

International Stem Cell Corporation Announces 2018 Fourth Quarter and Year-End Results

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CARLSBAD, Calif., April 15, 2019 (GLOBE NEWSWIRE) -- International Stem Cell Corporation (OTCQX: ISCO) (www.internationalstemcell.com) ("ISCO" or "the Company"), a California-based clinical stage biotechnology company developing novel stem cell-based therapies and biomedical products, today announced fourth quarter and year-end financial results for the period ending on December 31, 2018 and provided a business update.

"During 2018 we have made significant progress towards our business units' work optimization while also managing to decrease operating cash burn by nearly fifty percent. In addition, we have been conducting the world's first clinical trial of human parthenogenetic stem cells for the treatment of Parkinson's disease.

We expect to build on the momentum from 2018 in the coming year and capitalize on growing the business while awaiting results from the clinical trial" - stated Andrey Semechkin, Ph.D., CEO and Co-Chairman of ISCO.

FY 2018 Financial highlights:

- Revenues increased to \$11.1 million in 2018 an increase of 49%, compared to \$7.5 million in 2017;
- Combined operating income for the year ended December 31, 2018 from our two wholly owned revenue generating subsidiaries, Lifeline Cell Technology and Lifeline Skin Care, was \$2.4 million, an increase of 71%, compared to 1.4 million in 2017;
- Average net cash used in operating activities ("cash burn") was approximately \$90,000 per month for the year ended December 31, 2018, a decrease of 50%, compared to \$179,000 in 2017.

Recent Corporate Highlights

- ISCO has been upgraded to trade on the OTCQX Best Market from OTCQB Venture Market;
- The United States Patent and Trademark Office (USPTO) has granted the Company a key US patent protecting its anti-aging business;
- 12-month results of the first cohort and six-month interim results of the second cohort of phase 1 clinical study were announced at the Society for Neuroscience annual meeting;
- Pre-clinical data for traumatic brain injury program was published in Theranostics, a prestigious peer-reviewed medical journal.

Presentations

In 2018, the Company presented positive interim results of its clinical trial in Parkinson's disease at the following events:

- The American Academy of Neurology Annual Meeting;
- The American Society for Neural Therapy and Repair Annual Meeting;
- The Society for Neuroscience Annual Meeting (Neuroscience 2018).

About International Stem Cell Corporation

International Stem Cell Corporation is focused on the therapeutic applications of human parthenogenetic stem cells (hpSCs) and the development and commercialization of cell-based research and cosmetic products. ISCO's core technology, parthenogenesis, results in the creation of pluripotent human stem cells from unfertilized oocytes (eggs). hpSCs avoid ethical issues associated with the use or destruction of viable human embryos. ISCO scientists have created the first parthenogenetic, homozygous stem cell line that can be a source of therapeutic cells for hundreds of millions of individuals of differing genders, ages and racial background with minimal immune rejection after transplantation. hpSCs offer the potential to create the first true stem cell bank, UniStemCell™. ISCO also produces and markets specialized cells and growth media for therapeutic research worldwide through its subsidiary Lifeline Cell Technology (www.lifelinecelltech.com), and stem cell-based skin care products through its subsidiary Lifeline Skin Care (www.lifelineskincare.com).

For more information, please visit <http://internationalstemcell.com> or contact:

To subscribe to receive ongoing corporate communications, please click on the following link: <http://www.b2i.us/irpass.asp?BzID=1468&to=ea&s=0>

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Safe harbor statement

Statements pertaining to anticipated developments and company achievements, expected clinical studies (including timing and results), anticipated protection from patents, and other opportunities for the company and its subsidiaries, along with other statements about the future expectations, beliefs, goals, plans, or prospects expressed by management constitute forward-looking statements. Any statements that are not historical fact (including, but not limited to statements that contain words such as "will," "believes," "plans," "anticipates," "expects," "estimates,") should also be considered to be forward-looking statements. Forward-looking statements involve risks and uncertainties, including, without limitation, risks inherent in the development and/or commercialization of potential products, regulatory approvals, need and ability to obtain capital, application of capital resources among competing uses, and maintenance of intellectual property rights. Actual results may differ materially from the results anticipated in these forward-looking statements and as such should be evaluated together with the many uncertainties that affect the Company's business, particularly those mentioned in the cautionary statements found in the Company's Securities and Exchange Commission filings. The Company disclaims any intent or obligation to update forward-looking statements.

International Stem Cell Corporation and Subsidiaries
Consolidated Balance Sheets
(in thousands, except share data and par value)

	Decemb er 31, 2018	Decem ber 31, 2017
Assets		
Cash	\$ 1,075	\$ 304
Accounts receivable, net of allowance for doubtful accounts of \$12	651	465
Inventory, net	1,501	1,307
Prepaid expenses and other current assets	543	779
Total current assets	3,770	2,855
Non-current inventory	805	692
Property and equipment, net	469	321
Intangible assets, net	2,674	2,922
Deposits and other assets	78	74
Total assets	\$ 7,796	\$ 6,864
Liabilities and Stockholders' Equity		
Accounts payable	\$ 458	\$ 830
Accrued liabilities	579	607
Related party payable	2,045	-
Advances	250	250
Fair value of warrant liability	1,745	3,113
Total current liabilities	5,077	4,800
Long-term deferred rent	182	-
Total liabilities	5,259	4,800
Commitments and contingencies (Note 10)		
Stockholders' Equity		
Series B Convertible Preferred stock, \$0.001 par value, 5,000,000 shares authorized, 250,000 issued and outstanding, with liquidation preferences of \$411 and \$396 at December 31, 2018 and 2017, respectively	-	-
Series D Convertible Preferred stock, \$0.001 par value, 50 shares authorized, 43 shares issued and outstanding, with liquidation preference of \$4,320	-	-
Series G Convertible Preferred stock, \$0.001 par value, 5,000,000 shares authorized, issued and outstanding, with liquidation preference of \$5,000	5	5
Series I-1 Convertible Preferred stock, \$0.001 par value, 2,000 shares authorized, 814 and 1,304 issued and outstanding with liquidation preferences of \$814 and \$1,304 at December 31, 2018 and 2017, respectively	-	-
Series I-2 Convertible Preferred stock, \$0.001 par value, 4,310 shares authorized, issued and outstanding with liquidation preferences of \$4,310	-	-
Common stock, \$0.001 par value, 120,000,000 shares authorized, 6,933,861 and 6,057,132 shares issued and outstanding at December 31, 2018 and 2017, respectively	7	6
Additional paid-in capital	109,188	106,585
Accumulated deficit	(106,663)	(104,532)
Total stockholders' equity	2,537	2,064
Total liabilities and stockholders' equity	\$ 7,796	\$ 6,864

International Stem Cell Corporation and Subsidiaries
Consolidated Statements of Operations
(in thousands, except per share data)

	Years Ended December 31,	
	2018	2017
Revenues		
Product sales	\$ 11,089	\$ 7,456
Total revenues	11,089	7,456
Expenses		
Cost of sales	4,069	2,122
Research and development	2,396	2,658
Selling and marketing	2,631	2,405
General and administrative	5,467	5,213
Total expenses	14,563	12,398
Loss from operations	(3,474)	(4,942)
Other income (expense)		
Change in fair value of warrant liability	1,368	(1,068)
Interest expense	(48)	(59)
Miscellaneous income	44	-
Miscellaneous expense	(21)	-
Total other income (expense), net	1,343	(1,127)
Loss before provision for income taxes	(2,131)	(6,069)
Provision for income taxes	-	-
Net loss	\$ (2,131)	\$ (6,069)
Net loss applicable to common stockholders	\$ (2,131)	\$ (6,069)
Net loss per common share-basic	\$ (0.33)	\$ (1.46)
Net loss per common share-diluted	\$ (0.33)	\$ (1.46)
Weighted average shares outstanding-basic	6,388	4,158
Weighted average shares outstanding-diluted	6,388	4,158

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