

PLURISTEM LIFE SYSTEMS INC  
Form 10QSB  
May 21, 2007

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 10-QSB**

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **March 31, 2007**

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number **001-31392**

**PLURISTEM LIFE SYSTEMS, INC.**

(Exact name of small business issuer as specified in its charter)

**Nevada**

(State or other jurisdiction of incorporation or  
organization)

**98-0351734**

(IRS Employer Identification No.)

**MATAM Advanced Technology Park, Building No. 20, Haifa, Israel 31905**

(Address of principal executive offices)

**011-972-4-850-1080**

(Issuer's telephone number)

**N/A**

(Former name, former address and former fiscal year, if changed since last report)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act 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 is a shell company (as defined in Rule 12b-2 of the Exchange Act).  
Yes  No

**APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY  
PROCEEDINGS DURING THE PRECEDING FIVE YEARS**

Check whether the issuer has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by a court. Yes [ ] No [ ]

**APPLICABLE ONLY TO CORPORATE ISSUERS**

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date 840,409,801 common shares issued and outstanding as of May 21, 2007

Transitional Small Business Disclosure Format (Check one): Yes [ ] No [X]

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**PART I - FINANCIAL INFORMATION**

**Item 1. Financial Statements.**

It is the opinion of management that the consolidated interim financial statements for the quarter ended March 31, 2007, include all adjustments necessary in order to ensure that the consolidated interim financial statements are not misleading.

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**PLURISTEM LIFE SYSTEMS INC. AND ITS SUBSIDIARY**

(A Development Stage Company)

**(Previous Name - A. I. SOFTWARE INC.)**

**CONSOLIDATED FINANCIAL STATEMENTS**

**As of March 31, 2007**

**IN U.S. DOLLARS**

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**PLURISTEM LIFE SYSTEMS INC. AND ITS SUBSIDIARY**  
(A Development Stage Company)  
(Previous Name - A. I. SOFTWARE INC.)

**CONSOLIDATED FINANCIAL STATEMENTS**

**As of March 31, 2007**

**IN U.S. DOLLARS**

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**PLURISTEM LIFE SYSTEMS INC. AND ITS SUBSIDIARY**

(A Development Stage Company)

(Previous Name - A. I. SOFTWARE INC.)

**CONSOLIDATED BALANCE SHEET (UNAUDITED)****In U.S. Dollars****March 31,  
2007****ASSETS****CURRENT ASSETS:**

Cash and cash equivalents	\$ 4,561,645
Prepaid expenses	56,808
Other accounts receivables	290,931
<u>Total</u> current assets	4,909,384

LONG-TERM RESTRICTED LEASE DEPOSIT	51,599
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SEVERANCE PAY FUND	77,364
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PROPERTY AND EQUIPMENT, NET	411,630
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<u>Total</u> assets	\$ 5,449,977
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The accompanying notes are an integral part of the consolidated financial statements.

**PLURISTEM LIFE SYSTEMS INC. AND ITS SUBSIDIARY**

(A Development Stage Company)

(Previous Name - A. I. SOFTWARE INC.)

**CONSOLIDATED BALANCE SHEET (UNAUDITED)****In U.S. Dollars****March 31,  
2007****LIABILITIES AND STOCKHOLDERS EQUITY****CURRENT LIABILITIES:**

Trade payables	\$ 354,820
Accrued expenses	175,388
Other accounts payable	2,155,279
<u>Total</u> current liabilities	2,685,487

**LONG-TERM LIABILITIES**

Accrued severance pay	94,784
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**STOCKHOLDERS EQUITY**

## Share capital:

Common stock \$0.00001 par value:	
Authorized: 1,400,000,000 shares	
Issued and Outstanding: 275,804,451 shares	2,757
Additional paid-in capital	10,444,802
Receipts on account of shares	4,200,000
Deficit accumulated during the development stage	(11,977,853)
	2,669,706

\$ 5,449,977

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

**PLURISTEM LIFE SYSTEMS INC. AND ITS SUBSIDIARY**

(A Development Stage Company)

(Previous Name - A. I. SOFTWARE INC.)

**CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)****In U.S. Dollars (except share and per share data)**

	Nine Month Period Ended March 31,		Three Month Period Ended March 31,		Period From May 11, 2001 (Inception) Through March 31, 2007
	2007	2006	2007	2006	2007
Research and development costs, net	\$ 3,340,666	\$ 867,843	\$ 2,792,277	\$ 347,665	\$ 7,429,627
General and administrative expenses	1,997,985	666,105	1,136,098	253,426	6,191,894
In-process research and development write-off	-	-	-	-	246,470
	5,338,651	1,533,948	3,928,375	601,091	13,867,991
Financial expenses (income), net	(449,878)	(44,200)	(5,843)	27,491	(1,890,138)
Net loss for the period	\$ 4,888,773	\$ 1,489,748	\$ 3,922,532	\$ 628,582	\$ 11,977,853
Basic and diluted net loss per share	\$ (0.026)	\$ (0.03)	\$ (0.015)	\$ (0.01)	
Weighted average number of shares used in computing basic and diluted net loss per share:	190,129,562	50,180,355	267,818,552	63,740,816	

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

**PLURISTEM LIFE SYSTEMS INC. AND ITS SUBSIDIARY**

(A Development Stage Company)

(Previous Name - A. I. SOFTWARE INC.)

**STATEMENTS OF CHANGES IN STOCKHOLDERS EQUITY (DEFICIENCY) (UNAUDITED)****In U.S. Dollars (except shares data)**

	Common Stock		Additional paid-in	Receipts On account of shares	Deficit Accumulated during the Development Stage	Total Stockholders Equity (Deficiency)
	Shares	Amount	Capital			
Issuance of common stock on July 9, 2001	35,000,000	\$ 350	\$ 2,150	\$ -	\$ -	2,500
<b>Balance as of June 30, 2001</b>	35,000,000	350	2,150	-	-	2,500
Net loss	-	-	-	-	(77,903)	(77,903)
<b>Balance as of June 30, 2002</b>	35,000,000	350	2,150	-	(77,903)	(75,403)
Issuance of common stock on October 14, 2002, Net of issuance expenses of \$17,359	14,133,000	141	83,450	-	-	83,591
Forgiveness of debt	-	-	11,760	-	-	11,760
Stocks cancelled on March 19, 2003	(27,300,000)	(273)	273	-	-	-
Receipts on account of stock and warrants, net of finders and legal fees of \$56,540	-	-	-	933,464	-	933,464
Net loss	-	-	-	-	(462,995)	(462,995)
<b>Balance as of June 30, 2003</b>	21,833,000	\$ 218	\$ 97,633	\$ 933,464	\$ (540,898)	\$ 490,417

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

**PLURISTEM LIFE SYSTEMS INC. AND ITS SUBSIDIARY**

(A Development Stage Company)

(Previous Name - A. I. SOFTWARE INC.)

**STATEMENTS OF CHANGES IN STOCKHOLDERS EQUITY (DEFICIENCY) (UNAUDITED)****In U.S. Dollars (except share and per share data)**

	Common Stock		Additional paid-in	Receipts on account of shares	Deficit accumulated During the development stage	Total Shareholders Equity (Deficiency)
	Shares	Amount	Capital			
<b>Balance as of July 1, 2003</b>	21,833,000	\$ 218	\$ 97,633	\$ 933,464	\$ (540,898)	\$ 490,417
Issuance of common stock on July 16, 2003, net of issuance expenses of \$70,110	725,483	7	1,235,752	(933,464)	-	302,295
Issuance of common stock on January 20, 2004	3,000,000	30	-	-	-	30
Issuance of warrants on January 20, 2004 for finder's fee	-	-	192,000	-	-	192,000
Common stock granted to consultants on February 11, 2004	1,000,000	10	799,990	-	-	800,000
Stock based compensation related to warrants granted to consultants on December 31, 2003	-	-	357,618	-	-	357,618
Exercise of warrants on April 19, 2004	300,000	3	224,997	-	-	225,000
Net loss for the year	-	-	-	-	(2,010,350)	(2,010,350)
<b>Balance as of June 30, 2004</b>	26,858,483	\$ 268	\$ 2,907,990	\$ -	\$ (2,551,248)	\$ 357,010

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**PLURISTEM LIFE SYSTEMS INC. AND ITS SUBSIDIARY**

(A Development Stage Company)

(Previous Name - A. I. SOFTWARE INC.)

**STATEMENTS OF CHANGES IN STOCKHOLDERS EQUITY (DEFICIENCY) (UNAUDITED)****In U.S. Dollars (except share and per share data)**

	<b>Common Stock Shares</b>	<b>Common Stock Amount</b>	<b>Additional paid-in capital</b>	<b>Deficit accumulated During the development stage</b>	<b>Total Shareholders Equity (Deficiency)</b>
<b>Balance as of July 1, 2004</b>	26,858,483	\$ 268	\$ 2,907,990	\$ (2,551,248)	\$ 357,010
Stock-based compensation related to warrants granted to consultants on September 30, 2004	-	-	161,641	-	161,641
Issuance of common stock and warrants on November 30, 2004 related to the October 2004 Agreement net of issuance costs of \$28,908	3,250,000	33	296,059	-	296,092
Issuance of common stock and warrants on January 26, 2005 related to the October 2004 Agreement net of issuance costs of \$4,975	4,300,000	43	424,982	-	425,025
Issuance of common stock and warrants on January 31, 2005 related to the January 31, 2005 Agreement	7,000,000	70	-	-	70
Issuance of common stock and options on February 15, 2005 to former director of the Company	50,000	(*)	14,500	-	14,500
Issuance of common stock and warrants on February 16, 2005 related to the January 31, 2005 Agreement	5,000,000	50	-	-	50

(\*) Less than one dollar

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**STATEMENTS OF CHANGES IN STOCKHOLDERS EQUITY (DEFICIENCY) (UNAUDITED)****In U.S. Dollars (except share and per share data)**

	Common Stock Shares	Common Stock Amount	Additional paid-in capital	Deficit accumulated During the development stage	Total Shareholders Equity (Deficiency)
Issuance of warrants on February 16, 2005 for finder fee					
related to the January 31, 2005 Agreement	-	-	144,000	-	144,000
Issuance of common stock and warrants on March 3, 2005 related to the January 24, 2005 Agreement net of issuance costs of \$24,000	12,000,000	120	1,175,880	-	1,176,000
Issuance of common stock on March 3, 2005 for finder fee related to the January 24, 2005 Agreement	1,845,000	18	(18)	-	-
Issuance of common stock and warrants on March 3, 2005 related to the October 2004 Agreement					