

BRAINSTORM CELL THERAPEUTICS INC.
Form 10-Q
May 14, 2018

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 March 31, 2018

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 001-36641

BRAINSTORM CELL THERAPEUTICS INC.

(Exact name of registrant as specified in its charter)

Delaware 20-7273918
(State or other jurisdiction of (I.R.S. Employer

incorporation or organization) Identification No.)

1745 Broadway 17th Floor
New York, NY 10019
(Address of principal executive offices) (Zip Code)

(201) 488-0460

(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, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth 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

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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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 April 30, 2018, the number of shares outstanding of the registrant's Common Stock, \$0.00005 par value per share, was 19,111,326.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF MARCH 31, 2018

U.S. DOLLARS IN THOUSANDS

(Except share data and exercise prices)

(UNAUDITED)

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BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARIESINTERIM CONDENSED CONSOLIDATED BALANCE SHEETS

U.S. dollars in thousands

(Except share data)

	March 31, 2018 U.S. \$ in thousands Unaudited	December 31, 2017 U.S. \$ in thousands Audited
ASSETS		
Current Assets:		
Cash and cash equivalents	\$3,246	\$ 2,483
Short-term deposit (Note 4)	2,359	5,273
Account receivable	1,117	672
Prepaid expenses and other current assets	1,143	1,195
Total current assets	7,865	9,623
Long-Term Assets:		
Prepaid expenses and other long-term assets (Note 5)	1,136	1,408
Property and Equipment, Net	412	392
Total long-term assets	1,548	1,800
Total assets	\$9,413	\$ 11,423
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$3,261	\$ 1,424
Accrued expenses	442	817
Deferred grant income (Note 6)	1,202	2,625
Other accounts payable	674	677
Total current liabilities	5,579	5,543
Total liabilities	\$5,579	\$ 5,543
Stockholders' Equity:		
Stock capital: (Note 7)	11	11

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Common stock of \$0.00005 par value - Authorized: 100,000,000 shares at each of March 31, 2018 and December 31, 2017; Issued and outstanding: 19,111,326 and 18,976,169 shares at March 31, 2018 and December 31, 2017, respectively.

Additional paid-in-capital	86,196	85,944
Accumulated deficit	(82,373)	(80,075)
Total stockholders' equity	3,834	5,880
Total liabilities and stockholders' equity	\$9,413	\$ 11,423

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

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS (UNAUDITED)

U.S. dollars in thousands

(Except share data)

	Three months ended March 31,	
	2018	2017
	U.S. \$ in thousands	
Operating expenses:		
Research and development, net	\$977	\$941
General and administrative	1,330	829
Operating loss	(2,307)	(1,770)
Financial expenses (income), net	(9)	15
Net loss	\$(2,298)	\$(1,785)
Basic and diluted net loss per share from continuing operations	\$(0.12)	\$(0.10)
Weighted average number of shares outstanding used in computing basic and diluted net loss per share	19,047,350	18,688,377

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

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARIESINTERIM CONDENSED STATEMENTS OF CHANGES IN EQUITY (AUDITED)

U.S. dollars in thousands

(Except share data)

	Common Stock		Additional	Accumulated	Total
	Number	Amount	paid-in capital	deficit	stockholders' equity
Balance as of January 1, 2017	18,687,987	\$ 11	\$ 85,014	\$ (75,123)	\$ 9,902
Stock-based compensation related to warrants and stock granted to service providers	4,327	(*)	62	-	62
Stock-based compensation related to stock and options granted to directors and employees	107,301	(*)	554	-	554
Exercise of options	129,887	(*)	209		209
Exercise of warrants	46,667	(*)	105		105
Net loss	-	-	-	(4,952)	(4,952)
Balance as of December 31, 2017	18,976,169	\$ 11	\$ 85,944	\$ (80,075)	\$ 5,880

* Represents an amount less than \$1.

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

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARIESINTERIM CONDENSED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

U.S. dollars in thousands

(Except share data)

	Common stock		Additional paid-in capital	Accumulated deficit	Total stockholders' equity
	Number	Amount			
Balance as of January 1, 2018	18,976,169	\$ 11	\$ 85,944	\$ (80,075)	\$ 5,880
Stock-based compensation related to warrants and stock granted to service providers	11,250	(*)	-	-	-
Stock-based compensation related to stock and options granted to directors and employees	90,575	(*)	227	-	227
Exercise of options	33,332	(*)	25	-	25
Net loss	-	-	-	(2,298)	(2,298)
Balance as of March 31, 2018	19,111,326	11	86,196	(82,373)	3,834

* Represents an amount less than \$1.

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

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARIESINTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

U.S. dollars in thousands

	Three months ended March 31, 2018 U.S. \$ in thousands	2017
Cash flows from operating activities:		
Net loss	\$ (2,298)	\$ (1,785)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	25	16
Deferred Stock-based compensation related to options granted to employees and directors	227	126
Decrease (increase) in accounts receivable and prepaid expenses	(116)	76
Increase in trade payables	1,837	17
Deferred grant income	(1,423)	-
Decrease in other accounts payable and accrued expenses	(378)	(92)
Total net cash used in operating activities	\$ (2,126)	\$ (1,642)

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

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

U.S. dollars in thousands

Three months ended
 March 31,
 2018 2017
 U.S. \$ in thousands

Cash flows from investing activities:

Purchase of property and equipment	(45)	-
Changes in short-term deposit	2,914	1,700
Investment in lease deposit	(5)	(1)
Total net cash provided by investing activities	2,864	\$ 1,699

Cash flows from financing activities:

Proceeds from exercise of options	25	-
Total net cash provided by financing activities	\$ 25	\$ -
Increase in cash and cash equivalents	763	57
Cash and cash equivalents at the beginning of the period	2,483	\$ 547
Cash and cash equivalents at end of the period	3,246	\$ 604

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

