

BrainStorm Announces First Quarter 2017 Financial Results and Provides Corporate Update

HACKENSACK, N.J. and PETACH TIKVAH, Israel, May 15, 2017 /[PRNewswire](#)/ -- BrainStorm Cell Therapeutics Inc. (NASDAQ: BCLI), a leading developer of adult stem cell technologies for neurodegenerative diseases, announced financial results for the first quarter ending March 31, 2017.

"The NurOwn® Phase 3 amyotrophic lateral sclerosis (ALS) clinical program, designed to support a Biologics License Application (BLA), is in the final stages of preparation," said Chaim Lebovits, President and Chief Executive Officer of BrainStorm. "We are working closely with selected clinical trial sites in the U.S. and Israel and are coordinating the production of clinical trial supplies. We believe that NurOwn® has the potential to modify the course of ALS and to address a significant unmet medical need for ALS patients and their families."

First Quarter 2017 and Recent Corporate Highlights

- Continued to advance the planned Phase 3 clinical trial investigating NurOwn® in ALS.
 - The trial is expected to enroll approximately 200 patients and will be conducted at 6 top ALS clinical sites in the U.S. and in Israel.
 - Primary outcome measure will be the ALSFR-S score responder analysis.
 - Patient population will be optimized to include faster-progressing patients who demonstrated superior outcomes in the NurOwn® Phase 2 ALS trial.
- Contracted with the Centre for Commercialization of Regenerative Medicine (CCRM) to explore the opportunity to access Health Canada's early access pathway for treatment of patients with ALS, with the goal of authorized distribution of NurOwn® in Canada as early as 2018.
- Signed a Memorandum of Understanding (MOU) with the Medical Research, Infrastructure, and Health Services Fund of the Tel Aviv Sourasky Medical Center (Ichilov Hospital) to explore the possibility of making NurOwn® available to ALS patients under the provisions of Hospital Exemption regulation.
- Validated a cryopreservation process to allow repeated doses of autologous NurOwn® to be provided from a single bone marrow aspirate collection.
- Published a preclinical study evaluating the use of NurOwn® in a mouse model of autism in the April issue of *Behavioral Brain Research*.
 - Results demonstrate a strong rationale for pursuing clinical development of NurOwn® as a potential treatment for autism.
- Strengthened management team with the appointment of Ralph Z. Kern, MD, MHSc as Chief Operating Officer and Chief Medical Officer.
 - Dr. Kern brings 10+ years biotech and pharmaceutical industry experience.
 - Prior academic positions include consultant neurologist role at Mount Sinai Hospital, Toronto.

First Quarter 2017 Financial Results

Research and development expenses, net for the three months ended March 31, 2017 and 2016 were \$941,000 and \$986,000, respectively, representing a decrease of \$45,000. This decrease is due to a decrease of \$222,000 for costs of activities related to the U.S. ALS Clinical Trial, offset by an increase of \$177,000 for costs associated with the clinical trial, planned to be conducted in Israel, payroll and a net increase of other research and development expenses.

General and administrative expenses for the three months ended March 31, 2017 and 2016 were \$829,000 and \$826,000, respectively. The increase in general and administrative expenses of \$3,000 is primarily due to: a decrease of \$ 160,000 in stock-based compensation expenses offset by a net increase of \$163,000 of other costs.

Net loss for the three months ended on March 31, 2017 was \$1.8 million, or (\$0.10) per share, as compared to a net loss of \$1.8 million or (\$0.10) per share for the three months ended March 31, 2016.

At March 31, 2017, Brainstorm had net working capital of \$7.9 million including cash, cash equivalents and short-term bank deposits amounting to \$8.3 million. This compares to cash, cash equivalents, and short-term deposits of approximately \$10.0 million at December 31, 2016.

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. Brainstorm 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 a placebo. For more information, visit Brainstorm'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", "goals", "targets", "hopes", "anticipates", "intends", "projects", "continues", 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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INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS **(UNAUDITED)**

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

	Three months ended	
	March 31,	
	2017	2016
	U.S. \$ in thousands	
Operating expenses:		
Research and development, net	\$ 941	\$ 986
General and administrative	829	826
Operating loss	(1,770)	(1,812)

Financial expenses (income), net	15	(22)
Net loss	\$ (1,785)	\$ (1,790)
Basic and diluted net loss per share from continuing operations	\$ (0.10)	\$ (0.10)
Weighted average number of shares outstanding used in computing basic and diluted net loss per share	18,688,377	18,653,804


INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS

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

	March 31, 2017	December 31, 2016
	U.S. \$ in thousands	
<u>ASSETS</u>	Unaudited	Audited
Current Assets:		
Cash and cash equivalents	\$ 604	\$ 547
Short-term deposit (Note 4)	7,743	9,443
Account receivable	202	306
Prepaid expenses and other current assets	176	148
Total current assets	<u>8,725</u>	<u>10,444</u>
Long-Term Assets:		
Prepaid expenses and other long-term assets	26	25
Property and Equipment, Net	281	297
Total Long-Term Assets	<u>307</u>	<u>322</u>
Total assets	<u>\$ 9,032</u>	<u>\$ 10,766</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current Liabilities:		
Accounts payables	\$ 362	\$ 345
Accrued expenses	90	152
Other accounts payable	337	367
Total current liabilities	<u>789</u>	<u>864</u>
Stockholders' Equity:		
Stock capital: (Note 5)	11	11
Common stock of \$0.00005 par value - Authorized: 100,000,000 shares at March 31, 2017 and December 31, 2016 respectively; Issued and outstanding: 18,699,665 and 18,687,987 shares at March 31, 2017 and December 31, 2016 respectively.		
Additional paid-in-capital	85,140	85,014
Accumulated deficit	(76,908)	(75,123)
Total stockholders' equity	<u>8,243</u>	<u>9,902</u>
Total liabilities and stockholders' equity	<u>\$ 9,032</u>	<u>\$ 10,766</u>

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SOURCE BrainStorm Cell Therapeutics Inc.

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

<https://ir.brainstorm-cell.com/2017-05-15-BrainStorm-Announces-First-Quarter-2017-Financial-Results-and-Provides-Corporate-Update>