

BrainStorm Announces Financial Results for the Second Quarter of 2018 and Provides a Corporate Update

July 23, 2018 8:00 AM ET

Conference Call and Webcast at 8.30am ET Today

NEW YORK and PETACH TIKVAH, Israel, July 23, 2018 /PRNewswire/ -- BrainStorm Cell Therapeutics Inc. (NASDAQ: BCLI), a leading developer of adult stem cell technologies for neurodegenerative diseases, announced today financial results for the second quarter and six months ended June 30, 2018.



"We are pleased with our accomplishments in the second quarter of 2018. We continue to execute on the ongoing Phase 3 trial investigating NurOwn[®] in ALS and were pleased to sign Dana-Farber Cancer Institute as the second U.S. manufacturing site for this trial," commented Chaim Lebovits, president and chief executive officer of BrainStorm Cell Therapeutics. "We are continuing to expand our senior management team with a series of key appointments as we transform BrainStorm to a global biopharmaceutical stem cell therapeutic company and build our U.S. infrastructure. We have also strengthened our balance sheet with the exercise of warrants, bringing in net proceeds of \$12 million. We now have sufficient capital to not only complete our ongoing Phase 3 trial of NurOwn in ALS but also to advance the development of other promising R&D programs in our pipeline."

Recent Corporate Highlights:

- Contracted with the Connell and O'Reilly Families Cell Manipulation Core Facility at Dana-Farber Cancer Institute as a second U.S. manufacturing site to supply NurOwn[®] for the company's ongoing Phase 3 clinical trial in patients with ALS.
- Strengthened senior management team with two senior appointments:
 - Appointed Susan Ward, Ph.D. as head of clinical operations.
 - Appointed Joseph Petroziello as vice president of scientific & corporate communications.
- Received a Decision to Grant notice from the Japanese Patent Office to issue a patent entitled "*Methods of generating mesenchymal stem cells which secrete neurotrophic factors.*" This patent provides protection for NurOwn[®] in Japan until 2033.

Financial Results for the Three Months Ended June 30, 2018

- Cash, cash equivalents, and short-term bank deposits were \$17.4 million at June 30, 2018, compared with \$7.8 million at December 31, 2017.
- Cash, cash equivalents (including short-term bank deposits) and cash commitments (including the final installment under the 2017 IIA grant at amount of approximately \$800K) amounted to approximately \$18.2 million, which does not include the remaining commitments of \$7 million from the CIRM grant and approximately \$1 million under the IIA 2018 grant.
- Research and development expenses, net for the three months ended June 30, 2018 were \$1.5 million, compared to \$0.4 million, net for the three months ended June 30, 2017. Excluding funds received in the form of the grants from IIA and CIRM, research and development expenses were \$3.3 million in the second quarter of 2018 compared with \$0.9 million in the second quarter of 2017.
- General and administrative expenses for the three months ended June 30, 2018 were \$1.6 million, compared to \$0.6 million in the three months ended June 30, 2017.
- Net loss for the three months ended June 30, 2018 was \$3.1 million, or (\$0.16) per share, as compared to a net loss of \$1.0 million, or (\$0.06) per share for the three months ended June 30, 2017.

Financial Results for the Six Months Ended June 30, 2018

- Research and development expenses, net for the six months ended June 30, 2018 and 2017 were \$2.5 million, compared to \$1.4 million, net for the six months ended June 30, 2017.
- General and administrative expenses for the six months ended June 30, 2018 were \$2.9 million, compared to \$1.5 million, in the six months ended June 30, 2018.
- Net loss for the six months ended June 30, 2018 \$5.4 million, or (\$0.28) per share, as compared to a net loss of \$2.8 million, or (\$0.15) per share for the six months ended June 30, 2017.

Conference Call – Monday, July 23rd @ 8:30am Eastern Time

USA Toll Free: 888-204-4368
 International Investors: 323-994-2082
 Israel Investors: 1809-212-883
 Conference ID: 9977487
 Webcast: <https://goo.gl/8DLSqY>

Replays, Available through August 6th:

Domestic: 844-512-2921
 International: 412-317-6671
 Replay PIN: 9977487

About BrainStorm Cell Therapeutics Inc.

BrainStorm Cell Therapeutics Inc. is a biotechnology company engaged in the development of first-of-its-kind adult stem cell therapies derived from autologous bone marrow cells for the treatment of neurodegenerative diseases.

The Company has developed the NurOwn[®] technology into a commercially viable product. NurOwn[®] has been already administered to over 70 patients with ALS in clinical trials conducted in the United States and in Israel. In a randomized, double blind, placebo-controlled clinical trial conducted in the U.S., a clinically meaningful benefit was demonstrated by higher response to NurOwn[®] compared with placebo. The Company is currently conducting a Phase 3 double blind, placebo-controlled clinical trial at multiple clinical sites throughout the US. For more information, visit the company's website at www.brainstorm-cell.com.

Safe-Harbor Statement

Statements in this announcement other than historical data and information constitute "forward-looking statements" and involve risks and uncertainties that could cause BrainStorm Cell Therapeutics Inc.'s actual results to differ materially from those stated or implied by such forward-looking statements. Terms and phrases such as "may", "should", "would", "could", "will", "expect", "likely", "believe", "plan", "estimate", "predict", "potential", and similar terms and phrases are intended to identify these forward-looking statements. The potential risks and uncertainties include, without limitation, risks associated with BrainStorm's limited operating history, history of losses; minimal working capital, dependence on its license to Ramot's technology; ability to adequately protect the technology; dependence on key executives and on its scientific consultants; ability to obtain required regulatory approvals; and other factors detailed in BrainStorm's annual report on Form 10-K and quarterly reports on Form 10-Q available at <http://www.sec.gov>. These factors should be considered carefully, and readers should not place undue reliance on BrainStorm's forward-looking statements. The forward-looking statements contained in this press release are based on the beliefs, expectations and opinions of management as of the date of this press release. We do not assume any obligation to update forward-looking statements to reflect actual results or assumptions if circumstances or management's beliefs, expectations or opinions should change, unless otherwise required by law. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements.

CONTACTS

Uri Yablonka
 Chief Business Officer
 BrainStorm Cell Therapeutics Inc.
 Phone: 646-666-3188
uri@brainstorm-cell.com

Investors:
Michael Rice
LifeSci Advisors, LLC
Phone: 646-597-6979
mrice@lifesciadvisors.com

Media:
Drew Levinson
LifeSci Public Relations
Phone: 917-797-0388
drew@lifescipublicrelations.com

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS

U.S. dollars in thousands
(Except share data)

	<u>June 30,</u>	<u>December 31,</u>
	<u>2018</u>	<u>2017</u>
	<u>U.S. \$ in thousands</u>	
	<u>Unaudited</u>	<u>Audited</u>
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	\$ 2,262	\$ 2,483
Short-term deposit (Note 4)	15,177	5,273
Account receivable	964	672
Prepaid expenses and other current assets	<u>1,160</u>	<u>1,195</u>
Total current assets	<u>19,563</u>	<u>9,623</u>
Long-Term Assets:		
Prepaid expenses and other long-term assets (Note 5)	861	1,408
Property and Equipment, Net	<u>596</u>	<u>392</u>
Total long-term assets	<u>1,457</u>	<u>1,800</u>
Total assets	<u>\$ 21,020</u>	<u>\$ 11,423</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current Liabilities:		
Accounts payable	\$ 4,182	\$ 1,424
Accrued expenses	1,471	817
Deferred grant income (Note 6)	1,885	2,625
Other accounts payable	<u>609</u>	<u>677</u>
Total current liabilities	<u>8,147</u>	<u>5,543</u>
Total liabilities	\$ 8,147	\$ 5,543
Stockholders' Equity:		
Stock capital: (Note 7)	11	11

Common stock of \$0.00005 par value - Authorized: 100,000,000 shares at each of June 30, 2018 and December 31, 2017; Issued and outstanding: 20,669,528 and 18,976,169 shares at June 30, 2018 and December 31, 2017, respectively.

Additional paid-in-capital	93,935	85,944
Receipts on account of shares	4,391	-
Accumulated deficit	(85,464)	(80,075)
Total stockholders' equity	<u>12,873</u>	<u>5,880</u>
Total liabilities and stockholders' equity	<u>\$ 21,020</u>	<u>\$ 11,423</u>

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS (UNAUDITED)

U.S. dollars in thousands
(Except share data)

	<u>Six months ended</u>		<u>Three months ended</u>	
	<u>June 30,</u>		<u>June 30,</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	<u>Unaudited</u>		<u>Unaudited</u>	
Operating expenses:				
Research and development, net	\$ 2,458	\$ 1,376	\$ 1,481	\$ 435
General and administrative	<u>2,936</u>	<u>1,469</u>	<u>1,606</u>	<u>640</u>
Operating loss	(5,394)	(2,845)	(3,087)	(1,075)
Financial expenses (income), net	<u>(5)</u>	<u>(20)</u>	<u>4</u>	<u>(35)</u>
Net loss	<u>\$ (5,389)</u>	<u>\$ (2,825)</u>	<u>\$ (3,091)</u>	<u>\$ (1,040)</u>
Basic and diluted net loss per share from continuing operations	<u>\$ (0.28)</u>	<u>\$ (0.15)</u>	<u>\$ (0.16)</u>	<u>\$ (0.06)</u>
Weighted average number of shares outstanding used in computing basic and diluted net loss per share	<u>19,277,518</u>	<u>18,713,575</u>	<u>19,505,157</u>	<u>18,738,496</u>

View original content with multimedia: <http://www.prnewswire.com/news-releases/brainstorm-announces-financial-results-for-the-second-quarter-of-2018-and-provides-a-corporate-update-300684573.html>

SOURCE BrainStorm Cell Therapeutics Inc.