

PLURISTEM THERAPEUTICS INC
Form 10-Q
November 12, 2009

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, 2009**

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 small business issuer as specified in its charter)

Nevada

98-0351734

(State or other jurisdiction of incorporation or organization)

(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

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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, 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: 18,499,003 common shares issued as of November 2, 2009.

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, 2009
(unaudited)**

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

CONSOLIDATED FINANCIAL STATEMENTS

As of September 30, 2009

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 2009	June 30, 2009
	Unaudited	Audited
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 2,141	\$ 2,339
Prepaid expenses	129	100
Accounts receivable from the Office of the Chief Scientist	207	383
Other accounts receivable	120	113
Total current assets	2,597	2,935
LONG-TERM ASSETS:		
Long-term deposits and restricted deposits	171	171
Severance pay fund	186	154
Property and equipment, net	1,254	1,203
Total long-term assets	1,611	1,528
Total assets	\$ 4,208	\$ 4,463

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

CONSOLIDATED BALANCE SHEETS

As of September 30, 2009 (unaudited)

U.S. Dollars in Thousands

	September 30 2009	June 30, 2009
	Unaudited	Audited
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Trade payables	\$ 489	\$ 487
Accrued expenses	77	81
Other accounts payable	323	272
	<u>889</u>	<u>840</u>
<u>Total</u> current liabilities	<u>889</u>	<u>840</u>
LONG-TERM LIABILITIES		
Long-term obligation	-	23
Accrued severance pay	248	206
	<u>248</u>	<u>229</u>
	<u>248</u>	<u>229</u>
STOCKHOLDERS' EQUITY		
Share capital:		
Common stock \$0.00001 par value:		
Authorized: 30,000,000 shares.		
Issued: 14,738,693 shares, outstanding: 13,676,886 shares as of June 30, 2009.		
Issued: 15,799,330 shares, outstanding: 14,999,308 shares as of September 30, 2009.		
	- (*)	- (*)
Additional paid-in capital	37,340	36,046
Accumulated deficit during the development stage	(34,269)	(32,652)
	<u>3,071</u>	<u>3,394</u>
	<u>3,071</u>	<u>3,394</u>
	<u>\$ 4,208</u>	<u>\$ 4,463</u>

(*) Less than \$1.

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

CONSOLIDATED STATEMENT OF OPERATIONS (UNAUDITED)

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

	Three months ended September 30,		Period from May 11, 2001 (Inception) through September 30,
	2009	2008	2009
Research and development expenses	\$ 1,356	\$ 1,262	\$ 18,513
Less participation by the Office of the Chief Scientist	(489)	-	(3,739)
Research and development expenses, net	867	1,262	14,774
General and administrative expenses	770	934	18,143
Know how write-off	-	-	2,474
Operating loss	(1,637)	(2,196)	(35,391)
Financial expenses (income), net	(20)	46	(1,122)
Net loss for the period	\$ (1,617)	\$ (2,242)	\$ (34,269)
Loss per share: Basic and diluted net loss per share	\$ (0.11)	\$ (0.29)	
Weighted average number of shares used in computing basic and diluted net loss per share	14,522,818	7,699,352	

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

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

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIENCY)

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

Common Stock

As of September 30, 2009 (unaudited)

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	Common Stock		Additional	Receipts on	Deficit	Total
	Shares	Amount	Paid-in Additional Paid-in Capital	Account of Common Stock	Accumulated During the Development Stage	Stockholders' Equity (Deficiency)
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.

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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 Paid-in Capital	Receipts on Account of Common Stock	Deficit Accumulated During the Development Stage	Total Stockholders' Equity (Deficiency)
	Shares	Amount				
Balance as of July 1, 2003	109,665	\$ (*)	\$ 98	\$ 933	\$ (541)	\$ 490

As of September 30, 2009 (unaudited)

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	Common Stock		Additional Paid-in Capital	Receipts on Account of Common Stock	Deficit Accumulated During the Development Stage	Total Stockholders' Equity (Deficiency)
Issuance of common stock on July 16, 2003, net of issuance expenses of \$70	3,628	(*)	1,256	0	0	0
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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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 Paid-in Capital	Deficit Accumulated During the Development Stage	Total Stockholders' Equity (Deficiency)
	Shares	Amount			
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	-	162
Issuance of common stock and warrants on November 30, 2004 related to the October 2004 Agreement net of issuance costs of \$29	16,250	(*)	296	-	296
Issuance of common stock and warrants on January 26, 2005 related to the October 2004 Agreement net of issuance costs of \$5	21,500	(*)	425	-	425
Issuance of common stock and warrants on January 31, 2005 related to the January 31, 2005 Agreement	35,000	(*)	-	-	(*)

As of September 30, 2009 (unaudited)

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	Common Stock		Additional Paid-in Capital	Deficit Accumulated During the Development Stage	Total Stockholders' Equity (Deficiency)
Issuance of common stock and options on February 15, 2005					
to former director of the Company	250	(*)	14	-	14
Issuance of common stock and warrants on February 16, 2005 related to the January 31, 2005 Agreement	25,000	(*)	-	-	(*)

(*) Less than \$1.

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

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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 Paid-in Capital	Deficit Accumulated During the Development Stage
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