

PLURISTEM THERAPEUTICS INC

Form 10-Q

November 08, 2010

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, 2010

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

Non-accelerated filer

(Do not check if a smaller reporting company)

Accelerated filer

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:
26,321,149 common shares issued as of November 1, 2010.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

PLURISTEM THERAPEUTICS INC. AND ITS SUBSIDIARY
(A Development Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS

As of September 30, 2010

(unaudited)

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PLURISTEM THERAPEUTICS INC. AND ITS SUBSIDIARY
(A Development Stage Company)
CONSOLIDATED FINANCIAL STATEMENTS

As of September 30, 2010

U.S. DOLLARS IN THOUSANDS

(Unaudited)

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PLURISTEM THERAPEUTICS INC. AND ITS SUBSIDIARY
(A Development Stage Company)

CONSOLIDATED BALANCE SHEETS

U.S. Dollars in thousands

	September 30, 2010 Unaudited	June 30, 2010 Audited
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$1,127	\$1,583
Short term bank deposit	517	913
Prepaid expenses	80	41
Accounts receivable from the Office of the Chief Scientist	318	706
Other accounts receivable	71	362
Total current assets	2,113	3,605
LONG-TERM ASSETS:		
Long-term deposits and restricted deposits	169	168
Severance pay fund	327	294
Property and equipment, net	1,756	1,555
Total long-term assets	2,252	2,017
Total assets	\$4,365	\$5,622

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

PLURISTEM THERAPEUTICS INC. AND ITS SUBSIDIARY
(A Development Stage Company)

CONSOLIDATED BALANCE SHEETS
U.S. Dollars in thousands

	September 30, 2010 Unaudited	June 30, 2010 Audited
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Trade payables	\$673	\$791
Accrued expenses	157	118
Other accounts payable	400	372
Total current liabilities	1,230	1,281
LONG-TERM LIABILITIES		
Accrued severance pay	403	360
	403	360
STOCKHOLDERS' EQUITY		
Share capital:		
Common stock \$0.00001 par value:		
Authorized: 100,000,000 shares		
Issued: 21,890,358 shares as of September 30, 2010, 21,458,707 shares as of June 30, 2010.		
Outstanding: 21,169,899 shares as of September 30, 2010, 20,888,781 shares as of June 30, 2010.		
	-(*)	-(*)
Additional paid-in capital	44,526	44,086
Accumulated deficit during the development stage	(41,794)	(40,105)
	2,732	3,981
	\$4,365	\$5,622

(*) Less than \$1.

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

PLURISTEM THERAPEUTICS INC. AND ITS SUBSIDIARY
(A Development Stage Company)

CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

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

	Three months ended		Period
	September 30,		from May
	2010	2009	11, 2001
			(Inception)
			through
			September
			30,
			2010
Research and development expenses	\$1,501	\$1,356	\$24,781
Less participation by the Office of the Chief Scientist	(503)	(489)	(5,575)
Research and development expenses, net	998	867	19,206
General and administrative expenses	756	770	21,267
Know how write-off	-	-	2,474
Operating loss	(1,754)	(1,637)	(42,947)
Financial income, net	65	20	1,153
Net loss for the period	\$(1,689)	\$(1,617)	\$(41,794)
Loss per share:			
Basic and diluted net loss per share	\$(0.08)	\$(0.11)	
Weighted average number of shares used in computing basic and diluted net loss per share	21,012,208	14,522,818	

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

PLURISTEM THERAPEUTICS INC. AND ITS SUBSIDIARY
(A Development Stage Company)

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIENCY)

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

	Common Stock		Additional	Receipts	Deficit	Total
	Shares	Amount	Paid-in	on	Accumulated	Stockholders'
			Capital	Account	During the	Equity
				of	Development	(Deficiency)
				Common	Stage	
				Stock		
Issuance of common stock on July 9, 2001	175,500	\$ (*))	\$ 3	\$ -	\$ -	\$ 3
Balance as of June 30, 2001	175,500	(*))	3	-	-	3
Net loss	-	-	-	-	(78)	(78)
Balance as of June 30, 2002	175,500	(*))	3	-	(78)	(75)
Issuance of common stock on October 14, 2002, net of issuance expenses of \$17	70,665	(*))	83	-	-	83
Forgiveness of debt	-	-	12	-	-	12
Stock cancelled on March 19, 2003	(136,500)	(*))	(*))	-	-	-
Receipts on account of stock and warrants, net of finders and legal fees of \$56	-	-	-	933	-	933
Net loss	-	-	-	-	(463)	(463)
Balance as of June 30, 2003	109,665	\$ (*))	\$ 98	\$ 933	\$ (541)	\$ 490

(*) Less than \$1.

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

PLURISTEM THERAPEUTICS INC. AND ITS SUBSIDIARY
(A Development Stage Company)

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIENCY)

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

	Common Stock		Additional	Receipts	Deficit	Total
	Shares	Amount	Paid-in	on Account	Accumulated	Stockholders'
			Capital	of	During the	Equity
				Common	Development	(Deficiency)
				Stock	Stage	
Balance as of July 1, 2003	109,665	\$ (*)	\$ 98	\$ 933	\$ (541)	\$ 490
Issuance of common stock on July 16, 2003, net of issuance expenses of \$70	3,628	(*)	1,236	(933)	-	303
Issuance of common stock on January 20, 2004	15,000	(*)	-	-	-	(*)
Issuance of warrants on January 20, 2004 for finder's fee	-	-	192	-	-	192
Common stock granted to consultants on February 11, 2004	5,000	(*)	800	-	-	800
Stock based compensation related to warrants granted to consultants on December 31, 2003	-	-	358	-	-	358
Exercise of warrants on April 19, 2004	1,500	(*)	225	-	-	225
Net loss for the year	-	-	-	-	(2,011)	(2,011)
Balance as of June 30, 2004	134,793	\$ (*)	\$ 2,909	\$ -	\$ (2,552)	\$ 357

(*) Less than \$1.

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

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STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIENCY)

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

	Common Stock		Additional	Deficit	Total
	Shares	Amount	Paid-in	Accumulated	Stockholders'
			Capital	During the	Equity
				Development	(Deficiency)
				Stage	
Balance as of July 1, 2004	134,793	\$ (*)	\$ 2,909	\$ (2,552)	\$ 357
Stock-based compensation related to warrants granted to consultants on September 30, 2004	-	-	162		