Zacks Small-Cap Research
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BrainStorm Cell Therapeutics, Inc. (BCLI-NASDAQ)

BCLI: $1.5M Grant from Israel Innovation Authority…

Based on our probability adjusted DCF model that takes into account potential future revenues from NurOwn® in ALS, BCLI is valued at $17.50/share. This model is highly dependent upon continued clinical success of NurOwn® and will be adjusted accordingly based upon future clinical results.

Current Price (04/08/20)	$4.88
Valuation	**$17.50**

OUTLOOK

BrainStorm Cell Therapeutics, Inc. (BCLI) is currently conducting a Phase 3 clinical trial of NurOwn® in patients with amyotrophic lateral sclerosis (ALS). The trial is fully enrolled and following proactive mitigation steps taken to limit the effect of the coronavirus outbreak we continue to anticipate topline results in the fourth quarter of 2020.

BrainStorm recently announced a new grant of approximately $1.5 million from the Israel Innovation Authority (IIA). The IIA has provided approximately $11.4 million in grants to BrainStorm since 2007.

The company also recently announced two additions to the management team and Board of Directors. Davd Setboun has joined the company as Executive Vice President and Chief Operating Officer and Prof. Jacob Frenkel was appointed as the Chairman of the Board of Directors.

SUMMARY DATA

52-Week High	**$8.88**
52-Week Low	**$3.54**
One-Year Return (%)	**19.32**
Beta	**0.79**
Average Daily Volume (sh)	**731,428**
Shares Outstanding (mil)	**28**
Market Capitalization ($mil)	**$137**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**8**
Insider Ownership (%)	**21**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/A**
P/E using 2018 Estimate	**N/A**
P/E using 2019 Estimate	**N/A**

Risk Level	**Above Avg.**
Type of Stock	**Small-Growth**
Industry	**Med-Biomed/Gene**

ZACKS ESTIMATES

Revenue
(In millions of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2019	0 A	0 A	0 A	0 A	0 A
2020	0 E	0 E	0 E	0 E	0 E
2021					0 E
2022					50 E

Earnings per Share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2018	-$0.24 A	-$0.23 A	-$0.25 A	-$0.34 A	-$1.06 A
2019	-$0.22 E	-$0.23 E	-$0.24 E	-$0.25 E	-$0.94 E
2020					-$0.80 E
2021					$0.10 E

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WHAT'S NEW

Business Update

Coronavirus Epidemic Not Affecting Business Operations

In March 2020, BrainStorm Cell Therapeutics, Inc. (BCLI) held a conference call to provide an update regarding the company's current and ongoing business operations. The ongoing coronavirus pandemic has affected nearly every facet of life, including operational activities for most biotech companies, however BrainStorm is committed to maintaining the timelines that were previously announced regarding the ongoing Phase 3 clinical trial of NurOwn® in patients suffering from amyotrophic lateral sclerosis (ALS). The company has established a senior management team to enable timely responses to the rapidly evolving external events to ensure patient safety while maintaining the integrity of ongoing clinical trials and operational excellence. The company has been in contact with the FDA to discuss the measures taken for patient safety in their trials. For example, the clinical trial sites for the ALS trial have been given the option to collect ALS outcomes over the phone for those unable to travel to the hospital, a move that the FDA agreed was appropriate. Proactive steps such as these should help ensure that the company gets to the very important milestone of topline data from the ALS trial in the fourth quarter of 2020.

Additions to Senior Management and Board of Directors

BrainStorm has recently made two high level senior appointments that considerably strengthen the company as it moves forward to a potential regulatory filing and commercial launch of NurOwn®.

- On March 31, 2020, the company announced the appointment of Professor Jacob Frenkel, PhD as Chairman of the Board of the Directors. Professor Frenkel is a world-renowned economist and a former Governor of the Bank of Israel who won the 2002 Israel Prize in Economics. As a former member of the company's advisory board, Professor Frenkel is being brought in add his expertise in support of the company's global business development and partnership expansion. He currently serves as Chairman of the Board of Trustees of the Group of Thirty, a private, non-profit, consultative group on international economic and monetary affairs. He was formerly a Chairman of JPMorgan Chase International, a Vice Chairman of American International Group, Inc., and a Chairman of Merrill Lynch International. Professor Frenkel also currently serves on the Board of Governors of Tel Aviv University and was formerly a Chairman of the Board of Governors of the Inter-American Development Bank, a Vice Chairman of the Board of Governors of the European Bank for Reconstruction and Development, a Governor of the IMF and Alternate Governor of the World Bank for Israel, a member of the Economic Advisory Panel of the Federal Reserve Bank of New York, and a member of the Board of Trustees of the New York Economic Club.

  The company also announced that Sankesh Abbhi joined the Board, replacing Mr. Chen Schor. Mr. Abbhi is the President and CEO of ArisGlobal, a provider of cloud-based, end-to-end, drug development technology solutions for over 250 of the world's leading Life Science companies, CRO's, and government health authorities. He founded Synowledge, a knowledge process outsourcing company that grew to over 1000 global employees before before sold to BioClinica.

- On April 1, 2020, BrainStorm announced the hiring of Dr. David Setboun as Executive Vice President and Chief Operating Officer. Dr. Setboun previously served as VP of Corporate Development, Strategy & Business at Life Biosciences. Before that, he was President, Biogen France where he helped launch Biogen's rare disease franchise. Prior to Biogen, Dr. Setboun served as President, AstraZeneca Portugal where he managed a portfolio that grossed over $200 million annually. His decades long experience in international sales, business development, and investments will prove valuable as BrainStorm moves closer to commercialization of NurOwn®.

$1.5 Million Grant from Israel Innovation Authority

On April 3, 2020, BrainStorm Cell Therapeutics, Inc. (BCLI) announced that the Israel Innovation Authority (IIA) awarded the company a new $1.5 million grant, which will be used to expand manufacturing capabilities, the development of exosomes, and potential expansion of the pipeline in neurodegenerative disorders.

The IIA has awarded a total of $11.4 million in grants to BrainStorm since 2007 to support the development of

NurOwn® and other projects. The company will be required to pay a mid-single digit royalty to the IIA based on net sales of NurOwn® up to the total cumulative amount of the IIA grants received plus interest.

Conclusion

We are glad to see the company take proactive steps to mitigate the potential impact of the coronavirus epidemic and we are anxiously awaiting the topline results of the Phase 3 ALS trial in the fourth quarter of 2020. The recent additions to the management team and the Board of Directors will help the company as it looks to transform into a commercial-stage entity. Our valuation remains at $17.50 per share.

PROJECTED FINANCIALS

Brainstorm Cell Therapeutics	2019 A	Q1 E	Q2 E	Q3 E	Q4 E	2020 E	2021 E	2022 E
MSC-NTF Stem Cells	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$50**
YOY Growth	-	-	-	-	-	-	-	-
Total Revenues	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$50**
YOY Growth	-					-	-	-
Cost Of Goods / Services	$0.0	$0	$0	$0	$0	$0.0	$0.0	$7.5
Product Gross Margin	-	-	-	-	-	-	-	-
R&D	$17.2	$4.0	$4.5	$5.0	$6.0	$19.5	$20.0	$20.0
% R&D	-	-	-	-		-	-	-
SG&A	$5.8	$1.5	$1.6	$1.6	$1.6	$6.3	$6.5	$19.0
% SG&A	-	-	-	-	-	-	-	-
Operating Income	($23.0)	($5.5)	($6.1)	($6.6)	($7.6)	($25.8)	($26.5)	$3.5
Net Other Income	($0.3)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Pre-Tax Income	($23.3)	($5.5)	($6.1)	($6.6)	($7.6)	($25.8)	($26.5)	$3.5
Taxes	$0	$0	$0	$0	$0	$0	$0	$0
Tax Rate	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*
Net Income	($23.3)	($5.5)	($6.1)	($6.6)	($7.6)	($25.8)	($26.5)	$3.5
Net Margin	-	-	-	-	-	-	-	-
Reported EPS	**($1.06)**	**($0.22)**	**($0.23)**	**($0.24)**	**($0.25)**	**($0.94)**	**($0.80)**	**$0.10**
YOY Growth	-	-	-	-	-	-	-	-
Wt. Avg Shares Outstanding	21.9	25.0	26.5	28.0	30.0	27.4	33.0	35.0

Source: Zacks Investment Research, Inc. *David Bautz, PhD*

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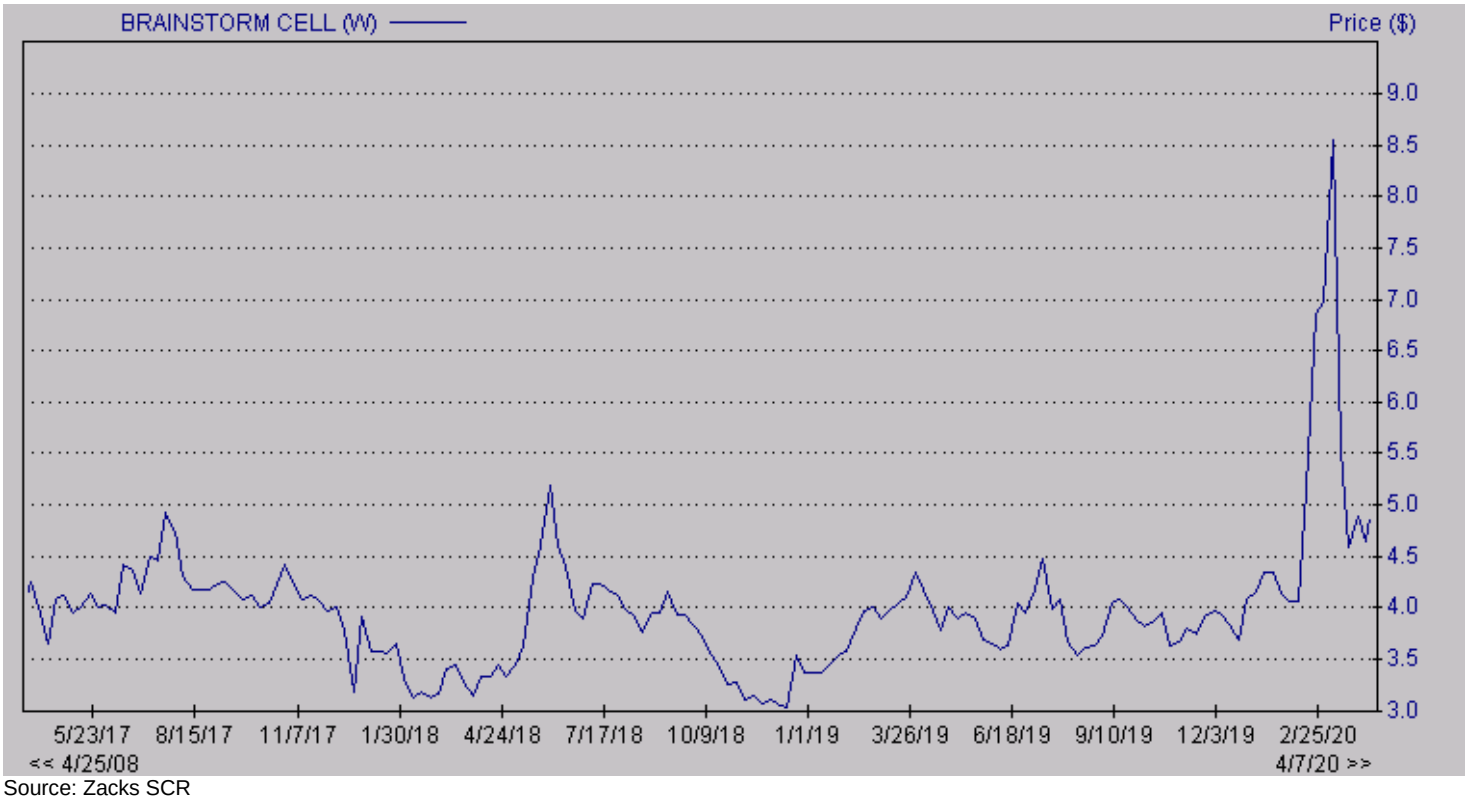
HISTORICAL STOCK PRICE



Source: Zacks SCR

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