

BRAINSTORM CELL THERAPEUTICS INC.
Form 10-Q
August 13, 2012

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, 2012

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 20-8133057
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

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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

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 10, 2012, the number of shares outstanding of the registrant's common stock, \$0.00005 par value per share, was 148,405,612.

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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, 2012

UNAUDITED

U.S. DOLLARS IN THOUSANDS

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

CONSOLIDATED FINANCIAL STATEMENTS

AS OF June 30, 2012

UNAUDITED

U.S. DOLLARS IN THOUSANDS

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BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

CONSOLIDATED BALANCE SHEETS

U.S. dollars in thousands

(Except share data)

	June 30, 2012	December 31, 2011
	Unaudited	Audited
ASSETS		
Current Assets:		
Cash and cash equivalents	843	1,923
Accounts receivable	421	312
Prepaid expenses	137	69
Total current assets	1,401	2,304
Long-Term Investments:		
Prepaid expenses	17	17
Severance payment fund	134	109
Total long-term investments	151	126
Property and Equipment, Net	298	314
Total assets	1,850	2,744
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Trade payables	515	244
Accrued expenses`	790	750
Other accounts payable	145	141
Total current liabilities	1,450	1,135
Accrued Severance Pay	147	121
Total liabilities	1,597	1,256

Commitments And Contingencies Stockholders' Equity:

Stock capital: (Note 6)	6	6
Common stock of \$0.00005 par value - Authorized: 800,000,000 shares at June 30, 2012 and December 31, 2011; Issued and outstanding: 128,586,644 and 126,444,309 shares at June 30, 2012 and December 31, 2011 respectively.		
Additional paid-in-capital	46,027	45,560
Deficit accumulated during the development stage	(45,780)	(44,078)
Total stockholders' equity	253	1,488
Total liabilities and stockholders' equity	1,850	2,744

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, 2012		Three months ended June 30, 2012		Period from September 22, 2000 (inception Date) through June 30, 2012(*)
	Unaudited	2011	Unaudited	2011	Unaudited
Operating costs and expenses:					
Research and development, net	\$754	\$856	\$385	\$586	\$ 25,173
General and administrative	958	1,087	448	829	17,961
Total operating costs and expenses	1,712	1,943	833	1,415	43,134
Financial expenses (income), net	(15)	(14)	(4)	(191)	2,532
Other expenses (income)	-	(132)	-	(132)	(132)
Operating loss	1,697	1,797	829	1,092	45,534
Taxes on income	5	5	1	5	82
Loss from continuing operations	1,702	1,802	830	1,097	45,616
Net loss from discontinued operations	-	-	-	-	164
Net loss	\$1,702	\$1,802	\$830	\$1,097	\$ 45,780
Basic and diluted net loss per share from continuing operations	0.01	0.02	0.01	0.01	
Weighted average number of shares outstanding used in computing basic	127,334,805	115,108,731	128,078,347	121,253,983	

and diluted net loss per share

(*) Out of which, \$163, relating to the period from inception to March 31, 2004, is unaudited.

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

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIENCY)

U.S. dollars in thousands

(except share data)

	Common stock Number	Amount capital	Additional paid-in capital	Deferred Stock - based compensation	Deficit accumulated during the development stage	Total stockholders' equity (deficiency)
Balance as of September 22, 2000 (date of inception) (unaudited)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Stock issued on September 22, 2000 for cash at \$0.00188 per share	8,500,000	1	16	-	-	17
Stock issued on March 31, 2001 for cash at \$0.0375 per share	1,600,000	* -	60	-	-	60
Contribution of capital	-	-	8	-	-	8
Net loss	-	-	-	-	(17)	(17)
Balance as of March 31, 2001 (unaudited)	10,100,000	1	84	-	(17)	68
Contribution of capital	-	-	11	-	-	11
Net loss	-	-	-	-	(26)	(26)
Balance as of March 31, 2002 (unaudited)	10,100,000	1	95	-	(43)	53
Contribution of capital	-	-	15	-	-	15
Net loss	-	-	-	-	(47)	(47)
Balance as of March 31, 2003 (unaudited)	10,100,000	1	110	-	(90)	21
2-for-1 stock split	10,100,000	* -	-	-	-	-
Stock issued on August 31, 2003 to purchase mineral option at \$0.065 per share	100,000	* -	6	-	-	6
Cancellation of shares granted to Company's President	(10,062,000)	* -	* -	-	-	-
Contribution of capital	-	* -	15	-	-	15
Net loss	-	-	-	-	(73)	(73)
Balance as of March 31, 2004 (unaudited)	10,238,000	\$ 1	\$ 131	\$ -	\$ (163)	\$ (31)

* Represents an amount less than \$1.

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

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIENCY)

U.S. dollars in thousands

(Except share data)