



Check-Cap Announces Pricing of Initial Public Offering and Expects to Raise \$24.0 million in IPO and Simultaneous Private Placement

ISFIYA, Israel, Feb. 18, 2015 /PRNewswire/ -- Check-Cap Ltd., a clinical stage medical diagnostics company engaged in the development of a preparation-free ingestible imaging capsule that utilizes low-dose X-rays for the screening for colorectal cancer, today announced the pricing of its initial public offering of 2,000,000 units at a price to the public of \$6.00 per unit and that it expects to raise aggregate gross proceeds of approximately \$12 million in its initial public offering and \$12 million in a simultaneous private placement of the same securities, before deducting underwriting discounts, placement agent commissions, and other estimated offering expenses.

Each unit will consist of one ordinary share and one-half of a Series A Warrant to purchase one ordinary share. Each whole Series A Warrant entitles the holder to purchase one ordinary share at an exercise price of \$7.50. The Series A Warrants will become exercisable after 45 days and will expire after five years. In addition, each unit will be issued with one and one-half non-transferrable Long Term Incentive Warrants that will expire after seven years. Each Long Term Incentive Warrant will entitle the holder to purchase one ordinary share at an exercise price of \$6.90, upon vesting, as follows: one-third of the Long Term Incentive Warrants will vest and become exercisable on the first anniversary of the closing date of the initial public offering, provided that the original holder thereof has held the ordinary shares underlying the units issued to such holder in the initial public offering for a period of one year following the closing date of the initial public offering, and the remaining two-thirds will vest and become exercisable on the second anniversary of the closing date of the initial public offering, provided that the original holder has held the ordinary shares underlying the units issued to such holder in the initial public offering for a period of two years following the closing date of the initial public offering.

Check-Cap's units are expected to begin trading on the NASDAQ Capital Market on February 19, 2015 under the ticker symbol "CHEKU." The units will automatically separate after 45 days unless Chardan Capital Markets, LLC, as representative of the underwriters, determines that an earlier date is acceptable and thereafter, the ordinary shares underlying the units and Series A Warrants will trade separately under the symbols "CHEK" and "CHEKW," respectively. The Long Term Incentive Warrants will not be listed on any national securities exchange or other trading market and will not be transferable except in certain limited circumstances.

Check-Cap has granted the underwriters a 45-day option to purchase up to an additional 300,000 units, each consisting of one ordinary share and one-half of a Series A Warrant (to be issued together with up to an additional 450,000 Long Term Incentive Warrants), at the initial public offering price per unit, less the underwriting discount solely to cover over-allotments, if any.

Chardan Capital Markets, LLC and Maxim Group LLC are acting as joint book-running managers for the public offering. Feltl and Company is acting as a co-manager for the public offering.

A registration statement on Form F-1 (No. 333-201250) relating to the securities being offered and sold in the initial public offering was declared effective by the Securities and Exchange Commission on February 18, 2015. The initial public offering is being made only by means of a prospectus forming part of the effective registration statement. Copies of the final prospectus for the initial public offering, when available, may be obtained by contacting: Chardan Capital Markets, Attn: Scott Blakeman, Director of Operations, 17 State Street, Suite 1600, New York, NY or by telephone at 646-465-9000 or by email at sblakeman@chardancm.com. The registration statement and a copy of the final prospectus relating to the initial public offering may also be accessed via the Securities and Exchange Commission's website at <http://www.sec.gov>.

Subject to and simultaneously with the closing of the initial public offering, Check-Cap expects to close a private placement of 2,000,000 units, each unit consisting of one ordinary share and one-half of a Series A Warrant to purchase one ordinary share, at the public offering price per unit, for aggregate gross proceeds of approximately \$12,000,000. Each unit sold in the private placement will be issued with one and one-half non-transferrable Long Term Incentive Warrants.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor may there be any sale of these securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

About Check-Cap Ltd.

Check-Cap is a clinical stage medical diagnostics company focused on the development of gastrointestinal imaging devices. The company's lead product is an endoscopy capsule with a colon imaging system for colorectal cancer and clinically-significant pre-cancerous polyps that utilizes proprietary, ultra-low-energy X-ray-based measurement technology to safely generate high-resolution, 3-dimensional imagery of the colon without cleansing or other aggressive bowel preparation. This solution is designed to increase compliance with screening recommendations. The Check-Cap imaging system is not cleared for marketing in any jurisdiction.

Legal Notice Regarding Forward-Looking Statements

This press release contains "forward-looking statements." Words such as "may," "should," "could," "would," "predicts," "potential," "continue," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates," and similar expressions, as well as statements in future tense, often signify forward-looking statements. Forward looking statements should not be read as a guarantee of future performance or results and may not be accurate indications of when such performance or results will be achieved. Forward-looking statements are based on information that the Company has when those statements are made or management's good faith belief as of that time with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. For a discussion of these and other risks that could cause such differences and that may affect the realization of forward looking statements, please refer to the "Special Note On Forward-looking Statements" and "Risk Factors" in the Company's Registration Statement on Form F-1 and other filings with the Securities and Exchange Commission (SEC). Investors and security holders are urged to read these documents free of charge on the SEC's web site at <http://www.sec.gov>. The Company assumes no obligation to publicly update or revise its forward-looking statements as a result of new information, future events or otherwise.

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