

## **The HBL Group - Hadasit Bio-Holdings Reports:**

**Our subsidiary Kahr Medical ( which held 20% by "Sanofi" -the world's third largest pharmaceutical company) received government grant sum of 8.2 m shekels approved by the Chief Scientist office.**

### **Kahr Medical is advancing towards the clinical-trials stage**

**Jerusalem, Israel, December 16 2014 - Kahr Medical of the HBL Group** (TASE: HDST, OTCBB: HADSY), in which 49% is held by HBL and 19% by Sanofi,( the world's third largest pharmaceutical company) received an approval from the Chief Scientist's office at the Ministry of Economy for the financing of the sixth year in the development of company's products KAHR-101 and KAHR-102 – including the completion of toxicity trials on animals, and the production of a clinical batch for the KAHR-102 medication before the first clinical trial on humans is approved.

The financing will be received in two grants – with the first one, in the amount of NIS 3.7 mil., to be used to continue the development in Israel, as 50% participation of the R&B expenses. The second grant will go towards the development abroad, at NIS4.5 mil., as 30% participation of the R&B expenses. This financing is an addition to 7 M shekel grants that received by the company from the Chief Scientist's office.

Kahr Medical is focusing on the development of advanced treatments for cancer and autoimmune diseases. The company technological platform is based on chimeric proteins capable of blocking, activating or changing several subcellular signals simultaneously and at the same location, and of modulating the immune system. These capabilities can be used in the treatment of various types of cancer and autoimmune diseases, where the body turns its immune system against itself – such as multiple sclerosis, psoriasis or rheumatoid arthritis.

The medical potential of the Kahr Medical SCP-type protein molecules has been demonstrated during the past decade in many scientific papers by Hadassah researchers, based on discoveries made by Dr. Michal Elhallel-Darnitzki in her laboratory at Hadassah Medical Center, and by Prof. Mark Tykocinski, formerly of the University of Pennsylvania.

The preclinical development of the KAHR-102 product showed significant effectiveness in various cancer models in animals, especially lymphatic cancer, as well as in autoimmune-disease models in animals. Kahr Medical has finished the development of the KAHR-102 production process, in partnership with the Swedish company Cobra Bio, and produced the first toxicity-trial batch. The company began various toxicology trials in mice, as well as the production of the first clinical batch for the first trial on humans. It is also advancing towards clinical trials stage.