

Clal Biotechnology Industries Ltd. – Notice to Material Creditors of the Company

It is hereby notified that on the 24 day of August, 2020, Clal Biotechnology Industries Ltd., Company No. 511898835 (the “**Company**”) has filed a motion to the District Court of Tel Aviv – Yafo (the “**Court**”) for the approval of a distribution under section 303(a) of the Israeli Companies Law, 1999 (the “**Companies Law**”) that does not meet the ‘Profit Criterion’ but meets the ‘Solvency Criterion’ (as such terms are defined under the Companies law) (the “**Motion**”). This notice is being provided in accordance with the Companies Law and the Companies Regulations (approval of distribution), 2001.

The Company's creditors are entitled to apply to the Court and object to the Motion within 30 days of the filing of the Motion, or until a later date, as may be determined by the Court.

The equity of the Company, according to its financial statements as of June 30, 2020, is approximately NIS 216.6 million. The amount of requested distribution is up to NIS 10 million, all of which is not from the Company's profits.

The Company's creditors are also entitled to review the Motion, in its entirety, and make copies of the Motion, at such creditors' expense, at the Company's offices and registered address at 3 Azrieli Center, Triangle Tower, 45th floor, Tel Aviv, Israel, subject to prior coordination at telephone number 972-3-6121616, during normal working hours on Sunday through Thursday.

Additionally, the Company's creditors are entitled to receive information regarding proceedings and decisions that occur in Court with respect of the Motion, including notification of the final date in which they may file an objection to the approval of the distribution if the Court sets a later date than 30 days after the filing date of the Motion. For questions or comments, contact Adv. Yoav Friedman, Company's external legal counsel, at Gross, Kleinhendler, Hodak, Halevy, Greenberg, Shenhav & Co. at telephone number 972-3-6074436.

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