

## Rafael Holdings Reports Fourth Quarter and Full Fiscal Year 2018 Results

NEWARK, N.J., Oct. 15, 2018 /PRNewswire/ -- Rafael Holdings, Inc., (NYSE American: RFL), reported revenue of \$1.2 million and a loss per share of \$0.05 for the fourth quarter of its 2018 fiscal year. For the full fiscal year 2018, revenue was \$4.4 million and the loss per share was \$0.93.

### **Financial and Operational Highlights**

*(4Q18 results are compared to 4Q17 and FY 2018 results are compared to FY 2017)*

- On September 7<sup>th</sup>, Rafael Holdings' CS Pharma subsidiary exercised a warrant for \$10 million to purchase 8 million shares of Rafael Pharmaceuticals representing 13.5% of the shares currently outstanding. Rafael Holdings holds an effective 45% interest in CS Pharma;
- 4Q18 revenue of \$1.2 million compared to \$1.6 million; FY 2018 revenue of \$4.4 million compared to \$5.6 million;
- 4Q18 loss from operations of \$1.2 million compared to income from operations of \$100 thousand. FY 2018 loss from operations of \$3.8 million compared to income from operations of \$221 thousand;
- 4Q18 loss per share of \$0.05 compared to a loss of \$0.01. FY 2018 loss per share of \$0.93 compared to income per share of \$0.01.

### **Remarks by Howard Jonas, Chairman and CEO of Rafael Holdings**

"Rafael Holdings, through our CS Pharma subsidiary purchased an equity stake in Rafael Pharmaceuticals following the quarter close by exercise of warrants. The investment reflects our continued excitement in the potential of Rafael Pharmaceuticals and our interest in ensuring that Rafael Pharmaceuticals has adequate resources to execute on its clinical trial programs, including its global, randomized, pivotal Phase III trials for patients with Stage IV metastatic pancreatic cancer and relapsed/refractory AML.

"LipoMedix continues to make progress on pre-clinical and clinical trial programs of Promitil, its flagship prodrug.

"On the real estate side of our business, we are working to optimize the value of our assets including our 20-story commercial property and associated garage in Newark, New Jersey."

### **About Rafael Holdings, Inc.:**

Rafael Holdings holds commercial real estate assets and interests in two clinical stage, oncology focused pharmaceutical companies. The real estate holdings include properties in Newark and Piscataway, New Jersey and Jerusalem, Israel. The pharmaceutical holdings consist of interests in Rafael Pharmaceuticals, Inc. and a majority stake in Lipomedix Pharmaceuticals Ltd., both of which are focused on development and commercialization of drugs in the oncology space.

**RAFAEL HOLDINGS, INC.**  
**CONSOLIDATED AND COMBINED BALANCE SHEETS**  
(in thousands)

| July 31,  | 2018       | 2017      |
|---|------------|-----------|
| <b>Assets</b>   |            |           |
| Current assets:   |            |           |
| Cash and cash equivalents   | \$ 15,803  | \$ 11,756 |
| Trade accounts receivable, net of allowance for doubtful accounts of \$82 at July 31, 2018 and 2017   | 287        | 264       |
| Marketable securities   | 24,701     | -         |
| Due from Rafael Pharmaceuticals   | 3,300      | -         |
| Prepaid expenses and other current assets   | 421        | 147       |
| Total current assets  | 44,512     | 12,167    |
| Property and equipment, net   | 50,113     | 51,160    |
| Investments - Rafael Pharmaceuticals  | 13,300     | 11,700    |
| Investments - Other Pharmaceuticals   | 2,000      | 1,778     |
| Investments - Hedge Funds   | 4,218      | -         |
| Deferred income tax assets, net   | -          | 8,859     |
| Patents   | 324        | -         |
| In-process research and development   | 1,327      | -         |
| Other assets  | 1,126      | 540       |
| Total assets  | \$ 116,920 | \$ 86,204 |
| <b>Liabilities and equity</b>   |            |           |
| Current liabilities:  |            |           |
| Trade accounts payable  | \$ 367     | \$ 115    |
| Accrued expenses  | 500        | 213       |
| Other current liabilities   | 24         | 35        |
| Total current liabilities   | 892        | 363       |
| Due to related parties  | 276        | 23,693    |
| Other liabilities   | 188        | 70        |
| Total liabilities   | 1,355      | 24,126    |
| Commitments and contingencies   |            |           |
| Equity:   |            |           |
| Rafael Holdings, Inc. stockholders'/members' equity:  |            |           |
| Group equity  | -          | 50,427    |
| Class A common stock, \$0.01 par value; authorized shares - 50,000,000; 787,163 and nil shares issued and outstanding as of July 31, 2018 and 2017, respectively      | 8          | -         |
| Class B common stock, \$0.01 par value; authorized shares - 200,000,000; 11,762,346 and nil shares issued and outstanding as of July 31, 2018 and, 2017, respectively | 118        | -         |
| Additional paid in capital  | 103,636    | -         |
| Accumulated deficit   | -1,108     | -         |
| Accumulated other comprehensive income  | 4,043      | 2,316     |
| Total Rafael Holdings, Inc. stockholders'/members' equity   | 106,697    | 52,743    |
| Noncontrolling interests  | 8,868      | 9,335     |
| Total equity  | 115,565    | 62,078    |
| Total liabilities and equity  | \$ 116,920 | \$ 86,204 |

**RAFAEL HOLDINGS, INC.**  
**CONSOLIDATED AND COMBINED STATEMENTS OF OPERATIONS**  
(in thousands, except per share data)

| Fiscal Years ended July 31,  | 2018        | 2017    | 2016    |
|--|-------------|---------|---------|
| Revenues:  |             |         |         |
| Rental - Third Party   | \$ 1,275    | \$ 989  | \$ 746  |
| Rental - Related Party   | 2,223       | 3,705   | 3,729   |
| Parking  | 873         | 924     | 1,114   |
| Total revenues   | 4,371       | 5,618   | 5,589   |
| Costs and expenses:  |             |         |         |
| Selling, general and administrative  | 5,519       | 3,728   | 2,754   |
| Research & development   | 995         | -       | -       |
| Depreciation and amortization  | 1,698       | 1,669   | 1,643   |
| (Loss) income from operations  | (3,841)     | 221     | 1,192   |
| Interest income  | (16)        | (10)    | 20      |
| Net (gains) losses resulting from foreign exchange transactions                      | (32)        | (86)    | 13      |
| Net gains on sales of marketable securities  | (12)        | -       | -       |
| Net loss on equity investments   | 104         | -       | -       |
| Gain on disposal of bonus shares   | (246)       | -       | -       |
| Other expenses, net  | -           | 113     | -       |
| (Loss) income before income taxes  | (3,639)     | 204     | 1,159   |
| Provision for income taxes   | 8,437       | 66      | 449     |
| Net (loss) income  | (12,076)    | 138     | 710     |
| Net loss attributable to noncontrolling interests                                    | (427)       | -       | -       |
| Net (loss) income attributable to Rafael Holdings, Inc.                              | \$ (11,649) | \$ 138  | \$ 710  |
| (Loss) earnings per share attributable to Rafael Holdings, Inc. common stockholders: |             |         |         |
| Basic  | \$ (0.93)   | \$ 0.01 | \$ 0.06 |
| Diluted  | \$ (0.93)   | \$ 0.01 | \$ 0.06 |
| Weighted average number of shares used in calculation of (loss) earnings per share:  |             |         |         |
| Basic  | 12,485      | 12,485  | 12,485  |
| Diluted  | 12,485      | 12,485  | 12,485  |

SOURCE Rafael Holdings, Inc.

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