



Aposense Ltd.

אפוסנס בע"מ

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*[Free Translation of Hebrew Version]*

**Aposense Ltd.**  
(the "Company")

January 8<sup>th</sup>, 2019

To  
Israel Security Authority  
[www.isa.gov.il](http://www.isa.gov.il)

To  
Tel Aviv Stock Exchange Ltd.  
[www.tase.co.il](http://www.tase.co.il)

Dear Sirs,

**Re: Immediate Report**

The Company is pleased to announce that on December [●], 2018 the Company has entered into a binding definitive share purchase agreement and a binding definitive license agreement with SirVir Ltd. ("SirVir" or the "Subsidiary", as applicable) a private company incorporated under the laws of the state of Israel, jointly owned by the Company, Prof. Roger D. Kornberg,<sup>1</sup> and Access Industries Holdings LLC. ("Access").<sup>2</sup> SirVir will engage in the development and commercialization of products in the field of treatment of respiratory viral infections, based on the Apo-Si technology developed by the Company (the "Subsidiary", the "Field" and "Apo-Si Technology" or the "Technology", respectively). The above is further to a preliminary immediate report released by the Company regarding the signing of a non-binding term sheet for said transactions.

Concurrently with the execution of the license agreement, a share purchase agreement was executed between the Company and Access whereby the latter will invest in the Subsidiary, in two stages, \$ 20 million in return for preferred shares in the Subsidiary. In the first stage, Access will invest in the Subsidiary an amount of \$ 4 million, which will be used by the Subsidiary to finance the implementation of technological feasibility studies for the development of a medical product in this Field. In the second stage, subject to a successful proof of concept for the Technology and meeting the pre-conditions for the second closing (as further detailed in the agreement), Access will invest in the Subsidiary the remaining investment amount of \$ 16 million.

Ownership of the Subsidiary will be divided between the parties such that, during the first stage, the Company shall hold 60.24% of the Subsidiary (on a fully-diluted basis), which holdings shall

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<sup>1</sup> A 2006 Nobel Prize laureate in Chemistry and is the Scientific President of the Company.

<sup>2</sup> To the best knowledge of the Company, Access is a private company, controlled by Sir Leonard Blavatnik, which invests and engages in various areas, including natural resources and chemicals, media and telecommunications, venture capital, real estate and biotech.

decrease upon completion of the second stage of the investment. After the completion of the investment (assuming no additional issuances) the Company shall hold 40.00% of the Subsidiary (on a fully-diluted basis).

Under the license agreement, the Company grants the Subsidiary an exclusive license to the Apo-Si Technology for the purpose of developing products in the Field. The Subsidiary shall be entitled to expand the scope of the license to one additional indication, but subject to several conditions indicated in the agreement.

The SPA and the license agreement (and other related agreements signed as part of the said transaction) include additional customary terms pertaining the relationship between the parties, including the Subsidiary's Board structure, ownership of intellectual property developed by the Subsidiary, confidentiality, conduct and compensation in respect of infringement of intellectual property, and additional shareholders' rights to hold and purchase shares of the Subsidiary.

It is noted that in addition, on the same date, a services agreement was also executed between the Company and the Subsidiary, according to which the Company will provide the Subsidiary with services at cost.