

COMPUGEN LTD
Form 20-F
March 21, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

DATE OF EVENT REQUIRING THIS SHELL COMPANY REPORT _____

COMMISSION FILE NO. 000-30902

Compugen Ltd.

(Exact name of registrant as specified in its charter and translation of registrant's name into English)

Israel

(Jurisdiction of incorporation or organization)

72 Pinchas Rosen Street, Tel Aviv, 69512 Israel
(Address of principal executive offices)

Dikla Czaczkes Axselbrad, Chief Financial Officer
Phone: 972-3-765-8585, Fax: 972-3-765-8555

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72 Pinchas Rosen Street, Tel Aviv, 69512 Israel

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

| Title of each class | Name of each exchange on which registered |
|---|--|
| Ordinary shares, par value NIS 0.01 per share | The NASDAQ Stock Market LLC (The NASDAQ Capital Market) |

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report:

36,590,478 Ordinary Shares

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Yes No

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 preceding 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, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP

International Financial Reporting Standards as issued by the International Accounting Standards Board

Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

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CAUTIONARY STATEMENT REGARDING
FORWARD-LOOKING STATEMENTS

This annual report on Form 20-F includes “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. These statements include words such as “may”, “assume”, “expect”, “anticipate”, “could”, “project”, “estimate”, “believe”, and “intend”, and describe about future events. We have based these forward-looking statements on information available to us on the date hereof, and on our current assumptions, intentions, beliefs, expectations and projections about future events. We assume no obligation to update any such forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties that may cause the actual results, performance or achievements of Compugen to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Factors that could cause our actual results to differ materially from those projected in the forward-looking statements include, without limitation, the risk factors set forth under “Item 3. Key Information. Risk Factors”, the information about us set forth under “Item 4. Information about the Company” and information related to our financial condition under “Item 5. Operating and Financial Review and Prospects”.

Compugen Ltd. is referred to in this annual report as “Compugen”, “we”, “our”, “our company”, “the Company” or “us”.

We have prepared our consolidated financial statements in United States dollars and in accordance with accounting principles generally accepted in the United States. All references herein to “dollars” or “\$” are to United States dollars, and all references to “Shekels” or “NIS” are to New Israeli Shekels.

PART I.

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

A. SELECTED CONSOLIDATED FINANCIAL DATA

The following selected consolidated financial data are derived from our audited consolidated financial statements which have been prepared in accordance with U.S. GAAP. The selected consolidated financial data as of December 31, 2012 and 2011 and for the years ended December 31, 2012, 2011 and 2010 have been derived from our audited consolidated financial statements and notes thereto included elsewhere in this annual report. The selected consolidated financial data as of December 31, 2010, 2009 and 2008 and for the years ended December 31, 2009 and 2008 have been derived from audited consolidated financial statements not included in this annual report. The selected consolidated financial data set forth below should be read in conjunction with and are qualified by reference to Item 5. “Operating and Financial Review and Prospects” and our consolidated financial statements and notes thereto included elsewhere in this annual report.

Selected Financial Data

| | Year ended December 31, | | | | |
|---|--|------------|------------|------------|------------|
| | 2008 | 2009 | 2010 | 2011 | 2012 |
| | (US\$ in thousands, except share and per share data) | | | | |
| Consolidated Statement of Operations Data | | | | | |
| Revenues | \$338 | \$250 | \$1,115 | \$- | \$242 |
| Total operating expenses (1) | 13,243 | 7,879 | 8,769 | 11,979 | 13,583 |
| Operating loss | (12,912) | (7,629) | (7,878) | (11,979) | (13,542) |
| Financial and other income (expenses), net | 401 | 3,786 | 675 | (25) | (86) |
| Losses from continuing operations | (12,511) | (3,843) | (7,203) | (12,004) | (13,628) |
| Net loss | (12,527) | (3,831) | (7,203) | (12,004) | (13,628) |
| Unrealized gain (loss) on Investment in Evogene | 3,222 | 3,594 | 2,716 | (1,902) | 1,103 |
| Total comprehensive loss | (9,305) | (237) | (4,487) | (13,906) | (12,525) |
| Basic and diluted net loss per share | \$(0.44) | \$(0.13) | \$(0.22) | \$(0.35) | \$(0.38) |
| Weighted average number of ordinary shares used in computing basic net loss per share | 28,434,946 | 28,608,317 | 33,284,017 | 34,276,697 | 35,844,496 |
| Weighted average number of ordinary shares used in computing diluted net loss per share | 28,434,946 | 28,608,317 | 33,284,017 | 34,276,697 | 36,249,262 |

| | 2008 | 2009 | As of December 31, | | 2012 |
|--|----------|-----------|---------------------|-----------|-----------|
| | | | 2010 | 2011 | |
| | | | (US\$ in thousands) | | |
| Consolidated Balance Sheet Data | | | | | |
| Cash and cash equivalents, short-term bank deposits, marketable securities and restricted cash | \$ 7,481 | \$ 15,800 | \$ 22,508 | \$ 22,463 | \$ 19,685 |
| Receivables on account of shares and from funding arrangement | - | 7,790 | 5,000 | - | - |
| Investment in Evogene | 3,858 | 3,898 | 6,227 | | |