

PLURISTEM THERAPEUTICS INC

Form 10-Q

February 09, 2012

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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 December 31, 2011

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. 20, Haifa, Israel 31905  
(Address of principal executive offices)

+972-74-710-7171  
(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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer,

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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       Accelerated filer   
Non-accelerated filer       Smaller reporting company   
(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:  
44,345,101 common shares issued as of February 4, 2012.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

PLURISTEM THERAPEUTICS INC. AND ITS SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2011

(unaudited)

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PLURISTEM THERAPEUTICS INC. AND ITS SUBSIDIARY  
CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2011

U.S. DOLLARS IN THOUSANDS

(Unaudited)

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## PLURISTEM THERAPEUTICS INC. AND ITS SUBSIDIARY

## CONSOLIDATED BALANCE SHEETS

U.S. Dollars in thousands

	Note	December 31, 2011 Unaudited	June 30, 2011 Audited
<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents		\$ 6,672	\$ 42,829
Short term bank deposits		30,491	-
Marketable securities	3	4,352	-
Prepaid expenses		217	314
Accounts receivable from the Office of the Chief Scientist		1,845	-
Other accounts receivable		266	154
Total current assets		43,843	43,297
<b>LONG-TERM ASSETS:</b>			
Long-term deposits and restricted deposits		1,186	179
Severance pay fund		485	452
Advance payment for leasehold improvements	6c	1,245	-
Property and equipment, net		2,883	2,088
Total long-term assets		5,799	2,719
Total assets		\$ 49,642	\$ 46,016

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

## PLURISTEM THERAPEUTICS INC. AND ITS SUBSIDIARY

## CONSOLIDATED BALANCE SHEETS

U.S. Dollars in thousands

	Note	December 31, 2011 Unaudited	June 30, 2011 Audited
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Trade payables		\$ 1,174	\$ 1,177
Accrued expenses		231	208
Deferred revenues		923	-
Advance payment		1,926	-
Other accounts payable		722	633
Total current liabilities		4,976	2,018
<b>LONG-TERM LIABILITIES</b>			
Deferred revenues		3,692	-
Accrued severance pay		622	576
Total long term liabilities		4,314	576
COMMITMENTS AND CONTINGENCIES	5		
<b>STOCKHOLDERS' EQUITY</b>			
Share capital:	6		
Common stock \$0.00001 par value:			
Authorized: 100,000,000 shares			
Issued and outstanding: 44,117,044 shares as of			
December 31, 2011, 42,443,185 shares as of June 30, 2011		- (*)	- (*)
Additional paid-in capital		97,924	94,375
Accumulated deficit		(57,438)	(50,953)
Other comprehensive loss		(134)	-
		40,352	43,422
		\$ 49,642	\$ 46,016

(\*) Less than \$1.

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

## PLURISTEM THERAPEUTICS INC. AND ITS SUBSIDIARY

## CONSOLIDATED STATEMENTS OF OPERATIONS

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

	Six months ended December 31,		Three months ended December 31,		Year ended June 30,
	2011 Unaudited	2010 Unaudited	2011 Unaudited	2010 Unaudited	2011 Audited
Revenues	\$385	\$-	\$231	\$-	\$-
Research and development expenses	(5,844 )	(3,687 )	(2,976 )	(2,186 )	(8,311 )
Less participation by the Office of the Chief Scientist and other parties	1,921	1,111	1,902	608	1,682
Research and development expenses, net	(3,923 )	(2,576 )	(1,074 )	(1,578 )	(6,629 )
General and administrative expenses	(2,912 )	(2,002 )	(1,275 )	(1,246 )	(4,485 )
Operating loss	(6,450 )	(4,578 )	(2,118 )	(2,824 )	(11,114 )
Financial (expenses) income, net	(35 )	68	126	3	266
Net loss for the period	\$(6,485 )	\$(4,510 )	\$(1,992 )	\$(2,821 )	\$(10,848 )
Loss per share:					
Basic and diluted net loss per share	\$(0.15 )	\$(0.20 )	\$(0.05 )	\$(0.11 )	\$(0.35 )
Weighted average number of shares used in computing basic and diluted net loss per share	43,225,017	22,954,736	43,669,466	24,897,022	31,198,825

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

## PLURISTEM THERAPEUTICS INC. AND ITS SUBSIDIARY

## STATEMENTS OF CHANGES IN EQUITY (AUDITED)

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

	Common Stock Shares	Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
Balance as of July 1, 2010	20,888,781	\$(*) )	\$44,086	\$ (40,105 )	\$ 3,981
Issuance of common stock and warrants related to October 2010 agreements, net of issuance costs of \$244	4,375,000	(* )	5,006	-	5,006
Issuance of common stock and warrants related to February 2011 secondary offering, net of issuance costs of \$2,970	12,650,000	(* )	38,142	-	38,142
Exercise of warrants by investors and finders	2,442,714	(* )	3,593	-	3,593
Exercise of options by employees and consultants	103,943	(* )	68	-	68
Issuance of common stock related to investor relations agreements	90,000	(* )	155	-	155
Stock based compensation to employees, directors and non-employees consultants	1,892,747	(* )	3,325	-	3,325
Net loss for the period	-	-	-	(10,848 )	(10,848 )
Balance as of June 30, 2011	42,443,185	\$(*) )	\$94,375	\$ (50,953 )	\$ 43,422

(\*) Less than \$1.

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



## PLURISTEM THERAPEUTICS INC. AND ITS SUBSIDIARY

## STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

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

	Common Stock Shares	Stock Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Deficit Accumulated	Total Stockholders' Equity
Balance as of July 1, 2011	42,443,185	\$ (*)	\$ 94,375	\$ -	\$ (50,953)	\$ 43,422
Exercise of options by employees and consultants	23,000	(*)	14	-	-	14
Exercise of warrants by investors and finders	283,266	(*)	371	-	-	371
Stock based compensation to employees, directors and non-employees consultants	1,367,593	(*)	3,164	-	-	3,164
Unrealized loss on available for sale marketable securities	-	-	-	(134)	-	(134)
Net loss for the period	-	-	-	-	(6,485)	(6,485)
Balance as of December 31, 2011	44,117,044	\$ (*)	\$ 97,924	\$ (134)	\$ (57,438)	\$ 40,352

(\*) Less than \$1.

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

## PLURISTEM THERAPEUTICS INC. AND ITS SUBSIDIARY

## CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. Dollars in thousands

	Six months ended December 31,		Year ended
	2011	2010	June 30,
	Unaudited	Unaudited	2011 Audited
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net loss	\$(6,485 )	\$(4,510 )	\$(10,848 )
<b>Adjustments to reconcile net loss to net cash used in operating activities:</b>			
Depreciation	199	144	312
Capital loss	-	8	8
Impairment of property and equipment	-	-	