# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION

**Washington, DC 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 2018
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 office)

Indicate by check mark whether the registrant files or will file annual reports under cover of 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 Regulations S-T Rule 101(b)(1): ☐

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

This Form 6-K (including Exhibit 99.1, Exhibit 99.2 and the statements under "Second Quarter 2018 Financial Results", "Balance Sheet Highlights", "Forward Looking Statements" and the accompanying financial statements in the press release in Exhibit 99.3) are incorporated by reference into the registrant's Registration Statements on Form S-8 (Registration No. 333-214817, 333-220015 and 333-225003) and on Form F-3 (Registration No. 333-219614 and 333-212432).

On August 9, 2018, Cellect Biotechnology Ltd. (the "Company") issued a press release entitled "Cellect Biotechnology Ltd. Provides Corporate Update and Reports Second Quarter 2018 Financial Results". In addition, on the same day, the Company issued unaudited interim condensed consolidated financial statements as of June 30, 2018 together with the Company's Management's Discussion and Analysis of Financial Condition and Results of Operations for the same period.

Attached hereto and incorporated by reference herein are the following exhibits:

| | |
|---|---|
| 99.1 | Unaudited Interim Condensed Consolidated Financial Statements as of June 30, 2018 |
| 99.2 | Management's Discussion and Analysis of Financial Condition and Results of Operations as of June 30, 2018 |
| 99.3 | Press Release, dated August 9, 2018 |

**SIGNATURES**

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.

Cellect Biotechnology Ltd.

By: /s/ Eyal Leibovitz
Name: Eyal Leibovitz
Title: Chief Financial Officer

Date: August 9, 2018

**Exhibit 99.1**

**CELLECT BIOTHECHNOLOGY LTD.**

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**AS OF JUNE 30, 2018**

**NIS IN THOUSANDS**

**UNAUDITED**

**INDEX**



- - - - - - - - - - - - - - -

**CONSOLIDATED BALANCE SHEETS**

**In thousands, except share and per share data**

| | December 31, 2017 | June 30, 2018 | Convenience translation (Note 2c) June 30, 2018 |
|---|---|---|---|
| | Audited | Unaudited | Unaudited |
| | N I S | | U.S. dollars |
| CURRENT ASSETS: | | | |
| Cash and cash equivalents | 13,734 | 20,829 | 5,706 |
| Short-term deposits | - | 3,650 | 1,000 |
| Marketable securities | 13,999 | 5,501 | 1,507 |
| Other receivables | 818 | 926 | 254 |
| | 28,551 | 30,906 | 8,467 |
| LONG-TERM ASSETS: | | | |
| Restricted cash | 305 | 333 | 91 |
| Other long term assets | 173 | 152 | 42 |
| Property, plant and equipment, net | 1,344 | 1,371 | 376 |
| | 1,822 | 1,856 | 509 |
| | 30,373 | 32,762 | 8,976 |
| CURRENT LIABILITIES: | | | |
| Trade payables | 1,703 | 1,124 | 308 |
| Other payables | 2,396 | 1,872 | 513 |
| | 4,099 | 2,996 | 821 |
| NON CURRENT LIABILITIES: | | | |
| Warrants to ADS | 7,422 | 7,647 | 2,095 |
| SHAREHOLDERS' EQUITY : | | | |
| Ordinary shares of no par value: | | | |
| Authorized: 500,000,000 shares at December 31, 2017 and June 30, 2018 (unaudited); Issued and outstanding: 120,185,659*) at December 31, 2017; and 130,192,799*) at June 30, 2018 (unaudited). | - | - | - |
| Additional paid-in capital | 82,839 | 94,648 | 25,931 |
| Share-based payments and proceeds from conversion option | 9,381 | 10,403 | 2,850 |
| Treasury shares | (9,425) | (9,425) | (2,582) |
| Accumulated deficit | (63,943) | (73,507) | (20,139) |
| | 18,852 | 22,119 | 6,060 |
| | 30,373 | 32,762 | 8,976 |

*) 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 2c) Six months ended June 30, |
|---|---|---|---|
| | 2017 | 2018 | 2018 |
| | Unaudited | | Unaudited |
| | N I S | | U.S. dollars |
| Research and development expenses | 5,227 | 5,348 | 1,465 |
| General and administrative expenses | 6,046 | 7,072 | 1,938 |
| Total operating expenses | 11,273 | 12,420 | 3,403 |
| Operating loss | 11,273 | 12,420 | 3,403 |
| Financial income | (40) | (2,868) | (786) |
| Financial expenses | 5,820 | 12 | 3 |
| Total comprehensive loss | 17,053 | 9,564 | 2,620 |
| Loss per share: | | | |
| Basic and diluted loss per share | 0.158 | 0.074 | 0.020 |
| Basic and diluted loss per ADS | 3.16 | 1.48 | 0.41 |
| Weighted average number of shares outstanding used to compute basic and diluted loss per share | 108,034,218 | 128,600,812 | 128,600,812 |

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 and proceeds from conversion option | Accumulated deficit | Total equity |
|---|---|---|---|---|---|---|
| | NIS | | | | | |
| Balance as of January 1, 2017 (audited) | - | 67,414 | (9,425) | 6,217 | (35,719) | 28,487 |
| Issuance of ADS net of issue costs | - | 11,693 | - | 80 | - | 11,773 |
| Share-based payment | - | 642 | - | 4,742 | - | 5,384 |
| Exercise of share options and warrants | - | 2,470 | - | (1,038) | - | 1,432 |
| Expiration of share options | | 620 | | (620) | | - |
| Total comprehensive loss | - | - | - | - | (28,224) | (28,224) |
| Balance as of December 31, 2017 (audited) | - | 82,839 | (9,425) | 9,381 | (63,943) | 18,852 |
| Issuance of ADS net of issue costs | | 10,024 | | 224 | | 10,248 |
| Share-based payment | - | - | - | 2,184 | - | 2,184 |
| Exercise of share options and warrants | - | 753 | - | (354) | - | 399 |
| Expiration of share options | - | 1,032 | - | (1,032) | - | - |
| Total comprehensive loss | - | - | - | - | (9,564) | (9,564) |
| Balance as of June 30, 2018 (unaudited) | - | 94,648 | (9,425) | 10,403 | (73,507) | 22,119 |
| Balance as of as of June 30, 2018 (convenience translation in U.S. dollars (unaudited)) | - | 25,931 | (2,582) | 2,850 | (20,139) | 6,060 |

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 2c) Six months ended June 30, |
|---|---|---|---|
| | 2017 | 2018 | 2018 |
| | Unaudited | | Unaudited |
| | N I S | | U.S. dollars |
| Cash flows from operating activities: | | | |
| Total comprehensive loss | (17,053) | (9,564) | (2,620) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | | |
| Adjustments to profit or loss items: | | | |
| Net financing expenses | 533 | (837) | (229) |
| Loss (gain) from revaluation of financial assets presented at fair value through profit or loss | 289 | (148) | (40) |
| Depreciation | 184 | 215 | 59 |
| Share-based payment | 2,444 | 2,184 | 598 |
| Changes in fair value of warrants to ADS | 5,313 | (1,888) | (517) |
| Interest received | - | (15) | (4) |
| | 8,763 | (489) | (133) |
| Changes in asset and liability items: | | | |
| Decrease (increase) in other receivables | 236 | (87) | (24) |
| Decrease in trade and other payables | (629) | (1,115) | (306) |
| | (393) | (1,202) | (330) |
| Cash paid and received during the period for: | | | |
| Net cash used in operating activities | (8,683) | (11,255) | (3,083) |

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 2c) Six months ended June 30, |
|---|---|---|---|
| | 2017 | 2018 | 2018 |
| | Unaudited | | Unaudited |
| | N I S | | U.S. dollars |
| Cash flows from investing activities: | | | |
| Short-term deposits, net | 1,510 | (3,503) | (960) |
| Restricted cash, net | (165) | (28) | (7) |
| Sales of marketable securities measured at fair value through profit or loss | 4,991 | 8,498 | 2,328 |
| Purchase of property, plant and equipment | (116) | (228) | (63) |
| Net cash provided by investing activities | 6,220 | 4,739 | 1,298 |
| Cash flows from financing activities: | | | |
| Exercise of share options | 1,066 | 399 | 109 |
| Issuance of share capital and warrants, net of issue costs | - | 12,360 | 3,386 |
| Net cash provided by financing activities | 1,066 | 12,759 | 3,495 |
| Exchange differences on balances of cash and cash equivalents | (533) | 852 | 233 |
| Increase (decrease) in cash and cash equivalents | (1,930) | 7,095 | 1,943 |
| Cash and cash equivalents at beginning of period | 6,279 | 13,734 | 3,763 |
| Cash and cash equivalents at end of period | 4,349 | 20,829 | 5,706 |
| (a) Non-cash activities: | | | |
| Purchase of property, plant and equipment | - | 13 | 4 |
| Exercise of share options | (114) | - | - |

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**In thousands, except share and per share data**

## 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 20 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.

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.

b. 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, 2018, the Company incurred total comprehensive loss of NIS 9,564 ($2,620) and had negative cash flows from operating activities of NIS 11,255 ($3,083). In addition, the Company had an accumulated deficit of NIS 73,507 ($20,139) at June 30, 2018. The Company's management plans to seek additional equity financing. The Company believes its current capital resources are sufficient to support its operations through the end of the second quarter of 2019.

The Company's activities since inception have consisted of raising capital and performing research and development activities. As of June 30, 2018, 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 management believes that the Company will be able to successfully fund its operations, there can be no assurance that the Company will be able to do so or that the Company will ever operate profitably.

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, 2018, the consolidated statements of income, the consolidated statements of comprehensive loss and the consolidated statements of cash flows for the six months ended June 30, 2018 and 2017, as well as the statement of changes in shareholders' equity for the six months ended June 30, 2018, are unaudited. These unaudited interim consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the International Financial Reporting Standards ("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, 2018, as well as its results of operations and cash flows for the six months ended June 30, 2018 and 2017. The results of operations for the six months ended June 30, 2018 are not necessarily indicative of the results to be expected for the year ending December 31, 2018.

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 March 19, 2018.

There have been no changes to the significant accounting policies described in the Annual Report on Form 20-F for the fiscal year ended December 31, 2017 that have had a material impact on the unaudited interim consolidated financial statements and related notes (see note 2 (c)).

*b. Estimates and assumptions:*

The preparation of the Company's financial statements requires management to make estimates and assumptions that have an effect on 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.

**NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

*c. Recently adopted accounting standards*

IFRS 9, "Financial Instruments":

In July 2014, the IASB issued the final and complete version of IFRS 9, "Financial Instruments" ("IFRS 9"), which replaces IAS 39, "Financial Instruments: Recognition and Measurement". IFRS 9 mainly focuses on the classification and measurement of financial assets and it applies to all assets in the scope of IAS 39.

According to IFRS 9, all financial assets are measured at fair value upon initial recognition. In subsequent periods, debt instruments are measured at amortized cost only if both of the following conditions are met:

- The asset is held within a business model whose objective is to hold assets in order to collect the contractual cash flows.

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

IFRS 9 also includes a new model for measurement of impairment of financial assets.

Subsequent measurement of all other debt instruments and financial assets should be at fair value. IFRS 9 establishes a distinction between debt instruments to be measured at fair value through profit or loss and debt instruments to be measured at fair value through other comprehensive income.

Financial assets that are equity instruments should be measured in subsequent periods at fair value and the changes recognized in profit or loss or in other comprehensive income (loss), in accordance with the election by the Company on an instrument-by-instrument basis. If equity instruments are held for trading, they should be measured at fair value through profit or loss.

According to IFRS 9, the provisions of IAS 39 will continue to apply to derecognition and to financial liabilities for which the fair value option has not been elected.

According to IFRS 9, changes in the fair value of financial liabilities which are attributable to the change in credit risk should be presented in other comprehensive income. All other changes in fair value should be presented in profit or loss.

IFRS 9 also prescribes new hedge accounting requirements.

The Company adopted the new standard effective January 1, 2018. The adoption of IFRS 9 does not have material impact on its financial statements.

**NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

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.

The Company is currently evaluating the potential effect of IFRS 16 on its consolidated financial statements as well as its adoption methodology.

*d. Convenience translation into U.S. dollars:*

The consolidated financial statements as of June 30, 2018 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, 2018 (U.S. $1.00 = NIS 3.65). 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.

**In thousands, except share and per share data**

## NOTE 3:- EQUITY

a. Changes in share capital:

| | Number of shares |
|---|---|
| Balance at January 1, 2017 (audited) | *)107,628,485 |
| Issuance of shares | 10,622,720 |
| Exercise of share options | 1,484,154 |
| ADS granted | 450,300 |
| Balance at December 31, 2017 (audited) | *)120,185,659 |
| Issuance of shares | 9,696,960 |
| Exercise of share options | 310,180 |
| Balance at June 30, 2018 (unaudited) | *)130,192,799 |

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

1. On January 31, 2018, the Company sold to certain institutional investors an aggregate of 484,848 ADSs and 266,667 unregistered warrants to purchase 266,667 ADSs in a registered direct offering at $8.25 per ADS in which it raised gross proceeds of NIS 13,620, (NIS 11,865 net of all issuance costs, including share-based awards granted). An amount of NIS 10,024 out of the consideration related to the ADSs and classified as equity component, while an amount of NIS 2,113 related to the fair value of the warrants to purchase ADSs and was classified as a liability. Issuance costs amounting to NIS 272 associated with the issuance of the warrants, have been recognized as finance expenses. The investor warrants may be exercised for one year from issuance and have an exercise price of $12.00 per ADS, subject to adjustment as set forth therein. The investor warrants may be exercised on a cashless basis if there is no effective registration statement registering the ADSs underlying the warrants. The Company paid approximately $323 in placement agent fees and expenses and issued unregistered placement agent warrants to purchase 24,242 ADSs on the same general terms as the investor warrants except they have an exercise price of $10.31 per ADS.

   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 39.

   The placement agent warrants were classified as a share based payment transaction in accordance with IFRS 2, and was netted off the total consideration as issuance cost.

**In thousands, except share and per share data**

## NOTE 4:- 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 May 17, 2018, the board of directors approved an increase to the unlisted option pool of 4,392,029 options. As a result, the Company has a total of 17,100,000 unlisted options in the pool.

b. On November 23, 2015, the Company's shareholders, at a general meeting of shareholders approved the former Deputy CEO and CFO terms of service, including a grant of options, which is an exception from the Company's compensation policy, as further described below. The terms of service included among others, a grant of 2,658,246 options, exercisable for 2,658,246 ordinary shares, no par value, of the Company at an exercise price of NIS 1.286 per share. The total benefit in respect of the grant calculated at the grant date was NIS 3,033.

During January, 2018, 310,180 options were exercised into 310,180 ordinary shares by the Company's former Deputy CEO and CFO. The remaining 297,420 options expired on February 28, 2018.

c. Activity during the period:

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

| | December 31, 2017 (audited) | | June 30, 2018 (unaudited) | |
|---|---|---|---|---|
| | Number of options | Weighted average exercise price NIS | Number of options | Weighted average exercise price NIS |
| Outstanding at beginning of period | 5,979,973 | 1.25 | 10,752,668 | 1.18 |
| Options exercised for shares | (696,980) | 1.16 | (310,180) | 1.29 |
| Options forfeited | (166,667) | 0.63 | (89,750) | 1.33 |
| Option expired | (726,512) | 1.69 | (369,433) | 1.41 |
| Granted | 6,362,854 | 1.16 | 2,858,790 | 1.28 |
| Outstanding at end of period | 10,752,668 | 1.18 | 12,842,095 | 1.20 |

**In thousands, except share and per share data**

**NOTE 4:- SHARE-BASED COMPENSATION (Cont.)**

d. 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, 2017 and June 2018, is as follows:

| | 2017 | 2018 |
|---|---|---|
| Dividend yield (%) | 0 | 0 |
| Expected volatility of the share prices (%) | 81.6%-85.6% | 82.24%-84.66% |
| Risk-free interest rate (%) | 1.94%-2.52% | 2.93%-1.86% |
| 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, 2017 and June 2018 was NIS 11,235 at the grant date.

**NOTE 5:- CONTINGENT LIABILITIES AND COMMITMENTS**

a. Liens:

The Company provided a NIS 171 restricted bank deposit to secure credit card payments.

The Company provided a NIS 162 restricted bank deposit to secure the rent payment.

b. Commitments

On March 21, 2018, the Company signed an additional lease agreement for new offices. The aforementioned lease agreement is for a minimum period of 18 months from the date of signing the agreement. Under this agreement, the Company will pay a monthly rental fee of NIS 8.

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**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, 2017 filed with the SEC on March 19, 2018.*

*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 3.65 to $1.00, the exchange rate reported by the Bank of Israel on June 30, 2018.*

**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 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 FasL;
- 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, 2017 filed with the SEC on March 19, 2018, 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, 2018, we had an accumulated deficit of NIS 74 million (approximately $20 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, net of grants.

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

| (in thousands) | Year ended December 31, 2015 | 2016 | 2017 | Six months ended June 30, 2018 (Unaudited) | 2018 (Unaudited) |
|---|---|---|---|---|---|
| | NIS | | | NIS | USD* |
| Payroll | 2,739 | 3,711 | 5,486 | 3,039 | 833 |
| Subcontractors | 538 | 534 | 853 | 247 | 68 |
| Patent registration | 326 | 409 | 256 | 153 | 42 |
| R&D related purchases | 770 | 1,676 | 1,574 | 661 | 181 |
| Share-based payment | 523 | 253 | 1,940 | 399 | 109 |
| Professional services | 746 | 1,044 | 651 | 399 | 109 |
| Other expenses | 251 | 629 | 743 | 450 | 123 |
| Total | 5,893 | 8,256 | 11,503 | 5,348 | 1,465 |

* USD presented as convenience translation using June 30, 2018 NIS/USD exchange rate of NIS 3.65.

***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:

| (in thousands) | Year ended December 31, 2015 | 2016 | 2017 | Six months ended June 30, 2018 (Unaudited) | 2018 (Unaudited) |
|---|---|---|---|---|---|
| | NIS | | | NIS | USD* |
| Payroll | 1,024 | 2,994 | 3,076 | 2,035 | 558 |
| Professional services | 1,367 | 2,074 | 3,745 | 1,934 | 530 |
| Director fees | 358 | 318 | 354 | 202 | 55 |
| Office expense | 235 | 466 | 449 | 291 | 80 |
| Share-based payment | 795 | 1,299 | 3,444 | 1,784 | 489 |
| Other expenses | 425 | 817 | 1,862 | 826 | 226 |
| Total | 4,204 | 7,968 | 12,930 | 7,072 | 1,938 |

* USD presented as convenience translation using June 30, 2018 NIS/USD exchange rate of NIS 3.65.

**Comparison of the six-months ended June 30, 2018 to the six-months ended June 30, 2017**

***Results of Operations***

| | Six months ended June 30, 2018 (unaudited) | 2017 (unaudited) | Six months ended June 30, 2018 (unaudited) | 2017 (unaudited) |
|---|---|---|---|---|
| | (In thousands of NIS) | | (In thousands of USD*) | |
| Research and development expenses, net | 5,348 | 5,227 | 1,465 | 1,432 |
| General and administrative expenses | 7,072 | 6,046 | 1,938 | 1,656 |
| Operating loss | 12,420 | 11,273 | 3,403 | 3,088 |
| Finance expense (income), net | (2,856) | 5,780 | (783) | 1,584 |
| Total comprehensive loss | 9,564 | 17,053 | 2,620 | 4,672 |
| Loss attributable to holders of Ordinary Shares | 0.074 | 0.158 | 0.020 | 0.043 |

* USD presented as convenience translation using June 30, 2018 NIS/USD exchange rate of NIS 3.65.

***Research and Development Expenses, net***

Our research and development expenses for the six months ended June 30, 2018 amounted to NIS 5.3 million (approximately $1.4 million), representing an increase of NIS 0.1 million (approximately $0.03 million), or 2%, compared to NIS 5.2 million (approximately $1.4 million) for the six months ended June 30, 2017. The increase was primarily attributable to an increase of salaries and related personnel expenses in an amount of NIS 0.5 million (approximately $0.14 million) reflecting the growth in our activities resulting from an increase in the number of employees engaged in research and development related activities from fourteen to eighteen., offset by a decrease of NIS 0.47 million (approximately $0.13 million) from share based payment under our option plan.

***General and Administrative Expenses***

Our general and administrative expenses totaled NIS 7.1 million (approximately $1.9 million) for the six months ended June 30, 2018, an increase of NIS 1 million (approximately $0.3 million), or 16%, compared to NIS 6.1 million (approximately $1.6 million) for the six months ended June 30, 2017. The increase resulted primarily from an increase of NIS 0.2 million (approximately $0.05 million) in share-based payment, an increase of NIS 0.8 million (approximately $0.2 million) in salaries and related personnel expenses reflecting the growth in our business development activities and an increase of NIS 0.4 million (approximately $0.1 million) from other expenses which mainly represent the company business development activities.

***Operating Loss***

As a result of the foregoing, our operating loss for the six months ended June 30, 2018 was NIS 12.4 million (approximately $3.4 million), as compared to an operating loss of NIS 11.3 million (approximately $3.1 million) for the six months ended June 30, 2017, an increase of NIS 1.1 million (approximately $0.3 million), or 10%.

***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 income of NIS 2.9 million (approximately $0.8 million) for the six months ended June 30, 2018, compared to net financial expense of NIS 5.8 million (approximately $1.6 million) for the six months ended June 30, 2017. The change is primarily due to the change in the fair value of the listed warrants granted in the U.S. initial public offering in 2016 and to the unregistered warrants granted in our registered direct offerings in 2017 and 2018.

***Total Comprehensive Loss***

As a result of the foregoing, our total comprehensive loss for the six months ended June 30, 2018 was NIS 9.6 million (approximately $2.6 million), as compared to NIS 17.1 million (approximately $4.7 million) for the six months ended June 30, 2017, a decrease of NIS 7.5 million (approximately $2.1 million), or 44%.

**Liquidity and Capital Resources**

***Overview***

As of June 30, 2018, we had NIS 30 million (approximately $8.2 million) in cash and cash equivalents including short term deposits and marketable securities.

The table below presents our cash flows:

| | Six months ended June 30, | | Six months ended June 30, | |
|---|---|---|---|---|
| | 2018 | 2017 | 2018 | 2017 |
| | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| | (In thousands of NIS) | | (In thousands of USD*) | |
| Net cash used in operating activities | (11,255) | (8,683) | (3,083) | (2,379) |
| Net cash provided by (used in) Investing activities | 4,739 | 6,220 | 1,298 | 1,704 |
| Net cash provided by financing activities | 12,759 | 1,066 | 3,495 | 292 |

* USD presented as convenience translation using June 30, 2018 NIS/USD exchange rate of NIS 3.65.

***Operating Activities***

Net cash used in operating activities was NIS 11.3 million (approximately $3.1 million) for the six months ended June 30, 2018, compared with net cash used in operating activities of approximately NIS 8.7 million (approximately $2.4 million) for the six months ended June 30, 2017. The increase is primarily due to increases in business development expenses and the number of research and development employees.

***Investing Activities***

Net cash provided in investing activities was NIS 4.7 million (approximately $1.3 million) for the six months ended June 30, 2018 compared with net cash provided in investing activities of NIS 6.2 million (approximately $1.7 million) for the six months ended June 30, 2017. Net cash in both periods primarily reflects net proceeds from short term deposits and marketable securities.

***Financing Activities***

Net cash provided by financing activities in the six months ended June 30, 2018 consisted of NIS 12.8 million (approximately $3.5 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, 2017 consisted of NIS 1.1 million (approximately $0.3 million) of net proceeds, mainly from the exercise of warrants and stock options.

On September 11, 2017, we sold to certain accredited investors an aggregate of 531,136 ADSs in a registered direct offering at $8.10 per ADS resulting in gross proceeds of approximately $4.3 million. In addition, we issued to the investors unregistered warrants to purchase 265,568 ADSs in a private placement.

On January 31, 2018, we sold to certain institutional investors an aggregate of 484,848 ADSs in a registered direct offering at $8.25 per ADS resulting in gross proceeds of approximately $4.0 million. In addition, we issued to the investors unregistered warrants to purchase 266,667 ADSs in a private placement.

***Current Outlook***

We have financed our operations to date primarily through proceeds from issuance of our ordinary shares and ordinary shares represented by ADSs. We have incurred losses and generated negative cash flows from operations since July 2013. In addition, we have an accumulated deficit of NIS 73.5 million (approximately $20.1 million) at June 30, 2018. We have never 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.

We expect that our existing cash and cash equivalents will be sufficient to fund our current operations until at least the end of the second quarter of 2019. We have expended and believe that we will continue to expend significant operating and capital expenditures for the foreseeable future developing our ApoGraft technology platform and our ApoTainer collection kits. 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, hiring additional management and other personnel and 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. 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, our ApoTainer collection kits and any other future product. 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 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 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, 2017 expressed substantial doubt about our ability to continue as a going concern and the interim financial statements for the period ended June 30, 2018 includes a note regarding the substantial doubt about our ability to continue as a going concern. These 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 to our audited financial statements included in our Annual Report on Form 20-F for the year ended December 31, 2017 filed with the SEC on March 19, 2018, 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 TASE and on the NASDAQ 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 Israeli government 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.

**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**

We participated in programs sponsored by the Israel-United States Binational Industrial Research and Development Foundation (BIRD) for the support of research and development activities. We are obligated to pay royalties to BIRD, amounting to 5% of the gross sales of the products and other related revenues developed from such activities, up to an amount of 150% from the grant received from BIRD by us indexed to the U.S. consumer price index.

As of June 30, 2018, we received an aggregate grant of $120 from the BIRD Foundation in support of the development and commercialization of our stem cell selection technology in collaboration with Entegris. We have ended our collaboration with Entegris and accordingly we do not expect to receive additional grants in the future from the BIRD Foundation.

**Cellect Biotechnology Provides Corporate Update and Reports Second Quarter 2018 Financial Results**

**Tel Aviv, Israel August 9, 2018** – Cellect Biotechnology Ltd. (NASDAQ: "APOP"), a developer of innovative technology which enables the functional selection of stem cells, today provided a corporate update and announced financial results for the second quarter ended June 30, 2018.

"During the second quarter, we continued to enroll and treat patients in the Phase I/II clinical trial of Cellect's ApoGraft™ to evaluate the technology's safety, tolerability and efficacy in functionally selecting donor derived mobilized peripheral blood cells and subsequent transplantation into patients with hematological malignancies in an allogeneic hematopoietic stem cell transplantation. In this open label trial, we were very pleased to report, in January of 2018, a 100% acceptance and zero related adverse events for the first group of three patients after a one month follow-up," stated Dr. Shai Yarkoni, Cellect's Chief Executive Officer."

"Looking ahead to expand near term opportunities for Cellect, the Company recently decided to explore the development and establishment of biobanking business opportunities. We believe our platform ApoGraft™ technology has the potential to add significant value in this space," Dr. Yarkoni added.

**During the second quarter, Cellect accomplished the following: -**

- Successfully completed proof of concept testing of the ApoTainer™ using Cellect's FasL-coated magnetic beads for maximizing efficacy and scalability of stem cell-based product manufacturing.

- Opened a U.S. center of operations led by Andrew Sabatier, formerly the US Sales and Market Development Leader for GE Cell Therapy. Sabatier is heading up commercialization of Cellect ApoGraft™ technology, as well as new business development.

**Recent Corporate Highlights:**

- Signed a collaboration and material transfer agreement with the denovoMATRIX group of the Technische Universität Dresden (TU Dresden), a leading center for stem cell research in Germany.

- Entered into a strategic manufacturing and supply agreement with Swiss Biotech Center (SBC) to secure production of FasL protein - Cellect's main active ingredient in ApoGraft™ and the ApoTainer™ for planned clinical trials in the U.S.

**Second Quarter 2018 Financial Results:**

- Research and development (R&D) expenses for the second quarter of 2018 were $0.68 million, compared to $0.78 million in the first quarter of 2018 and $0.66 million in the second quarter of 2017. The decrease in the second quarter of 2018 as compared to the first quarter of 2018 was primarily due to a decrease in share-based compensation.

- General and administrative (G&A) expenses for the second quarter of 2018 were $0.99 million, compared to $0.95 million in the first quarter of 2018 and $0.96 million in the second quarter of 2017. The slight increase in the second quarter of 2018 as compared to the first quarter of 2018was primarily due to an increase in business development expenses.

- Financial income for the second quarter of 2018 was $0.03 million, compared to financial income of $0.75 million in the first quarter of 2018. The decrease was primarily due to changes related to fair value of the tradable and non-tradable warrants issued in prior fundraising.

- Net loss for the second quarter of 2018 was $1.6 million, or $0.013 per share and $0.25 per ADS, compared to $0.98 million, or $0.008 per share and $0.15 per ADS, in the first quarter of 2018, and $1.3 million, or $0.011 per share and $0.23 per ADS, in the second quarter of 2017.

**Balance Sheet Highlights:**

- Cash and cash equivalents, marketable securities and short-term deposits totaled $8.2 million as of June 30, 2018, compared to $9.5 million on March 31, 2018, and $7.6 million on December 31, 2017. The change in the cash and cash equivalents was primarily due to net proceeds of $3.5 million from a registered direct offering completed in January 2018, offset by cash used in operations during the period.

- Shareholders' equity totaled $6.1 million as of June 30, 2018, compared to $7.4 million on March 31, 2018, and $5.2 million on December 31, 2017.

* 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, 2018 (U.S. $1 = NIS 3.65).

The Company's consolidated financial results for the three and six months ended June 30, 2018 are presented in accordance with International Financial Reporting Standards.

**About Cellect Biotechnology Ltd.**

Cellect Biotechnology (NASDAQ: 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 research, hospitals 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 the potential of our technology and its proposed uses. 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; and the Company's ability to retain or attract key employees whose knowledge is essential to the development of its products. 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, 2017 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.

**Contact**
Cellect Biotechnology Ltd.
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Cellect Biotechnology Ltd
Consolidated Statement of Operations

| | Convenience translation Six months ended June 30, | Six months ended June 30, | | Three months ended June 30, | |
|---|---|---|---|---|---|
| | 2018 | 2018 | 2017 | 2018 | 2017 |
| | Unaudited | Unaudited | | | |
| | U.S. dollars | NIS | | | |
| | | (In thousands, except share and per share data) | | | |
| Research and development expenses | 1,465 | 5,348 | 5,227 | 2,491 | 2,405 |
| General and administrative expenses | 1,938 | 7,072 | 6,046 | 3,620 | 3,497 |
| Operating loss | 3,403 | 12,420 | 11,273 | 6,111 | 5,902 |
| Financial expenses (income) due to warrants exercisable into shares | (443) | (1,615) | 5,312 | 609 | (1,461) |
| Other financial expenses (income), net | (340) | (1,241) | 468 | (731) | 161 |
| Total comprehensive loss | 2,620 | 9,564 | 17,053 | 5,989 | 4,602 |
| Loss per share: | | | | | |
| Basic and diluted loss per share | 0.020 | 0.074 | 0.158 | 0.046 | 0.042 |
| Basic and diluted loss per ADS | 0.41 | 1.48 | 3.16 | 0.92 | 0.84 |
| Weighted average number of shares outstanding used to compute basic and diluted loss per share | 128,600,812 | 128,600,812 | 108,034,218 | 130,192,799 | 108,462,728 |

Cellect Biotechnology Ltd
Consolidated Balance Sheet Data

| | Convenience translation June 30, 2018 | June 30, 2018 | December 31, 2017 |
|---|---|---|---|
| | Unaudited | Unaudited | Audited |
| | U.S. dollars | NIS | |
| | (In thousands, except share and per share data) | | |
| **ASSETS** | | | |
| CURRENT ASSETS: | | | |
| Cash and cash equivalents | 5,706 | 20,829 | 13,734 |
| Short term deposits | 1,000 | 3,650 | - |
| Marketable securities | 1,507 | 5,501 | 13,999 |
| Other receivables | 254 | 926 | 818 |
| | 8,467 | 30,906 | 28,551 |
| NON-CURRENT ASSETS: | | | |
| Restricted cash | 91 | 333 | 305 |
| Other long-term assets | 42 | 152 | 173 |
| Property, plant and equipment, net | 376 | 1,371 | 1,344 |
| | 509 | 1,856 | 1,822 |
| | 8,976 | 32,762 | 30,373 |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | | |
| CURRENT LIABILITIES: | | | |
| Trade payables | 308 | 1,124 | 1,703 |
| Other payables | 513 | 1,872 | 2,396 |
| | 821 | 2,996 | 4,099 |
| NON-CURRENT LIABILITIES: | | | |
| Warrants to ADS | 2,095 | 7,647 | 7,422 |
| EQUITY: | | | |
| Ordinary shares of no par value: | | | |
| Authorized: 500,000,000 shares at December 31, 2017 and June 30 2018; Issued and outstanding: 120,185,659*) and 130,192,799*) shares as of December 31, 2017 and June 30, 2018, respectively. | - | - | - |
| Additional Paid In Capital | 25,931 | 94,648 | 82,839 |
| Share-based payments | 2,850 | 10,403 | 9,381 |
| Treasury shares | (2,582) | (9,425) | (9,425) |
| Accumulated deficit | (20,139) | (73,507) | (63,943) |
| | 6,060 | 22,119 | 18,852 |
| | 8,976 | 32,762 | 30,373 |

*) 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, | Six months ended June 30, | | Three months ended June 30, | |
|---|---|---|---|---|---|
| | 2018 | 2018 | 2017 | 2018 | 2017 |
| | Unaudited | Unaudited | | | |
| | U.S. dollars | NIS | | | |
| | | (In thousands) | | | |
| **Cash flows from operating activities:** | | | | | |
| Total comprehensive loss | (2,620) | (9,564) | (17,053) | (5,989) | (4,602) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | | | | |
| Net financing expenses | (229) | (837) | 533 | (314) | 200 |
| Loss (gain) from revaluation of financial assets presented at fair value through profit and loss | (40) | (148) | 289 | (148) | 113 |
| Depreciation | 59 | 215 | 184 | 110 | 94 |
| Changes in fair value of traded and not traded warrants to ADS | (517) | (1,888) | 5,313 | 608 | (1,460) |
| Share-based payment | 598 | 2,184 | 2,444 | 937 | 1,597 |
| Decrease (increase) in other receivables | (24) | (87) | 236 | (150) | 280 |
| Increase (decrease) in other payables | (306) | (1,115) | (629) | (204) | 263 |
| Interest received | (4) | (15) | | (15) | |
| **Net cash used in operating activities** | (3,083) | (11,255) | (8,683) | (5,165) | (3,515) |
| **Cash flows from investing activities:** | | | | | |
| Short term deposits, net | (960) | (3,503) | 1,510 | (3,503) | - |
| Restricted deposit, net | (7) | (28) | (165) | 135 | (165) |
| Sales of marketable securities measured at fair value through profit and loss | 2,328 | 8,498 | 4,991 | 3,998 | 2,183 |
| Purchase of property, plant and equipment | (63) | (228) | (116) | (88) | (47) |
| **Net cash provided by investing activities** | 1,298 | 4,739 | 6,220 | 542 | 1,971 |
| **Cash flows from financing activities:** | | | | | |
| Exercise of warrants and stock options into shares | 109 | 399 | 1,066 | - | 423 |
| Issue of share capital and warrants, net of issue costs | 3,386 | 12,360 | - | (5) | - |
| **Net cash provided (used) by financing activities** | 3,495 | 12,759 | 1,066 | (5) | 423 |
| Exchange differences on balances of cash and cash equivalents | 233 | 852 | (533) | 329 | (200) |
| Increase (decrease) in cash and cash equivalents | 1,943 | 7,095 | (1,930) | (4,299) | (1,321) |
| Balance of cash and cash equivalents at the beginning of the period | 3,763 | 13,734 | 6,279 | 25,128 | 5,670 |
| **Balance of cash and cash equivalents at the end of the period** | 5,706 | 20,829 | 4,349 | 20,829 | 4,349 |