

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

| | Six months ended June 30, | | Three months ended June 30, | | Year ended December 31, |
|----------------------------|------------------------------|-----------------|--------------------------------|---------------|----------------------------|
| | 2019 | 2018 | 2019 | 2018 | 2018 |
| | Unaudited | | | | Audited |
| Research and development | \$ 593 | \$ 627 | \$ 364 | \$ 145 | \$ 705 |
| General and administrative | 1,817 | 996 | 955 | 634 | 2,870 |
| | <u>\$ 2,410</u> | <u>\$ 1,623</u> | <u>\$ 1,319</u> | <u>\$ 779</u> | <u>\$ 3,575</u> |

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 dividend.

The following table lists the inputs to the binomial model used for the fair value measurement of equity-settled share options for the above plan for the following periods:

Based on the above inputs, the fair value of the options was determined at \$10.50 - \$11.01 at the grant dates during 2019.

| | June 30, | | December 31, |
|---|-----------|---------|--------------|
| | 2019 | 2018 | 2018 |
| | Unaudited | | Audited |
| Dividend yield (%) | 0 | 0 | 0 |
| Expected volatility of the share prices (%) | 88%-95% | 89%-94% | 93%-95% |
| Risk-free interest rate (%) | 2.52-2.7 | 2.28-3 | 2.88-2.63 |

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 3:- SHARE-BASED PAYMENT (Cont.)

Movement during the periods:

| | Six months ended June 30, | | | | Year ended December 31, | |
|--|------------------------------|--|----------------------|--|----------------------------|--|
| | 2019 | | 2018 | | 2018 | |
| | Number of options | Weighted average exercise price | Number of options | Weighted average exercise price | Number of options | Weighted average exercise price |
| Outstanding at beginning of period | 3,197,616 | \$ 3.07 | 2,467,023 | \$ 2.28 | 2,467,023 | \$ 2.28 |
| Granted | 544,800 | 10.93 | 401,921 | 4.9 | 751,977 | 5.60 |
| Expired | - | - | - | - | (2,000) | 6.00 |
| Exercised | (466,375) | 0.25 | - | - | (9,692) | 0.25 |
| Forfeited | - | - | (9,692) | 0.25 | (9,692) | 0.25 |
| Share options outstanding at end of period | <u>3,276,041</u> | <u>4.78</u> | <u>2,859,252</u> | <u>2.65</u> | <u>3,197,616</u> | <u>3.07</u> |
| Share options exercisable at end of period | <u>1,438,658</u> | <u>\$ 2.16</u> | <u>1,664,152</u> | <u>\$ 1.08</u> | <u>1,705,256</u> | <u>\$ 1.21</u> |

As of June 30, 2019, there are \$5,645 of total unrecognized cost related to non-vested share based compensation that are expected to be recognized over a period of up to 4 years.

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 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 period in which liquidation event will occurred subject to the Company's expectations. 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.

| | June 30, | | December 31, |
|--------------------------|-----------|------|--------------|
| | 2019 | 2018 | 2018 |
| | Unaudited | | Audited |
| Risk-free interest rate | 1.71% | 2.5% | 2.52% |
| Expected volatility | 80% | 90% | 80% |
| Expected life (in years) | 3 | 2 | 3.5 |
| Expected dividend yield | 0 | 0 | 0 |

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 4:- LIABILITIES PRESENTED AT FAIR VALUE (Cont.)

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

| | Fair value of financial derivatives |
|--------------------------------------|--|
| Balance at January 1, 2019 (audited) | \$ 24,049 |
| Exercise of warrants | (2,924) |
| Revaluation of financial derivatives | <u>(13,471)</u> |
| Balance at June 30, 2019 (unaudited) | <u>\$ 7,654</u> |

NOTE 5:- LOSS (INCOME) PER SHARE

- a. Details of the number of shares and loss (income) used in the computation of loss (income) per share:

| | Six months ended June 30, 2019 | | Three months ended June 30, 2019 | |
|--|---|--|---|--|
| | Weighted Number of Shares | Loss (Income) Attributed to equity holders of the Company | Weighted Number of Shares | Loss (Income) Attributed to equity holders of the Company |
| For the computation of basic loss (income) | 25,268,501 | \$ 9,545 | 25,495,236 | \$ (5,962) |
| Effect of potential dilutive ordinary shares (Warrants) | <u>1,078,165</u> | <u>13,471</u> | <u>476,457</u> | <u>17,378</u> |
| For the computation of diluted loss (income) | <u>26,346,666</u> | <u>\$ 23,016</u> | <u>25,971,693</u> | <u>\$ 11,416</u> |

- b. The total weighted number of shares that used for the basic and diluted loss per share calculations, for the six and three month period ended June 30, 2018 was 689,898 and for the year ended December 31, 2018 was 5,025,213.



FOR RELEASE ON TUESDAY, AUGUST 6, 2019, AT 8:00 A.M. ET

Gamida Cell Reports Second Quarter 2019 Financial Results and Provides Company Update

– Successfully completed follow-on public offering raising approximately \$40 million in gross proceeds –

– Patient enrollment in Phase 3 study of omidubicel expected to be completed by year-end 2019; Topline data expected in first half of 2020 –

– Phase 1 clinical study of GDA-201 continues to progress, with additional data expected in the second half of 2019 –

Boston, Mass. – August 6, 2019 – Gamida Cell Ltd. (Nasdaq: GMDA), a leading cellular and immune therapeutics company, today reported financial results for the quarter ended June 30, 2019. The company also highlighted continued progress in advancing its clinical development candidates: omidubicel, an investigational advanced cell therapy in Phase 3 clinical development designed to enhance the life-saving benefits of hematopoietic stem cell (bone marrow) transplant for patients with hematologic malignancies, and GDA-201, an investigational, natural killer (NK) cell-based cancer immunotherapy in Phase 1 development in patients with non-Hodgkin lymphoma and multiple myeloma.

“During the past quarter, Gamida Cell made important progress toward its goal of transforming the treatment landscape for patients with blood cancers and rare, serious hematologic diseases,” stated Julian Adams, Ph.D., chief executive officer of Gamida Cell. “We are continuing to progress our multi-center, randomized Phase 3 study of omidubicel to enable a topline data readout, which is expected in the first half of 2020. As we look ahead toward the potential submission of a biologics license application next year, we are advancing key activities required to bring omidubicel to patients in a commercial setting. To help ensure that we will have sufficient and reliable commercial supply, we established a commercial manufacturing supply agreement with Lonza and engaged Biopharmax, a biopharmaceutical design and construction firm, to initiate the construction of our own commercial manufacturing facility in Israel.”

“Our second cell therapy program, GDA-201, is also moving forward. We anticipate additional data from the ongoing Phase 1/2 clinical study in the second half of the year. We are also on track with our plans to develop a cryopreserved formulation of GDA-201 to enable a multi-center clinical study in patients with non-Hodgkin lymphoma,” Dr. Adams continued. “Both omidubicel and GDA-201 are based on our proprietary cell expansion platform, which has the potential to further expand our pipeline. In June, we appointed Dr. Tracey Lodie to our team as chief scientific officer to set our scientific strategy and lead new translational research to further elucidate the potential of our technology and clinical development programs.”

Program Highlights

- **Continued to advance the Phase 3 clinical study of omidubicel:** Patient enrollment continued to progress in the Gamida Cell's Phase 3 study of omidubicel in patients with high-risk hematologic malignancies. The international, randomized, multi-center study is designed to evaluate the safety and efficacy of omidubicel compared to standard umbilical cord blood for allogeneic bone marrow transplant in approximately 120 patients with no available matched donor. The company anticipates completing patient enrollment by the end of this year with topline data anticipated in first half of 2020.
- **Established agreements to support commercial manufacturing for omidubicel:** In June, Gamida Cell and Lonza announced that the companies entered into a strategic manufacturing agreement for the future commercial production after potential FDA approval of omidubicel. This agreement follows a successful multi-year clinical manufacturing relationship and provides Gamida Cell with a path to commercial supply of omidubicel. Under this multi-year agreement, Lonza will construct and dedicate production suites at its Geleen, NL site for the anticipated commercial launch. Additionally, the agreement enables Gamida Cell to increase the number of dedicated production suites over time to ensure commercial supply. Gamida Cell also has the option of expanding further into Lonza's global cell and gene therapy manufacturing network. In August, Gamida Cell signed an agreement with Biopharmax for the construction of suites for the commercial manufacture of omidubicel after potential FDA approval of omidubicel at a Gamida Cell-operated facility in Israel.
- **Initiated enrollment for Cohort 2 in the Phase 1/2 study of omidubicel in patients with severe aplastic anemia:** In June, patient enrollment began in Cohort 2 of the investigator-sponsored, Phase 1/2 clinical study of omidubicel in patients with severe aplastic anemia, a rare and life-threatening blood disorder. Earlier this year, encouraging data from Cohort 1 were reported at the 2019 Transplantation & Cellular Therapy (TCT) Meeting. All three patients enrolled in Cohort 1 successfully underwent a bone marrow transplant consisting of omidubicel plus a haploidentical stem cell graft. The rapid engraftment, sustained hematopoiesis and accelerated immune recovery observed in these patients enabled the initiation of Cohort 2, where patients will be treated with omidubicel as a stand-alone graft.
- **Demonstrated continued progress with GDA-201 clinical development program:** Gamida Cell continued to make progress with the GDA-201 clinical development program. The investigator-sponsored, Phase 1/2 clinical study of GDA-201 in patient with non-Hodgkin lymphoma and multiple myeloma is ongoing, with additional data expected in the second half of 2019. The company is developing a cryopreserved formulation of GDA-201 to enable a multi-center, multi-dose Phase 1/2 clinical study in patients with non-Hodgkin lymphoma, which is expected to begin next year.

Corporate Highlights

- **Completed public follow-on offering of approximately \$40 million in gross proceeds:** In July, Gamida Cell announced that the company closed an underwritten public offering of 7,000,000 ordinary shares and that the underwriters exercised in full their option to purchase an additional 1,050,000 ordinary shares at the public offering price of \$5.00 per share. The aggregate gross proceeds to Gamida Cell from the offering, including the shares sold pursuant to the underwriters' option, before deducting underwriting discounts and commission and offering expenses, were \$40.3 million.
-

- **Bolstered management team with appointment of Tracey Lodie, Ph.D., as chief scientific officer:** In June, the company announced the appointment of Tracey Lodie, Ph.D., as chief scientific officer. Prior to joining Gamida Cell, Dr. Lodie served as senior vice president, translational immunology at BlueRock Therapeutics, where she helped to advance their universal pluripotent stem cell platform into central nervous system, cardiovascular, and autoimmune therapeutic areas. She also served as vice president of immunology at Syros Pharmaceuticals, where she developed new autoimmunity and immuno-oncology research programs. Prior to Syros Pharmaceuticals, Dr. Lodie spent over 14 years at Sanofi-Genzyme, where she held roles of increasing responsibility. She obtained a PhD. in immunology and pathology at Boston University School of Medicine before completing a post-doctoral fellowship at Beth Israel Deaconess Medical Center in the Department of Hematology/Oncology.
- **Shawn Cline Tomasello and Stephen Wills elected to Board of Directors, reflecting company's progress toward commercialization:** In June, Shawn Cline Tomasello and Stephen T. Wills were elected to Gamida Cell's board of directors. Ms. Tomasello has extensive experience in commercializing first-in-class medicines for the treatment of cancer, including Yescarta® (at Kite Pharma, now part of Gilead Sciences) and Imbruvica® (at Pharmacyclics, now part of AbbVie). Mr. Wills has extensive operational, financial and transactional experience over nearly three decades in the life sciences and accounting industries. He has served as chief financial officer of Palatin Technologies, a publicly-traded biotechnology company developing peptide therapeutics, since 1997 and also serves as Palatin's chief operating officer and executive vice president.

Anticipated 2019-2020 Milestones

Gamida Cell's anticipated program milestones in 2019-2020 are as follows:

Omidubicel

- Complete enrollment in Phase 3 study of omidubicel in patients with hematologic malignancies by the end of 2019
- Report topline data from the Phase 3 study of omidubicel in patients with hematologic malignancies in the first half of 2020
- Complete BLA submission for omidubicel in hematologic malignancies in the second half of 2020, should Phase 3 data be positive

GDA-201

- Complete patient enrollment in the ongoing Phase 1 study in the second half of 2019
 - Present additional data at a medical meeting in the second half of 2019
 - Initiate multi-center, Phase 1/2 clinical study in patients with NHL in 2020
-

Second Quarter 2019 Financial Results

- Research and development (R&D) expenses in the second quarter of 2019 were \$7.0 million and were also \$7.0 million in the same period in 2018. R&D expenses were higher in the second quarter of 2019 compared to the same period in 2018 due to the advancement of omidubicel and GDA-201 but were offset by a \$2.0 million increase in grants related to the Israeli Innovation Authority (IIA).
- General and administrative expenses were \$3.8 million for the second quarter of 2019, compared to \$2.9 million in the same period in 2018. The difference was attributable mainly to a \$0.4 million increase in cash and non-cash expenses related to hiring and establishing the U.S. headquarters as well as a \$0.5 million increase in professional services, including an increase in expenses associated with being a publicly-traded company.
- Finance income, net, was \$16.8 million for the second quarter of 2019, compared to finance expenses, net, of \$3.2 million in the same period in 2018. The net increase was primarily due to non-cash income resulting from the re-valuation of warrants, offset by non-cash expenses from the re-valuation of the IIA royalty-bearing grant liability.
- Net income for the second quarter of 2019 was \$6.0 million, compared to a net loss of \$13.1 million in the same period in 2018.

As of June 30, 2019, Gamida Cell had total cash, cash equivalents and available-for-sale securities of \$41.7 million, compared to \$60.7 million as of December 31, 2018. The June 30, 2019, cash position excludes the aggregate gross proceeds from the company's recent public follow-on offering, which were \$40.3 million.

2019 Financial Guidance

Gamida Cell continues to expect cash used for ongoing operating activities in 2019 to range from \$35 million to \$40 million, reflecting anticipated expenditures to advance the company's clinical programs.

Gamida Cell expects that its cash, cash equivalents and available-for-sale securities will support the company's ongoing operating activities into the fourth quarter of 2020. This cash runway guidance is based on the company's current operational plans and excludes any additional funding that may be received or business development activities that may be undertaken.

Conference Call Information

Gamida Cell will host a conference call today, August 6, 2019, at 8:30 a.m. ET to discuss these financial results and company updates. A live webcast of the conference call can be accessed in the "Investors" 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 2127937. A replay of the webcast will be available for approximately 30 days.

About Omidubicel

Omidubicel (formerly known as NiCord®), the company's lead clinical program, is an advanced cell therapy under development as a potential life-saving allogeneic hematopoietic stem cell (bone marrow) transplant solution for patients with hematologic malignancies (blood cancers). Omidubicel is the first bone marrow transplant product to receive Breakthrough Therapy Designation from the U.S. Food and Drug Administration and has also received Orphan Drug Designation in the U.S. and EU. In a Phase 1/2 clinical study, omidubicel demonstrated rapid and durable time to engraftment and was generally well-tolerated.¹ A Phase 3 study evaluating omidubicel in patients with leukemia and lymphoma is ongoing in the U.S., Europe and Asia.² Omidubicel is also being evaluated in a Phase 1/2 clinical study in patients with severe aplastic anemia.³ The aplastic anemia investigational new drug application is currently filed with the FDA under the brand name CordIn®, which is the same investigational development candidate as omidubicel. For more information on clinical trials of omidubicel, please visit www.clinicaltrials.gov.

About GDA-201

Gamida Cell applied the capabilities of its NAM-based cell expansion technology to develop GDA-201 (formerly known as NAM-NK), an innate natural killer (NK) cell immunotherapy for the treatment of hematologic and solid tumors in combination with standard of care antibody therapies. 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 of NK cells expanded in culture. GDA-201 is in Phase 1 development through an investigator-sponsored study in patients with refractory non-Hodgkin lymphoma and multiple myeloma.⁴

Omidubicel and GDA-201 are investigational therapies, and their safety and efficacy have not been evaluated by the U.S. Food and Drug Administration or any other health authority.

About Gamida Cell

Gamida Cell is a clinical-stage biopharmaceutical company committed to developing advanced cell therapies with the potential to cure blood cancers and rare, serious hematologic diseases. We are leveraging our proprietary nicotinamide-based, or NAM-based, cell expansion technology to develop product candidates designed to address the limitations of cell therapies. For additional information, please visit www.gamida-cell.com.

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 the patient enrollment in and timing of initiation and progress of and data reported from the clinical trials of Gamida Cell's product candidates, and Gamida Cell's expectations regarding its projected operating expenses and cash runway, which statements are subject to a number of risks, uncertainties and assumptions, including, but not limited to the scope, progress and expansion of Gamida Cell's clinical trials and variability, and ramifications for the cost thereof; and clinical, scientific, regulatory and technical developments. In light of these risks and uncertainties, and other risks and uncertainties that are described in the Risk Factors section of Gamida Cell's public filing on Form 20-F, filed with the SEC on February 25, 2019, 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. Any forward-looking statements speak only as of the date of this press release and are based on information available to Gamida Cell as of the date of this release.

¹Horwitz M.E., Wease S., Blackwell B., Valcarcel D. et al. Phase I/II study of stem-cell transplantation using a single cord blood unit expanded ex vivo with nicotinamide. *J Clin Oncol.* 2019 Feb 10;37(5):367-374.

²ClinicalTrials.gov identifier NCT02730299.

³ClinicalTrials.gov identifier NCT03173937.

⁴ClinicalTrials.gov identifier NCT03019666.

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
U.S. dollars in thousands

| | June 30, | | December 31, |
|---|------------------|------------------|---------------------|
| | 2019 | 2018 | 2018 |
| | Unaudited | | Audited |
| ASSETS | | | |
| CURRENT ASSETS: | | | |
| Cash and cash equivalents | \$ 37,078 | \$ 19,004 | \$ 40,272 |
| Available-for-sale financial assets | 4,618 | 9,632 | 20,417 |
| Prepaid expenses and other current assets | 886 | 1,525 | 1,502 |
| Total current assets | 42,582 | 30,161 | 62,191 |
| NON-CURRENT ASSETS: | | | |
| Property and equipment, net | 3,437 | 1,546 | 2,311 |
| Right-of-use assets | 6,157 | - | - |
| Other assets | 1,355 | 1,141 | 662 |
| Total non-current assets | 10,949 | 2,687 | 2,973 |
| Total assets | \$ 53,531 | \$ 32,848 | \$ 65,164 |
| LIABILITIES AND EQUITY | | | |
| CURRENT LIABILITIES: | | | |
| Trade payables | \$ 2,121 | \$ 1,158 | \$ 1,985 |
| Employees and payroll accruals | 2,753 | - | 2,888 |
| Current maturities of lease liabilities | 1,945 | - | - |
| Accrued expenses and other payables | 2,699 | 4,057 | 1,832 |
| Total current liabilities | 9,518 | 5,215 | 6,705 |
| NON-CURRENT LIABILITIES: | | | |
| Liabilities presented at fair value | 7,654 | 13,700 | 24,049 |
| Employee benefit liabilities, net | 274 | 217 | 183 |
| Lease liability | 4,627 | - | - |
| Liability to Israel Innovation Authority (IIA) | 10,906 | 9,753 | 9,540 |
| Total non-current liabilities | 23,461 | 23,670 | 33,772 |
| SHAREHOLDERS' EQUITY: | | | |
| Total shareholders' equity | 20,552 | 3,963 | 24,687 |
| Total liabilities and shareholders' equity | \$ 53,531 | \$ 32,848 | \$ 65,164 |

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

| | Six months ended June 30, | | Three months ended June 30, | | Year ended December 31, |
|--------------------------------------|------------------------------|-----------|--------------------------------|----------|----------------------------|
| | 2019 | 2018 | 2019 | 2018 | 2018 |
| | Unaudited | | | | Audited |
| Operating expenses: | | | | | |
| Research and development, net | \$ 14,319 | \$ 12,037 | \$ 7,036 | \$ 6,977 | \$ 22,045 |
| General and administrative | 7,574 | 4,570 | 3,761 | 2,917 | 11,599 |
| Operating loss | 21,893 | 16,607 | 10,797 | 9,894 | 33,644 |
| Finance expenses | 1,604 | 4,204 | 1,336 | 3,230 | 20,259 |
| Finance income | (14,052) | (330) | (18,169) | (34) | (1,042) |
| Loss (income) before taxes on income | 9,445 | 20,481 | (6,036) | 13,090 | 52,861 |
| Taxes on income | 100 | - | 74 | - | 70 |
| Net loss (income) | 9,545 | 20,481 | (5,962) | 13,090 | 52,931 |
| <u>Net loss (income) per share:</u> | | | | | |
| Basic net loss (income) per share | \$ 0.38 | \$ 29.69 | \$ (0.23) | \$ 18.97 | \$ 10.53 |
| Diluted net loss (income) per share | \$ 0.87 | \$ 29.69 | \$ 0.44 | \$ 18.97 | \$ 10.53 |

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
U.S. dollars in thousands

| | Six months ended | | Three months ended | | Year ended |
|---|------------------|-------------|--------------------|-------------|--------------|
| | June 30, | | June 30, | | December 31, |
| | 2019 | 2018 | 2019 | 2018 | 2018 |
| | Unaudited | | | | Audited |
| <u>Cash flows from operating activities:</u> | | | | | |
| Net (loss) income | \$ (9,545) | \$ (20,481) | \$ 5,962 | \$ (13,090) | \$ (52,931) |
| 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 | 1,245 | 97 | 703 | 48 | 269 |
| Financial income, net | (569) | (375) | (378) | (362) | (858) |
| Cost of share-based compensation | 2,410 | 1,623 | 1,319 | 779 | 3,575 |
| Change in employee benefit liabilities, net | 8 | 17 | (3) | 33 | (15) |
| Amortization of premium on available-for-sale financial assets | 101 | (9) | 51 | (90) | 272 |
| Revaluation of financial derivatives | (13,471) | 3,400 | (17,378) | 3,000 | 17,600 |
| Revaluation of liability to IIA | 1,199 | 2,600 | 631 | 2,188 | 2,037 |
| | (9,077) | 7,353 | (15,055) | 5,596 | 22,880 |
| Changes in asset and liability items: | | | | | |
| Decrease (Increase) in prepaid expenses and other current assets and other assets | 117 | (1,156) | (292) | (1,256) | 942 |
| Increase (decrease) in trade payables | 244 | (1,232) | 1,088 | 306 | (405) |
| Increase in accrued expenses and other payables and employee and payroll accrual | 162 | 1,871 | 141 | 1,611 | 2,296 |
| | 523 | (517) | 937 | 661 | 2,833 |
| <u>Cash received during the period for:</u> | | | | | |
| Interest received | 830 | 391 | 309 | 378 | 792 |
| Interest paid | (51) | - | (23) | - | - |
| | 779 | 391 | 286 | 378 | 792 |
| Net cash used in operating activities | (17,320) | (13,254) | (7,870) | (6,455) | (26,426) |
| <u>Cash flows from investing activities:</u> | | | | | |
| Purchase of property and equipment | (878) | (703) | (528) | (472) | (1,645) |
| Purchase of of available-for-sale financial assets | - | - | - | - | (10,905) |
| Proceed from sale of available-for-sale financial assets | - | 4,984 | - | - | 4,949 |
| Proceed from maturity of available-for-sale financial assets | 15,740 | - | 1,847 | - | - |
| Proceeds from bank deposits | - | 5,000 | - | - | 5,000 |
| Investment in restricted bank deposits | - | - | - | - | (150) |
| Net cash provided by (used in) investing activities | 14,862 | 9,281 | 1,319 | (472) | (2,751) |

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

| | Six months ended June 30, | | Three months ended June 30, | | Year ended December 31, |
|---|------------------------------|------------------|--------------------------------|------------------|----------------------------|
| | 2019 | 2018 | 2019 | 2018 | 2018 |
| | Unaudited | | | | Audited |
| <u>Cash flows from financing activities:</u> | | | | | |
| Receipt of grants from the IIA | 167 | 1,653 | 167 | - | 612 |
| Proceeds from issuance of shares, net | (346) | - | (108) | - | 47,479 |
| Payment of lease liabilities | (764) | - | (324) | - | - |
| Exercise of options | 117 | - | 117 | - | 2 |
| Net cash provided by (used in) financing activities | (826) | 1,653 | (148) | - | 48,093 |
| Exchange differences on balances of cash and cash equivalents | 90 | - | 28 | - | 31 |
| Increase (decrease) in cash and cash equivalents | (3,194) | (2,321) | (6,671) | (6,927) | 18,947 |
| Cash and cash equivalents at beginning of period | 40,272 | 21,325 | 43,749 | 25,931 | 21,325 |
| Cash and cash equivalents at end of period | <u>\$ 37,078</u> | <u>\$ 19,004</u> | <u>\$ 37,078</u> | <u>\$ 19,004</u> | <u>\$ 40,272</u> |