

International Stem Cell Corporation Announces Operating Results for the Quarter Ended March 31, 2019

Release: 5/17/2019 8:30:00 AM

CARLSBAD, Calif., May 17, 2019 (GLOBE NEWSWIRE) -- International Stem Cell Corporation (OTCQB: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 provided a business update announcing operating results for the three months ended March 31, 2019.

"In Q1 2019 we recently achieved a major milestone in the world's first approved human pluripotent stem cell-based clinical trial for the treatment of Parkinson's disease. We completed enrollment and treatment of all patients with our lead therapeutic product ISC-hpNSC® cells. Based on the available data, we believe that the therapy is safe and well tolerated, meeting the primary endpoint of the phase 1 clinical trial. In connection with the conclusion of the treatment phase of the study, we anticipate the clinical trial-related expenses to significantly decrease," commented Andrey Semechkin, PhD., CEO and Co-Chairman of ISCO.

Q1 2019 Financial Highlights

- Consolidated revenue for the first quarter of 2019 was \$2.2 million, a decrease of 15% compared to the consolidated revenue of \$2.6 million for the first quarter of 2018.
- Combined operating income for the quarter ended March 31, 2019 from our two wholly owned revenue generating subsidiaries was \$169,000, a decrease of 73% compared to \$631,000 in the first quarter of 2018.
- Net loss for ISCO was \$906,000 for the first quarter of 2019 compared to a net loss of \$830,000 million for the first quarter in 2018, an increase of 9 %.

Recent Clinical Trial Highlights

- ISCO completed subject enrollment in its phase 1 clinical trial of ISC-hpNSC® for the treatment of Parkinson's disease. The fourth subject of the third cohort, who was the twelfth and final subject of the phase 1 clinical study, was successfully transplanted with the highest dose of ISC-hpNSC® cells.
- Presented interim clinical results at the American Academy of Neurology annual meeting in Philadelphia, PA.

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>

To like our Facebook page or follow us on Twitter for company updates and industry related news, visit: www.facebook.com/InternationalStemCellCorporation and www.twitter.com/intlstemcell

Safe harbor statement

Statements pertaining to anticipated developments and company achievements, expected clinical studies (including timing and results), anticipated protection from patents, and trends in clinical trial related expenses, 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 Condensed Consolidated Balance Sheets (in thousands, except share data and par value)

	March 31, 2019	December 31, 2018
	(Unaudited)	
Assets		
Cash	\$ 615	\$ 1,075
Accounts receivable, net of allowance for doubtful accounts of \$12	957	651
Inventory, net	1,460	1,501
Prepaid expenses and other current assets	480	543
Total current assets	3,512	3,770
Non-current inventory	792	805
Property and equipment, net	652	469
Intangible assets, net	2,700	2,674
Right-of-use asset	933	-
Deposits and other assets	74	78
Total assets	\$ 8,663	\$ 7,796
Liabilities and Stockholders' Equity		
Accounts payable	\$ 806	\$ 458
Accrued liabilities	959	579
Operating lease liability, current	294	-
Related party payable	1,009	2,045
Advances	250	250
Fair value of warrant liability	1,148	1,745
Total current liabilities	4,466	5,077
Long-term deferred rent	-	182
Operating lease liability, net of current portion	1,011	-
Total liabilities	5,477	5,259
Commitments and Contingencies		
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 \$415 and \$411 at March 31, 2019 and December 31, 2018, respectively	-	-
Series D Convertible Preferred stock, \$0.001 par value, 50 shares authorized, 43 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 issued and outstanding, with liquidation preferences of \$814	-	-
Series I-2 Convertible Preferred stock, \$0.001 par value, 4,310 shares authorized, issued and outstanding with liquidation preference of \$4,310	-	-
Common stock, \$0.001 par value, 120,000,000 shares authorized, 7,533,083 and 6,933,861 shares issued and outstanding at March 31, 2019 and December 31, 2018, respectively	8	7
Additional paid-in capital	110,742	109,188
Accumulated deficit	(107,569)	(106,663)
Total stockholders' equity	3,186	2,537
Total liabilities and stockholders' equity	\$ 8,663	\$ 7,796

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

Three Months Ended March 31,		
	2019	2018
Revenues		
Product sales	\$ 2,218	\$ 2,633
Total revenues	2,218	2,633
Expenses		
Cost of sales	841	825
Research and development	653	811
Selling and marketing	692	708
General and administrative	1,521	1,474
Total expenses	3,707	3,818
Loss from operations	(1,489)	(1,185)
Other income (expense)		
Change in fair value of warrant liability	597	355
Interest expense	(14)	(2)
Miscellaneous income	-	2
Total other income (expense), net	583	355
Loss before provision for income taxes	(906)	(830)
Provision for income taxes	-	-
Net loss	\$ (906)	\$ (830)
Net loss applicable to common stockholders	\$ (906)	\$ (830)
Net loss per common share-basic	\$ (0.12)	\$ (0.14)
Net (loss) per common share-diluted	\$ (0.12)	\$ (0.14)
Weighted average shares-basic	7,400	6,136
Weighted average shares-diluted	7,400	6,136

Contacts:

International Stem Cell Corporation
 Russell A. Kern, PhD
 Phone: 760-940-6383
 Email: ir@intlstemcell.com

Joe Green
 Investor Relations
 Edison Inc.
jgreen@edisongroup.com
 +1 (646) 653-7030

