

BRAINSTORM CELL THERAPEUTICS INC.
Form 10-Q
August 12, 2014

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 June 30, 2014

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.)
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605 Third Avenue, 34th Floor	10158
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New York, NY

(Zip Code)

(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

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 August 4, 2014, the number of shares outstanding of the registrant's Common Stock, \$0.00005 par value per share, was 227,355,671.

TABLE OF CONTENTS

	Page Number
<u>PART I</u>	2
<u>Item 1. Financial Statements</u>	2
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	24
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	33
<u>Item 4. Controls and Procedures</u>	33
 <u>PART II</u>	 34
<u>Item 1. Legal Proceedings</u>	34
<u>Item 1A. Risk Factors</u>	34
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	34
<u>Item 5. Other Information</u>	34
<u>Item 6. Exhibits</u>	34

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 June 30, 2014

UNAUDITED

U.S. DOLLARS IN THOUSANDS

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

CONSOLIDATED FINANCIAL STATEMENTS

AS OF June 30, 2014

UNAUDITED

U.S. DOLLARS IN THOUSANDS

INDEX

	<u>Page</u>
<u>Consolidated Balance Sheets</u>	4
<u>Consolidated Statements of Operations</u>	5
<u>Statements of Changes in Stockholders' Equity</u>	6 - 7
<u>Consolidated Statements of Cash Flows</u>	8 - 9
<u>Notes to Consolidated Financial Statements</u>	10 - 23

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

CONSOLIDATED BALANCE SHEETS

U.S. dollars in thousands

(Except share data)

	June 30, 2 0 1 4 Unaudited	December 31, 2 0 1 3 Audited
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	11,328	3,503
Account receivable	831	910
Prepaid expenses	48	33
Total current assets	12,207	4,446
Long-Term Assets:		
Prepaid expenses	15	22
Total long-term investments	15	22
Property and Equipment, Net	302	258
Total assets	12,524	4,726
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current Liabilities:		
Trade payables	757	228
Accrued expenses	755	877
Other accounts payable	270	227
Total current liabilities	1,782	1,332
Long-Term Liabilities:		
Warrants issued to investors	142	655
Total long-term liabilities	142	655

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Total liabilities	1,924	1,987
Stockholders' Equity:		
Stock capital: (Note 6)	10	8
Common stock of \$0.00005 par value - Authorized: 800,000,000 shares at June 30, 2014 and December 31, 2013; Issued and outstanding: 225,472,618 and 176,263,587 shares at June 30, 2014 and December 31, 2013 respectively.		
Additional paid-in-capital	67,092	55,138
Deficit accumulated during the development stage	(56,502)	(52,407)
Total stockholders' equity	10,600	2,739
Total liabilities and stockholders' equity	12,524	4,726

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)

	Six months ended June 30,		Three months ended June 30,	
	2014	2013	2014	2013
	Unaudited		Unaudited	
Operating costs and expenses:				
Research and development, net	1,557	\$1,264	\$877	\$742
General and administrative	768	1,302	417	743
Total operating costs and expenses	2,325	2,566	1,294	1,485
Financial expenses, net	1,770	16	690	15
Other income	-	-	-	-
Operating loss	4,095	2,582	1,984	1,500
Taxes on income	-	18	-	18
Net loss	\$4,095	\$2,600	\$1,984	\$1,518
Basic and diluted net loss per share from continuing operations	0.02	0.02	0.01	0.01
Weighted average number of shares outstanding used in computing basic and diluted net loss per share	181,307,151	151,754,312	186,253,752	152,546,703

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

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

U.S. dollars in thousands

(Except share data)

	Common stock		Additional	Deferred	Deficit	Total
	Number	Amount	paid-in	Stock - based	accumulated	stockholders'
			capital	compensation	during the	equity
					development	
					stage	
Balance as of December 31, 2012	150,085,035	\$7	\$51,483	\$-	\$(47,508) \$3,982
Stock-based compensation related to options and stock granted to service providers	809,696		197	-	-	197
Stock-based compensation related to stock and options granted to directors and employees	760,000		674	-	-	674
Issuance of shares for public offering	23,529,411	1	2,496	-	-	2,497
Issuance of shares for private placement	833,334	(*)	250	-	-	250
Conversion of convertible loans	126,111	-	30	-	-	30
Exercise of options	120,000	(*)	8	-	-	