

BrainStorm Announces Second Quarter 2017 Financial Results

Conference Call with Management to Discuss Recent Progress Wednesday, August 16, 2017 @ 8:30am Eastern Time

HACKENSACK, N.J. and PETACH TIKVAH, Israel, Aug. 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 second quarter ending June 30, 2017.

"We are in the advanced stages of preparing for our pivotal Phase 3 trial to investigate NurOwn® in ALS," said Chaim Lebovits, President and Chief Executive Officer of BrainStorm. "We have agreements with Mass. General Hospital, California Pacific Medical Center and University of California-Irvine Medical Center to participate as centers in the trial, which will be funded in part by a non-dilutive grant of \$16 million awarded by the California Institute for Regenerative Medicine (CIRM). Based on the body of preclinical and clinical data we have compiled on NurOwn®, including data from our placebo-controlled Phase 2 trial which showed evidence of halting in disease progression, we believe that NurOwn® has the potential to become a valuable treatment option for ALS patients."

Second Quarter and Recent Financial Highlights:

- Entered into agreements with Massachusetts General Hospital, California Pacific Medical Center, and University of California-Irvine Medical Center to participate in the planned Phase 3 trial of NurOwn® in ALS, pending FDA and Institutional Review Board approvals.
- Initiated technology transfer to City of Hope's Center for Biomedicine and Genetics to produce clinical supplies of NurOwn for the Phase 3 clinical study. City of Hope will be the clinical supplier for all U.S. medical centers participating in the trial.
- Awarded a \$16 million grant by the California Institute for Regenerative Medicine (CIRM) to support the Phase 3 NurOwn® trial.
- Selected Worldwide Clinical Trials as the clinical research organization (CRO) for the Phase 3 NurOwn® trial.
- Awarded a non-dilutive grant of approximately \$2.1 million by the Israel Innovation Authority (IIA) (formerly called "the Office of the Chief Scientist) to support development of NurOwn®.
- Appointed Mary Kay Turner as Vice President of Patient Advocacy and Government Affairs. Ms. Turner joins BrainStorm from Mitsubishi Tanabe Pharma America, where she supported the commercialization of edaravone (Radicava™) for ALS.
- Announced publication of a preclinical study evaluating the use of NurOwn® in a mouse model of autism in the April issue of the journal *Behavioural Brain Research*.

Financial Results for the Second Quarter Ended June 30, 2017

- Research and development expenses, net for the three months ended June 30, 2017 and 2016 were \$435,000 and \$151,000, respectively.
- General and administrative expenses for the three months ended June 30, 2017 and 2016 were \$640,000 and \$832,000, respectively.
- Net loss for the three months ended on June 30, 2017 was \$ 1,040,000, as compared to a net loss of \$962,000 for the three months ended June 30, 2016. Net loss per share for the three months ended June 30, 2017 and 2016 was \$0.06 and \$0.05, respectively.
- At June 30, 2017, the Company had net working capital of \$6,971,000 including cash, cash equivalents and short-term bank deposits amounting to \$6,717,000.

Financial Results for the Six Months Ended June 30, 2017

- Research and development expenses, net for the six months ended June 30, 2017 and 2016 were \$1.4 million and \$1.1 million, respectively.
- General and administrative expenses for the six months ended June 30, 2017 and 2016 were \$1.5 million and \$1.7 million respectively.
- Net loss for the six months ended on June 30, 2017 was \$2.8 million, as compared to a net loss of \$2.8 million for the six months ended June 30, 2016. Net loss per share for the six months ended June 30, 2017 and 2016 was \$0.15 and \$0.15, respectively.

Conference Call on Wednesday, August 16th

Members of BrainStorm's senior management team, including Chaim Lebovits, CEO, and Ralph Kern, M.D., MHSc, COO and CMO, will host a conference call and live webcast for the investment community on Wednesday, August 16, 2017 at 8:30am Eastern Time. The details are as follows:

Toll Free: 877-718-5095
Israel Investors: 1 80 924 6042
International: 913-312-0381
Conference ID: 1392963
Webcast: <http://public.viavid.com/index.php?id=125868>

Replays, available through August 30, 2017

Toll Free: 844-512-2921
International: 412-317-6671
Conference ID: 1392963

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>June 30,</u> <u>2 0 1 7</u>	<u>December 31,</u> <u>2 0 1 6</u>
	<u>U.S. \$ in thousands</u>	
<u>ASSETS</u>	<u>Unaudited</u>	<u>Audited</u>
Current Assets:		
Cash and cash equivalents	\$ 5,784	\$ 547
Short-term deposit (Note 4)	933	9,443
Account receivable	735	306
Prepaid expenses and other current assets	230	148
Total current assets	<u>7,682</u>	<u>10,444</u>
Long-Term Assets:		
Prepaid expenses and other long-term assets	24	25
Property and Equipment, Net	295	297
Total Long-Term Assets	<u>319</u>	<u>322</u>
Total assets	<u>\$ 8,001</u>	<u>\$ 10,766</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current Liabilities:		
Accounts payables	\$ 227	\$ 345
Accrued expenses	114	152
Other accounts payable	370	367
Total current liabilities	<u>711</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 June 30, 2017 and December 31, 2016 respectively; Issued and outstanding: 18,747,327 and 18,687,987 shares at June 30, 2017 and December 31, 2016 respectively.		
Additional paid-in-capital	85,227	85,014
Accumulated deficit	(77,948)	(75,123)
Total stockholders' equity	<u>7,290</u>	<u>9,902</u>
Total liabilities and stockholders' equity	<u>\$ 8,001</u>	<u>\$ 10,766</u>

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
U.S. dollars in thousands
(Except share data)

Six months ended		Three months ended	
June 30,		June 30,	
2017	2016	2017	2016
Unaudited		Unaudited	

Operating expenses:

Research and development, net
General and administrative

\$ 1,376	\$ 1,137	\$ 435	\$ 151
1,469	1,658	640	832

Operating loss

(2,845)	(2,795)	(1,075)	(983)
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Financial income, net

(20)	(43)	(35)	(21)
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Net loss

\$ (2,825)	\$ (2,752)	\$ (1,040)	\$ (962)
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Basic and diluted net profit (loss) per share
Weighted average number of shares outstanding used
in computing basic and diluted net loss per share

\$ (0.15)	\$ (0.15)	\$ (0.06)	\$ (0.05)
18,713,575	18,653,922	18,738,496	18,654,040

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