

BrainStorm Cell Therapeutics Reports Third Quarter 2015 Financial Results And Provides Corporate Update

HACKENSACK, N.J. and PETACH TIKVAH, Israel, Nov. 17, 2015 /PRNewswire/ -- BrainStorm Cell Therapeutics Inc. (NASDAQ: BCLI), a leading developer of adult stem cell technologies for neurodegenerative diseases, today announced financial results and provided a business update for the third quarter ended September 30, 2015.

"2015 continues to be a year of important advances in our clinical and corporate programs," stated BrainStorm's CEO Chaim Lebovits. "Specifically, we are making significant progress in the ongoing development program of our lead development candidate, NurOwn®, for the treatment of patients with amyotrophic lateral sclerosis (ALS). Of particular note, in August, we completed enrollment in the Phase II clinical, being conducted at three major academic medical centers in the U.S. We have now completed dosing of all patients, and the DSMB overseeing this trial identified no safety concerns in their recent review. We are pleased to have achieved these milestones and anticipate reporting top-line results from the trial prior to the end of the second quarter of 2016."

"At the end of September, I was proud to be appointed to the position of Chief Executive Officer of BrainStorm, expanding the role I have played at the Company since 2007," commented Mr. Lebovits. "This is a very important time in the history of BrainStorm, and I am honored to be leading the Company into the next phase of its development."

"Moving forward," continued Mr. Lebovits, "we are excited about the potential of our NurOwn® technology to improve treatment options for patients with ALS. Our strong financial position, including our robust cash reserves, should provide the financial flexibility for BrainStorm to achieve its planned clinical milestones, including completion of the Phase 2 trial of NurOwn®, as well as other product and development stage initiatives."

Third Quarter 2015 and Recent Highlights

- Completed enrollment in Phase II, randomized, double-blind, placebo-controlled multicenter clinical trial of NurOwn® in ALS.
- Successful completion of Data and Safety Monitoring Board review of Phase II clinical trial of NurOwn® in amyotrophic lateral sclerosis (ALS).
- Appointment of Chaim Lebovits as Chief Executive Officer, building on strategic and operational experience, and history of leadership at BrainStorm.

Financial Results for the Third Quarter Ended September 30, 2015

- Research and development expenses for the three months ended September 30, 2015 were \$1,503,000, compared to \$1,572,000 in the third quarter of 2014.
- General and administrative expenses for the three months ended September 30, 2015 were approximately \$1,068,000, compared to \$858,000 in the third quarter of 2014.
- Loss from operation for the three months ended September 30, 2015 was \$2,571,000 compared to \$2,430,000 in the third quarter of 2014.
- Net loss for the three months ended September 30, 2015 was \$2,603,000, or \$0.14 per share, compared to a net loss of \$2,421,000, or \$0.16 per share in the third quarter of 2014.
- As of September 30, 2015, the Company had cash, cash equivalents, and short-term deposits of approximately \$17.2 million, compared to \$8.5 million at December 31, 2014.

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 60 patients with ALS in clinical trials conducted in Israel and the United States, and is currently being studied in a randomized, double-blind, placebo-controlled clinical trial at three major clinical centers in the United States. 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. These forward-looking statements 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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BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

U.S. dollars in thousands

(Except share data and exercise prices)

	September 30, 2015 <u>Unaudited</u>	December 31, 2014 <u>Audited</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 710	\$ 4,251
Short-term deposit	16,441	4,290
Account receivable	823	1,005
Prepaid expenses	117	52
Total current assets	<u>18,091</u>	<u>9,598</u>
Property and Equipment, Net	<u>268</u>	<u>313</u>
Total Assets	<u>\$ 18,359</u>	<u>\$ 9,911</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current Liabilities:		
Accounts payables	\$ 335	\$ 1,542
Accrued expenses	2,308	1,347
Other accounts payable	195	224
Total Current Liabilities	<u>2,838</u>	<u>3,113</u>
Long-Term-Liabilities:		
Warrants issued to investors	-	123
Total Long-Term Liabilities	<u>-</u>	<u>123</u>
Total Liabilities	2,838	3,236
Stockholders' Equity:		

Stock capital:	13	11
Common stock of \$0.00005 par value - Authorized: 100,000,000 and 800,000,000 shares at September 30, 2015 and December 31, 2014 respectively; Issued and outstanding: 18,480,957 and 15,281,497 shares at September 30, 2015 and December 31, 2014 respectively.		
Additional paid-in-capital	84,265	68,317
Accumulated deficit	(68,757)	(61,653)
Total Stockholders' Equity	<u>15,521</u>	<u>6,675</u>
Total Liabilities and Stockholders' Equity	<u>\$ 18,359</u>	<u>\$ 9,911</u>

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

U.S. dollars in thousands
(Except share data and exercise prices)

	Nine months ended		Three months ended	
	September 30,		September 30,	
	2015	2014	2015	2014
	Unaudited		Unaudited	
Operating costs and expenses:				
Research and development, net	\$ 4,123	\$ 3,129	\$ 1,503	\$ 1,572
General and administrative	3,016	1,626	1,068	858
Operating loss	<u>(7,139)</u>	<u>(4,755)</u>	<u>(2,571)</u>	<u>(2,430)</u>
Financial (income) expenses, net	(35)	1,761	32	(9)
Net loss	<u>\$ (7,104)</u>	<u>\$ (6,516)</u>	<u>\$ (2,603)</u>	<u>\$ (2,421)</u>
Basic and diluted net loss per share from continuing operations	<u>\$ (0.39)</u>	<u>\$ (0.50)</u>	<u>\$ (0.14)</u>	<u>\$ (0.16)</u>
Weighted average number of shares outstanding used in computing basic and diluted net loss per share	<u>18,354,580</u>	<u>13,122,133</u>	<u>18,480,957</u>	<u>15,158,411</u>

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands
(Except share data and exercise prices)

	Nine months ended		Three months ended	
	September 30,		September 30,	
	2015	2014	2015	2014
	Unaudited		Unaudited	
Cash flows from operating activities:				
Net loss	\$ (7,104)	\$ (6,516)	\$ (2,603)	\$ (2,421)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation and amortization of deferred charges	73	80	26	30
Expenses related to shares and options granted to service providers	108	186	-	76
Amortization of deferred stock-based compensation related to options granted to employees and directors	955	578	287	280
Decrease (increase) in accounts receivable and prepaid expenses	119	405	(552)	341

Increase (decrease) in trade payables	(1,207)	1,076	(420)	547
Increase (decrease) in other accounts payable and accrued expenses	932	(13)	732	66
Revaluation of warrants	7	1,724	-	(38)
Total net cash used in operating activities	\$ (6,117)	\$ (2,480)	\$ (2,530)	\$ (1,119)

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)

U.S. dollars in thousands

(Except share data and exercise prices)

	Nine months ended		Three months ended	
	September 30,		September 30,	
	2015	2014	2015	2014
	Unaudited		Unaudited	
Cash flows from investing activities:				
Purchase of property and equipment	\$ (28)	\$ (94)	\$ (12)	\$ -
Changes in short-term deposit	(12,151)	(1,600)	1,953	(1,600)
Investment in lease deposit	(2)	1	(2)	(6)
Total net cash used in investing activities	\$ (12,181)	\$ (1,693)	\$ 1,939	\$ (1,606)
Cash flows from financing activities:				
Proceeds from issuances of common stock through equity warrants and options exercises	2,348	685	-	470
Proceeds from issuance of Common stock, net	-	9,554	-	(104)
Proceeds from equity offering through issuances of equity warrants and common stock through the exercise of previously issued equity warrants	12,409	-	-	-
Redemption of warrants in cash	-	(600)	-	-
Total net cash provided by financing activities	\$ 14,757	\$ 9,639	\$ -	\$ 366
Increase (decrease) in cash and cash equivalents	(3,541)	5,466	(591)	(2,359)
Cash and cash equivalents at the beginning of the period	\$ 4,251	\$ 3,503	\$ 1,301	\$ 11,328
Cash and cash equivalents at end of the period	\$ 710	\$ 8,969	\$ 710	\$ 8,969
Non-cash financing activities:				
Stock issued for warrants exchange	-	1,633	-	-
Warrants liability classified as equity	130	42	-	-
Total non-cash financing activities	\$ 130	\$ 1,675	\$ -	\$ -

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