

# International Stem Cell Corporation Announces Financial Results for the Three and Nine-Months ended September 30, 2019

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CARLSBAD, CA / ACCESSWIRE / November 15, 2019 / International Stem Cell Corporation (OTCQB:ISCO) ([www.internationalstemcell.com](http://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 operating results for the three and nine months ended September 30, 2019.



"As we mentioned before we completed the enrollment of the Phase I Parkinson's disease clinical trial and currently involved in reorganizing our revenue-generating subsidiaries. We expect that we will see positive results of this reorganization next year." - commented Andrey Semechkin, PhD., CEO and Co-Chairman of ISCO.

## Year-to-Date Financial Highlights

- Consolidated revenue for the nine months ended September 30, 2019 was \$6.6 million, compared to the consolidated revenue of \$8.9 million for the nine months ended September 30, 2018.
- Revenue decrease of \$2.23 million or 25% was due primarily to an anticipated decrease in LCT Contract Manufacturing activities related to the correction of product shortages that existed in 2018.
- Research & Development (R&D) expenses, including from Parkinson's disease clinical trial expenses, for the nine months ended September 30, 2019 was \$1 million, compared to \$1.9 million for the same period in 2018.
- Average net cash used in operating activities, excluding capital expenditures and patent costs, was approximately \$95,000 per month during the nine months ended September 30, 2019, a decrease of 24%, compared to \$124,000 per month for the same period in 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](http://www.lifelinecelltech.com)), and stem cell-based skin care products through its subsidiary Lifeline Skin Care ([www.lifelineskincare.com](http://www.lifelineskincare.com)). More information is available at [www.internationalstemcell.com](http://www.internationalstemcell.com).

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## Safe Harbor Statement

Statements pertaining to anticipated developments, expected results of clinical studies, progress of research and development, 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 future 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)**  
**(Unaudited)**

	September 30, 2019	December 31, 2018
<b>Assets</b>		
Cash	\$ 463	\$ 1,075
Accounts receivable, net	1,080	651
Inventory, net	1,409	1,501
Prepaid expenses and other current assets	307	543
Total current assets	3,259	3,770
Non-current inventory	745	805
Property and equipment, net	691	469
Intangible assets, net	2,691	2,674
Right-of-use assets	784	-
Deposits and other assets	90	78
Total assets	<u>\$ 8,260</u>	<u>\$ 7,796</u>
<b>Liabilities, Redeemable Convertible Preferred Stock, and Stockholders' Equity (Deficit)</b>		
Accounts payable	\$ 722	\$ 458
Accrued liabilities	651	579
Operating lease liabilities, current	236	-
Related party payable	1,848	2,045
Advances	250	250
Warrant liability	-	1,745
Total current liabilities	3,707	5,077
Long-term deferred rent	-	182
Operating lease liabilities, net of current portion	929	-
Total liabilities	<u>4,636</u>	<u>5,259</u>
Commitments and Contingencies		
Series D Redeemable Convertible Preferred stock, \$0.001 par value, 50 shares authorized, 43 issued and outstanding, with liquidation preference of \$4,300 at September 30, 2019	4,300	-
Stockholders' Equity (Deficit)		
Series B Convertible Preferred stock, \$0.001 par value, 5,000,000 shares authorized, 250,000 issued and outstanding, with liquidation preferences of \$423 and \$411 at September 30, 2019 and December 31, 2018	-	-
Series D Convertible Preferred stock, \$0.001 par value, 50 shares authorized, 43 issued and outstanding, with liquidation preference of \$4,300 at December 31, 2018	-	-
Series G Convertible Preferred stock, \$0.001 par value, 5,000,000 shares authorized, issued and outstanding, with liquidation preference of \$5,000 at September 30, 2019 and December 31, 2018	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 at September 30, 2019 and December 31, 2018	-	-
Series I-2 Convertible Preferred stock, \$0.001 par value, 4,310 shares authorized, issued and outstanding with liquidation preference of \$4,310 at September 30, 2019 and December 31, 2018	-	-
Common stock, \$0.001 par value, 120,000,000 shares authorized, 7,533,083 and 6,933,861 shares issued and outstanding at September 30, 2019 and December 31, 2018	8	7
Additional paid-in capital	102,988	109,188
Accumulated deficit	(103,677)	(106,663)
Total stockholders' equity (deficit)	<u>(676)</u>	<u>2,537</u>
Total liabilities, redeemable convertible preferred stock and stockholders' equity (deficit)	<u>\$ 8,260</u>	<u>\$ 7,796</u>

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Revenues				
Product sales	\$ 2,096	\$ 3,195	\$ 6,635	\$ 8,866
Total revenues	2,096	3,195	6,635	8,866
Expenses				
Cost of sales	799	1,315	2,497	3,235
Research and development	79	616	1,001	1,879
Selling and marketing	626	608	2,057	1,940
General and administrative	1,405	1,319	4,324	4,026
Total expenses	2,909	3,858	9,879	11,080
Loss from operations	(813)	(663)	(3,244)	(2,214)
Other income (expense)				
Change in fair value of warrant liability	837	758	1,745	1,092
Interest expense	(21)	(17)	(55)	(26)
Miscellaneous income	-	43	2	45
Total other income (expense), net	816	784	1,692	1,111
Net income (loss)	\$ 3	\$ 121	\$ (1,552)	\$ (1,103)
Net income (loss) applicable to common stockholders	\$ 3	\$ 121	\$ (1,552)	\$ (1,103)
Net income (loss) per common share-basic	\$ 0.00	\$ 0.02	\$ (0.21)	\$ (0.18)
Net income (loss) per common share-diluted	\$ 0.00	\$ 0.02	\$ (0.21)	\$ (0.18)
Weighted average shares-basic	7,546	6,337	7,502	6,233
Weighted average shares-diluted	7,546	6,404	7,502	6,233

**Contacts:**

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

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