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 2020

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 and 99.2 to this Report on Form 6-K shall be deemed to be incorporated by reference into the Registration Statements on Form F-3 (File No. 333-234701) and Form S-8 (File Nos. 333-228301 and 333-238115) 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 (the "Company") and to be a part thereof from the date on which this report is filed, to the extent not superseded by documents or reports subsequently filed or furnished.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 99.3 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 (the "Securities Act"), or the Exchange Act.

RISK FACTORS

The risk factors set forth under the caption "Risk Factors" in the Company's Annual Report on Form 20-F filed on February 26, 2020 (the "Annual Report") 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by reference herein and to be a part thereof from the date on which this report is filed, to the extent not superseded by documents or reports subsequently filed or furnished.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.

The following risk factor will supersede the risk factor previously disclosed in the Company's Report on Form 6-K filed on May 18, 2020 and will supplement the risk factors disclosed in the Annual Report:

Our business has been and could continue to be adversely affected by the evolving and ongoing COVID-19 global pandemic in regions where we or third parties on which we rely have significant manufacturing facilities, concentrations of clinical trial sites or other business operations. The COVID-19 pandemic has adversely affected our operations, including at our U.S. headquarters, and at our clinical trial sites, and it could continue to adversely affect such operations as well as the business or operations of our manufacturers, CROs or other third parties with whom we conduct business.

Our business has been adversely affected by the effects of the recent and evolving COVID-19 pandemic, which was declared by the World Health Organization as a global pandemic. The COVID-19 pandemic has resulted in travel and other restrictions in order to reduce the spread of the disease including in the Commonwealth of Massachusetts, where our U.S. operations are focused. The Commonwealth of Massachusetts declared a state of emergency related to the spread of COVID-19, and the Governor of Massachusetts and other health officials in Massachusetts and surrounding states have announced aggressive orders, health directives and recommendations to reduce the spread of the disease. Further, the Governor of Massachusetts issued an executive order directing that all non-essential businesses close their physical operations and implement work-from-home schedules, effective as of March 23, 2020. Accordingly, we implemented work-from-home policies for all employees. The effects of the executive order and our work-from-home policies have delayed our expected timeline for the submission of our investigational new drug, or IND, application for our product candidate GDA-201. Previously, we expected to submit an IND for GDA-201 in the fourth quarter of 2020. As a result of COVID-19 related business disruptions, we now expect to submit our application during the first half of 2021. The magnitude of further adverse effects on our business and operations will depend, in part, on the length and severity of the restrictions and other limitations on our ability to conduct our business in the ordinary course. These and similar, and perhaps more severe, disruptions in our operations could further negatively impact our business, operating results and financial condition.

Some of our third-party manufacturers which we use for the supply of materials for product candidates or other materials necessary to manufacture product to conduct preclinical tests and clinical trials are located in countries affected by COVID-19, and should they experience disruptions, such as temporary closures or suspension of services, we would likely experience delays in advancing these tests and trials. Currently, we expect no material impact on the clinical supply of omidubicel or any of our product candidates.

In addition, our clinical trials may be affected by the COVID-19 pandemic. Clinical site initiation and patient enrollment may be delayed due to prioritization of hospital resources toward the COVID-19 pandemic. Some patients may not be able to comply with clinical trial protocols if quarantines impede patient movement or interrupt healthcare services. Similarly, our ability to recruit and retain patients and principal investigators and site staff who, as healthcare providers, may have heightened exposure to COVID-19 and adversely impact our clinical trial operations.

The spread of COVID-19, which has caused a broad impact globally, may materially affect us economically. While the potential economic impact brought by, and the duration of, COVID-19 may be difficult to assess or predict, a widespread pandemic could result in significant disruption of global financial markets, reducing our ability to access capital, which could in the future negatively affect our liquidity. In addition, a recession or market correction resulting from the spread of COVID-19 could materially affect our business and the value of our common stock.

The global pandemic of COVID-19 continues to rapidly evolve. The extent to which the COVID-19 pandemic continues to impact our business, our clinical development and regulatory efforts will depend on future developments that are highly uncertain and cannot be predicted with confidence, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, quarantines, social distancing requirements and business closures in the United States and other countries, business disruptions and the effectiveness of actions taken in the United States and other countries to contain and treat the disease. Accordingly, we do not yet know the full extent of potential delays or impacts on our business, our clinical and regulatory activities, healthcare systems or the global economy as a whole. However, these impacts could adversely affect our business, financial condition, results of operations and growth prospects.

In addition, to the extent the ongoing COVID-19 pandemic adversely affects our business and results of operations, it may also have the effect of heightening many of the other risks and uncertainties described in the "Risk Factors" section included in our Annual Report.

PFIC STATUS

If we are a passive foreign investment company, or PFIC, we expect to provide investors, by annually posting a "PFIC Annual Information Statement" on our website, with the information required to allow investors to make a qualified electing fund, or QEF, election for United States federal income tax purposes.

EXHIBIT INDEX

Exhibit No.	Description
99.1	Unaudited Interim Consolidated Statements of Financial Position as of June 30, 2020 and June 30, 2020, and Unaudited Interim Consolidated Statements of Comprehensive Loss, Statements of Changes in Shareholders' Equity and Statements of Cash Flows for the three months ended June 30, 2020 and June 30, 2019
99.2	Management's Discussion and Analysis of Financial Condition and Results of Operations
99.3	Press Release dated August 11, 2020
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 Exchange Act, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GAMIDA CELL LTD.

August 12, 2020

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

GAMIDA CELL LTD. AND ITS SUBSIDIARY

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF JUNE 30, 2020

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,
	2020	2019	2019
	Unaudited		
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	$ 88,638	$ 37,078	$ 41,838
Available-for-sale financial assets	-	4,618	13,559
Prepaid expenses and other current assets	2,241	886	1,306
Total current assets	90,879	42,582	56,703
NON-CURRENT ASSETS:			
Property, plant and equipment, net	14,204	3,437	6,298
Right-of-use assets	7,490	6,157	5,133
Other assets	642	1,355	641
Total non-current assets	22,336	10,949	12,072
Total assets	$ 113,215	$ 53,531	$ 68,775

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,
	2020	2019	2019
	Unaudited		
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Trade payables	$ 2,738	$ 2,121	$ 1,164
Employees and payroll accruals	3,187	2,753	3,443
Current maturities of lease liabilities	2,145	1,945	1,870
Accrued expenses and other payables	5,509	2,699	4,918
Total current liabilities	13,579	9,518	11,395
NON-CURRENT LIABILITIES:			
Liabilities presented at fair value	4,551	7,654	5,221
Employee benefit liabilities, net	773	274	773
Lease liabilities	5,946	4,627	4,101
Liability to Israel Innovation Authority (IIA)	13,816	10,906	12,302
Total non-current liabilities	25,086	23,461	22,397
SHAREHOLDERS' EQUITY:			
Share capital -			
Ordinary shares of NIS 0.01 par value - Authorized: 100,000,000 shares at June 30, 2020 and 2019 (unaudited) and December 31, 2019; Issued and outstanding: 49,471,817 and 25,606,423 shares at June 30, 2020 and 2019 (unaudited) and 33,670,926 shares at December 31, 2019, respectively	137	69	92
Share premium	304,175	199,402	238,992
Capital reserve due to actuarial gains	(541)	(160)	(541)
Available-for-sale reserve	-	(1)	4
Accumulated deficit	(229,221)	(178,758)	(203,564)
Total shareholders' equity	74,550	20,552	34,983
Total liabilities and shareholders' equity	$ 113,215	$ 53,531	$ 68,775

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

, 2020		
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)

	Six months ended June 30,		Three months ended June 30,		Year ended December 31,
	2020	2019	2020	2019	2019
	Unaudited				Audited
Operating expenses:					
Research and development, net	$ 17,198	$ 14,536	$ 9,319	$ 7,253	$ 31,462
Commercial activities	2,497	2,090	1,029	1,092	4,692
General and administrative	5,490	5,267	2,496	2,452	12,091
Operating loss	25,185	21,893	12,844	10,797	48,245
Finance expense	1,366	1,604	2,320	1,336	3,325
Finance income	(894)	(14,052)	(109)	(18,169)	(17,149)
Loss before taxes on income	25,657	9,445	15,055	(6,036)	34,421
Taxes on income (benefit)	-	100	-	74	(70)
Net loss (income)	25,657	9,545	15,055	(5,962)	34,351
Other comprehensive loss (income):					
Items that will be reclassified subsequently to profit or loss:					
Actuarial net loss of defined benefit plans	-	83	-	-	464
Changes in the fair value of available for sale financial assets	4	(42)	-	(9)	(47)
Total comprehensive loss (income)	$ 25,661	$ 9,586	$ 15,055	$ (5,971)	$ 34,768
Net loss (income) per share:					
Basic loss (income) per share	$ 0.69	$ 0.38	$ 0.37	$ (0.23)	$ 1.17
Diluted loss per share	$ 0.69	$ 0.87	$ 0.37	$ 0.44	$ 1.69

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		Preferred shares		Share Premium	Available-for-sale reserve	Capital reserve due to actuarial losses	Accumulated deficit	Total equity
	Number	Amount	Number	Amount					
Balance as of January 1, 2020	33,670,926	$ 92	-	$ -	$ 238,992	$ 4	$ (541)	$ (203,564)	$ 34,983
Net loss	-	-	-	-	-	-	-	(25,657)	(25,657)
Other comprehensive loss	-	-	-	-	-	(4)	-	-	(4)
Total comprehensive loss	-	-	-	-	-	(4)	-	(25,657)	(25,661)
Exercise of options	467,557	1	-	-	146	-	-	-	147
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	-	-	-	-	1,221	-	-	-	1,221
Balance as of June 30, 2020 (unaudited)	49,471,817	$ 137	-	$ -	$ 304,175	$ -	$ (541)	$ (229,221)	$ 74,550

	Ordinary shares		Preferred shares		Share Premium	Available-for-sale reserve	Capital reserve due to actuarial losses	Accumulated deficit	Total equity
	Number	Amount	Number	Amount					
Balance as of January 1, 2019	24,930,736	$ 67	-	$ -	$ 193,953	$ (43)	$ (77)	$ (169,213)	$ 24,687
Net loss	-	-	-	-	-	-	-	(9,545)	(15,507)
Other comprehensive (loss) income	-	-	-	-	-	42	(83)	-	(50)
Total comprehensive (loss) income	-	-	-	-	-	42	(83)	(9,646)	(15,557)
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)	25,606,423	$ 69	-	$ -	$ 199,042	$ (1)	$ (160)	$ (178,758)	$ 20,552

*) represents an amount lower than 1 USD

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		Preferred shares		Share premium	Available-for-sale reserve	Capital reserve due to actuarial losses	Accumulated deficit	Total equity
	Number	Amount	Number	Amount					
Balance as of April 1, 2020 (unaudited)	33,696,582	$ 92	-	$ -	$ 239,897	$ -	$ (541)	$ (214,166)	$ 25,282
Net Loss	-	-	-	-	-	-	-	(15,055)	(15,055)
Other comprehensive loss	-	-	-	-	-	-	-	-	-
Total comprehensive loss	-	-	-	-	-	-	-	(15,055)	(15,055)
Exercise of options	441,901	1	-	-	140	-	-	-	141
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	-	-	-	-	322	-	-	-	322
Balance as of June 30, 2020 (unaudited)	49,471,817	$ 137	-	$ -	$ 304,175	$ -	$ (541)	$ (229,221)	$ 74,550

	Ordinary shares		Preferred shares		Share premium	Available-for-sale reserve	Capital reserve due to actuarial losses	Accumulated deficit	Total equity
	Number	Amount	Number	Amount					
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)	25,606,423	$ 69	-	$ -	$ 199,402	$ (1)	$ (160)	$ (178,758)	$ 20,552

*) Represents an amount lower than 1 USD.

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		Preferred shares		Share	Available-for-sale	Capital reserve due to actuarial	Accumulated	Total
	Number	Amount	Number	Amount	premium	reserve	losses	deficit	equity
Balance as of January 1, 2019	24,930,736	$ 67	-	$ -	$ 193,953	$ (43)	$ (77)	$ (169,213)	$ 24,687
Net loss	-	-	-	-	-	-	-	(34,351)	(34,351)
Other comprehensive (loss) income	-	-	-	-	-	47	(464)	-	(417)
Total comprehensive (loss) income	-	-	-	-	-	47	(464)	(34,351)	(34,768)
Issuance of ordinary shares in a secondary offering, net of issuance expenses of $694	8,050,000	23	-	-	37,117	-	-	-	37,140
Exercise of options	480,878	1	-	-	131	-	-	-	132
Exercise of warrants	209,312	1	-	-	2,923	-	-	-	2,924
Share-based compensation	-	-	-	-	4,868	-	-	-	4,868
Balance as of December 31, 2019	33,670,926	$ 92	-	$ -	$ 238,992	$ 4	$ (541)	$ (203,564)	$ 34,983

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,
	2020	2019	2020	2019	2019
	Unaudited				Audited
Cash flows from operating activities:					
Net (loss) income	$ (25,657)	$ (9,545)	$ (15,055)	$ 5,962	$ (34,351)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:					
Adjustments to the profit or loss items:					
Depreciation of property, equipment and right-of-use assets	1,106	1,245	556	703	2,143
Financial income, net	(260)	(569)	(128)	(378)	(775)
Cost of share-based compensation	1,221	2,410	322	1,319	4,868
Change in employee benefit liabilities, net	-	8	-	(3)	126
Amortization of premium on available-for-sale financial asses	4	101	-	51	184
Revaluation of financial derivatives	(670)	(13,471)	1,778	(17,378)	(15,904)
Revaluation of liability to IIA	1,315	1,199	593	631	2,531
	2,716	(9,077)	3,121	(15,055)	(6,827)
Changes in asset and liability items:					
Decrease (increase) in prepaid expenses, other current assets and other assets	(1,065)	117	(607)	(292)	(150)
Increase (decrease) in trade payables	1,574	244	(360)	1,088	(821)
Increase (decrease) in accrued expenses and other payables	(624)	162	2,472	141	2,807
	(115)	523	1,505	937	1,836
Cash received during the period for:					
Interest received	357	830	9	309	1,546
Interest paid	(80)	(51)	(33)	(23)	(134)
	277	779	(24)	286	1,412
Net cash used in operating activities	(22,779)	(17,320)	(10,453)	(7,870)	(37,930)
Cash flows from investing activities:					
Purchase of property, plant and equipment	(7,109)	(878)	(4,990)	(528)	(3,055)
Purchase of marketable securities	-	-	-	-	(32,021)
Proceed from sale of marketable securities	13,551	15,740	-	1,847	-
Proceed from maturity of marketable securities	-	-	-	-	38,742
Net cash provided by (used in) investing activities	$ 6,442	$ 14,862	$ (4,990)	$ 1,319	$ 3,666

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,
	2020	2019	2020	2019	2019
	Unaudited				
Cash flows from financing activities:					
Receipt of grants from the IIA	$ 200	$ 167	$ 147	$ 167	$ 224
Proceeds from secondary offering, net	63,860	(346)	63,860	(108)	37,140
Proceeds from issuance of shares, initial public offering (payment of issuance expenses), net					(238)
Payment of lease liabilities	(1,122)	(764)	(335)	(324)	(1,529)
Exercise of options	147	117	141	117	132
Net cash (used in) provided by financing activities	63,085	(826)	63,813	(148)	35,729
Exchange differences on balances of cash and cash equivalents	52	90	(24)	28	101
Increase (decrease) in cash and cash equivalents	46,800	(3,194)	48,346	(6,671)	1,566
Cash and cash equivalents at beginning of period	41,838	40,272	40,292	43,749	40,272
Cash and cash equivalents at end of period	$ 88,638	$ 37,078	$ 88,638	$ 37,078	$ 41,838
Supplemental disclosure of non-cash financing activities:					
Significant non-cash transactions:					
Exercise of warrants liabilities to equity	$ -	$ 2,924	$ -	$ -	$ 2,924
Increase in other assets on credit	$ -	$ (592)	$ -	$ (592)	$ -
Purchase of property, plant and equipment on credit	$ 960	$ (400)	$ 960	$ (400)	$ 1,255

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 and develops novel curative treatments using stem cells and natural killer (NK) cells.

b. The Company has created a novel NAM-based cell expansion 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.

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) and multiple myeloma (MM). In December 2019, the Company reported preliminary data at the Annual Meeting of the American Society of Hematology, or ASH, which was subsequently updated by means of an abstract published by The European Society for Blood Marrow Transplantation, or EBMT. The data from the first 25 patients demonstrated that GDA-201 was clinically active and generally well tolerated. Among the eleven patients with NHL, seven achieved a complete response and one achieved a partial response.

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 June 30, 2020 is $229,221 and negative cash flows from operating activities during the six month period ended June 30, 2020 is $22,779. 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, the Company closed a follow-on offering of its ordinary shares on the Nasdaq Global Market, which resulted in the sale of 7,000,000 ordinary shares at a public offering price of $5.00 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 $5.00 per share, and exercised in full their option to purchase such shares. The exercise of the underwriters' option closed on July 8, 2019. The Company received net proceeds from the offering of $37,140 (net of issuance costs and underwriting discounts of $3,110).

e. On May 21, 2020, the Company closed a second follow-on offering of its ordinary shares on the Nasdaq Global Market, which resulted in the sale of 13,333,334 ordinary shares at a public offering price of $4.50 per share, before underwriting discounts. The underwriters had a 30-day option to purchase up to 2,000,000 additional shares at a public offering price of $4.50 per share, and exercised in full their option to purchase such shares. The exercise of the underwriters' option closed on May 26, 2020. The Company received net proceeds from the offering of $63,860 (net of issuance costs and underwriting discounts of $5,140).

f. 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

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

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES

a. The accompanying unaudited interim consolidated financial statements as of June 30, 2020 and for the six and three months periods ended June 30. 2020 and 2019 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, 2019 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, 2020.

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, 2019.

c. 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, 2020	$ 934	$ 175	$ 4,024	$ 5,133	$ 5,971
Depreciation expense	(607)	(75)	(261)	(943)	-
Interest expense	-	-	-	-	19
Additions	3,282	63	-	3,345	3,345
Disposals	-	(16)	-	(16)	(13)
Adjustments for indexation	-	-	(29)	(29)	(29)
Payments	-	-	-	-	(1,202)
As of June 30, 2020 (unaudited)	$ 3,609	$ 147	$ 3,734	$ 7,490	$ 8,091

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

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,
	2020	2019	2020	2019	2019
	Unaudited				Audited
Research and development	$ 613	$ 736	$ 419	$ 507	$ 1,600
Commercial activities	(177)	634	(355)	434	879
General and administrative	785	1,040	258	378	2,389
	$ 1,221	$ 2,410	$ 322	$ 1,319	$ 4,868

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 $2.65 - $11.01 at the grant dates during 2020 and 2019.

	June 30,		December 31,
	2020	2019	2019
	Unaudited		
Dividend yield (%)	0	0	0
Expected volatility of the share prices (%)	76%	88%-95%	78%-84%
Risk-free interest rate (%)	0.6	2.52-2.7	1.92-2.63

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

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

Movement during the periods:

	Six months ended June 30,				Year ended December 31,	
	2020		2019		2019	
	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	3,405,188	$ 4.76	3,197,616	$ 3.07	3,197,616	3.07
Granted during the period	621,200	4.68	544,800	10.93	790,300	8.82
Expired during the period	(10,938)	8.00	-	-	39,094	5.21
Exercised during the period	(467,557)	0.31	(466,375)	0.25	480,878	0.27
Forfeited during the period	(211,482)	8.23	-	-	62,756	6.16
Share options outstanding at end of period	3,336,411	5.14	3,276,041	4.78	3,405,188	4.76
Share options exercisable at end of period	1,973,898	$ 3.01	1,438,658	$ 2.16	1,865,572	2.68

As of June 30, 2020, there is $3,185 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.

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.

	June 30,		December 31,
	2020	2019	2019
	Unaudited		
Risk-free interest rate	0.2%	1.71%	1.7%
Expected volatility	76%	80%	80%
Expected life (in years)	2	3	2.5
Expected dividend yield	0	0	0

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

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, 2020	$ 5,221
Revaluation of financial derivatives	(670)
Balance at June 30, 2020 (unaudited)	$ 4,551

NOTE 5:- LOSS PER SHARE

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

	Six months ended June 30, 2020		Three months ended June 30, 2020	
	Unaudited		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 and diluted loss	37,141,582	$ 25,477	49,589,719	$ 14,875

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

Gamida Cell is an advanced cell therapy company committed to finding cures for blood cancers and serious blood diseases. We harness our cell expansion platform to create therapies with the potential to redefine standards of care in areas of serious medical need. While cell therapies have the potential to address a variety of diseases, they are limited by availability of donor cells, matching a donor to the patient, and the decline in donor cell functionality when expanding the cells to achieve a therapeutic dose. We have leveraged our nicotinamide, or NAM, cell expansion technology platform to develop a pipeline of products designed to address the limitations of cell therapies. Our proprietary technology allows for the proliferation of donor cells while maintaining the cells' functional therapeutic characteristics, providing a treatment alternative for patients.

Our most advanced product candidate, omidubicel, is an investigational advanced cell therapy designed to expand the life-saving benefits of hematopoietic stem cell (bone marrow) transplant. Gamida Cell completed patient enrollment in a pivotal Phase 3 clinical trial in 125 patients with various hematologic malignancies. Topline data from the study demonstrated that the median time to neutrophil engraftment was 12 days for patients randomized to omidubicel compared to 22 days for the comparator group ($p<0.001$). Neutrophil engraftment is a measure of how quickly the stem cells a patient receives in a transplant are established and begin to make healthy new cells, and rapid neutrophil engraftment has been associated with fewer infections and shorter hospitalizations. The data from the Phase 3 study are consistent with results from our multi-center, Phase 1/2 study in 36 patients with advanced hematologic malignancies which were published in the *Journal of Clinical Oncology* in December 2018. Based on the results of our Phase 1/2 clinical trials, we received Breakthrough Therapy Designation for omidubicel in the United States from the U.S. Food and Drug Administration, or the FDA. Furthermore, we received orphan drug designation from both the FDA and the European Medicines Agency.

We are also developing omidubicel for the treatment of other rare, life-threatening hematologic diseases, including severe aplastic anemia, a bone marrow failure disease, which is currently being investigated in a Phase 1/2 trial sponsored by the National Institutes of Health. In addition, we have applied our NAM cell expansion technology to natural killer cells, to develop our product candidate, GDA-201, an investigational cancer immunotherapy now being evaluated in a Phase 1 investigator-sponsored trial for the treatment of relapsed or refractory non-Hodgkin lymphoma, or NHL, and multiple myeloma. Data from the first 25 patients in this study demonstrated that GDA-201 was clinically active and generally well tolerated. Among the eleven patients with NHL, seven patients achieved a complete response and one patient achieved a partial response.

We have incurred significant net losses since our formation in 1998. Our net losses were $25.7 million and $15.1 million for the six months ended June 30, 2020 and 2019. As of June 30, 2020, our accumulated deficit was $229.2 million. We expect to continue to incur losses for the foreseeable future, and our losses may fluctuate significantly from year to year. We expect that our expenses will increase substantially in connection with our ongoing activities as we:

- continue the clinical and preclinical development of our product candidates;
- file a Biologics License Application seeking regulatory approval for any of our product candidates;
- establish a sales, marketing and distribution infrastructure and scale up manufacturing capabilities to commercialize any products for which we obtain regulatory approval;
- maintain, expand and protect our intellectual property portfolio;
- add equipment and physical infrastructure, including construction of our Kiryat Gat manufacturing facility, to support our research and development and commercialization efforts;

- hire additional clinical development, regulatory, commercial, quality control and manufacturing personnel; and

- add operational, financial and management information systems and personnel, including personnel to support our product development and planned future commercialization.

We will need substantial additional funding to support our operating activities as we advance our product candidates through clinical development, seek regulatory approval and prepare for and, if any of our product candidates are approved, proceed to commercialization. Adequate funding may not be available to us on acceptable terms, or at all.

To continue to fund our operations, we expect to continue to raise capital. We may obtain additional financing in the future through the issuance of our ordinary shares, through other equity or debt financings or through collaborations or partnerships with other companies. We may not be able to raise additional capital on terms acceptable to us, or at all, and any failure to raise capital as and when needed could compromise our ability to execute on our business plan. Although it is difficult to predict future liquidity requirements, we believe that our current total existing funds will be sufficient to fund our operations into the second half of 2021. However, our ability to successfully transition to profitability will be dependent upon achieving a level of revenue adequate to support our cost structure. We cannot assure you that we will ever be profitable or generate positive cash flow from operating activities.

Components of Results of Operations

Revenue

We do not currently have any products approved for sale and, to date, we have not recognized any revenue. In the future, we may generate revenue from a combination of product sales, reimbursements, up-front payments and future collaborations. If we fail to achieve clinical success or obtain regulatory approval of any of our product candidates in a timely manner, our ability to generate future revenue will be impaired.

Research and development expenses, net

The largest component of our total operating expenses has historically been, and we expect will continue to be, research and development. Our research and development expenses, net of grants from the Israel Innovation Authority, or IIA, consist primarily of:

- salaries and related costs, including share-based compensation expense, for our personnel in research and development functions;

- expenses incurred under agreements with third parties, including CROs, subcontractors, suppliers and consultants, preclinical studies and clinical trials;

- expenses incurred to acquire, develop and manufacture preclinical study and clinical trial materials; and

- facility and equipment costs, including depreciation expense, maintenance and allocated direct and indirect overhead costs.

Research expenditures are recognized in profit or loss when incurred. An intangible asset arising from a development project or from the development phase of an internal project is recognized if we can demonstrate: the technical feasibility of completing the intangible asset so that it will be available for use or sale; our intention to complete the intangible asset and use or sell it; our ability to use or sell the intangible asset; how the intangible asset will generate future economic benefits; the availability of adequate technical, financial and other resources to complete the intangible asset; and our ability to measure reliably the expenditure attributable to the intangible asset during its development. Since our development projects are subject to regulatory approval procedures and other uncertainties, the conditions for the capitalization of costs incurred before receipt of approvals are not satisfied and, therefore, development expenditures are recognized in profit or loss when incurred.

Through June 30, 2020, we have received grants of approximately $31.9 million in the aggregate from the IIA for research and development funding. Pursuant to the terms of the grants, we are obligated to pay the IIA royalties, at the rate of between 3% to 4% on all our revenue, up to a limit of 100% of the amounts of the U.S. dollar-linked grants received, plus annual interest calculated at a rate based on 12-month LIBOR. We have not paid any royalties to the IIA to date.

The United Kingdom's, Financial Conduct Authority, which regulates the London Interbank Offered Rate (LIBOR), announced in July 2017 that it will no longer persuade or require banks to submit rates for LIBOR after 2021. The grants received from the IIA bear an annual interest rate based on the 12-month LIBOR. Accordingly, there is considerable uncertainty regarding the publication of LIBOR beyond 2021. While it is not currently possible to determine precisely whether, or to what extent, the withdrawal and replacement of LIBOR would affect us, the implementation of alternative benchmark rates to LIBOR may increase our financial liabilities to the IIA.

In addition to paying any royalties due, we must abide by other restrictions associated with receiving such grants under the Encouragement of Research, Development and Technological Innovation in the Industry Law 5744-1984, which will also continue to apply to us following the repayment in full of the amounts due to the IIA. The Innovation Law restricts our ability to manufacture products and transfer technologies outside of Israel and may impair our ability to enter into agreements that involve IIA-funded products or know-how without the approval of the IIA. Any approval, if given, will generally be subject to additional financial obligations by us. Failure to comply with the requirements under the Innovation Law may subject us to mandatory repayment of grants received by us, together with interest and penalties as well as expose us to criminal proceedings.

In June 2017, new rules, or the Licensing Rules, were published by the IIA allowing a grant recipient to enter into licensing arrangements or grant other rights in know-how developed under IIA programs outside of Israel, subject to the prior consent of the IIA and payment of license fees, calculated in accordance with the Licensing Rules. The amount of the license fees is based on various factors, including the consideration received by the licensor in connection with the license, and shall not exceed six times the amount of the grants received by the grants recipient (plus accrued interest) for the applicable know-how being licensed. In certain cases, such as when the license consideration includes nonmonetary compensation or when a "special relationship" exists between the licensor and licensee (*e.g.*, when a party controls the other party or is the other party's exclusive distributor), or when the agreed upon consideration does not reflect, in the IIA's opinion, the market value of the license, the IIA may base the value of the transaction on an economic assessment that it obtains for such purpose. See "Taxation – Material Israeli Tax Considerations" for more information.

Government grants received from the IIA are recognized upon receipt as a liability if future economic benefits are expected from the project that will result in royalty-bearing revenue. If no such economic benefits are expected, the grants are recognized as a reduction of the related research and development expenses.

We are currently focused on advancing our product candidates, and our future research and development expenses will depend on their clinical success. Research and development expenses will continue to be significant and will increase over at least the next several years as we continue to develop our product candidates and conduct preclinical studies and clinical trials of our product candidates.

These research and development costs include share-based compensation and other employment costs, regulatory, quality assurance and intellectual property costs. The costs incurred in research and development expenses are to advance the development of our product candidates and preclinical research and development programs. A substantial majority of our research and development expenses are related to the development of omidubicel.

We do not believe that it is possible at this time to accurately project total expenses required for us to reach commercialization of our product candidates. Due to the inherently unpredictable nature of preclinical and clinical development, we are unable to estimate with certainty the costs we will incur and the timelines that will be required in the continued development and approval of our product candidates. Clinical and preclinical development timelines, the probability of success and development costs can differ materially from expectations. In addition, we cannot forecast which product candidates may be subject to future collaborations, if and when such arrangements will be entered into, if at all, and to what degree such arrangements would affect our development plans and capital requirements.

Commercial activities

Commercial activities consist primarily of personnel costs, including share-based compensation, related to executive and commercial functions, and external consulting service fees.

We anticipate that our commercial activities will increase in the future following successful BLA for omidubicel as we will increase our commercial headcount and infrastructure to support commercialization of our product candidates.

General and administrative expenses

General and administrative expenses consist primarily of personnel costs, including share-based compensation, related to directors, executive, finance, and administrative functions, facility costs and external professional service costs, including legal, accounting and audit services and other consulting fees.

We anticipate that our general and administrative expenses will increase in the future as we increase our administrative headcount and infrastructure to support our continued research and development programs and the potential approval and commercialization of our product candidates. We also anticipate that we will incur increased expenses related to audit, legal, regulatory and tax-related services associated with maintaining compliance with Nasdaq and SEC requirements, director and officer insurance premiums, executive compensation, and other customary costs associated with being a public company.

Finance income (expenses), net

Finance income (expenses), net, is calculated by subtracting our financing expense from our financing income, and adding or subtracting the gain or loss, as applicable, that we have realized due to revaluation at fair value of warrants and the IIA royalty-bearing grants liability, offset by interest income from deposits and marketable securities.

Income taxes

We have yet to generate taxable income in Israel, as we have historically incurred operating losses resulting in carry forward tax losses totaling approximately $135.5 million (including capital losses of $0.5 million) as of December 31, 2019, in addition, the US subsidiary has net operating losses carryforward of $4.5 million for the federal tax purposes as of December 31, 2019. We anticipate that we will continue to generate tax losses for the foreseeable future and that we will be able to carry forward these tax losses indefinitely to future taxable years. Accordingly, we do not expect to pay taxes in Israel until we have taxable income after the full utilization of our carry forward tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the unused tax losses can be utilized. As of June 30, 2020, we did not recognize deferred tax assets for carryforward losses because their utilization in the foreseeable future is not probable.

Analysis of Results of Operations

Comparison of the six months and three months ended June 30, 2020 and 2019

The following table summarizes our results of operations for the six months and three months ended June 30, 2020 and 2019:

	Six months ended June 30,		Three months ended June 30,	
	2020	2019	2020	2019
	(unaudited, in thousands)		(unaudited, in thousands)	
Operating Expenses:				
Research and development expenses, net[(1)]	$ 17,198	$ 14,536	$ 9,319	$ 7,253
Commercial activities	2,497	2,090	1,029	1,092
General and administrative expenses[(1)]	5,490	5,267	2,496	2,452
Operating loss	25,185	21,893	12,844	10,797
Financial expenses (income), net	472	(12,448)	2,211	(16,833)
Loss before taxes on income	25,657	9,445	15,055	(6,036)
Taxes on income		100		74
Net loss	$ 25,657	$ 9,545	$ 15,055	$ (5,962)

(1) Includes share-based compensation expense as follows:

	Six months ended June 30,		Three months ended June 30,	
	2020	2019	2020	2019
	(unaudited, in thousands)		(unaudited, in thousands)	
Research and development, net	$ 613	$ 736	$ 419	$ 507
Commercial activities	(177)	634	(355)	434
General and administrative expenses	785	1,040	258	378
Total share-based compensation	$ 1,221	$ 2,410	$ 322	$ 1,319

Research and development expenses

Research and development expenses increased by approximately $2.7 million to $17.2 million in the six months ended June 30, 2020 from $14.5 million in the six months ended June 30, 2019. The increase was attributable mainly to a $1.3 million increase in clinical activities relating to both our Phase 3 and GDA 201 clinical programs, an increase of $0.9 million in salaries and benefits, consisting primarily of additional headcount focused on clinical development, a decrease of $0.3 million in royalty-bearing grants from the IIA, and an increase of $0.1 million in other expenses.

Commercial activities

Our commercial organization was established in 2019 and its expenses increased by approximately $0.4 million to $2.5 million for the six months ended June 30, 2020 compared to $2.1 million for the six months ended June 30, 2019. The increase was attributable mainly to a $1.1 million increase in professional services offset by $0.7 million in non-cash expenses related to share base compensation

General and administrative expenses

General and administrative expenses increased by approximately $0.2 million to $5.5 million in the six months ended June 30, 2020, up from $5.3 million in the six months ended June 30, 2020. The increase was attributable mainly to a $0.8 million increase in professional services expenses and other expenses associated with being a publicly-traded company offset by $0.3 million in non-cash expenses related to share based compensation and a $0.3 million decrease in other expenses.

Finance income, net

Finance expenses (income), net, increased by approximately $12.9 million to $0.5 million in expenses in the six months ended June 30, 2020, compare to $12.4 million in expenses in the six months ended June 30, 2019. The increase in finance expenses was primarily due to a $12.8 million increase in non-cash expenses resulting from revaluation of warrants owned by our shareholders, a decrease of $0.4 million in cash management and a $0.1 million decrease in non-cash revaluation expenses of the Israeli Innovation Authority royalty-bearing grant liability offset by a $0.4 million decrease in non-cash expenses related to IFRS 16 accounting standard and other expenses.

Liquidity and Capital Resources

Sources of Liquidity

Since our inception, we have incurred losses and negative cash flows from our operations. For the six months ended June 30, 2020, we incurred net losses of $25.7 million, and net cash used of $ $22.8 million was used in our operating activities. As of June 30, 2020, we had working capital of $77.3 million, and an accumulated deficit of $229 million. Our principal sources of liquidity as of June 30, 2020 consisted of cash and cash equivalents, and short-term deposits of $88.6 million.

Capital resources

Overview

Through June 30, 2020, we have financed our operations primarily through private placements of equity securities and through the grants received from the IIA. Since November 2019, we have also financed our operations through the proceeds of our public offerings, including $63.9 million in proceeds from the May 2020 issuance of our ordinary shares, net of issuance expenses.

Cash flows

The following table summarizes our statement of cash flows for the six months ended June 30, 2020 and 2019:

	Six months ended June 30,	
	2020	**2019**
	(unaudited, in thousands)	
Net cash provided by (used in)		
Operating activities	$ (22,779)	$ (17,320)
Investing activities	6,442	14,862
Financing activities	63,085	(826)

Net cash used in operating activities

The cash used in operating activities during the aforementioned periods resulted primarily from our net losses incurred during such periods, as adjusted for non-cash charges and measurements and changes in components of working capital. Adjustments to net losses for non-cash items mainly consisted of fair value adjustment of warrants, revaluation of the liability to the IIA and share-based compensation.

Net cash used in operating activities was $22.8 million during the six months ended June 30, 2020, compared to $17.3 million used in operating activities during the six months ended June 30, 2019. The $5.5 million increase in cash used was attributable primarily to an increase in our cash burn rate from operating activities.

Net cash provided by (used in) investing activities

Net cash provided by investing activities was $6.4 million during the six months ended June 30, 2020, compared to $14.9 million provided during the six months ended June 30, 2019. The $8.5 million increase in cash provided is primarily related to the sale and maturity of available for sale assets during 2020 and 2019 offset by a $6.2 million increase in purchase of equipment.

Net cash provided by financing activities

Net cash provided by financing activities was $63.1 million during the six months ended June 30, 2020, compared to $0.8 million used in financing activities during the six months ended June 30, 2019. The increase is primarily related to $63.9 million in proceeds from the issuance of our ordinary shares, net of issuance expenses.

Critical Accounting Policies and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which we have prepared in accordance with International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board. The preparation of our consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported revenue and expenses during the reporting periods. Actual results may differ from these estimates under different assumptions or conditions.

While our significant accounting policies are more fully described in the notes to our consolidated financial statements, we believe that the accounting policies discussed below are critical to our financial results and to the understanding of our past and future performance, as these policies relate to the more significant areas involving management's estimates and assumptions. We consider an accounting estimate to be critical if: (i) it requires us to make assumptions because information was not available at the time or it included matters that were highly uncertain at the time we were making our estimate; and (ii) changes in the estimate could have a material impact on our financial condition or results of operations.

Government Grants from the Israeli Innovation Authority (formerly the Office of the Chief Scientist)

Research and development grants received from the IIA are recognized upon receipt as a liability if future economic benefits are expected from the project that will result in royalty-bearing revenue. The amount of the liability for the loan is first measured at fair value using a discount rate that reflects a market rate of interest that reflects the appropriate degree of risks inherent in our business. The difference between the amount of the grant received and the fair value of the liability is accounted for as a government grant and recognized as a reduction of research and development expenses. After initial recognition, the liability is measured at amortized cost using the effective interest method. Royalty payments are treated as a reduction of the liability. If no economic benefits are expected from the research activity, the grant receipts are recognized as a reduction of the related research and development expenses. In that event, the royalty obligation is treated as a contingent liability in accordance with IAS 37, "Provisions, Contingent Liabilities and Contingent Assets."

At the end of each reporting period, we evaluate whether there is reasonable assurance that the liability recognized will be repaid based on our best estimate of future sales and, if not, the appropriate amount of the liability is derecognized against a corresponding reduction in research and development expenses. See note 2—"Government Investment Grants" of the accompanying unaudited consolidated financial statements.

Share-Based Compensation

We account for our equity-based compensation for employees in accordance with the provisions of IFRS 2 "Share-based Payment," which requires us to measure the cost of equity-based compensation based on the fair value of the award on the grant date.

For option grants prior to our initial public offering, or IPO, we selected the binominal pricing model as the most appropriate method for determining the estimated fair value of our equity-based awards. The resulting cost of an equity incentive award is recognized as an expense over the requisite service period of the award, which is usually the vesting period. We recognize compensation expense over the vesting period using the accelerated method pursuant to which each vesting tranche is treated as a separate amortization period from grant date to vest date and classify these amounts in our consolidated financial statements based on the department to which the related employee reports.

Our determinations of the grant date fair value of options using the binomial model is affected by estimates and assumptions regarding a number of complex and subjective variables. These variables include the fair value of our share price as of the grant date, the expected volatility of our share price over the expected term of the options (estimated using historical data of comparable companies), share option exercise and cancellation behaviors, risk-free interest rates, expected dividend yields (assumed to be zero as we have historically not paid and do not intend to pay dividends on our ordinary shares):

Grant Date	Amount Granted	Type of Shares
April 24, 2020	35,000	Ordinary Shares
February 24, 2020	363,200	Ordinary Shares
January 12, 2020	85,000	Ordinary Shares
November 12, 2019	62,000	Ordinary Shares
July 8, 2019	183,500	Ordinary Shares
June 4, 2019	138,000	Ordinary Shares
March 14, 2019	316,800	Ordinary Shares
January 7, 2019	90,000	Ordinary Shares
October 30, 2018	65,000	Ordinary Shares
July 23, 2018	90,000	Ordinary Shares
July 20, 2018	195,056	Ordinary Shares
May 14, 2018	401,921	Ordinary Shares
December 28, 2017	606,574	Ordinary Shares
November 16, 2017	416,574	Ordinary Shares
March 2, 2017	134,800	Ordinary Shares
March 2, 2017	178,067	Ordinary C Shares

Prior to our IPO, the fair value of our ordinary shares was determined by our management with the assistance of an appraiser and was determined in accordance with the guidelines outlined in the American Institute of Certified Public Accountants Practice Aid, Valuation of Privately-Held-Company Equity Securities Issued as Compensation, or the AICPA Practice Aid. For options granted after our IPO, the fair value of our ordinary shares is determined as the closing price of our ordinary shares as reported on The Nasdaq Global Market on the grant date. The assumptions used in our valuation model are based on future expectations combined with management's judgment, and considered a number of objective, complex and subjective factors to determine the best estimate of the fair value of our ordinary shares, including contemporaneous and retrospective valuations of our ordinary shares performed by an unrelated valuation specialist, valuations of comparable peer companies, operating and financial performance, the lack of liquidity of our share capital, and general and industry specific economic outlook. Based on the fair value of our ordinary shares as of June 30, 2020 and June 20, 2019, the intrinsic value of the awards outstanding as of June 30, 2020 and June 30, 2019 was $2.1 million and $4.9 million, respectively.

The dates of our valuations historically did not always coincide with the dates of our share-based compensation grants. In such instances, management's estimates were based on the most recent valuation of our ordinary shares. For grants occurring between valuation dates, for financial reporting purposes, we used the closest valuation date before the grant, as we believed that the ordinary share valuation represented the valuation at the date of grant. The following table lists the valuation dates of our ordinary shares:

Valuation Date	Type of Shares	Fair Value per Share in Dollars
June 30, 2018	Ordinary Shares	$ 6.90
December 31, 2017	Ordinary Shares	$ 4.90
March 31, 2017	Ordinary Shares	$ 5.40
March 31, 2017	Ordinary C Shares[(1)]	$ 6.20

We determined our ordinary share value as of June 30, 2018 and December 31, 2017 using the income approach. The income approach estimates the aggregate enterprise value of our company based on the present value of future estimated cash flows. Cash flows are estimated for future periods based on projected revenue and costs. These future cash flows are discounted to their present values using an appropriate discount rate. The discounted projected cash flows are summed together to arrive at an indicated aggregate enterprise value under the income approach. In applying the income approach, we derived the discount rate from an analysis of the weighted-average cost of capital based on company industry peers as of each valuation date and adjusted it to reflect the risks inherent in our business cash flows. In estimating our projected revenues, we used data from bone marrow registries such as the European Society for Blood and Marrow Transplantation and from the Center for International Blood and Marrow Transplant Research.

We then allocated the estimated enterprise value among different classes of our equity by applying the Probability Weighted Expected Return method, which was based on potential exit events from a strategic acquirer or initial public offering. The Probability Weighted Expected Return method requires significant assumptions, including, in particular, the probability that such exit scenarios will occur, the time until investors in our company would experience an exit event, and the volatility of our shares (which we determine based on public companies with business and financial risks comparable to our own).

We applied a discount to the resulting valuation due to the lack of marketability of our ordinary shares. We calculated this using an Asian put option model. The significant assumptions involved were the same as described above. Since our initial public offering, the fair value of our ordinary shares has been determined based on the closing price of our ordinary shares on the Nasdaq Global Market.

Liability Related to Certain Warrants

We issued certain warrants to investors in connection with our financings to date. We accounted for these warrants according to the provisions of IAS 32, "Financial instruments – presentation," based on the anti-dilution protections provisions and cashless exercise mechanism contained in the warrants agreements. We classified the warrants as non-current liabilities, measured at fair value each reporting period until they will be exercised or expired, with changes in the fair values being recognized in our statement of comprehensive loss as financial income or expense.

As of June 30, 2020, we estimated the fair value of these warrants using a Black-Scholes option pricing model, which is affected by estimates and assumptions regarding a number of complex and subjective variables. These variables are estimated as follows:

- *Risk-free Interest Rate*. The risk-free interest rate is based on the yield from U.S. Treasury zero-coupon bonds with a term equivalent to the contractual life of the warrants.

- *Volatility*. The expected share price volatility was based on the historical equity volatility of the ordinary shares of comparable companies that are publicly traded with adjustments to reflect our capital structure.

- *Dividend Yield*. We have never declared or paid any cash dividends and do not presently plan to pay cash dividends in the foreseeable future. Consequently, we used an expected dividend yield of zero.

Recent Accounting Pronouncements

See note 4 of the accompanying unaudited consolidated financial statements for the six months ended June 30, 2020.

Internal Control over Financial Reporting

Failure to achieve and maintain effective internal controls in accordance with Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404, could have a material adverse effect on our business, results of operation or financial condition. In addition, current and potential shareholders could lose confidence in our financial reporting, which could have a material adverse effect on the price of our ordinary shares. Pursuant to Section 404 and the related rules adopted by the SEC and the Public Company Accounting Oversight Board, our management is required to report on the effectiveness of our internal control over financial reporting. In addition, once we no longer qualify as an "emerging growth company" under the JOBS Act and lose the ability to rely on the exemptions related thereto discussed above, our independent registered public accounting firm will also need to attest to the effectiveness of our internal control over financial reporting under Section 404. We have completed the process of determining whether our existing internal controls over financial reporting systems are compliant with Section 404 and whether there are any material weaknesses or significant deficiencies in our existing internal controls. Based on this process, our management concluded that the Company's internal controls over financial reporting were effective as of June 30, 2020.

JOBS Act

As an "emerging growth company," as defined in the JOBS Act, we may take advantage of certain temporary exemptions from various reporting requirements, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 (and the rules and regulations of the SEC thereunder). When these exemptions cease to apply, we expect to incur additional expenses and devote increased management effort toward ensuring compliance with them. We cannot predict or estimate the amount of additional costs we may incur as a result of becoming a public company or the timing of such costs.

Cautionary Statement Regarding Forward-Looking Statements

Forward-looking statements appear in a number of places in this discussion and analysis and include, but are not limited to, statements regarding our intent, belief or current expectations. Many of the forward-looking statements contained in this discussion and analysis can be identified by the use of forward-looking words such as "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "might", "ongoing", "objective", "plan", "potential", "predict", "should", "will" and "would", or the negative of these and similar expressions. Forward-looking statements are based on our management's beliefs and assumptions and on information currently available to our management. Such statements are subject to risks and uncertainties, and actual results may differ materially from those expressed or implied in the forward-looking statements due to various factors, including, but not limited to, those identified under the section entitled "Item 3.D-Risk Factors" in the Annual Report on Form 20-F for the year ended December 31, 2019, or the Annual Report, filed with the U.S. Securities and Exchange Commission, or the SEC, pursuant to the U.S. Securities and Exchange Act of 1934, as amended, and the section entitled "Risk Factors" in the Prospectus Supplement dated May 18, 2020, filed with the SEC pursuant to the U.S. Securities Act of 1933, as amended. These risks and uncertainties include factors relating to:

- the timing and conduct of our clinical trials of omidubicel, GDA-201 and our other product candidates, including statements regarding the timing, progress and results of current and future preclinical studies and clinical trials, and our research and development programs;
- the clinical utility, potential advantages and timing or likelihood of regulatory filings and approvals of omidubicel, GDA-201 and our other product candidates;
- the Company's ability to maintain operations, development programs, clinical trials and to raise capital as a result of the COVID-19 pandemic;
- our plans regarding utilization of regulatory pathways that would allow for accelerated marketing approval in the United States, the European Union and other jurisdictions;
- our expectations regarding timing for application for and receipt of regulatory approval for any of our product candidates;
- our recurring losses from operations, which raised substantial doubt regarding our ability to continue as a going concern absent access to sources of liquidity;
- our ongoing and planned discovery and development of product candidates;
- our expectations regarding future growth, including our ability to develop, and obtain regulatory approval for, new product candidates;
- our expectations regarding when certain patents may be issued and the protection and enforcement of our intellectual property rights;
- our plans to develop and commercialize our product candidates;
- our estimates regarding the market opportunity for our product candidates;
- our ability to maintain relationships with certain third parties;
- our estimates regarding anticipated capital requirements and our needs for additional financing;
- our planned level of capital expenditures;
- our expectations regarding licensing, acquisitions and strategic partnering;
- our expectations regarding the maintenance of our foreign private issuer status;
- the impact of government laws and regulations; and
- our expectations regarding the maintenance of our foreign private issuer status; and
- the impact of government laws and regulations.

Forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update them in light of new information or future developments or to release publicly any revisions to these statements in order to reflect later events or circumstances or to reflect the occurrence of unanticipated events.

Gamida Cell Reports Second Quarter 2020 Financial Results and Provides Company Update

– Secondary endpoints from positive Phase 3 study of omidubicel and initiation of BLA submission expected in the fourth quarter of 2020; Expanded access program for omidubicel now underway; Initial data from research collaboration with CIBMTR to be presented in September –

– Additional data from GDA-201, an investigational NK cell immunotherapy, expected in the fourth quarter of 2020; Company provides updated guidance for IND submission –

– Company expands executive team –

– Company to host conference call at 8:30 a.m. ET today –

Boston, Mass. – August 11, 2020 – Gamida Cell Ltd. (Nasdaq: GMDA), an advanced cell therapy company committed to finding cures for blood cancers and serious blood diseases, today reported financial results for the quarter ended June 30, 2020. The company also highlighted progress with omidubicel, an advanced cell therapy in Phase 3 clinical development as a potentially life-saving treatment option for patients in need of bone marrow transplant, and GDA-201, a natural killer (NK) cell immunotherapy in Phase 1 development in patients with non-Hodgkin lymphoma (NHL).

***Omidubicel*, an investigational advanced cell therapy for allogeneic bone marrow transplant**

During the quarter, Gamida Cell reported that its Phase 3 study of omidubicel met its primary endpoint, demonstrating a highly statistically significant reduction ($p < 0.001$) in time to neutrophil engraftment, a key milestone in recovery from a bone marrow transplant. Omidubicel is the first bone marrow transplant product to receive Breakthrough Therapy Designation from the U.S. Food and Drug Administration (FDA).

“The primary endpoint data for omidubicel underscore its potential to become an important treatment option for patients by providing a reliable graft source that can enable rapid neutrophil engraftment, which has been linked to other important outcomes such as fewer infections and hospitalizations,” stated Julian Adams, Ph.D., chief executive officer of Gamida Cell. “We look forward to reporting secondary endpoints from the study and to initiating the biologics license application, or BLA, for omidubicel to the FDA on a rolling basis, both in the fourth quarter of this year.”

Program highlights for omidubicel:

- **Initial data from collaboration with CIBMTR to be presented:** Next month, Gamida Cell will report initial data from an observational study that includes data contemporaneous to the Phase 3 study of omidubicel. This study utilizes data from the CIBMTR registry, which consists of clinical outcomes data on more than 500,000 stem cell transplants, to analyze long-term safety and efficacy data for patients with hematologic malignancies who underwent a bone marrow transplant with an alternative donor source following myeloablative conditioning. The criteria for inclusion of patients and the outcomes evaluated in the analyses are consistent with those in the Phase 3 study of omidubicel. These data will be highlighted in a poster presentation at the Cord Blood Connect Meeting, which is being held virtually on September 10 and September 17.

- **Initiated expanded access program for omidubicel:** Gamida Cell today announced that it has initiated an open-label, single-arm study to provide access to omidubicel for patients with high-risk hematologic malignancies who are in need of a bone marrow transplant and meet protocol criteria. This study is currently open at three sites in the U.S., and additional sites are expected to open in the coming months.

- **Reported positive Phase 3 data for omidubicel:** In May, Gamida Cell announced that the international, randomized Phase 3 study of omidubicel achieved its primary endpoint of time to neutrophil engraftment. The study was designed to evaluate the safety and efficacy of omidubicel in 125 patients with high-risk hematologic malignancies undergoing a bone marrow transplant compared to a comparator group of patients who received a standard umbilical cord blood transplant. In the intent-to-treat analysis, the median time to neutrophil engraftment was 12 days (95% CI: 10-15 days) for patients who were randomized to omidubicel compared to 22 days (95% CI: 19-25 days) for the comparator group ($p<0.001$). Omidubicel was generally well tolerated. Among patients who were transplanted per protocol, 96 percent of patients who received omidubicel achieved successful neutrophil engraftment, compared to 88 percent of patients in the comparator group.

  Gamida Cell expects to present the full data set, including secondary endpoint data, at a medical meeting in the fourth quarter of 2020. The company also expects to begin submitting the biologics license application for omidubicel to the FDA on a rolling basis in the fourth quarter of 2020.

- **Continued to focus on activities required to successfully bring omidubicel to patients:** Gamida Cell is continuing to advance key activities required to bring omidubicel to patients in a commercial setting, including building out manufacturing infrastructure, assembling an experienced commercial team with expertise in cell therapy and transplant, establishing hospital services and patient assistance programs, and exploring coverage and reimbursement models to enable access.

GDA-201, an innate NK cell immunotherapy

“We are encouraged by data from the Phase 1 study of GDA-201, which has shown a high complete response rate in patients with non-Hodgkin lymphoma,” stated Dr. Adams. “NK cell immunotherapies offer tremendous potential for transforming the care of hematologic malignancies. We are pleased to be pioneering a novel approach that harnesses the power of our cell expansion technology, which uniquely improves antibody-dependent cellular toxicity (ADCC), cytotoxic killing and the in vivo homing potential of GDA-201 to address potential limitations of NK cells.”

Program highlights for GDA-201

- **Continued advancing Phase 1 study of GDA-201:** Earlier this year, Gamida Cell reported data from the first 25 patients in its ongoing Phase 1 study in patients with NHL and multiple myeloma, which demonstrated that GDA-201 was clinically active and generally well tolerated. Among the eleven patients with NHL, seven patients achieved a complete response and one patient achieved a partial response. Gamida Cell expects to provide updated data from the study at a medical conference in the fourth quarter of 2020.

- **Responded to COVID-19 pandemic:** Gamida Cell has implemented additional safety measures designed to comply with applicable government guidelines, including shift work to allow for appropriate social distancing. The company now expects to submit an investigational new drug (IND) application for GDA-201 to the FDA in the first half of 2021. The company continues to be on track to initiate a multi-center, Phase 1/2 clinical study in patients with NHL next year.

Corporate Highlights

- **Executed a public offering:** In May, Gamida Cell executed an underwritten public offering resulting in the sale of 15.3 million shares of common stock at $4.50 per share. Aggregate gross proceeds to the company were approximately $69 million before deducting underwriting discounts, commissions and offering expenses.

- **Appointed Matthew Metivier as vice president, human resources:** Today Gamida Cell announced the appointment of Matthew Metivier to the role of vice president, human resources. Mr. Metivier brings more than 20 years of human resources experience, primarily in the life sciences industry. Mr. Metivier brings over 20 years of experience in human resources. Prior to joining Gamida Cell, Mr. Metivier worked at Sage Therapeutics, Inc., most recently as the vice president of human resources, where he helped develop and lead the company's global human resources strategy. Before joining Sage, Mr. Metivier spent almost a decade at Infinity Pharmaceuticals in multiple human resource roles. He has also held prior human resource positions at various healthcare and high-tech companies, including Idenix Pharmaceuticals (acquired by Merck & Co) and Therion Biologics Corp. Mr. Metivier holds a B.A. in Political Science and Business Studies from Providence College and an MBA from Suffolk University.

- **Appointed Michele Korfin as chief operating and chief commercial officer:** In July, Gamida Cell appointed Michele Korfin to the role of chief operating and chief commercial officer. Ms. Korfin brings over 20 years of experience in oncology, focused on business operations and commercialization of novel therapies, including cell therapy experience as vice president of market access at Kite Pharma, where she oversaw the market access strategy, including payer relations, reimbursement and government affairs for Yescarta®, the first approved CAR-T therapy in lymphoma.

- **Appointed David Fox to Gamida Cell's board of directors:** In July, Gamida Cell appointed David Fox to its board of directors as an independent member. Mr. Fox was most recently a partner at Kirkland & Ellis LLP and served as a member of its Global Executive Management Committee.

Second Quarter 2020 Financial Results

- Research and development expenses in the second quarter of 2020 were $9.3 million, compared to $7.3 million for the same period in 2019. The increase was mainly due to clinical activities relating to the advancement of GDA-201 and a decrease in grants received from the Israel Innovation Authority.

- Commercial expenses in the second quarter of 2020 were $1.0 million compared to $1.1 million for the same period in 2019. The decrease was mainly attributed to non-cash compensation offset by omidubicel commercial readiness activities.

- General and administrative expenses were $2.5 million for the second quarter of 2020 and for the second quarter of 2019.

- Finance expense, net, was $2.2 million for the second quarter of 2020, compared to finance income, net, of $16.8 million in the same period in 2019. The increase was primarily due to noncash expenses resulting from revaluation of warrants owned by the company's shareholders.

- Net loss for the second quarter of 2020 was $15.1 million, compared to a net income of $6.0 million in the same period in 2019.

- As of June 30, 2020, Gamida Cell had total cash, cash equivalents and available-for-sale securities of $88.6 million, compared to $55.4 million as of December 31, 2019.

2020 Financial Guidance

Gamida Cell expects cash used for ongoing operating activities in 2020 to range from $60 million to $70 million.

Gamida Cell expects that its current cash, cash equivalents and available-for-sale securities will support the company's ongoing operating activities into the second half of 2021. This cash runway guidance is based on the Company's current operational plans and excludes any additional funding beyond the follow-on offering that closed in May 2020 and any business development activities that may be undertaken.

Expected 2020-2021 Milestones

Gamida Cell plans to achieve the following milestones during 2020-2021:

Omidubicel

- Present data from the Phase 3 study at a medical meeting in the fourth quarter of 2020
- Initiate the submission of the BLA to the FDA, on a rolling basis, in the fourth quarter of 2020
- Report additional data from the Phase 1/2 study in patients with severe aplastic anemia in the fourth quarter of 2020
- Launch omidubicel in 2021, contingent upon FDA approval

GDA-201

- Present additional data from the Phase 1 study in the fourth quarter of 2020
- Submit company-sponsored IND application to the FDA in the first half of 2021
- Initiate a Phase 1/2 clinical study in patients with NHL in 2021

Conference Call Information

Gamida Cell will host a conference call today, August 11, 2020, 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 & 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 +1-409-216-0605 (international) and refer to conference ID number 8888903. A recording of the webcast will be available approximately two hours after the event, for approximately 30 days.

About Omidubicel

Omidubicel, 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 both Phase 1/2 and Phase 3 clinical studies (NCT01816230 and NCT02730299), omidubicel demonstrated rapid and durable time to engraftment and was generally well tolerated. Omidubicel is also being evaluated in a Phase 1/2 clinical study in patients with severe aplastic anemia (NCT03173937). 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, 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 (NCT03019666).

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 an advanced cell therapy company committed to finding cures for blood cancers and serious blood diseases. We harness our cell expansion platform to create therapies with the potential to redefine standards of care in areas of serious medical need.

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, anticipated regulatory filings, commercialization efforts 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 and other sections of Gamida Cell's Annual Report on Form 20-F, filed with the Securities and Exchange Commission (SEC) on February 26, 2020, its Reports on Form 6-K filed with the SEC on May 18, 2020, and August 11, 2020, 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.

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INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

U.S. dollars in thousands

	June 30		December 31,
	2020	2019	2019
	Unaudited		
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	$ 88,638	$ 37,078	$ 41,838
Available-for-sale financial assets	-	4,618	13,559
Prepaid expenses and other current assets	2,241	886	1,306
Total current assets	90,879	42,582	56,703
NON-CURRENT ASSETS:			
Property, plant and equipment, net	14,204	3,437	6,298
Right-of-use assets	7,490	6,157	5,133
Other assets	642	1,355	641
Total non-current assets	22,336	10,949	12,072
Total assets	$ 113,215	$ 53,531	$ 68,775
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Trade payables	$ 2,738	$ 2,121	$ 1,164
Employees and payroll accruals	3,187	2,753	3,443
Current maturities of lease liabilities	2,145	1,945	1,870
Accrued expenses and other payables	5,509	2,699	4,918
Total current liabilities	13,579	9,518	11,395
NON-CURRENT LIABILITIES:			
Liabilities presented at fair value	4,551	7,654	5,221
Employee benefit liabilities, net	773	274	773
Lease liabilities	5,946	4,627	4,101
Liability to Israel Innovation Authority (IIA)	13,816	10,906	12,302
Total non-current liabilities	25,086	23,461	22,397
SHAREHOLDERS' EQUITY:	74,550	20,552	34,983
Total liabilities and shareholders' equity	$ 113,215	$ 53,531	$ 68,775

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

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,
	2020	2019	2020	2019	2019
	Unaudited				Audited
Operating expenses:					
Research and development, net	$ 17,198	$ 14,536	$ 9,319	$ 7,253	$ 31,462
Commercial activities	2,497	2,090	1,029	1,092	4,692
General and administrative	5,490	5,267	2,316	2,452	12,091
Operating loss	25,185	21,893	12,664	10,797	48,245
Finance expense	1,366	1,604	2,320	1,336	3,325
Finance income	(894)	(14,052)	(109)	(18,169)	(17,149)
Loss before taxes on income	25,657	9,445	14,875	(6,036)	34,421
Taxes on income (benefit)	-	100	-	74	(70)
Net loss (income)	25,657	9,545	14,875	(5,962)	34,351
Net loss (income) per share:					
Basic loss (income) per share	$ 0.69	$ 0.38	$ 0.37	$ (0.23)	$ 1.17
Diluted loss per share	$ 0.69	$ 0.87	$ 0.37	$ 0.44	$ 1.69

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,
	2020	2019	2020	2019	2019
	Unaudited				Audited
Cash flows from operating activities:					
Net (loss) income	$ (25,657)	$ (9,545)	$ (15,055)	$ 5,962	$ (34,351)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:					
Adjustments to the profit or loss items:					
Depreciation of property, equipment and right-of-use assets	1,106	1,245	556	703	2,143
Financial income, net	(260)	(569)	(128)	(378)	(775)
Cost of share-based compensation	1,221	2,410	322	1,319	4,868
Change in employee benefit liabilities, net	-	8	-	(3)	126
Amortization of premium on available-for-sale financial asses	4	101	-	51	184
Revaluation of financial derivatives	(670)	(13,471)	1,778	(17,378)	(15,904)
Revaluation of liability to IIA	1,315	1,199	593	631	2,531
	2,716	(9,077)	3,121	(15,055)	(6,827)
Changes in asset and liability items:					
Decrease (increase) in prepaid expenses, other current assets and other assets	(1,065)	117	(607)	(292)	(150)
Increase (decrease) in trade payables	1,574	244	(360)	1,088	(821)
Increase (decrease) in accrued expenses and other payables	(624)	162	2,472	141	2,807
	(115)	523	1,325	937	1,836
Cash received during the period for:					
Interest received	357	830	9	309	1,546
Interest paid	(80)	(51)	(33)	(23)	(134)
	277	779	(24)	286	1,412
Net cash used in operating activities	(22,779)	(17,320)	(10,453)	(7,870)	(37,930)
Cash flows from investing activities:					
Purchase of property, plant and equipment	(7,109)	(878)	(4,990)	(528)	(3,055)
Purchase of marketable securities	-	-	-	-	(32,021)
Proceed from sale of marketable securities	13,551	15,740	-	1,847	-
Proceed from maturity of marketable securities	-	-	-	-	38,742
Net cash provided by (used in) investing activities	$ 6,442	$ 14,862	$ (4,990)	$ 1,319	$ 3,666

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,
	2020	2019	2020	2019	2019
	Unaudited				
Cash flows from financing activities:					
Receipt of grants from the IIA	$ 200	$ 167	$ 147	$ 167	$ 224
Proceeds from secondary offering, net	63,860	(346)	63,860	(108)	37,140
Proceeds from issuance of shares, initial public offering (payment of issuance expenses), net					(238)
Payment of lease liabilities	(1,122)	(764)	(335)	(324)	(1,529)
Exercise of options	147	117	141	117	132
Net cash (used in) provided by financing activities	63,085	(826)	63,813	(148)	35,729
Exchange differences on balances of cash and cash equivalents	52	90	(24)	28	101
Increase (decrease) in cash and cash equivalents	46,800	(3,194)	48,346	(6,671)	1,566
Cash and cash equivalents at beginning of period	41,838	40,272	40,292	43,749	40,272
Cash and cash equivalents at end of period	$ 88,638	$ 37,078	$ 88,638	$ 37,078	$ 41,838

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