

PLURISTEM THERAPEUTICS INC

Form 10-Q

November 05, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2013

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from

_____ to _____

Commission file number 001-31392

PLURISTEM THERAPEUTICS INC.
(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of incorporation or
organization)

98-0351734
(IRS Employer Identification No.)

MATAM Advanced Technology Park, Building No. 5, Haifa, Israel 31905
(Address of principal executive offices)

011-972-74-7107171
(Registrant's telephone number)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registration was required to submit and post such files).

Yes No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	<input type="radio"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="radio"/>	Smaller reporting company	<input type="radio"/>

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

State the number of shares outstanding of each of the issuer’s classes of common stock as of the latest practicable date:
59,883,919 shares of common stock issued and outstanding as of October 29, 2013.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

PLURISTEM THERAPEUTICS INC. AND ITS SUBSIDIARY
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As of September 30, 2013

(Unaudited)

PLURISTEM THERAPEUTICS INC. AND ITS SUBSIDIARY
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As of September 30, 2013

U.S. DOLLARS IN THOUSANDS

(Unaudited)

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PLURISTEM THERAPEUTICS INC. AND ITS SUBSIDIARY

INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS

U.S. Dollars in thousands

	Note	September 30, 2013 Unaudited	June 30, 2013
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents		\$ 8,603	\$ 9,007
Short term bank deposits		24,047	31,449
Restricted cash and restricted short-term deposits		753	316
Marketable securities	3	16,016	13,441
Other current assets		3,049	872
Total current assets		52,468	55,085
LONG-TERM ASSETS:			
Long-term deposits and restricted deposits		311	421
Severance pay fund		1,020	905
Property and equipment, net		11,663	11,866
Other long-term assets		21	39
Total long-term assets		13,015	13,231
Total assets		\$ 65,483	\$ 68,316

The accompanying notes are an integral part of the unaudited interim condensed consolidated financial statements.

PLURISTEM THERAPEUTICS INC. AND ITS SUBSIDIARY

INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS

U.S. Dollars in thousands (except share and per share data)

	Note	September 30, 2013 Unaudited	June 30, 2013
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Trade payables		\$ 2,880	\$ 2,837
Accrued expenses		1,003	1,040
Deferred revenues		379	379
Advance payment from United Therapeutics		356	393
Other accounts payable		1,113	1,272
Total current liabilities		5,731	5,921
LONG-TERM LIABILITIES			
Deferred revenues		3,131	3,226
Accrued severance pay		1,173	1,023
Other long-term liabilities		657	680
Total long-term liabilities		4,961	4,929
COMMITMENTS AND CONTINGENCIES	5		
STOCKHOLDERS' EQUITY			
Share capital:	6		
Common stock \$0.00001 par value:			
Authorized: 100,000,000 shares			
Issued and outstanding: 59,852,793 shares as of September 30,			
2013, 59,196,617 shares as of June 30, 2013		-(*))	-(*))
Additional paid-in capital		145,794	144,109
Accumulated deficit		(91,657)	(86,902)
Other comprehensive income		654	259
Total stockholders' equity		54,791	57,466
Total liabilities and stockholders' equity		\$ 65,483	\$ 68,316

(*) Less than \$1.

The accompanying notes are an integral part of the unaudited interim condensed consolidated financial statements.

PLURISTEM THERAPEUTICS INC. AND ITS SUBSIDIARY

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

U.S. Dollars in thousands (except share and per share data)

	Three months ended September 30,	
	2013	2012
Revenues	\$95	\$195
Cost of revenues	(3)	(6)
Gross profit	92	189
Operating expenses:		
Research and development expenses	(5,497)	(3,748)
Less participation by the Office of the Chief Scientist and other parties	2,374	1,050
Research and development expenses, net	(3,123)	(2,698)
General and administrative expenses	(1,829)	(1,681)
Total operating expenses	(4,952)	(4,379)
Operating loss	(4,860)	(4,190)
Financial income, net	105	195
Net loss	\$(4,755)	\$(3,995)
Loss per share:		
Basic and diluted net loss per share	\$(0.08)	\$(0.08)
Weighted average number of shares used in computing basic and diluted net loss per share	59,254,132	47,833,654

The accompanying notes are an integral part of the unaudited interim condensed consolidated financial statements.

PLURISTEM THERAPEUTICS INC. AND ITS SUBSIDIARY

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(UNAUDITED)

U.S. Dollars in thousands

	Three months ended September 30,	
	2013	2012
Net loss	\$(4,755)	\$(3,995)
Other comprehensive income (loss):		
Changes in unrealized gain on available-for-sale marketable securities	537	229
Reclassification adjustment for gains realized in net loss	(142)	-
Other comprehensive income	395	229
Total comprehensive loss	\$(4,360)	\$(3,766)

The accompanying notes are an integral part of the unaudited interim condensed consolidated financial statements.

PLURISTEM THERAPEUTICS INC. AND ITS SUBSIDIARY

INTERIM CONDENSED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

U.S. Dollars in thousands (except share and per share data)

	Common Stock		Additional	Accumulated	Accumulated	Total
	Shares	Amount	Paid-in	Other	Deficit	Stockholders'
			Capital	Comprehensive		Equity
				Income (Loss)		
Balance as of July 1, 2012	46,448,051	\$(*)	\$103,619	\$ (130)	\$ (65,747)	\$ 37,742
Issuance of common stock and warrants related to September 2012 public offering, net of issuance costs of \$2,694	9,200,000	(*)	34,106	-	-	34,106
Exercise of options by employees and consultants	94,332	(*)	146	-	-	146
Exercise of warrants by investors and finders	975,622	(*)	1,229	-	-	1,229
Stock based compensation to employees, directors and non-employee consultants	539,225	(*)	1,336	-	-	1,336
Stock based compensation to contractor	-	-	1,400	-	-	1,400
Other comprehensive income	-	-	-	229	-	229
Net loss	-	-	-	-	(3,995)	(3,995)
Balance as of September 30, 2012	57,257,230	\$(*)	\$141,836	\$ 99	\$ (69,742)	\$ 72,193

(*) Less than \$1

The accompanying notes are an integral part of the unaudited interim condensed consolidated financial statements.

PLURISTEM THERAPEUTICS INC. AND ITS SUBSIDIARY

INTERIM CONDENSED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

U.S. Dollars in thousands (except share and per share data)

	Common Stock		Additional	Accumulated	Accumulated	Total
	Shares	Amount	Paid-in	Other	Deficit	Stockholders'
			Capital	Comprehensive		Equity
				Income		
Balance as of July 1, 2013	59,196,617	\$(*)	\$144,109	\$ 259	\$ (86,902)	\$ 57,466
Exercise of options and warrants by employees and consultants	5,905	(*)	-	-	-	-
Exercise of warrants by investors and finders	448,082	(*)	509	-	-	509
Stock based compensation to employees, directors and non-employee consultants	202,189	(*)	1,176	-	-	1,176
Other comprehensive income	-	-	-	395	-	395
Net loss	-	-	-	-	-	-