

**Teva and Institutional Investors to Purchase Shares of MediWound, a Company Controlled by Clal Biotechnology Industries, for \$30 Million at Company Pre-Money Value of \$100 Million**

MediWound Ltd. ("**MediWound**"), one of the advanced biotechnology start-up companies in Israel, which develops innovative products for wound healing and treatment of burns, announced today the closing of an agreement under which Teva Pharmaceutical Industries Ltd. ("**Teva**") will invest \$15 million in MediWound, as a first step of an agreement to continue the development and the commercialization of MediWound's flagship product Debrase<sup>®</sup>. An additional \$15 million will be invested by institutional investors.

According to the agreement, Teva will purchase shares from MediWound's shareholders for \$10 million and will invest an additional \$5 million in exchange for shares issued by MediWound. In parallel, institutional and private investors will invest \$15 million in exchange for shares issued by MediWound. The stock price in the said purchase will be based on a company pre-money valuation of \$100 million. In the framework of the investment agreement, Teva will obtain an exclusive license to market and distribute Debrase<sup>®</sup> in certain countries.

In later stages of the deal, Teva may purchase up to 51% of MediWound's shares based on a company valuation which could exceed \$300 million, subject to extending the license agreement to include Europe and North America. It was also agreed that Teva and MediWound would jointly develop the product. Furthermore, MediWound shall be responsible for the production of Debrase<sup>®</sup> and will sell Debrase<sup>®</sup> to Teva in exchange for a percentage of the customer purchase price.

"We are very pleased to be given the opportunity to collaborate with Teva, a company with a team experienced in development of innovative products in advanced stages, and which also has a global marketing presence. This collaboration may bring new hope for patients suffering from burns and for the medical staff entrusted with their treatment, since Debrase<sup>®</sup> has the potential of being a breakthrough product as a minimally invasive treatment for effective and fast debridement<sup>1</sup> of burns", says **Gal Cohen, MediWound's CEO**.

**Ruben Krupik, CEO of Clal Biotechnology Industries**, the main shareholder of MediWound stated that, "the great potential of the company's products is the foundation for an exceptional business transaction which allows us to benefit from the company's increasing value on one hand and the fruits of the future partnerships on the other".

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<sup>1</sup> Debridement – removal of dead tissue from the wound

Debrase<sup>®</sup> is an innovative product developed by MediWound for the debridement of burns of patients treated in burn units and hospitals. Currently, the product is in the most advanced stage of the clinical development (Phase III). So far hundreds of patients from dozens of medical centers world wide have been treated with the product. During the clinical trials, Debrase<sup>®</sup> based enzymatic activity demonstrated that approximately 90% of the burn-injured tissue can be removed within 4 hours. Hence, Debrase<sup>®</sup> may present an alternative to surgery and/or lengthy non-surgical procedures which are commonly practiced today. Another added benefit of Debrase<sup>®</sup> is its selective activity which removes only the dead burn eschar without harming the vital tissue. This enables the physician to complete the debridement process quickly and to accurately diagnose the burn depth, in order to provide a treatment that would avoid the need for additional skin grafting surgery, while taking advantage of the potential for spontaneous epithelialization of the burn wound.

#### About MediWound ([www.mediwound.co.il](http://www.mediwound.co.il))

MediWound Ltd. established in 2001, is a biotechnology company committed to develop, manufacture and commercialize global "added value" innovative products in the fields of burn and wound management. The company has an experienced development team and a manufacturing facility for sterile products, complying with strict quality demands. MediWound has an innovative enzymatic product for an effective, selective and fast debridement of burns that is currently in Phase III clinical trials. The major share holder of MadiWound is Clal Biotechnology Industries Ltd which had held 74% of the company's share prior to the agreement.

#### About Clal Biotechnology Industries CBI

Clal Biotechnology Industries, a subsidiary of Clal Industries, is Israel's largest active investment company in the field of life science. The company, that operates in an industrial – business orientation, investments in companies at different stages of development in various fields. The company is managed by ARTE and enjoys a strategic collaboration among its significant share holders: Clal Industries and Teva. Major portfolio companies are: D-Pharm, MediWound, Cure Tech, Compugen (NASDAQ: CGEN), NST, Andromeda, Polyheal, BioCancel and Biokine.