

Edgar Filing: Neuralstem, Inc. - Form 10-Q

Neuralstem, Inc.
Form 10-Q
November 15, 2010

U.S. 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

Or

Transition Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number 000-1357459

NEURALSTEM, INC.

(Exact name of registrant as specified in its charter)

Delaware
State or other jurisdiction of
incorporation or organization

52-2007292
(I.R.S. Employer
Identification No.)

9700 Great Seneca Highway
Rockville, MD
(Address of principal executive offices)

20850
(Zip Code)

Registrant's telephone number, including area code (301)-366-4841

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, 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 small reporting company)

Smaller reporting company

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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 October 26, 2010 there were 46,472,694 shares of common stock, \$.01 par value, issued and outstanding.

Neuralstem, Inc.

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PART I
FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Neuralstem, Inc.

Balance Sheets

	September 30, 2010 (Unaudited)	December 31, 2009
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 11,588,824	\$ 2,309,774
Prepaid expenses	302,334	143,600
Total current assets	11,891,158	2,453,374
Property and equipment, net	163,007	196,755
Intangible assets, net	440,195	301,560
Other assets	49,409	55,716
Total assets	\$ 12,543,769	\$ 3,007,405
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 1,214,275	\$ 791,607
Accrued bonus expense	509,959	769,215
Fair value of warrant obligations	2,204,157	-
Total current liabilities	3,928,391	1,560,822
LONG-TERM LIABILITIES		
Fair value of warrant obligations	-	6,462,039
Total liabilities	3,928,391	8,022,861
STOCKHOLDERS' EQUITY (DEFICIT)		
Preferred stock, 7,000,000 shares authorized, zero shares issued and outstanding	-	-
Common stock, \$0.01 par value; 150 million shares authorized, 46,182,178 and 35,743,831 shares outstanding in 2010 and 2009 respectively	461,822	357,438
Additional paid-in capital	91,368,927	62,193,937
Accumulated deficit	(83,215,371)	(67,566,831)

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Total stockholders' equity (deficit)	8,615,378	(5,015,456)
Total liabilities and stockholders' equity (deficit)	\$ 12,543,769	\$ 3,007,405

See accompanying notes.

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Statements of Operations
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Revenues	\$ -	\$ -	\$ -	\$ -
Operating expenses:				
Research and development costs	2,112,299	1,308,565	6,625,939	4,195,366
General, selling and administrative expenses	1,769,013	1,191,480	5,007,662	3,898,666
Depreciation and amortization	42,333	22,537	101,996	64,757
	3,923,645	2,522,582	11,735,597	8,158,789
Operating loss	(3,923,645)	(2,522,582)	(11,735,597)	(8,158,789)
Nonoperating (expense) income:				
Interest income	17,406	6,274	32,869	17,054
Interest expense	(465)	(194)	(2,585)	(194)
Warrant issuance and modification expense	-	-	(1,906,800)	-
(Loss) gain from change in fair value of warrant obligations	(23,535)	(2,580,481)	(2,036,427)	761,178
	(6,594)	(2,574,401)	(3,912,943)	778,038
Net loss attributable to common shareholders	\$ (3,930,239)	\$ (5,096,983)	\$ (15,648,540)	\$ (7,380,751)
Net loss per share - basic and diluted	\$ (0.09)	\$ (0.15)	\$ (0.37)	\$ (0.22)
Weighted average common shares outstanding - basic and diluted	46,163,905	34,562,322	42,412,419	34,027,542

See accompanying notes.

Statements of Cash Flows
(Unaudited)

	Nine Months Ended September 30,	
	2010	2009
Cash flows from operating activities:		
Net loss	\$ (15,648,540)	\$ (7,380,751)
Adjustments to reconcile net loss to cash used in operating activities:		
Depreciation and amortization	101,996	64,757
Share based compensation expenses	3,942,609	3,417,790
Warrant issuance and modification expense	1,906,800	-
Loss/(gain) from change in fair value of warrant obligations		