

BRAINSTORM CELL THERAPEUTICS INC.

Form 10-Q

November 14, 2013

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2013

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 000-54365

BRAINSTORM CELL THERAPEUTICS INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

20-8133057
(I.R.S. Employer
Identification No.)

605 Third Avenue, 34th Floor
New York, NY 10158
(Address of principal executive offices)

(646) 666-3188
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

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 registrant was required to submit and post such files). Yes ☒ No ☐

Edgar Filing: BRAINSTORM CELL THERAPEUTICS INC. - Form 10-Q

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 the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☐ (Do not check if a smaller reporting company)

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 ☒

As of November 12, 2013, the number of shares outstanding of the registrant's Common Stock, \$0.00005 par value per share, was 176,263,587.

TABLE OF CONTENTS

	Page Number
PART I	
Item 1. Financial Statements	3
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	34
Item 3. Quantitative and Qualitative Disclosures About Market Risk	41
Item 4. Controls and Procedures	41
PART II	
Item 1. Legal Proceedings	42
Item 1A. Risk Factors	42
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	43
Item 5. Other Information	43
Item 6. Exhibits	43

PART I: FINANCIAL INFORMATION

SPECIAL NOTE

Unless otherwise specified in this quarterly report on Form 10-Q, all references to currency, monetary values and dollars set forth herein shall mean United States (U.S.) dollars.

Item 1. Financial Statements.

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY
(A development stage company)

CONSOLIDATED FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2013

UNAUDITED

U.S. DOLLARS IN THOUSANDS

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2013

UNAUDITED

U.S. DOLLARS IN THOUSANDS

INDEX

	Page
Consolidated Balance Sheets	5
Consolidated Statements of Operations	6
Statements of Changes in Stockholders' Equity (Deficiency)	7-15
Consolidated Statements of Cash Flows	16-17
Notes to Consolidated Financial Statements	18 - 33

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY**(A development stage company)****CONSOLIDATED BALANCE SHEETS****U.S. dollars in thousands****(Except share data)**

	September 30, 2013 Unaudited	December 31, 2012 Audited
ASSETS		
Current Assets:		
Cash and cash equivalents	329	1,317
Short-term deposit	4,786	2,769
Account receivable	502	742
Prepaid expenses	55	46
Total current assets	5,672	4,874
Long-Term Assets:		
Prepaid expenses	28	17
Severance payment fund	245	172
Total long-term assets	273	189
Property and Equipment, Net	267	247
Total assets	6,212	5,310
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Trade payables	446	358
Accrued expenses	710	605
Other accounts payable	230	176
Total current liabilities	1,386	1,139
Accrued Severance Pay	291	189
Total liabilities	1,677	1,328
Stockholders' Equity:		
Stock capital: (Note 6)	8	7
Common stock of \$0.00005 par value - Authorized: 800,000,000 shares at September 30, 2013 and December 31, 2012; Issued and outstanding: 176,243,587 and 150,085,035 shares at September 30, 2013 and December 31, 2012 respectively.		
Additional paid-in-capital	55,717	51,483
Deficit accumulated during the development stage	(51,190)	(47,508)
Total stockholders' equity	4,535	3,982

Total liabilities and stockholders' equity	6,212	5,310
--	-------	-------

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

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

CONSOLIDATED STATEMENTS OF OPERATIONS

U.S. dollars in thousands

(Except share data)

Period from
September 22,
2000 (inception)

Nine months ended