

BRAINSTORM CELL THERAPEUTICS INC.
Form 10-Q
August 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 June 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 20-8133057
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) 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

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 July 31, 2013, the number of shares outstanding of the registrant's Common Stock, \$0.00005 par value per share, was 152,714,176.

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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, 2013

UNAUDITED

U.S. DOLLARS IN THOUSANDS

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

CONSOLIDATED FINANCIAL STATEMENTS

AS OF JUNE 30, 2013

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, 2013 Unaudited	December 31, 2012 Audited
ASSETS		
Current Assets:		
Cash and cash equivalents	755	1,317
Short-term deposit	1,780	2,769
Account receivable	620	742
Prepaid expenses	135	46
Total current assets	3,290	4,874
Long-Term Assets:		
Prepaid expenses	26	17
Severance payment fund	215	172
Total long-term assets	241	189
Property and Equipment, Net	263	247
Total assets	3,794	5,310
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Trade payables	373	358
Accrued expenses	606	605
Other accounts payable	221	176
Total current liabilities	1,200	1,139
Accrued Severance Pay	239	189
Total liabilities	1,439	1,328

Stockholders' Equity:		
Stock capital: (Note 6)	7	7
Common stock of \$0.00005 par value - Authorized: 800,000,000 shares at June 30, 2013 and December 31, 2012; Issued and outstanding: 152,714,176 and 150,085,035 shares at June 30, 2013 and December 31, 2012 respectively.		
Additional paid-in-capital	52,456	51,483
Deficit accumulated during the development stage	(50,108)	(47,508)
Total stockholders' equity	2,355	3,982
Total liabilities and stockholders' equity	3,794	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)

	Six months ended		Three months ended		Period from September 22, 2000 (inception date) through June 30, 2013 (*) Unaudited
	June 30, 2013 Unaudited	2012	June 30, 2013 Unaudited	2012	Unaudited
Operating costs and expenses:					
Research and development, net	\$1,264	\$754	\$742	\$385	27,453
General and administrative	1,302	958	743	448	20,053
Total operating costs and expenses	2,566	1,712	1,485	833	47,506
Financial expenses (income), net	16	(15) 15	(4) 2,470
Other income	-	-	-	-	(132
Operating loss	2,582	1,697	1,500	829	49,844
Taxes on income	18	5	18	1	100
Loss from continuing operations	2,600	1,702	1,518	830	49,944
Net loss from discontinued operations	-	-	-	-	164
Net loss	\$2,600	\$1,702	\$1,518	\$830	50,108
Basic and diluted net loss per share from continuing operations	0.02	0.01	0.01	0.01	
Weighted average number of shares outstanding used in computing basic and diluted net loss per share	151,754,312	127,334,805	152,546,703	128,078,347	

(* 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	Additional paid-in capital	Stock-based compensation	Deferred stock during the development stage	Deficit accumulated	Total stockholders' equity (deficiency)
	Number	Amount				
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				