UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of August 2020 (No. 2)

Commission File Number 001-37846

CELLECT BIOTECHNOLOGY LTD.
(Translation of registrant's name into English)

23 Hata'as Street
Kfar Saba, Israel 44425
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ________

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ________

On August 12, 2020, Cellect Biotechnology Ltd. (the "Company") issued a press release entitled "Cellect Biotechnology Reports Second Quarter Financial and Operating Results; First Half 2020 Strategic Developments Create Long-Term Revenue Catalysts." In addition, on the same day, the Company issued unaudited interim consolidated financial statements as of June 30, 2020, together with the Company's Management's Discussion and Analysis of Financial Condition and Results of Operations as of June 30, 2020.

Exhibit 99.1 and Exhibit 99.2 to this Form 6-K and the statements under "Second Quarter 2020 Financial Results," "Forward Looking Statements," and the accompanying financial statements included in Exhibit 99.3 to this Form 6-K are hereby incorporated by reference into the Registrant's Registration Statements on Form S-8 (Registration Nos. 333-214817, 333-220015, 333-225003 and 333-232230) and on Form F-3 (Registration No. 333-219614).

Exhibit No.	Description
99.1	Unaudited Interim Consolidated Financial Statements as of June 30, 2020
99.2	Management's Discussion and Analysis of Financial Condition and Results of Operations as of June 30, 2020
99.2	Press Release dated August 12, 2020

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: August 12, 2020	**CELLECT BIOTECHNOLOGY, LTD.**
	By: /s/ Eyal Leibovitz
	Eyal Leibovitz
	Chief Financial Officer

Exhibit 99.1

CELLECT BIOTHECHNOLOGY LTD.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF JUNE 30, 2020

NIS IN THOUSANDS

UNAUDITED

INDEX

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CONSOLIDATED BALANCE SHEETS

In thousands, except share and per share data

	December 31, 2019	June 30, 2020	Convenience translation (Note 2e) June 30, 2020
	Audited	Unaudited	Unaudited
	N I S		U.S. dollars
CURRENT ASSETS:			
Cash and cash equivalents	18,106	24,269	7,002
Other receivables	469	960	277
	18,575	25,229	7,279
LONG-TERM ASSETS:			
Restricted cash	328	330	95
Right of use - Assets under operating lease	1,035	908	262
Other long-term assets	94	76	22
Property, plant and equipment, net	1,288	1,087	314
	2,745	2,401	693
	21,320	27,630	7,972
CURRENT LIABILITIES:			
Trade payables	158	420	121
Other payables	3,080	2,158	622
Current maturities of lease liability	396	416	120
	3,634	2,994	863
NON CURRENT LIABILITIES:			
Warrants to ADS	2,172	2,307	666
Lease liabilities	677	538	155
	2,849	2,845	821
SHAREHOLDERS' EQUITY :			
Ordinary shares of no par value: Authorized: 500,000,000 shares at December 31, 2019 and June 30, 2020 (unaudited); Issued and outstanding: 224,087,799* at December 31, 2019; and 390,949,079* at June 30, 2020(unaudited).	-	-	-
Additional paid-in capital	108,598	126,839	36,595
Share-based payments	16,528	16,597	4,789
Treasury shares	(9,425)	(9,425)	(2,719)
Accumulated deficit	(100,864)	(112,220)	(32,377)
	14,837	21,791	6,288
	21,320	27,630	7,972

*) Net of 2,641,693 treasury shares of the Company held by the Company.

The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

In thousands, except share and per share data

	Six months ended June 30,		Convenience translation (Note 2e) Six months ended June 30,
	2019	**2020**	**2020**
	Unaudited		**Unaudited**
	N I S		**U.S. dollars**
Research and development expenses	7,086	2,901	837
General and administrative expenses	5,064	4,703	1,356
Total operating expenses	12,150	7,604	2,193
Operating loss	12,150	7,604	2,193
Financial income	(7,111)	(98)	(28)
Financial expenses	880	3,850	1,111
Total comprehensive loss	5,919	11,356	3,276
Loss per share:			
Basic and diluted loss per share	0.029	0.034	0.010
Weighted average number of shares outstanding used to compute basic and diluted loss per share	200,942,871	338,182,275	338,182,275

The accompanying notes are an integral part of the interim consolidated financial statements.

STATEMENTS OF CHANGES IN EQUITY

In thousands, except share and per share data

	Share capital	Additional paid-in capital	Treasury shares	Share based payments option	Accumulated deficit	Total equity
	N I S					
Balance as of January 1, 2019 (audited)	-	95,085	(9,425)	12,319	(84,056)	13,923
Issuance of ADS net of issue costs	-	13,505	-	1,509	-	15,014
Share-based payment	-	8	-	2,700	-	2,708
Total comprehensive loss	-	-	-	-	(16,808)	(16,808)
Balance as of December 31, 2019 (audited)	-	108,598	(9,425)	16,528	(100,864)	14,837
Issuance of ADS, net of issue costs		9,194		-		9,194
Share-based payment	-	-	-	829	-	829
Exercise of options and warrants into shares		9,047		(760)		8,287
Total comprehensive loss	-	-	-	-	(11,356)	(11,356)
Balance as of June 30, 2020 (unaudited)	-	126,839	(9,425)	16,597	(112,220)	21,791
Balance as of as of June 30, 2020 (convenience translation in U.S. dollars (unaudited))	-	36,595	(2,719)	4,789	(32,377)	6,288

The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

In thousands, except share and per share data

	Six months ended June 30,		Convenience translation (Note 2e) Six months ended June 30,
	2019	**2020**	**2020**
	Unaudited		**Unaudited**
	N I S		**U.S. dollars**
Cash flows from operating activities:			
Total comprehensive loss	(5,919)	(11,356)	(3,276)
Adjustments to reconcile net loss to net cash used in operating activities:			
Adjustments to profit or loss items:			
Exchange rate difference	-	5	1
Net financing expenses	815	37	11
Loss (gain) from revaluation of financial assets presented at fair value through profit or loss	6	-	-
Depreciation	192	170	49
Share-based payment	529	829	239
Changes in fair value of warrants	(8,442)	3,807	1,098
Interest received during the period	(46)	35	10
	(6,946)	4,883	1,408
Changes in asset and liability items:			
Decrease (increase) in other receivables	126	(473)	(136)
Decrease (increase) in other long-term assets	19	-	-
Decrease in trade and other payables	(715)	(753)	(217)
Decrease in right-of-use assets	314	183	53
	(256)	(1,043)	(300)
Cash paid and received during the period for:			
Net cash used in operating activities	(13,121)	(7,516)	(2,168)

The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

In thousands, except share and per share data

	Six months ended June 30,		Convenience translation (Note 2e) Six months ended June 30,
	2019	2020	2020
	Unaudited		Unaudited
	N I S		U.S. dollars
Cash flows from investing activities:			
Restricted cash, net	-	(2)	(1)
Sale of property, plant and equipment, net	-	34	10
Purchase of property, plant and equipment, net	(120)	(3)	(1)
Net cash provided (used in) investing activities	(120)	29	8
Cash flows from financing activities:			
Exercise of share options	-	4,707	1,358
Issuance of share capital and warrants, net of issue costs	23,723	9,194	2,652
Leases liabilities	(278)	(212)	(61)
Net cash provided by financing activities	23,445	13,689	3,949
Exchange differences on balances of cash and cash equivalents	(769)	(39)	(11)
Increase in cash and cash equivalents	9,435	6,163	1,778
Cash and cash equivalents at beginning of period	17,809	18,106	5,224
Cash and cash equivalents at end of period	27,244	24,269	7,002
(a) Non-cash activities:			
Issuance expenses related to fund raising	164	93	27

The accompanying notes are an integral part of the interim consolidated financial statements.

NOTE 1: GENERAL

a. Cellect Biotechnology Ltd. (formerly Cellect Biomed Ltd.) (the “Company” or “Cellect”) was incorporated in Israel. Cellect’s American Depository Shares (“ADSs”) and certain warrants to purchase ADSs are listed for trading on the NASDAQ Capital Market. Each ADS represents 100 ordinary shares. Cellect and its subsidiary, Cellect Biotherapeutics Ltd. (the “Subsidiary”) are engaged in the development of an innovative, unique technology that enables the biological filtering and commercialization of stem cells.

These financial statements have been prepared in a condensed format as of June 30, 2020, and for the six months then ended (“interim consolidated financial statements”). These financial statements should be read in conjunction with the Company’s annual financial statements as of December 31, 2019, and for the year then ended and accompanying notes (“annual consolidated financial statements”).

On May 8, 2018, the Subsidiary established a fully owned US subsidiary named Cellect Biotech, Inc (the “US Subsidiary”). This company was formed to engage in business development operations of the group. from June 2019, there is no activity in the US Subsidiary.

b. On May 16, 2019 the Company announced it’s plans to explore strategic alternatives focused on maximizing shareholder value. Potential strategic alternatives that may be evaluated include, but are not limited to, an acquisition, merger, business combination, in-licensing, or other strategic transaction involving the Company or its assets. On March 4, 2020 the Company reported the signing of two Letters of Intent (LOIs), one is a strategic commercial agreement which is binding, subject to reaching definitive agreement, and the other is contemplating a full merger.

c. Going Concern

The accompanying financial statements have been prepared in conformity with International Financial Reporting Standards (IFRS), assuming that the Company will continue to operate as a going concern. During the period ended June 30, 2020, the Company incurred total comprehensive loss of NIS 11,356 ($3,276) and had negative cash flows from operating activities of NIS 7,516 ($2,168). In addition, the Company had an accumulated deficit of NIS 112,220 ($32,377) at June 30, 2020.

The Company’s activities since inception have consisted of raising capital and performing research and development activities. As of June 30, 2020, principal commercial operations have not commenced. Successful completion of the Company’s development programs and, ultimately, the attainment of profitable operations, if any, are dependent on future events, including, among other things, its ability to obtain marketing approval from regulatory authorities and access potential markets, secure financing, develop a customer base, attract, retain and motivate qualified personnel and develop strategic alliances. Although currently the company has sufficient funds to operate in the next 18 months, in order to reach profitability, the company will need to raise additional funds and there is no assurance that the company will be able to do so.

NOTE 1: GENERAL (Cont.)

The Company expects to continue to incur substantial losses over the next several years during its development phase. To fully execute its business plan, the Company will need, among other things, to complete its research and development efforts and clinical and regulatory activities. These activities may take several years and will require significant operating and capital expenditures in the foreseeable future. There can be no assurance that these activities will be successful. If the Company is not successful in these activities it could delay, limit, reduce or terminate preclinical studies, clinical trials or other research and development activities. To fund its capital needs, the Company plans to raise funds through equity or debt financings or other sources, such as strategic partnerships and alliance and licensing arrangements, and in the long term, from the proceeds from sales. Additional funds may not be available when the Company needs them, on terms that are acceptable to it, or at all. These matters raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments to the carrying amounts and classifications of assets and liabilities that would result if the Company was unable to continue as a going concern.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

a. Interim Financial Statements:

The accompanying consolidated balance sheet as of June 30, 2020, the consolidated statements of comprehensive loss and the consolidated statements of cash flows for the six months ended June 30, 2020 and 2019, as well as the statement of changes in shareholders' equity for the six months ended June 30, 2020, are unaudited. These unaudited interim consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the IFRS as issued by the International Accounting Standards Board ("IASB") and applicable rules and regulations of the Securities and Exchange Commission regarding interim financial reporting. In the management's opinion, the unaudited interim consolidated financial statements include all adjustments of a normal recurring nature necessary for the fair presentation of the Company's financial position as of June 30, 2020, as well as its results of operations and cash flows for the six months ended June 30, 2020 and 2019. The results of operations for the six months ended June 30, 2020 are not necessarily indicative of the results to be expected for the year ending December 31, 2020.

The accompanying unaudited interim financial statements should be read in conjunction with the Company's Annual Report on Form 20-F filed with the Securities and Exchange Commission (the "SEC") on April 3, 2020, as amended by Form 20-F/A filed with the SEC on August 4, 2020.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Cont.)

The interim consolidated financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting".

The significant accounting policies applied in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the annual consolidated financial statements, except as described below:

b. Estimates and assumptions:

The preparation of the Company's financial statements requires management to make estimates and assumptions that influence application of the accounting policies and on the reported amounts of assets, liabilities, and expenses. Changes in accounting estimates are reported in the period of the change in estimate.

The key assumptions made in the financial statements concerning uncertainties at the reporting date and the critical estimates computed by the Company that may result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- Determining the fair value of share-based transactions:

  The fair value of share-based transactions is determined upon initial recognition using acceptable option pricing models. The model is based on per-share price data and the exercise price and assumptions regarding expected volatility, expected life, expected dividend and risk-free interest rate.

c. Leases

The Company has adopted IFRS 16 retrospectively from January 1, 2019 but has not restated comparative figures for the year ended December 31, 2018 reporting period, as permitted under the modified retrospective approach. Upon the initial adoption of the new standard the Company measured the right-of-use asset at an amount equal to the lease liability, as measured on the transition date.

In thousands, except share and per share data

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Cont.)

d. Convenience translation into U.S. dollars:

The consolidated financial statements as of June 30, 2020 and for the six months then ended have been translated into U.S. dollars using the exchange rate of the U.S. dollar as of June 30, 2020 (U.S. $1.00 = NIS 3.466). The translation was made solely for convenience purposes.

The dollar amounts presented in these financial statements should not be construed as representing amounts that are receivable or payable in dollars or convertible into dollars, unless otherwise indicated.

NOTE 3: Leases

The movements in right-of use assets and lease liabilities are reported in the following tables:

<u>Right-of-use assets</u>

	Offices	**Vehicles**	**Total**
Cost			
Balance as of January 1, 2020	988	47	1,035
Additions during the year	-	56	56
Depreciation expense	(165)	(18)	(183)
Balance as of June 30, 2020	823	85	908

<u>Lease liabilities</u>

	Offices	**Vehicles**	**Total**
Cost			
Balance as of January 1, 2020	1,027	46	1,073
Additions during the year	-	56	56
Lease expense	30	7	37
Payments	(185)	(27)	(212)
Balance as of June 30, 2020	872	82	954

In thousands, except share and per share data

NOTE 4: EQUITY

a. Changes in share capital:

	Number of shares
Balance at January 1, 2019 (audited)	*) 130,414,799
Issuance of shares and warrants	93,673,000
Balance at December 31, 2019 (audited)	*) 224,087,799
Issuance of shares and warrants	166,861,280
Balance at June 30, 2020 (unaudited)	*) 390,949,079

*) Net of 2,641,693 treasury shares of the Company, held by the Company.

1. On February 12, 2019, the Company sold to certain institutional investors an aggregate of 1,889,000 units, each consisting of (i) one ADS, and (ii) one warrant to purchase one ADS, at a public offering price of $1.50 per unit ($7.5 after split), and (b) 2,444,650 pre-funded units, each consisting of (i) one prefunded warrant to purchase one ADS, and (ii) one warrant, at a public offering price of $1.49 per Pre-funded unit. In connection with the offering, the Company granted the underwriters a 45-day option to purchase up to an additional 650,070 ADSs and/or 650,070 warrants to purchase up to an additional 650,070 ADSs. The underwriters partially exercised their over-allotment option to purchase an aggregate of 350,000 additional ADS and additional warrants to purchase 650,070 ADSs. Subsequently, of the pre-funded warrants issued, the Company issued 2,444,650 ADSs upon exercise of pre-funded warrants. The Company raised gross proceeds of NIS 25,422 (NIS 20,796 net of all issuance costs in the amount of NIS 4,626, including share-based awards granted). An amount of NIS 13,505 out of the consideration was related to the ADSs and classified as equity component, while an amount of NIS 8,999 was related to the fair value of the non-tradable Warrants and was classified as a liability.

   Since the warrant exercise price is in US dollars, which is not the Company's functional currency, the unregistered warrants to purchase ADS were classified as a financial liability at fair value and are marked to market through profit or loss in accordance with IAS 32.

   The underwriters' unlisted warrants were classified as a share-based payment transaction in accordance with IFRS 2 and netted off the total consideration as issuance cost.

   Furthermore, the Company issued to the underwriters unlisted warrants to purchase 109,642 ADSs at an exercise price of $7.5 per warrant and exercisable for a period of five years. The underwriters' unlisted warrants were classified as a share-based payment transaction in accordance with IFRS 2 and netted off the total consideration as issuance cost.

   On May 12, 2020 the Company entered into warrant exercise agreements with several investors. Under the terms of the agreement, in consideration of exercising 534,160 of the warrants, the exercise price per warrants was reduced to $2.75 per ADS. The 534,160 of the warrants were exercised resulting in gross proceeds to the Company of NIS 5,204 (NIS 4,591 net of issuance costs in the amount of NIS 613).

   In addition, the Company decided to reduce the exercise price of all warrants issued in February 2019, to $2.75 per ADS, from original exercise price per ADS of $7.5.

In thousands, except share and per share data

NOTE 4: EQUITY (Cont.)

The change in terms (i.e., reduction in the exercise price) of the warrants, classified as financial liability, resulted in an increase in the fair value of the warrants in a total amount of NIS 3,807. This amount was recorded as finance expenses. The change in terms of the warrants classified as equity was not affecting the results of operations but rather treated as classification within shareholders' equity.

2. On January 7, 2020, the Company sold to certain institutional investors aggregate of 1,000,000 ADSs in a registered direct offering at a purchase price of $3 per ADS. The company raised gross proceeds of NIS 10,410 (NIS 9,194 net of all issuance costs in the amount of NIS 1,216).

3. On May 20, 2019, the board of directors approved a grant to a consultant of 672,264 warrants, exercisable for 672,264 ADSs of the Company at an exercise price of USD 0.01 per ADS. On January 31, 2020, the warrants were exercised.

NOTE 5: SHARE-BASED COMPENSATION

a. In February 2014, the Company's board of directors adopted an Employee Shares Incentive Plan (the "2014 Plan"). Under the 2014 Plan, options may be granted to employees, officers, directors, consultants, advisers and service providers of the Company.

On June 20, 2019, the board of directors approved an increase to the unlisted option pool of 20,000,000 options. As a result, the Company has a total of 37,100,000 unlisted options in the pool.

b. Activity during the period:

The table below includes the number of share options, and the weighted average of their exercise prices:

	December 31, 2019 (audited)		June 30, 2020 (unaudited)	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		NIS		NIS
Outstanding at beginning of period	13,014,147	1.18	22,093,504	0.59
Options forfeited	(4,556,865)	0.70	(58,438)	0.25
Option expired	(671,438)	1.21	(325,001)	0.49
Granted	14,307,660	0.12	6,300,000	0.08
Outstanding at end of period	22,093,504	0.59	28,010,065	0.48
Options exercisable at the end of the period	13,730,238	7.8	21,337,751	8.0

In thousands, except share and per share data

NOTE 5: SHARE-BASED COMPENSATION (Cont.)

c. The following table summarizes information about the assumptions for measuring the fair value of the options under the Black-Scholes option pricing model for the periods ended December 31, 2019 and June 30, 2020, is as follows:

	2019	2020
Dividend yield (%)	0	0
Expected volatility of the share prices (%)	77.75%	84.54%-87.53%
Risk-free interest rate (%)	2.14%	0.75%-1.85%
Expected life of share options (years)	10	10

According to the data above, the fair value of options granted in the periods ended December 31, 2019 and June 30, 2020 was NIS 1,275 and NIS 481 respectively at the grant date.

NOTE 6: CONTINGENT LIABILITIES AND COMMITMENTS

Liens:

The Company provided a NIS 51 restricted bank deposit to secure credit card payments.

The Company provided a NIS 163 restricted bank deposit to secure the rent payment.

Exhibit 99.2

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with our financial statements and related notes included elsewhere in this 6-K, as well as in our Annual Report on Form 20-F for the year ended December 31, 2019 filed with the SEC on April 3, 2020, as amended by Form 20-F/A filed with the SEC on August 4,2020 .

Unless otherwise indicated, all references to the terms "we", "us", "our", "Cellect", "the Company" and "our Company" refer to Cellect Biotechnology Ltd. and its wholly-owned subsidiaries. References to "ordinary shares", "ADSs", "warrants" and "share capital" refer to the ordinary shares, ADSs, warrants and share capital, respectively, of Cellect.

We report financial information under International Financial Reporting Standards, or IFRS as issued by the International Accounting Standards Board and none of the financial statements were prepared in accordance with generally accepted accounting principles in the United States.

References to "U.S. dollars" and "$" are to currency of the United States of America, and references to "NIS" are to New Israeli Shekels. References to "Ordinary Shares" are to our Ordinary Shares, no par value.

Unless otherwise indicated, U.S. dollar translations of NIS amounts presented herein are translated using the rate of NIS 3.466 to $1.00, the exchange rate reported by the Bank of Israel on June 30, 2020.

Forward-Looking Statements

The following discussion contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and other securities laws. Forward-looking statements are often characterized by the use of forward-looking terminology such as "may," "will," "expect," "anticipate," "estimate," "continue," "believe," "should," "intend," "project" or other similar words, but are not the only way these statements are identified.

These forward-looking statements may include, but are not limited to, statements relating to our objectives, plans and strategies, statements that contain projections of results of operations or of financial condition, expected capital needs and expenses, statements relating to the research, development, completion and use of our products, and all statements (other than statements of historical facts) that address activities, events or developments that we intend, expect, project, believe or anticipate will or may occur in the future.

Forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties. We have based these forward-looking statements on assumptions and assessments made by our management in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe to be appropriate and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements.

Important factors that could cause actual results, developments and business decisions to differ materially from those anticipated in these forward-looking statements include, among other things:

- our history of losses and needs for additional capital to fund our operations and our inability to obtain additional capital on acceptable terms, or at all;

- our ability to continue as a going concern;

- uncertainties of cash flows and inability to meet working capital needs;

- our ability to consummate a strategic alternative that enhances shareholder value;

- our ability to remain listed on the Nasdaq Capital Market;
- our ability to obtain regulatory approvals;
- our ability to obtain favorable pre-clinical and clinical trial results;
- our technology may not be validated and our methods may not be accepted by the scientific community;
- difficulties enrolling patients in our clinical trials;
- the ability to timely source adequate supply of Fas ligand;
- risks resulting from unforeseen side effects;
- our ability to establish and maintain strategic partnerships and other corporate collaborations;
- the scope of protection we are able to establish and maintain for intellectual property rights and our ability to operate our business without infringing the intellectual property rights of others;
- competitive companies, technologies and our industry;
- unforeseen scientific difficulties may develop with our technology; and
- our ability to retain or attract key employees whose knowledge is essential to the development of our products.

More detailed information about the risks and uncertainties affecting us is contained under the heading “Risk Factors” in our Annual Report on Form 20-F for the year ended December 31, 2019 filed with the SEC on April 3, 2020, as amended by Form 20-F/A filed with the SEC on August 4,2020, which is available on the SEC's website, www.sec.gov and in our periodic filings with the SEC.

You should not put undue reliance on any forward-looking statements. Any forward-looking statements in this discussion are made as of the date hereof, and we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Operating Results

To date, we have not generated revenue from the sale of any product, and we do not expect to generate significant revenue within the next year at least. As of June 30, 2020, we had an accumulated deficit of NIS 112 million (approximately $32 million). Our financing activities are described below under “*Finance Expense and Income*.”

Operating Expenses

Our current operating expenses consist of two components – research and development expenses, and general and administrative expenses.

Research and Development Expenses, net

Our research and development expenses consist primarily of salaries and related personnel expenses, subcontractor expenses, patent registration fees, materials, share-based payment and other related research and development expenses.

The following table discloses the breakdown of research and development expenses:

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2020 (Unaudited)	2020 (Unaudited
(in thousands)		NIS		NIS	USD*
Payroll	5,486	6,629	4,946	1,529	442
Subcontractors	1,504	1,788	1,162	718	207
Patent registration	256	647	334	124	36
R&D related purchases	1,574	2,386	3,714	94	27
Share-based payment	1,940	807	513	169	48
Other expenses	743	1,256	1,453	267	77
Total	11,503	13,513	12,122	2,901	837

* USD presented as convenience translation using June 30, 2020 NIS/USD exchange rate of NIS 3.466.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries, professional service fees, director fees, office expenses, taxes and fees, share based payment and other general and administrative expenses.

The following table discloses the breakdown of general and administrative expenses:

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2020 (Unaudited)	2020 (Unaudited)
(in thousands)		NIS		NIS	USD*
Payroll	3,076	5,277	3,595	1,618	466
Professional services	3,745	3,785	2,459	1,202	347
Director fees	354	712	642	751	217
Share-based payment	3,444	3,730	2,157	660	190
Office and other expenses	2,311	2,230	1,357	472	136
Total	12,930	15,734	10,210	4,703	1,356

* USD presented as convenience translation using June 30, 2020 NIS/USD exchange rate of NIS 3.466.

Comparison of the six-months ended June 30, 2020 to the six-months ended June 30, 2019

Results of Operations

	Six months ended June 30,		Six months ended June 30,	
	2019	2020	2019	2020
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	(In thousands of NIS)		(In thousands of USD*)	
Research and development expenses, net	7,086	2,901	2,044	837
General and administrative expenses	5,064	4,703	1,461	1,356
Operating loss	12,150	7,604	3,505	2,193
Finance expenses (income), net	(6,231)	3,752	(1,798)	1,083
Total comprehensive loss	5,919	11,356	1,707	3,276
Loss attributable to holders of Ordinary Shares	0.029	0.034	0.08	0.010

* USD presented as convenience translation using June 30, 2020 NIS/USD exchange rate of NIS 3.466.

Research and Development Expenses, net

Our research and development expenses for the six months ended June 30, 2020 amounted to NIS 2.9 million (approximately $0.8 million), representing an decrease of NIS 4.2 million (approximately $1.2 million), or 59%, compared to NIS 7.1 million (approximately $2.0 million) for the six months ended June 30, 2019. The decrease was primarily attributable to a decrease from salaries and related expenses reflecting the reduction in our research and development activities.

General and Administrative Expenses

Our general and administrative expenses totaled NIS 4.7 million (approximately $1.4 million) for the six months ended June 30, 2020, a decrease of NIS 0.4 million, or 7%, compared to NIS 5.1 million (approximately $1.5 million) for the six months ended June 30, 2019. The decrease resulted primarily from the reduction in the salaries and related expenses.

Operating Loss

As a result of the foregoing, our operating loss for the six months ended June 30, 2020 was NIS 7.6 million (approximately $2.2 million), as compared to an operating loss of NIS 12.2 million (approximately $3.5 million) for the six months ended June 30, 2019, a decrease of NIS 4.6 million (approximately $1.3 million), or 37%.

Finance Expense and Income

Finance expense and income mainly consist of bank fees and other bank transactional costs, changes in the fair value of warrants that were issued to investors and exchange rate differences.

We recognized net financial expenses of NIS 3.8 million (approximately $1.1 million) for the six months ended June 30, 2020, compared to net financial income of NIS 6.2 million (approximately $1.8 million) for the six months ended June 30, 2019. The change is primarily due to the change in the fair value of the listed warrants granted in our U.S. initial public offering in 2016 and to the unregistered warrants granted in our registered direct offerings.

Total Comprehensive Loss

As a result of the foregoing, our total comprehensive loss for the six months ended June 30, 2020 was NIS 11.4 million (approximately $3.3 million), as compared to NIS 5.9 million (approximately $1.7 million) for the six months ended June 30, 2019, a decrease of NIS 5.5 million (approximately $1.6 million), or 92%.

Liquidity and Capital Resources

Overview

As of June 30, 2020, we had NIS 24.3 million (approximately $7.0 million) in cash and cash equivalents.

The table below presents our cash flows:

	Six months ended June 30,		Six months ended June 30,	
	2019	**2020**	**2019**	**2020**
	(unaudited)	**(unaudited)**	**(unaudited)**	**(unaudited)**
	(In thousands of NIS)		**(In thousands of USD*)**	
Net cash used in operating activities	(13,121)	(7,516)	(3,786)	(2,168)
Net cash provided by (used in) investing activities	(120)	29	(35)	8
Net cash provided by financing activities	23,445	13,689	6,764	3,949

* USD presented as convenience translation using June 30, 2020 NIS/USD exchange rate of NIS 3.466.

Operating Activities

Net cash used in operating activities was NIS 7.5 million (approximately $2.2 million) for the six months ended June 30, 2020, compared with net cash used in operating activities was NIS 13.1 million (approximately $3.8 million) for the six months ended June 30, 2019. The decrease in such period is primarily due to decreases in research and development expenses.

Investing Activities

Net cash provided for investing activities was NIS 0.03 million (approximately $0.01 million) for the six months ended June 30, 2020 compared with net cash used in investing activities was NIS 0.12 million (approximately $0.03 million) for the six months ended June 30, 2019. Net cash in six months ended June 30, 2020 reflect sales of fixed assets. Net cash in the six months ended June 30, 2019 reflect purchase of fixed assets.

Financing Activities

Net cash provided by financing activities in the six months ended June 30, 2020 consisted of NIS 13.7 million (approximately $3.9 million) of net proceeds, mainly from the issuance of ordinary shares represented by ADSs and warrants to purchase ADSs.

Net cash provided by financing activities in the six months ended June 30, 2019 consisted of NIS 23.5 million (approximately $6.8 million) of net proceeds, mainly from the issuance of ordinary shares represented by ADSs and warrants to purchase ADSs.

On February 12, 2019, in a follow-on underwritten public offering we sold an aggregate of 1,889,000 units, each consisting of (i) one ADS, and (ii) one warrant to purchase one ADS, at a public offering price of $1.50 per unit ($7.5 after split), and (b) 2,444,800 pre-funded units, each consisting of (i) one pre-funded warrant to purchase one ADS, and (ii) one warrant, at a public offering price of $1.49 per Ppre-funded unit. In connection with the offering, we granted the underwriters a 45-day option to purchase up to an additional 650,070 ADSs and/or 650,070 warrants to purchase up to an additional 650,070 ADSs. The underwriters partially exercised their over-allotment option to purchase an aggregate of 350,000 additional ADS and additional warrants to purchase 650,070 ADSs. Subsequently, of the pre-funded warrants issued, we issued 2,444,650 ADSs upon exercise of pre-funded warrants.

On May 12, 2020 we entered into warrant exercise agreements with several investors to purchase 534,160 ADSs having an exercise price equal $7.50 per ADS issued by the Company, at a reduced exercise price of $2.75 per ADS, The Company raised gross proceeds of NIS 5,204 (NIS 4,591 NIS net of all issuance costs in the amount of NIS 613).

Simultaneously with entry into the Exercise Agreements, the Company determined to lower the exercise price of all outstanding warrants issued in February 2019 with an original exercise price of $7.50 to $2.75 per share.

On January 7, 2020, the Company sold to certain institutional investors aggregate of 1,000,000 ADSs in a registered direct offering at a purchase price of $3 per ADS.

Current Outlook

We have financed our operations to date primarily through proceeds from issuance of our ordinary shares and ordinary shares represented by ADSs and warrants. We have incurred losses and generated negative cash flows from operations since July 2013. In addition, we have an accumulated deficit of NIS 112 million (approximately $32.4 million) as of June 30, 2020. We have not generated any revenue from the sale or licensing of our products and we do not expect to generate significant revenue within the next year at least.

In May 2019, we announced that we are exploring strategic alternatives focused on maximizing shareholder value. Potential strategic alternatives that may be evaluated include, but are not limited to, an acquisition, merger, business combination, in-licensing, or other strategic transaction involving the Company or its assets. On March 4, 2020 we reported the signing of two Letters Of Intent (LOIs), one is a strategic commercial agreement, and the other is contemplating a full merger. Despite undertaking this process, we may not be successful in completing a transaction, and, even if such transaction is completed, it ultimately may not deliver the anticipated benefits or enhance stockholder value.

To conserve cash and focusour resources on our essential research and development activities, in June 2019 we began implementing a cost reduction program that included a reduction of workforce by approximately 40%, salary reductions for remaining employees together with the retention grant to certain other key employees including our Chairman, Chief Executive Officer and Chief Financial Officer. The grant included options to purchase an aggregate of 130,000 ADSs representing 13,000,000 ordinary shares at an exercise price of $3.88 per ADS. In January 2020, we raise additional $3M (gross before expenses) dollar and during May 2020 repriced its non-tradable warrants price and as a result secured additional $1.5M (gross before expenses). Also, the Company's chairman resigned and a new chairman (elected from the existing board members) was appointed to replace him for a ~ 45% lower monthly costs together with the grant to of 40,000 ADSs representing 4,000,000 ordinary shares at an exercise price of $3.88 per ADS.

The COVID-19 pandemic has inflicted a few logistic challenges including a slower recruitment of patients to our Israeli trial and postponement of the initiation of the IND approved trial in Washington University (St. Luis, USA). It further slowed business interactions started late 2019 around the scale-up automation of our Apograft product manufacturing. We are looking forward to going back to normal course of business (as soon as the situation will quit) which will probably expedite our technology as well as business development.

While we continue to evaluate strategic alternatives and at the same time negotiate further the commercial agreement/full merger as stated above, we are continuing to advance our development program. We have expended and believe that we will continue to expend operating and capital expenditures as necessary for the foreseeable future developing our ApoGraft technology platform. These expenditures will include, but are not limited to, costs associated with research and development, manufacturing, conducting preclinical experiments and clinical trials, contracting manufacturing organizations, obtaining regulatory approvals, as well as commercializing any products approved for sale. Furthermore, we expect to incur additional costs associated with operating as a public Company in the United States and in pursuing strategic alternatives. Because the outcome of our planned and anticipated clinical trials is highly uncertain, we cannot reasonably estimate the actual amounts necessary to successfully complete the development and commercialization of our ApoGraft technology platform, In addition, other unanticipated costs may arise. As a result of these and other factors currently unknown to us, we require substantial, additional funds through public or private equity or debt financings or other sources, such as strategic partnerships and alliances and licensing arrangements. In addition, we may seek additional capital due to favorable market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. A failure to fund these activities may harm our growth strategy, competitive position, quality compliance and financial condition.

Our future capital requirements depend on many factors, including:

- The recovery from the COVID-19 pandemic effects;
- the number and characteristics of products we develop from our ApoGraft technology platform;
- the scope, progress, results and costs of researching and developing our ApoGraft technology platform and any future products, and conducting preclinical and clinical trials;
- the timing of, and the costs involved in, obtaining regulatory approvals;
- the cost of commercialization activities if any products are approved for sale, including marketing, sales and distribution costs;
- the cost of manufacturing any future product we successfully commercialize;
- our ability to establish and maintain strategic partnerships, licensing, supply or other arrangements and the financial terms of such agreements;
- the costs involved in preparing, filing, prosecuting, maintaining, defending and enforcing patent claims, including litigation costs and the outcome of such litigation;
- the costs of in-licensing further patents and technologies;
- the cost of development of in-licensed technologies;
- the costs of business development including the traveling and legal expenses
- the timing, receipt and amount of sales of, or royalties on, any future products;
- the expenses needed to attract and retain skilled personnel; and
- any product liability or other lawsuits related to any future products.

Additional funds may not be available when we need them, on terms that are acceptable to us, or at all. If adequate funds are not available to us on a timely basis, we may be required to delay, limit, reduce or terminate preclinical studies, clinical trials or other research and development activities for our ApoGraft technology platform or delay, limit, reduce or terminate our establishment of sales and marketing capabilities or other activities that may be necessary to commercialize our ApoGraft technology platform, our ApoTainer collection kits or any future products. These factors, among others, raise substantial doubt about our ability to continue as a going concern. Our independent auditors, in their report on our audited financial statements for the year ended December 31, 2019 expressed substantial doubt about our ability to continue as a going concern and the interim financial statements for the period ended June 30, 2020 includes a note regarding the substantial doubt about our ability to continue as a going concern. The financial statements do not include any adjustments to the carrying amounts and classifications of assets and liabilities that would result if we were unable to continue as a going concern.

Critical Accounting Policies and Estimate

Our management's discussion and analysis of our financial condition and results of operations is based on our financial statements, which we have prepared in accordance with IFRS as issued by the IASB. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported expenses during the reporting periods. Actual results may differ from these estimates under different assumptions or conditions. While our significant accounting policies are more fully described in Note 2 of our audited 2019 financial statements appearing elsewhere in this prospectus, we believe that the following accounting policies are the most critical for fully understanding and evaluating our financial condition and results of operations.

Share-based payment transactions

From time to time, we grant to our employees and other service providers remuneration in the form of equity-settled share-based instruments, such as options to purchase ordinary shares. The cost of equity-settled transactions with employees is measured at the fair value of the equity instruments granted at grant date. The fair value is determined using an acceptable option pricing model. As for other service providers, the cost of the transactions is measured at the fair value of the goods or services received as consideration for equity instruments. In cases where the fair value of the goods or services received as consideration of equity instruments cannot be measured, they are measured by reference to the fair value of the equity instruments granted.

The cost of equity-settled transactions is recognized in profit or loss, together with a corresponding increase in equity, during the period in which the performance or service conditions are satisfied, and ending on the date on which the relevant employees become fully entitled to the award. No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vested irrespective of whether the market condition is satisfied, provided that all other vesting conditions (service and/or performance) are satisfied. When we change the conditions of the award of equity-settled instruments, an additional expense is recognized beyond the original expense, calculated in respect of a change that increases the total fair value of the remuneration granted or benefits the other service provider according to the fair value on date of change. Cancellation of the award of equity-settled instruments is accounted for as having vested at the cancellation date and the expense not yet recognized in respect of the award is recognized immediately. However, if the cancelled grant is replaced by a new grant, and is intended as an alternate grant at the date awarded, the cancelled and new awards will both be accounted for as a change to the original award, as described above.

Option Valuations

The determination of the grant date fair value of options using an option pricing model (we utilize the Black-Scholes model) is affected by estimates and assumptions regarding a number of complex and subjective variables. These variables include the expected volatility of our share price over the expected term of the options, share option exercise and cancellation behaviors, risk-free interest rates and expected dividends, which are estimated as follows:

- *Volatility*. The expected share price volatility is based on the historical volatility in the trading price of our ordinary shares as well as comparable companies on the Nasdaq Capital Market and benchmarks of related companies.

- *Expected Term*. The expected term of options granted is based upon the contractual life of the options and represents the period of time that options granted are expected to be outstanding.

- *Risk-Free Rate*. The risk-free interest rate is based on the yield from U.S. Treasury bonds with a term equivalent to the contractual life of the options.

- *Expected Dividend Yield*. We have never declared or paid any cash dividends and do not presently plan to pay cash dividends in the foreseeable future. Consequently, we use an expected dividend yield of zero.

Impairment of non-financial assets

We evaluate the need to record an impairment of non-financial assets whenever events or changes in circumstances indicate that the carrying amount is not recoverable.

If the carrying amount of non-financial assets exceeds their recoverable amount, the assets are reduced to their recoverable amount. The recoverable amount is the higher of fair value less costs of sale and value in use. In measuring value in use, the expected future cash flows are discounted using a pre-tax discount rate that reflects the risks specific to the asset. The recoverable amount of an asset that does not generate independent cash flows is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in profit or loss.

An impairment loss of an asset, other than goodwill, is reversed only if there have been changes in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. Reversal of an impairment loss, as above, shall not be increased above the lower of the carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized for the asset in prior years and its recoverable amount. The reversal of impairment loss of an asset presented at cost is recognized in profit or loss.

IFRS 16, Leases

In January 2016, the IASB issued IFRS 16, "Leases". According to IFRS 16, a lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration.

According to IFRS 16:

- Lessees are required to recognize an asset and a corresponding liability in the statement of financial position in respect of all leases (except in certain cases) similar to the accounting treatment of finance leases according to the existing IAS 17, "Leases".

- Lessees are required to initially recognize a lease liability for the obligation to make lease payments and a corresponding right-of-use asset. Lessees will also recognize interest and depreciation expenses separately.

- Variable lease payments that are not dependent on changes in the Consumer Price Index ("CPI") or interest rates, but are based on performance or use (such as a percentage of revenues) are recognized as an expense by the lessees as incurred and recognized as income by the lessors as earned.

- In the event of change in variable lease payments that are CPI-linked, lessees are required to remeasure the lease liability and the effect of the remeasurement is an adjustment to the carrying amount of the right-of-use asset.

- IFRS 16 includes two exceptions according to which lessees are permitted to elect to apply a method similar to the current accounting treatment for operating leases. These exceptions are leases for which the underlying asset is of low value and leases with a term of up to one year.

- The accounting treatment by lessors remains substantially unchanged, namely classification of a lease as a finance lease or an operating lease.

For leases existing at the date of transition, IFRS 16 permits lessees to use either a full retrospective approach, or a modified retrospective approach, with certain transition relief whereby restatement of comparative data is not required.

IFRS 16 is effective for annual periods beginning on or after January 1, 2019. We applied the modified retrospective approach upon the initial adoption of IFRS 16 by measuring the right-of-use asset at an amount equal to the lease liability, as measured on the transition date.

We recorded an asset and liability on January 1st, 2019 in the amount of NIS 1,613 at the date of recognition. The finance expenses in the six months ended in June 30, 2020 were NIS 37 and depreciation expenses in the six months ended in June 30, 2020 were NIS 182. The right-of-use assets for June 30, 2020 were NIS 908 and the lease liabilities for June 30, 2020 were NIS 954.

Financial Liabilities

Financial liabilities within the scope of IFRS 9 are initially measured at fair value. After initial recognition, other liabilities are measured according to their terms at amortized cost using the effective interest method, taking into account directly attributable transaction costs.

The warrants were classified as a financial liability at fair value measured by quoted price and are marked to market through profit or loss in accordance with IFRS 9, and after initial recognition, changes in fair value are recognized in profit or loss.

Issue of a Unit of Securities

The issue of a unit of securities involves the allocation of the proceeds received (before issuance expenses) to the securities issued in the unit based on the following order: financial derivatives and other financial instruments measured at fair value in each period. Then fair value is determined for financial liabilities that are measured at amortized cost. The proceeds allocated to equity instruments are determined to be the residual amount. Issue costs are allocated to each component pro rata to the amounts determined for each component in the unit.

Trend Information

We are a development stage company and it is not possible for us to predict with any degree of accuracy the outcome of our research, development or commercialization efforts. As such, it is not possible for us to predict with any degree of accuracy any significant trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our net sales or revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause financial information to not necessarily be indicative of future operating results or financial condition. However, to the extent possible, certain trends, uncertainties, demands, commitments and events are identified in the preceding subsections.

Off-Balance Sheet Arrangements

During the periods presented, we had no off-balance sheet arrangements that have had or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

CELLECT

Cellect Biotechnology Reports Second Quarter Financial and Operating Results;
First Half 2020 Strategic Developments Create Long-Term Revenue Catalysts

Tel Aviv, Israel August 12, 2020 – Cellect Biotechnology Ltd. (NASDAQ: "APOP"), a developer of innovative technology which enables the functional selection of stem cells, today reported financial and operating results for the second quarter ended June 30, 2020. The Company’s six-month progress includes the development of several strategic initiatives, including growth-oriented opportunities in pain management and COVID-19 related therapeutics.

“Despite the COVID-19 pandemic business disruptions and the near-term delays to completing and commencing our clinical programs in Israel and the U.S., respectively, we acted swiftly over the past few months to leverage our sought-after technology to create several long-term business initiatives to enhance our value,” commented Dr. Shai Yarkoni, Chief Executive Officer. “In addition to pursuing a potential merger with a global leader in the high growth medical-grade cannabis market, which is being delayed due to COVID-19, we have either initiated or are contemplating other business development activities that will greatly benefit from our innovation, technology and know-how. I believe each of these opportunities represents meaningful catalysts for Cellect in multi-billion-dollar markets, subject to resolution of the COVID-19 pandemic and return to normal course of business.”

Notwithstanding the continued delays due to COVID-19, the Company remains focused on the following operational and clinical objectives:

- Recruit the final patient in the Israel trial, as soon as practically allowed, and publish the primary endpoint results six months later

- Commence the U.S. trial immediately upon resumption of normal business practices since the Company has already received the regulatory and institutional approvals to proceed

- Highlight its stem cell thought leadership by presenting at two upcoming prestigious conferences – the Cell & Gene Meeting on the Mesa (October) and the International Congress on Autoimmunity (November), both being held virtually

- Progress the scale-up process to complete robust, automated, close compartment Apograft process through clinically approved medical devices

The Company’s cash and cash equivalents totaled $7 million as of June 30, 2020, which includes the approximately $1.5 million (gross before expenses) resulting from several investors exercising certain warrants that were issued in February 2019.

Second Quarter 2020 Financial Results:

- Research and development (R&D) expenses for the second quarter of 2020 were $0.39 million, compared to $0.44 million in the first quarter of 2020 and $1.03 million in the second quarter of 2019. The decrease in the second quarter of 2020 as compared to the first quarter of 2020 was primarily due decrease in clinical activities as a result of the COVID-19.

- General and administrative (G&A) expenses for the second quarter of 2020 were $0.61 million, compared to $0.75 million in the first quarter of 2020 and $0.78 million in the second quarter of 2019. The decrease in the second quarter of 2020 as compared to the first quarter of 2020 was primarily due to the decrease in professional expenses.

- Finance expenses for the second quarter of 2020 was $1.54 million, compared to finance income of $0.45 million in the first quarter of 2020. The change was primarily due to changes related to the fair value of the tradable and non-tradable warrants issued in a prior fundraising.

- Net loss for the second quarter of 2020 was $2.54 million, or $0.007 per share, compared to $0.74 million, or $0.002 per share, in the first quarter of 2020, and $0.24 million, or $0.001 per share, in the second quarter of 2019.

* For the convenience of the reader, the amounts above have been translated from NIS into U.S. dollars, at the representative rate of exchange on June 30, 2020 (U.S. $1 = NIS 3.466).

About Cellect Biotechnology Ltd.

Cellect Biotechnology (APOP) has developed a breakthrough technology, for the selection of stem cells from any given tissue, that aims to improve a variety of stem cell-based therapies.

The Company's technology is expected to provide researchers, clinical community and pharma companies with the tools to rapidly isolate stem cells in quantity and quality allowing stem cell-based treatments and procedures in a wide variety of applications in regenerative medicine. The Company's current clinical trial is aimed at bone marrow transplantations in cancer treatment.

Forward Looking Statements

This press release contains forward-looking statements about the Company's expectations, beliefs and intentions. Forward-looking statements can be identified by the use of forward-looking words such as "believe", "expect", "intend", "plan", "may", "should", "could", "might", "seek", "target", "will", "project", "forecast", "continue" or "anticipate" or their negatives or variations of these words or other comparable words or by the fact that these statements do not relate strictly to historical matters. For example, forward-looking statements are used in this press release when we discuss Cellect's expectations regarding timing of the commencement of its planned U.S. clinical trial and its plan to reduce operating costs. These forward-looking statements and their implications are based on the current expectations of the management of the Company only and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. In addition, historical results or conclusions from scientific research and clinical studies do not guarantee that future results would suggest similar conclusions or that historical results referred to herein would be interpreted similarly in light of additional research or otherwise. The following factors, among others, could cause actual results to differ materially from those described in the forward-looking statements: the Company's history of losses and needs for additional capital to fund its operations and its inability to obtain additional capital on acceptable terms, or at all; the Company's ability to continue as a going concern; uncertainties of cash flows and inability to meet working capital needs; the Company's ability to obtain regulatory approvals; the Company's ability to obtain favorable pre-clinical and clinical trial results; the Company's technology may not be validated and its methods may not be accepted by the scientific community; difficulties enrolling patients in the Company's clinical trials; the ability to timely source adequate supply of FasL; risks resulting from unforeseen side effects; the Company's ability to establish and maintain strategic partnerships and other corporate collaborations; the scope of protection the Company is able to establish and maintain for intellectual property rights and its ability to operate its business without infringing the intellectual property rights of others; competitive companies, technologies and the Company's industry; unforeseen scientific difficulties may develop with the Company's technology; the Company's ability to retain or attract key employees whose knowledge is essential to the development of its products; and the Company’s ability to pursue any strategic transaction or that any transaction, if pursued, will be completed. Any forward-looking statement in this press release speaks only as of the date of this press release. The Company undertakes no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by any applicable securities laws. More detailed information about the risks and uncertainties affecting the Company is contained under the heading "Risk Factors" in Cellect Biotechnology Ltd.'s Annual Report on Form 20-F for the fiscal year ended December 31, 2019 filed with the U.S. Securities and Exchange Commission, or SEC, which is available on the SEC's website, www.sec.gov, and in the Company's periodic filings with the SEC.

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Cellect Biotechnology Ltd.
Consolidated Statement of Operation

	Convenience translation Six months ended June 30, 2020	Six months ended June 30, 2020	Six months ended June 30, 2019	Three months ended June 30, 2020	Three months ended June 30, 2019
	Unaudited	Unaudited			
	U.S. dollars	NIS			
		(In thousands, except share and per share data)			
Research and development expenses	837	2,901	7,086	1,364	3,564
General and administrative expenses	1,356	4,703	5,064	2,116	2,709
Operating loss	2,193	7,604	12,150	3,480	6,273
Financial expenses (income) due to warrants exercisable into shares	1,098	3,807	(7,111)	4,697	(5,919)
Other financial expenses (income), net	(15)	(55)	880	627	462
Total comprehensive loss	3,276	11,356	5,919	8,804	816
Loss per share:					
Basic and diluted loss per share	0.010	0.034	0.029	0.024	0.004
Weighted average number of shares outstanding used to compute basic and diluted loss per share	338,182,275	338,182,275	200,942,871	365,428,101	224,087,799

Cellect Biotechnology Ltd.
Consolidated Balance Sheet Data

	Convenience translation June 30, 2020	June 30, 2020	December 31, 2019
	Unaudited	**Unaudited**	**Audited**
	U.S. dollars	**NIS**	
	(In thousands, except share and per share data)		
CURRENT ASSETS:			
Cash and cash equivalents	7,002	24,269	18,106
Other receivables	277	960	469
	7,279	25,229	18,575
NON-CURRENT ASSETS:			
Restricted cash	95	330	328
Right of use - Assets under operating lease	262	908	1,035
Other long-term receivables	22	76	94
Property, plant and equipment, net	314	1,087	1,288
	693	2,401	2,745
	7,972	27,630	21,320
CURRENT LIABILITIES:			
Trade payables	121	420	158
Other payables	622	2,158	3,080
Current maturities of lease liability	120	416	396
	863	2,994	3,634
NON-CURRENT LIABILITIES:			
Warrants to ADS	666	2,307	2,172
Lease liability	155	538	677
	821	2,845	2,849
EQUITY:			
Ordinary shares of no par value: Authorized: 500,000,000 shares at December 31, 2019 and June 30, 2020; Issued and outstanding: 224,087,799*) and 390,949,079*) shares as of December 31, 2019 and June 30, 2020, respectively.	-	-	-
Additional Paid in Capital	36,595	126,839	108,598
Share-based payments	4,789	16,597	16,528
Treasury shares	(2,719)	(9,425)	(9,425)
Accumulated deficit	(32,377)	(112,220)	(100,864)
	6,288	21,791	14,837
	7,972	27,630	21,320

*) Net of 2,641,693 treasury shares of the Company held by the Company.

Cellect Biotechnology Ltd.
Consolidated Cash Flow Data

	Convenience translation Six months ended June 30, 2020	Six months ended June 30, 2020	Six months ended June 30, 2019	Three months ended June 30, 2020	Three months ended June 30, 2019
	Unaudited	Unaudited			
	U.S. dollars	NIS			
		(In thousands)			
Cash flows from operating activities:					
Total comprehensive loss	(3,276)	(11,356)	(5,919)	(8,804)	(816)
Adjustments to reconcile net loss to net cash used in operating activities:					
Exchange rate difference	1	5	-	700	-
Net financing expenses	11	37	815	18	443
Loss (gain) from revaluation of financial assets presented at fair value through profit and loss	-	-	6	-	2
Depreciation	49	170	192	84	94
Changes in fair value of traded and not traded warrants	1,098	3,807	(8,442)	4,697	(5,895)
Share-based payment	239	829	529	468	744
Decrease (increase) in other receivables	(136)	(473)	145	(544)	75
Increase (decrease) in other payables	(217)	(753)	(715)	(1,621)	(730)
Decrease in right-of-use assets	53	183	314	92	200
Interest received during the period	10	35	(46)	23	(46)
Net cash used in operating activities	(2,168)	(7,516)	(13,121)	(4,887)	(5,929)
Cash flows from investing activities:					
Restricted cash, net	(1)	(2)	-	2	-
Sale (Purchase) of property, plant and equipment	9	31	(120)	(3)	-
Net cash provided by investing activities	8	29	(120)	(1)	-
Cash flows from financing activities:					
Exercise of warrants and stock options into shares	1,358	4,707	-	4,684	-
Leases liabilities	(61)	(212)	(278)	(108)	(178)
Issue of share capital and warrants, net of issue costs	2,652	9,194	23,723	71	(1,114)
Net cash provided (used) by financing activities	3,949	13,689	23,445	4,647	(1,292)
Exchange differences on balances of cash and cash equivalents	(11)	(39)	(769)	(721)	(397)
Increase (decrease) in cash and cash equivalents	1,778	6,163	9,435	(962)	(7,618)
Balance of cash and cash equivalents at the beginning of the period	5,224	18,106	17,809	25,231	34,862
Balance of cash and cash equivalents at the end of the period	7,002	24,269	27,244	24,269	27,244