

BrainStorm Cell Therapeutics Reports Third Quarter 2016 Financial Results

HACKENSACK, N.J. and PETACH TIKVAH, Israel, Nov. 15, 2016 /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, 2016.

The CEO and senior management will host a corporate update call with shareholders in December (exact date and details will be published in a separate announcement).

Third Quarter 2016 and Recent Highlights

- On July 18, Brainstorm announced positive top line data from a double-blind, placebo controlled multi-center Phase 2 clinical trial evaluating NurOwn® in amyotrophic lateral sclerosis (ALS) patients.
 - The study achieved its primary objective, demonstrating that NurOwn® was safe and well tolerated.
 - NurOwn® also achieved multiple secondary efficacy endpoints, showing clear evidence of a clinically meaningful benefit.
 - Response rates were higher for NurOwn® treated subjects compared to placebo at all time points in the study out to 24 weeks.
 - The study was conducted at the Massachusetts General Hospital in Boston, at the University of Massachusetts Memorial Hospital in Worcester, Massachusetts and at the Mayo Clinic in Rochester, Minnesota.
- On October 31, the Company announced that it was granted United States Patent No. 9,474,787 covering its stem cell technology. This patent is the result of Brainstorm's ongoing joint development of NurOwn® together with the Tel Aviv University.

Financial Results for the Third Quarter Ended September 30, 2016

- Total cash on hand – \$11.2M: As of September 30, 2016, the Company had cash, cash equivalents, and short-term deposits of approximately \$11.2 million.
- Research and development expenses, net for the third quarter were \$790,000 compared with \$1.5 million for the third quarter 2015. This decrease was due primarily to a decrease in costs of activities related to the U.S. Phase 2 clinical trial which were winding down in the third quarter of 2016.
- General and administrative expenses for the third quarter were \$848,000 and compared with \$1.1 million in the third quarter of 2015. The decrease was primarily due to a decrease in stock-based compensation expenses and payroll costs.
- Financial income was \$32,000 for the third quarter 2016, as compared to financial expenses of \$32,000 for the third quarter 2015.
- Net loss for the third quarter was \$1.6 million or (\$0.09) per share as compared to a net loss of \$2.6 million or (\$0.14) per share for the third quarter of 2015.

Financial Results for the Nine Months Ended September 30, 2016

- Research and development expenses for the nine months ended September 30, 2016 were \$1.9 million, compared to \$4.1 million in the same period of 2015.
- General and administrative expenses for the nine months ended September 30, 2016 were approximately \$2.5 million, compared to \$3.0 million in the same period of 2015.
- Loss from operations for the nine months ended September 30, 2016 was \$4.4 million, compared to \$7.1 million in the same period of 2015.
- Net loss for the nine months ended September 30, 2016 was \$4.4 million, or (\$0.23) per share, compared to a net loss of \$7.1 million, or (\$0.39) per share in the same period of 2015.

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 approximately 75 patients with ALS in clinical trials conducted in the United States and 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. 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.

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BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS

U.S. dollars in thousands

(Except share data)

	<u>September 30,</u> <u>2016</u>	<u>December 31,</u> <u>2015</u>
	<u>U.S. \$ in thousands</u>	
	<u>Unaudited</u>	<u>Audited</u>
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	\$ 955	\$ 428
Short-term deposit	10,238	15,527
Account receivable	110	759
Prepaid expenses and other current assets	<u>82</u>	<u>74</u>
Total current assets	<u>11,385</u>	<u>16,788</u>
Long-Term Assets:		
Prepaid expenses and other long-term assets	25	21
Property and Equipment, Net	312	271
Total Long-Term Assets	<u>337</u>	<u>292</u>
Total assets	<u>\$ 11,722</u>	<u>\$ 17,080</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current Liabilities:		
Accounts payables	\$ 352	\$ 1,169
Accrued expenses	576	1,500
Other accounts payable	<u>267</u>	<u>283</u>

Total current liabilities	1,195	2,952
Stockholders' Equity:		
Stock capital:	11	11
Common stock of \$0.00005 par value - Authorized: 100,000,000 shares at September 30, 2016 and December 31, 2015 respectively; Issued and outstanding: 18,687,987 and 18,643,288 shares at September 30, 2016 and December 31, 2015 respectively.		
Additional paid-in-capital	85,015	84,258
Accumulated deficit	(74,499)	(70,141)
Total stockholders' equity	10,527	14,128
Total liabilities and stockholders' equity	\$ 11,722	\$ 17,080

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

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

	Nine months ended		Three months ended	
	September 30,		September 30,	
	2016	2015	2016	2015
	Unaudited		Unaudited	
Operating expenses:				
Research and development, net	\$ 1,927	\$ 4,123	\$ 790	\$ 1,503
General and administrative	2,506	3,016	848	1,068
Operating loss	(4,433)	(7,139)	(1,638)	(2,571)
Financial (income) expenses, net	(75)	(35)	(32)	32
Net loss	\$ (4,358)	\$ (7,104)	\$ (1,606)	\$ (2,603)
Basic and diluted net profit (loss) per share	\$ (0.23)	\$ (0.39)	\$ (0.09)	\$ (0.14)
Weighted average number of shares outstanding used in computing basic and diluted net loss per share	18,654,826	18,354,580	18,656,615	18,480,957

Logo - <http://photos.prnewswire.com/prnh/20141006/150511>

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Additional assets available online:  [Photos \(1\)](#)

<https://ir.brainstorm-cell.com/2016-11-15-BrainStorm-Cell-Therapeutics-Reports-Third-Quarter-2016-Financial-Results>