Merchavia's CDx reports positive trial results for early detection of prostate cancer

The results follow previous positive research results , and a commercialization agreement with a leading worldwide diagnostics organization

CDx and the Cleveland Clinic medical center'scomprehensive research in the US shows that the IsoPSA blood test has a high level of accuracy compared with the currently used PSA test – successfully reduced over 40% of unnecessary biopsies

Ramat Gan, May 21, 2017 – Merchavia Holdings and Investments (TASE: MRHL), an Israeli investment company specializing in early-stage life science sector companies, reports positive results from a successful trial which was conducted Cleveland Clinic, a leading medical center, using IsoPSA, a test developed by Merchavia's portfolio company – CDx (in which Merchavia holds about 8%). As part of comprehensive medical research, conducted in several US centers, it was found that a simple blood test, based on technology developed by CDx can diagnose prostate cancer and avoid a large number of biopsies to diagnose prostate cancer. The research results confirm the results obtained in previous trials that were conducted.

Dr. Eric Klein, Chairman of the Glickman Urological & Kidney Institute at Cleveland Clinic plans presenting the trial results at the 2018 Annual Meeting of the American Urological Association. The results found that more than 40% of the biopsies that are carried out to diagnose prostate cancer can be avoided, by using a simple blood test.

The trial, a prospective test of IsoPSA to locate high-level prostate cancer, was conducted as a follow-on validation study to previous research, which proved that IsoPSA (a structure-based biomarker) can be an effective means of distinguishing high-grade prostate cancer (Gleason 7) and low-grade (Gleason 6 a benign form of the disease).

The trial verifies the clinical results of the IsoPSA test, an innovative and breakthrough test, which proves that it is more accurate in diagnosing prostate cancer that the current conventional test, the PSA test, which is the gold standard for diagnosing this cancer. The results show that in a preliminary trial it was possible to avoid 45% of biopsies and in the confirmation trial the results showed it was possible to avoid 47% of biopsies, so that in effect using the IsoPSA blood test the use of unnecessary biopsies can be significantly reduced and the possibility of over-identifying and superfluous treatment for prostate cancer that does not require treatment intervention.

Dr. Eric Klein, Chairman of the Glickman Urological & Kidney Institute at Cleveland Clinic said, "In order for the biological marker to be clinically effective, it requires specificity for the tissue that is being targeted and also for cancer in that tissue. While PSA is a biological marker that that

comes specifically from the prostate, it is not specific to prostate cancer and consequently the current test leads to diagnoses that are not accurate and a large number of unnecessary biopsies. The IsoPSA test provides two necessary parameters for a successful test: specificity of the organ's tissue and specificity of the cancer. The trial proved that it is more accurate in diagnosing cancer and lowering the number of unnecessary biopsies among patients at low risk to the disease."

Merchavia CEO, Eli Arad: "We are happy about the publication of the research results, which support CDx's commercialization process and indicate very major economic potential for the company. CDx's technological platform for diagnosing cancer is a clinically validated and viable approach and the company is examining use of the diagnostic technology for other forms of cancers to bring about additional commercialization agreements. Together with the progress in CDx we are continuing to present clinical and commercial achievements in other portfolio companies CardiacSense and RMDY, which are targeting major markets. We are convinced that once these companies will meet their milestones, it will lead to creating very major value for Merchavia's shareholders."

The IsoPSA test was developed by Cleveland Diagnostics (CDx) which was founded together with the Cleveland Clinic, which is a party of interest in the company. In November 2017, CDx signed a commercialization agreement with US company Genomic health (Nasdaq: GHDX), the world's leading supplier of genetic diagnostics for optimizing cancer treatment. Under the terms of the agreement it was granted an exclusive license for the global commercialization of the prostate cancer diagnostic test in exchange for $10 million comprising an immediate payment of $2 million and future payments according to near and long term milestones before royalties and other payments according to targets. The signing of the agreement gave Genomic Health an exclusive license in the US and most countries worldwide to develop and commercialize IsoPSA™, the innovative test developed by CDx for early diagnosis of prostate cancer.