

## BrainStorm Enters Into Warrant Exercise Agreement for Approximately \$13 Million in Proceeds

### Warrant Holders Exercising at a Premium; to Receive New Warrants

HACKENSACK, N.J. and PETACH TIKVAH, Israel, Jan. 8, 2015 /PRNewswire/ -- BrainStorm Cell Therapeutics Inc. (NASDAQ: BCLI), a leading developer of adult stem cell technologies for neurodegenerative diseases, today announced it has entered into a Warrant Exercise Agreement with certain holders of warrants issued in the June 13, 2014 private placement. These holders have agreed to exercise their warrants in full (for a total of approximately 2.5 million shares of common stock) at an exercise price of \$5.22 per share, a 4% premium to the closing price of \$5.03, which will generate gross cash proceeds of approximately \$13 million. For each warrant exercised, BrainStorm agreed to issue 1.5 new warrants to the holders to purchase unregistered shares of common stock at an exercise price of \$6.50. BrainStorm will file a registration statement covering the resale of the additional shares of common stock underlying the newly issued warrants.

BrainStorm's CEO Tony Fiorino, MD, PhD, stated "We believe this is a great transaction for BrainStorm, as it allows us to effectively raise capital at a premium to our closing price. We deeply appreciate the confidence placed in the company and our programs by the investors who participated in our June 2014 financing and have chosen to further their investment in the company. We believe the proceeds of this transaction will support our NurOwn™ clinical development program in amyotrophic lateral sclerosis and our plans for expanded development in other indications through 2016. With the closing of this transaction, BrainStorm will have strengthened its financial position by adding about \$16 million to its balance sheet from warrant exercises since January 1, 2015, in addition to the previously announced non-dilutive \$1.1 million grant from the Israeli Office of the Chief Scientist."

Maxim Group LLC acted as solicitation agent for this transaction. The warrants issued in this transaction have not been registered under the Securities Act of 1933, as amended (the Securities Act), or state securities laws. The issuance of the warrants is exempt from the registration requirements of the Securities Act pursuant to the exemption for transactions by an issuer not involving any public offering under Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D promulgated under the Securities Act. The Company made this determination based on the representations that each party is an "accredited investor" within the meaning of Rule 501 of Regulation D.

#### **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 holds the rights to develop and commercialize its NurOwn™ technology through an exclusive, worldwide licensing agreement with Ramot, the technology transfer company of Tel Aviv University. NurOwn™ has been administered to over 30 patients with ALS in clinical trials conducted in Israel, and is currently being studied in a randomized, double-blind, placebo-controlled clinical trial in the United States. For more information, visit the company's website at [www.brainstorm-cell.com](http://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.

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