

FLEXIBLE SOLUTIONS INTERNATIONAL INC
 Form 4
 June 07, 2016

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
BIENTJES JOHN H

2. Issuer Name and Ticker or Trading Symbol
FLEXIBLE SOLUTIONS INTERNATIONAL INC [FSI]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 1-230 W 13TH ST
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 06/06/2016

Director 10% Owner
 Officer (give title below) Other (specify below)

N. VANCOUVER, A1 V7M 1N7
 (City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
				(A) or (D)	Price		
Common Stock	06/06/2016		S	1,161 D	\$ 1.4201	18,839	D
Common Stock	06/06/2016		S	900 D	\$ 1.42	17,939	D
Common Stock	06/06/2016		S	939 D	\$ 1.4501	17,000	D
Common Stock	06/06/2016		S	2,910 D	\$ 1.45	14,090	D
Common Stock	06/06/2016		S	90 D	\$ 1.42	14,000	D

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Common Stock	06/06/2016	S	100	D	\$ 1.43	13,900	D
Common Stock	06/06/2016	S	1,099	D	\$ 1.4201	12,801	D
Common Stock	06/06/2016	S	2,301	D	\$ 1.42	10,500	D
Common Stock	06/06/2016	S	3,300	D	\$ 1.42	7,200	D
Common Stock	06/06/2016	S	200	D	\$ 1.44	7,000	D
Common Stock	06/06/2016	S	100	D	\$ 1.43	6,900	D
Common Stock	06/06/2016	S	100	D	\$ 1.4201	6,800	D
Common Stock	06/06/2016	S	3,300	D	\$ 1.42	3,500	D
Common Stock	06/06/2016	S	200	D	\$ 1.45	3,300	D
Common Stock	06/06/2016	S	3,300	D	\$ 1.4	0	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BIENTJES JOHN H 1-230 W 13TH ST N. VANCOUVER, A1 V7M 1N7	X			

Signatures

/s/ Jan (John) H.
Bientjes

06/06/2016

__Signature of Reporting Person Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. vest over 3 years – 1/3 upon each anniversary of the Grant Date. In addition, the Company will pay \$15,000 per quarter to Mr. Schor for his services as an Executive Board Member.

In August 2011, the Company issued to three of its Scientific Advisory Board members and three of its Advisory Board members a total of 300,000 restricted shares of Common Stock. The restrictions of the shares shall lapse in equal monthly portions over the service period.

In November 2011, the Company issued to four of its Advisory Board members a total of 500,000 restricted shares of Common Stock. The restrictions of the shares shall lapse in equal monthly portions over the service period.

In addition, in November 2011, the Company issued to a former director 250,000 shares of Common Stock. Related compensation in the amount of \$70 was recorded as general and administrative expense.

3. Shares and warrants to service providers:

The Company accounts for shares and warrant grants issued to non-employees using the guidance of ASC 505-50, "Equity-Based Payments to Non-Employees" (formerly 718-10, "Accounting for Stock-Based Compensation") and EITTF 96-18, "Accounting for Equity Instruments that are Issued to Other than Employees for Acquiring, or in Conjunction with Selling, Goods or Services," whereby the fair value of such option and warrant grants is determined using a Black-Scholes options pricing model at the earlier of the date at which the non-employee's performance is completed or a performance commitment is reached.

F-37

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

Notes to the financial statements

U.S. dollars in thousands

NOTE 11 - STOCK CAPITAL (Cont.)

B. Issuance of shares, warrants and options: (Cont.)

3. Shares and warrants to service providers and investors: (Cont.)

a) Warrants:

Issuance date	Number of warrants issued	Exercised	Forfeited	Outstanding	Exercise Price \$	Warrants exercisable	Exercisable through
November 2004	12,800,845	11,747,497	151,803	901,545	0.01	901,545	November 2012
December 2004	1,800,000	1,800,000	-	-	0.00005	—	-
February 2005	1,894,808	-	1,894,808	-	2.5	-	-
May 2005	47,500	-	47,500	-	1.62	-	-
June 2005	30,000	-	-	30,000	0.75	30,000	June 2015
August 2005	70,000	-	70,000	-	0.15	-	-
September 2005	3,000	3,000	-	-	0.15	-	-
September 2005	36,000	-	36,000	-	0.75	-	-
September-December 2005	500,000	-	500,000	-	1	-	-
December 2005	20,000	20,000	-	-	0.15	-	-
December 2005	457,163	150,000	-	307,163	0.15	307,163	December 2015
February 2006	230,000	-	-	230,000	0.65	230,000	February 2016
February 2006	40,000	-	40,000	-	1.5	-	-
February 2006	8,000	-	8,000	-	0.15	-	-
February 2006	189,000	97,696	91,304	-	0.5	-	-
May 2006	50,000	-	-	50,000	0.00005	50,000	May 2016
May -December 2006	48,000	-	48,000	-	0.35	-	-
May -December 2006	48,000	-	48,000	-	0.75	-	-
May 2006	200,000	-	-	200,000	1	200,000	May 2016
June 2006	24,000	-	24,000	-	0.15	-	-

Explanation of Responses:

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May 2006	19,355		19,355	-	0.15	-	
October 2006	630,000	630,000		-	0.3	-	-
December 2006	200,000		200,000	-	0.45	-	-
March 2007	200,000			200,000	0.47	200,000	March 2012
March 2007	500,000			500,000	0.47	500,000	March 2017
March 2007	50,000		50,000	-	0.15	-	-
March 2007	15,000			15,000	0.15	15,000	February 2012
February 2007	50,000		50,000	-	0.45	-	-
March 2007	225,000		225,000	-	0.45	-	-
March 2007	50,000		50,000	-	0.45	-	-
April 2007	33,300		33,300	-	0.45	-	-
May 2007	250,000		250,000	-	0.45	-	-
July 2007	500,000			500,000	0.39	500,000	July 2017
September 2007	500,000			500,000	0.15	500,000	August 2017
August 2007	7,562,500			7,562,500	0.2	7,562,500	November 2013
July 2007	30,000		30,000	-	0.45	-	-
July 2007	100,000		100,000	-	0.45	-	-
October 2007	200,000			200,000	0.15	200,000	August-October20
November 2007	2,520,833			2,520,833	0.20	2,520,833	November 2013
November 2007	2,016,667			2,016,667	0.29	2,016,667	November 2013
April 2008	4,537,500			4,537,500	0.29	4,537,500	November 2013
August 2008	3,529,166			3,529,166	0.29	3,529,166	November 2013
August 2008	1,008,334			1,008,334	0.29	1,008,334	November 2013
November 2008	100,000			100,000	0.15	100,000	September 2018
April 2009	200,000			200,000	0.1	200,000	April 2019
October 2009	200,000	100,000		100,000	0.067	66,667	October 2019
October 2009	4,537,500			4,537,500	0.29	4,537,500	November 2013
January 2010	1,250,000			1,250,000	0.5	1,250,000	January 2012
February 2010	125,000			125,000	0.001	125,000	February 2012
February 2010	3,000,000			3,000,000	0.5	3,000,000	February 2012
January 2011	4,537,500			4,537,500	0.29	4,537,500	November 2013
February 2011	641,026			641,026	0.39	641,026	February 2012
February 2011	6,407,500	946,834		5,460,666	0.28	5,460,666	February 2012
February 2011	12,815,000			12,815,000	0.5	12,815,000	February 2013
April 2010	33,334			33,334	0.00005	33,334	April 2020
April 2011	33,334			33,334	0.00005	22,222	April 2021
February 2010	1,500,000			1,500,000	0.01	500,000	February 2020
	78,604,165	15,495,027	3,967,070	59,142,068		58,064,289	

F-38

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

Notes to the financial statements

U.S. dollars in thousands

NOTE 11 -

STOCK CAPITAL (Cont.)

- B. Issuance of shares, warrants and options: (Cont.)
3. Shares and warrants to service providers: (Cont.)

a) Warrants: (Cont.)

The fair value for the warrants to service providers was estimated on the date of grant using a Black-Scholes option pricing model, with the following weighted-average assumptions for the year ended December 31, 2011 and December 31, 2010; weighted average volatility of 138% and 126%-165%, respectively, risk free interest rates of 1.69% and 0.37%-2.12%, respectively, dividend yields of 0% and a weighted average life of the options of 5.2 and 1-9 years, respectively.

b)

Shares:

On June 1 and June 4, 2004, the Company issued 40,000 and 150,000 shares of Common Stock for 12 months of filing services and legal and due-diligence services, respectively, with respect to a private placement. Compensation expense related to filing services, totaling \$26, was amortized over a 12-month period. Compensation related to legal services, totaling \$105 was recorded as equity issuance cost and had no effect on the statement of operations.

On July 1 and September 22, 2004, the Company issued 20,000 and 15,000 shares to a former director for financial services for the first and second quarters of 2004, respectively. Related compensation in the amount of \$39 was recorded as general and administrative expense.

On February 10, 2005, the Company signed an agreement with one of its service providers under which the Company issued to the service provider 100,000 restricted shares at a purchase price of \$0.00005 par value under the U.S. Stock Option and Incentive Plan of the Company. All restrictions on these shares have lapsed.

In March and April 2005, the Company signed an agreement with four members of its Scientific Advisory Board under which the Company issued to the members of the Scientific Advisory Board 400,000 restricted shares at a purchase price of \$0.00005 par value under the U.S. Stock Option and Incentive Plan (100,000 each). All restrictions on these shares have lapsed.

F-39

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

Notes to the financial statements

U.S. dollars in thousands

NOTE 11 -

STOCK CAPITAL (Cont.)

B. Issuance of shares, warrants and options: (Cont.)

3. Shares and warrants to service providers: (Cont.)

b)

Shares: (Cont.)

In July 2005, the Company issued to its legal advisors 50,000 shares for legal services for 12 months. The compensation related to the shares in the amount of \$37.5 was recorded as general and administrative expense.

In January 2006, the Company issued to two service providers 350,000 restricted shares at a purchase price of \$0.00005 par value under the U.S. Stock Option and Incentive Plan of the Company. All restrictions on these shares have lapsed. Related compensation in the amount of \$23 was recorded as general and administrative expense.

On March 6, 2006, the Company issued to its legal advisor 34,904 shares of Common Stock. The shares are in lieu of \$18.5 payable to the legal advisor. Related compensation in the amount of \$18.5 was recorded as general and administrative expense.

On April 13, 2006, the Company issued to service providers 60,000 shares at a purchase price of \$0.00005 par value under the U.S Stock Option and Incentive Plan of the Company. Related compensation in the amount of \$25.8 was recorded as general and administrative expense.

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On May 9, 2006, the Company issued to its legal advisor 65,374 shares of Common Stock in lieu of payment for legal services. Related compensation in the amount of \$33 was recorded as general and administrative expense.

On June 7, 2006, the Company issued 50,000 shares of Common Stock for filing services for 12 months. Related compensation in the amount of \$24.5 was recorded as general and administrative expense.

On May 5, 2006, the Company issued 200,000 shares to a finance consultant for his services. Related compensation in the amount of \$102 was recorded as general and administrative expense.

On August 14, 2006, the Company issued 200,000 shares to a service provider. Related compensation in the amount of \$68 was recorded as general and administrative expense.

On August 17, 2006, the Company issued 100,000 shares to a service provider. Related compensation in the amount of \$35 was recorded as general and administrative expense.

F-40

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

Notes to the financial statements

U.S. dollars in thousands

NOTE 11 -

STOCK CAPITAL (Cont.)

B. Issuance of shares, warrants and options: (Cont.)

3. Shares and warrants to service providers: (Cont.)

b)

Shares: (Cont.)

On September 17, 2006, the Company issued to its legal advisor 231,851 shares of Common Stock in lieu of \$63 payable to the legal advisor. Related compensation in the amount of \$63 was recorded as general and administrative expense.

On April 1 and September 30, 2006, the Company issued to its business development advisor, based on an agreement, 240,000 shares of Common Stock. Related compensation in the amount of \$74 was recorded as general and administrative expense.

On January 3, 2007, the Company issued to its legal advisor 176,327 shares of Common Stock. The shares are for the \$45 payable to the legal advisor. Related compensation in the amount of \$49 was recorded as general and administrative expense.

On April 12, 2007, the Company issued to its filing and printing service providers 80,000 shares of Common Stock. The shares issued are for the \$15 payable to the service provider. Related compensation in the amount of \$30 was recorded as general and administrative expense. In addition, the Company is obligated to issue the filing and printing service providers additional shares, in the event that the total value of the shares previously issued (as quoted on the Over-the-Counter Bulletin Board or such other exchange where the Common Stock is quoted or listed) is less than \$0.20, on March 20, 2008. In no event shall the Company issue more than 30,000 additional shares to the service

Explanation of Responses:

providers. As a result, the Company recorded a liability in the amount of \$20.

On April 12, 2007, the Company issued to its legal advisor 108,511 shares of Common Stock. The shares are for \$29 payable to the legal advisor. Related compensation in the amount of \$40 was recorded as general and administrative expense.

On May 18, 2007, the Company issued to its legal advisor 99,257 shares of Common Stock. The shares are for \$33, payable to the legal advisor. Related compensation in the amount of \$33 was recorded as general and administrative expense.

On October 29, 2007, the Company issued to a Scientific Advisory Board member 80,000 shares of the Company's Common Stock for scientific services. Compensation of \$67 was recorded as research and development expense.

On May 20, 2008, the Company issued to its finance advisor 90,000 shares of the Company's common stock. The shares are for \$35 payable to the finance advisor for introduction fee of past convertible loans. Related compensation in the amount of \$36 is recorded as finance expenses.

On April 5, 2009, the Company issued to its Chief Technology Advisor 1,800,000 shares of Common Stock. The shares are for \$180 payable to the advisor. Related compensation in the amount of \$144 was recorded as research and development expense.

F-41

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

Notes to the financial statements

U.S. dollars in thousands

NOTE 11 -

STOCK CAPITAL (Cont.)

B. Issuance of shares, warrants and options: (Cont.)

3. Shares and warrants to service providers: (Cont.)

b)

Shares: (Cont.)

On June 24, 2009, the Company issued to its public relations advisor 250,000 shares of Common Stock. The shares are for \$25 payable to the advisor. Related compensation in the amount of \$18 was recorded as general and administrative expense.

On July 8, 2009, the Company issued to its finance consultant 285,714 shares of the Company's Common Stock. The shares are for \$20 payable to the finance consultant for valuation of options and warrants. Related compensation in the amount of \$20 is recorded as general and administrative expense.

On July 15, 2009, the Company issued to its service provider 357,142 shares of the Company's Common Stock. The shares are for \$25 payable to the service provider for filing services. Related compensation in the amount of \$21 is recorded as general and administrative expense.

On August 10, 2009, the Company issued to its service provider 71,428 shares of the Company's Common Stock. The shares are for \$5 payable to the service provider for IT services. Related compensation in the amount of \$4 is recorded as general and administrative expense.

On October 1, 2009, the Company issued to its service provider 150,000 shares of the Company's Common Stock. The shares are for financial and investor relation services done by the provider. Related compensation in the amount of \$51 is recorded as general and administrative expense.

On October 2, 2009, the Company issued to its service provider 1,250,000 shares of the Company's Common Stock. The shares are for investor and public relation services. Related compensation in the amount of \$400 is recorded as general and administrative expense.

On December 30, 2009, the Company issued to Ramot 1,120,000 shares of the Company's Common Stock (see note 3).

On December 13, 2009, the Company issued a \$135 Convertible Promissory Note to its legal advisor for \$217 in legal fees accrued through October 31, 2009. Interest on the note accrued at the rate of 4%.

On January 5, 2010, the Company issued to its public relations advisor 50,000 shares of the Company's Common Stock for six months' service. The issuance of the shares is part of the agreement with the public relations advisor that entitles it to a monthly grant of 8,333 shares of the Company's Common Stock.

On January 6, 2010, the Company issued to its service provider 60,000 shares of the Company's Common Stock. The shares are for \$15 payable to the service provider for insurance and risk management consulting and agency services for three years.

On February 19, 2010, the Company's legal advisor converted the entire accrued principal and interest amount outstanding under the note into 402,385 shares of Common Stock.

F-42

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

Notes to the financial statements

U.S. dollars in thousands

NOTE 11 -

STOCK CAPITAL (Cont.)

- B. Issuance of shares, warrants and options: (Cont.)

- 3. Shares and warrants to service providers: (Cont.)
 - b) Shares: (Cont.)

On April 6, 2010, Prof. Melamed fully exercised his warrant to purchase 1,097,215 shares of the Company's Common Stock. The warrant was issued to him pursuant to the agreement with the Consultants effective as of November 4, 2004 (See Note 4a).

In May 2010, based on a board resolution dated June 29, 2009, the Company issued to one of its public relations advisors 100,000 restricted shares of Common Stock. The restrictions of the shares shall lapse in three annual and equal portions commencing with the grant date.

On December 16, 2010, the Company granted to its service provider 200,000 shares of the Company's Common Stock. The shares are for investor and public relations services. Related compensation in the amount of \$40 is recorded as general and administrative expense.

On December 16, 2010, the Company granted to its Chief Medical Advisor 900,000 shares of the Company's Common Stock for services rendered through December 31, 2010. Related compensation in the amount of \$180 is recorded as research and development expense.

On December 16, 2010, the Company granted to its Chief Scientist 200,000 shares of the Company's Common Stock for services rendered through December 31, 2010. Related compensation in the amount of \$40 is recorded as research and development expense.

On February 18, 2011, the Company's legal advisor converted the entire accrued principal and interest of the Convertible Promissory Note granted on September 15, 2010, totaling \$137, into 445,617 shares of Common Stock.

On June 27, 2011, the Company granted to its legal advisor 180,000 shares of Common Stock for 2011 legal services. Half of the shares of Common Stock are fully vested and half vest in six equal monthly installments through December 2011. Related compensation in the amount of \$86 is recorded as general and administrative expense.

On June 27, 2011, the Company granted to its consultant 400,000 shares of the Company's Common Stock, for services rendered through December 31, 2009. Related compensation in the amount of \$192 is recorded as research and development expense. (See note 4 C)

On June 27, 2011, the Company granted to a service provider 10,870 shares of the Company's Common Stock. Related compensation in the amount of \$5 is recorded as general and administrative expense.

On December 31, 2011, the Company issued to Hadasit warrants to purchase up to 1,500,000 restricted shares of the Company's Common Stock at an exercise price of \$0.001 per share, exercisable for a period of 5 years. The warrants shall vest over the course of the trials as follows: 500,000 upon enrollment of 1/3 of the patients; an additional 500,000 upon enrollment of all the patients and the final 500,000 upon completion of the study.

F-43

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

Notes to the financial statements

U.S. dollars in thousands

In 2011, three consultants of the Company exercised 462,128 options for \$31.

A summary of the Company's stock awards activity related to shares issued to service providers and related information is as follows:

	Year ended December 31, 2011		Year ended December 31, 2010	
	Amount of shares	Weighted average issue price \$	Amount of shares	Weighted average issue price \$
Outstanding at beginning of period	9,735,508	0.25	8,225,508	0.26
Issued	1,265,870	0.41	1,510,000	0.20
Outstanding at end of period	11,001,378	0.27	9,735,508	0.25

Stock-based compensation and issuance of shares recorded by the Company in respect of shares and warrants c) granted to service providers amounted to \$449 and \$96 for the year ended December 31, 2011 and 2010, respectively.

The total stock-based compensation expense, related to shares, options and warrants granted to employees and service providers, was comprised, at each period, as follows:

Year ended December 31,	Period from September 22, 2000 (inception date) through
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Explanation of Responses:

December 31,
 2011 2010 2011
 U.S. \$ in thousands

Research and development	\$316	\$325	\$17,556
General and administrative	1,075	560	10,113
Financial expenses, net	192	-	248
Total stock-based compensation expense	\$1,584	\$885	\$27,917

F-44

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

Notes to the financial statements

U.S. dollars in thousands

NOTE 12 -	RESEARCH AND DEVELOPMENT, NET		
	Year ended December 31,	2010	Period from September 22, 2000 (inception date) through December 31, 2011
	2011	2010	2011
	U.S. \$ in thousands		
Research and development	2,077	1,385	26,833
Less : Ramot reverse accruals (See Note 3)		-	(760)
Less : Participation by the Israeli Office of the Chief Scientist	(388)	(340)	(1,654)
	1,689	1,045	24,419

NOTE 13 - TAXES ON INCOME

A. Tax rates applicable to the income of the subsidiary:

The corporate tax rate in Israel is as follows: 2008 - 27%, 2009 - 26%, 2010 - 25%, 2011 - 24%. In July 2009, the "Knesset" (Israeli parliament) passed the Economic Efficiency Law (Legislative Amendments for implementation of the economic plan for 2009 and 2010) of 2009 which defines, inter alia, further gradual reductions of corporate tax rates and real capital gains tax, in Israel, starting in 2011, to the following rates: 2012 - 23%, 2013 - 22%, 2014 - 21%, 2015 - 20% and in 2016 and onwards - 18%. Such tax reductions have no significant impact on the Company's financial statements.

In February 2008, the "Knesset" passed an amendment to the Income Tax (Inflationary Adjustments) Law, 1985, which limits the scope of the law beginning in 2008 and thereafter. Beginning in 2008, the results for tax purposes will be measured in nominal values, excluding certain adjustments for changes in the Consumer Price Index carried out in the period up to December 31, 2007. The amended law includes, inter alia, the elimination of the inflationary additions and deductions and the additional deduction for depreciation starting in 2008.

On September 26, 2011, the Social-Economic Reform Committee headed by Professor Manuel Trajtenberg published a report with its recommendations. Consequently, on December 6, 2011, the Law for Change in the Tax Burden (Legislative Amendments), based on the recommendations in the Tax Section of that report, was published, after being approved in a third reading in the Israeli Knesset.

The main changes of the new law regarding corporate income taxes are as follows:

1. Cancellation of the planned gradual reduction of income taxes and corporate income taxes commencing in 2012.
2. Increase of the corporate income tax rate to 25% in 2012.
3. Increase of the capital gains tax rate and betterment tax rate to 25%.

Such tax rate changes have no significant impact on the Company's financial statements.

B. Tax laws applicable to the income of the Subsidiary:

Income Tax (Inflationary Adjustments) Law, 1985:

According to the law, the results for tax purposes are measured based on the changes in the Israeli Consumer Price Index ("CPI").

The Law for the Encouragement of Capital Investments, 1959 ("the Law"):

According to the Law, BCT is entitled to various tax benefits by virtue of "beneficiary enterprise" status granted, as defined by this Law.

In March 2005, the Israeli Parliament passed the Arrangements Law for fiscal year 2005, which includes a broad and comprehensive amendment to the provisions of the Law ("Amendment No. 60 to the Law").

The principal benefits by virtue of the Law are:

Tax benefits and reduced tax rates under the Alternative Track of Benefits:

The Company is tax exempt for a benefit period of two years and in the five/eight subsequent years of the benefit period is subject to a reduced tax rate of 10%-25%.

On January 6, 2011, an amendment to the Law for the Encouragement of Capital Investment-1959 (the "Law") was published. The amendment has a substantial effect on the current provisions of the Law. The following are the major changes in the amendment:

F-45

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

Notes to the financial statements

U.S. dollars in thousands

NOTE 13 - TAXES ON INCOME (Cont.)

1. A company located in Preferred Area A can file for both grants and tax benefits.
2. The requisites for benefits were changed with the most significant change that the minimum investment requirement was removed. In addition, the definition of approved entity was changed.
3. The income attribution based on revenues was cancelled, the result is that an approved entity would be taxable on its entire income at a fixed rate.
4. Tax exemption was cancelled.
5. Dividend payable to Israeli corporations from preferred income would be tax exempt.
6. The Grant Rate out of the approved investment would be up to 24%.

The Tax rates applicable to Approved Industrial Enterprise would be 6% and 12% for those located in Preferred Area A or elsewhere, respectively, with effectiveness for the taxable year 2 of 2015 and onwards. Prior to 2015, the following tax rates will be applicable:

For the years 2011-2012 10% and 15%, respectively and for the years 2013-2014 7% and 12.5%, respectively. The amendment to the law is not expected to have a material impact on the Company's consolidated financial statements.

C. Deferred income taxes:

Explanation of Responses:

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets are as follows:

	December 31,	
	2011	2010
	U.S. \$ in thousands	
Operating loss carryforward	32,165	30,206
Net deferred tax asset before valuation allowance	13,187	12,858
Valuation allowance	(13,187)	(12,858)
Net deferred tax asset	-	-

As of December 31, 2010, the Company has provided valuation allowances of \$13,012 in respect of deferred tax assets resulting from tax loss carryforward and other temporary differences. Management currently believes that because the Company has a history of losses, it is more likely than not that the deferred tax regarding the loss carryforward and other temporary differences will not be realized in the foreseeable future.

D. Available carryforward tax losses:

As of December 31, 2010, the Company has an accumulated tax loss carryforward of approximately \$12,716. Carryforward tax losses in the U.S. can be carried forward and offset against taxable income in the future for a period of 20 years. Utilization of U.S. net operating losses may be subject to substantial annual limitations due to the "change in ownership" provisions of the Internal Revenue Code of 1986 and similar state provisions. The annual limitation may result in the expiration of net operating losses before utilization.

E. Loss from continuing operations, before taxes on income, consists of the following:

	Year ended December 31,	
	2011	2010
	U.S. \$ in thousands	
United States	(1,886)	(1,235)
Israel	(2,032)	(1,165)
	(3,918)	(2,400)

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

Notes to the financial statements

U.S. dollars in thousands

NOTE 13 - TAXES ON INCOME (Cont.)

F. Due to the Company's cumulative losses, the effect of ASC 740 as codified from ASC 740-10 (formerly FIN 48) is not material.

G. BCT has not received final tax assessments since its incorporation.

NOTE 14 - TRANSACTIONS WITH RELATED PARTIES

	Year ended December	
	31,	
	2011	2010
	U.S. \$ in thousands	
A. Fees and related benefits and compensation expenses in respect of options granted to a member of the Board who is a related party	150	318

B. As for transactions with Ramot, see Note 3.

NOTE 15 - SUBSEQUENT EVENTS

A. In January 2012, one of the Company's service providers exercised a warrant for 125,000 shares of Common Stock of the Company.

B. On February 3, 2012, the Company filed an S-1 Registration Statement with the Securities and Exchange Commission.

C. In February 2012, the former CEO exercised options to purchase 132,038 shares of Common Stock.

Explanation of Responses:

F-47

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

CONSOLIDATED BALANCE SHEETS

U.S. dollars in thousands

(Except share data)

	March 31, 2012 Unaudited	December 31, 2011 Audited
ASSETS		
Current Assets:		
Cash and cash equivalents	1,145	1,923
Account receivable	482	312
Prepaid expenses	148	69
Total current assets	1,775	2,304
Long-Term Investments:		
Prepaid expenses	17	17
Severance payment fund	129	109
Total long-term investments	146	126
Property and Equipment, Net	328	314
Total assets	2,249	2,744
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIENCY)		
Current Liabilities:		
Trade payables	325	244
Accrued expenses	839	750
Other accounts payable	126	141
Total current liabilities	1,290	1,135
Accrued Severance Pay	142	121
Total liabilities	1,432	1,256
Commitments And Contingencies Stockholders' Equity:		

Explanation of Responses:

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Stock capital: (Note 8)	6	6
Common stock of \$0.00005 par value - Authorized: 800,000,000 shares at March 31, 2012 and December 31, 2011; Issued and outstanding: 126,737,158 and 126,444,309 shares at March 31, 2012 and December 31, 2011 respectively.		
Additional paid-in-capital	45,761	45,560
Deficit accumulated during the development stage	(44,950)	(44,078)
Total stockholders' equity	817	1,488
Total liabilities and stockholders' equity	2,249	2,744

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

F-48

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

CONSOLIDATED STATEMENTS OF OPERATIONS

U.S. dollars in thousands

(Except share data)

	Three months		Period from
	ended March 31		September 22,
	2012	2011	2000 (inception
	Unaudited		date) through
			March 31,
			2012 (*)
			Unaudited
Operating costs and expenses:			
Research and development, net	369	270	24,788
General and administrative	510	258	17,513
Total operating costs and expenses	879	528	42,301
Financial expenses (income), net	(11) 177	2,536
Other income	-	-	(132)
Operating loss	868	705	44,705
Taxes on income	4	-	81
Loss from continuing operations	872	705	44,786
Net loss from discontinued operations	-	-	164
Net loss	872	705	44,950
Basic and diluted net loss per share from continuing operations	0.01	0.01	
Weighted average number of shares outstanding used in computing basic and diluted net loss per share	126,591,262	108,895,199	

Explanation of Responses:

(*) Out of which, \$163, relating to the period from inception to March 31 2004, is unaudited.

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

F-49

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIENCY)

U.S. dollars in thousands

(except share data)

	Common stock Number	Amount	Additional paid-in capital	Deferred Stock - based compensation	Deficit accumulated during the development stage	Total stockholders' equity (deficiency)
Balance as of September 22, 2000 (date of inception) (unaudited)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Stock issued on September 22, 2000 for cash at \$0.00188 per share	8,500,000	1	16	-	-	17
Stock issued on March 31, 2001 for cash at \$0.0375 per share	1,600,000	* -	60	-	-	60
Contribution of capital	-	-	8	-	-	8
Net loss	-	-	-	-	(17)	(17)
Balance as of March 31, 2001 (unaudited)	10,100,000	1	84	-	(17)	68
Contribution of capital	-	-	11	-	-	11
Net loss	-	-	-	-	(26)	(26)
Balance as of March 31, 2002 (unaudited)	10,100,000	1	95	-	(43)	53
Contribution of capital	-	-	15	-	-	15
Net loss	-	-	-	-	(47)	(47)
Balance as of March 31, 2003 (unaudited)	10,100,000	1	110	-	(90)	21
2-for-1 stock split	10,100,000	* -	-	-	-	-
Stock issued on August 31, 2003 to purchase mineral option at \$0.065 per share	100,000	* -	6	-	-	6
Cancellation of shares granted to Company's President	(10,062,000)	* -	* -	-	-	-
Contribution of capital	-	* -	15	-	-	15
Net loss	-	-	-	-	(73)	(73)
Balance as of March 31, 2004 (unaudited)	10,238,000	\$ 1	\$ 131	\$ -	\$ (163)	\$ (31)

Explanation of Responses:

30

* Represents an amount less than \$1.

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

F-50

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIENCY)

U.S. dollars in thousands

(Except share data)

	Common stock Number	Amount	Additional paid-in capital	Deferred Stock - based compensation	Deficit accumulated during the development stage	Total stockholders' equity (deficiency)
Balance as of March 31, 2004	10,238,000	\$ 1	\$ 131	\$ -	\$ (163)	\$ (31)
Stock issued on June 24, 2004 for private placement at \$0.01 per share, net of \$25,000 issuance expenses	8,510,000	* -	60	-	-	60
Contribution capital	-	-	7	-	-	7
Stock issued in 2004 for private placement at \$0.75 per unit	1,894,808	* -	1,418	-	-	1,418
Cancellation of shares granted to service providers	(1,800,000)	* -	-	-	-	-
Deferred stock-based compensation related to options granted to employees	-	-	5,979	(5,979)	-	-
Amortization of deferred stock-based compensation related to shares and options granted to employees	-	-	-	584	-	584
Compensation related to shares and options granted to service providers	2,025,000	* -	17,506	-	-	17,506
Net loss	-	-	-	-	(18,840)	(18,840)
Balance as of March 31, 2005	20,867,808	\$ 1	\$ 25,101	\$ (5,395)	\$ (19,003)	\$ 704

* Represents an amount less than \$1.

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

F-51

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIENCY)

U.S. dollars in thousands

(except share data)

	Common stock Number	Amount	Additional paid-in capital	Deferred Stock - based compensation	Deficit accumulated during the development stage	Total stockholders' equity (deficiency)
Balance as of March 31, 2005	20,867,808	\$ 1	\$ 25,101	\$ (5,395)	\$ (19,003)	\$ 704
Stock issued on May 12, 2005 for private placement at \$0.8 per share	186,875	* -	149	-	-	149
Stock issued on July 27, 2005 for private placement at \$0.6 per share	165,000	* -	99	-	-	99
Stock issued on September 30, 2005 for private placement at \$0.8 per share	312,500	* -	225	-	-	225
Stock issued on December 7, 2005 for private placement at \$0.8 per share	187,500	* -	135	-	-	135
Forfeiture of options granted to employees	-	-	(3,363)	3,363	-	-
Deferred stock-based compensation related to shares and options granted to directors and employees	200,000	* -	486	(486)	-	-
Amortization of deferred stock-based compensation related to options and shares granted to employees and directors	-	-	51	1,123	-	1,174
Stock-based compensation related to options and shares granted to service providers	934,904	* -	662	-	-	662
Reclassification due to application of ASC 815-40-25 (formerly EITF 00-19)	-	-	(7,906)	-	-	(7,906)
Beneficial conversion feature related to a convertible bridge loan	-	-	164	-	-	164
Net loss	-	-	-	-	(3,317)	(3,317)
Balance as of March 31, 2006	22,854,587	\$ 1	\$ 15,803	\$ (1,395)	\$ (22,320)	\$ (7,911)
Elimination of deferred stock compensation due to implementation of ASC 718-10 (formerly SFAS 123(R))	-	-	(1,395)	1,395	-	-

Explanation of Responses:

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Stock-based compensation related to shares and options granted to directors and employees	200,000	* -	1,168	-	-	1,168
Reclassification due to application of ASC 815-40-25 (formerly EITF 00-19)	-	-	7,191	-	-	7,191
Stock-based compensation related to options and shares granted to service providers	1,147,225	-	453	-	-	453
Warrants issued to convertible note holder	-	-	11	-	-	11
Warrants issued to loan holder	-	-	110	-	-	110
Beneficial conversion feature related to convertible bridge loans	-	-	1,086	-	-	1,086
Net loss	-	-	-	-	(3,924)	(3,924)
Balance as of December 31, 2006	24,201,812	\$ 1	\$ 24,427	\$ -	\$ (26,244)	\$ (1,816)

* Represents an amount less than \$1. **The accompanying notes are an integral part of the consolidated financial statements**

F-52

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIENCY)

U.S. dollars in thousands

(Except share data)

	Common stock Number	Capital	Additional paid-in compensation	Deferred Stock - based stage	Deficit accumulated during the development stage	Total stockholders' equity (deficiency)
Balance as of December 31, 2006	24,201,812	\$ 1	\$ 24,427	\$ -	\$ (26,244)	\$ (1,816)
Stock-based compensation related to options and shares granted to service providers	544,095		1,446	-	-	1,446
Warrants issued to convertible note holder	-	-	109	-	-	109
Stock-based compensation related to shares and options granted to directors and employees	200,000	* -	1,232	-	-	1,232
Beneficial conversion feature related to convertible loans	-	-	407	-	-	407
Conversion of convertible loans	725,881	* -	224	-	-	224
Exercise of warrants	3,832,621	* -	214	-	-	214
Stock issued for private placement at \$0.1818 per unit, net of finder's fee	11,500,000	1	1,999	-	-	2,000
Net loss	-	-	-	-	(6,244)	(6,244)
Balance as of December 31, 2007	41,004,409	\$ 2	\$ 30,058	\$ -	\$ (32,488)	\$ (2,428)
Stock-based compensation related to options and stock granted to service providers	90,000	-	33	-	-	33
Stock-based compensation related to stock and options granted to directors and employees	-	-	731	-	-	731
Conversion of convertible loans	3,644,610	* -	1,276	-	-	1,276
Exercise of warrants	1,860,000	* -	-	-	-	-
Exercise of options	17,399	* -	3	-	-	3

Explanation of Responses:

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Stock issued for private placement at \$0.1818 per unit, net of finder's fee	8,625,000	1	1,499	-	-	1,500
Subscription of shares for private placement at \$0.1818 per unit	-	-	281	-	-	281
Net loss	-	-	-	-	(3,472)	(3,472)
Balance as of December 31, 2008	55,241,418	\$ 3	\$ 33,881	\$ -	\$ (35,960)	\$ (2,076)

* Represents an amount less than \$1. **The accompanying notes are an integral part of the consolidated financial statements**

F-53

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIENCY)

U.S. dollars in thousands

(Except share data)

	Common stock		Additional paid-in capital	Deferred stock - based compensation	Deficit accumulated during the development stage	Total stockholders' equity (deficiency)
	Number	Amount				
Balance as of December 31, 2008	55,241,418	\$ 3	\$ 33,881	\$ -	\$ (35,960)	\$ (2,076)
Stock-based compensation related to options and stock granted to service providers	5,284,284	(*)	775	-	-	775
Stock-based compensation related to stock and options granted to directors and employees	-	-	409	-	-	409
Conversion of convertible loans	2,500,000	(*)	200	-	-	200
Exercise of warrants	3,366,783	(*)	-	-	-	-
Stock issued for amendment of private placement	9,916,667	1	-	-	-	1
Subscription of shares	-	-	729	-	-	729
Net loss	-	-	-	-	\$ (1,781)	(1,781)
Balance as of December 31, 2009	76,309,152	\$ 4	\$ 35,994	\$ -	\$ (37,741)	\$ (1,743)

* Represents an amount less than \$1.

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

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIENCY)

U.S. dollars in thousands

(Except share data)

	Common stock Number	Amount	Additional paid-in capital	Deferred Stock - based compensation	Deficit accumulated during the development stage	Total stockholders' equity (deficiency)
Balance as of December 31, 2009	76,309,152	\$ 4	\$ 35,994	\$ -	\$ (37,741)	\$ (1,743)
Stock-based compensation related to options and stock granted to service providers	443,333	* -	96	-	-	96
Stock-based compensation related to stock and options granted to directors and employees	466,667	* -	388	-	-	388
Stock issued for amendment of private placement	7,250,000	1	1,750	-	-	1,751
Conversion of convertible note	402,385	* -	135	-	-	135
Conversion of convertible loans	1,016,109	* -	189	-	-	189
Issuance of shares	2,475,000		400			400
Exercise of options	1,540,885	* -	77	-	-	77
Exercise of warrants	3,929,446	* -	11	-	-	11
Subscription of shares for private placement at \$0.12 per unit		-	455	-	-	455
Conversion of trade payable to stock		-	201	-	-	201
Issuance of shares on account of previously subscribed shares (See also Note 8 B.1.f)	2,000,001	* -	-	-	-	-
Net loss					(2,419)	(2,419)
Balance as of December 31, 2010	95,832,978	\$ 5	\$ 39,696	\$ -	\$ (40,160)	\$ (459)

* Represents an amount less than \$1.

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

F-55

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIENCY)

U.S. dollars in thousands

(except share data)

	Common stock		Additional	Deferred	Deficit	Total
	Number	Amount	paid-in	Stock -	during the	stockholders'
		capital	capital	based	development	equity
				compensation	stage	(deficiency)
Balance as of December 31, 2010	95,832,978	\$ 5	\$ 39,696	\$ -	\$ (40,160)	\$ (459)
Stock-based compensation related to options and stock granted to service providers		-	(20)	-	-	(20)
Stock-based compensation related to stock and options granted to directors and employees		-	27	-	-	27
Stock issued for private placement	833,333	-	250	-	-	250
Conversion of convertible note	445,617	-	137	-	-	137
Exercise of options , net	94,764	-	55	-	-	55
Stock issued for private placement	13,327,600	1	3,356	-	-	3,357
Issuance of shares on account of previously subscribed shares (See also Note 8 B.1.f)	10,499,999	-	24	-	-	24
Net loss					(705)	(705)
Balance as of March 31, 2011	121,034,291	\$ 6	\$ 43,525	\$ -	\$ (40,865)	\$ 2,666

* Represents an amount less than \$1.

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

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIENCY)

U.S. dollars in thousands

(Except share data)

	Common stock Number	Amount	Additional paid-in capital	Deferred Stock - based compensation	Deficit Accumulated during the development stage	Total stockholders' equity (deficiency)
Balance as of December 31, 2010	95,832,978	\$ 5	\$ 39,696	\$ -	\$ (40,160)	\$ (459)
Stock-based compensation related to options and stock granted to service providers	474,203	-	449	-	-	449
Stock-based compensation related to stock and options granted to directors and employees	2,025,040	-	1,135	-	-	1,135
Conversion of convertible note	755,594	-	140	-	-	140
Exercise of options	1,648,728	-	243	-	-	243
Exercise of warrants	1,046,834	-	272	-	-	272
Issuance of shares for private placement	14,160,933	1	3,601	-	-	3,602
Issuance of shares on account of previously subscribed shares (See Note 8 B.1.f)	10,499,999	-	24	-	-	24
Net loss	-	-	-	-	(3,918)	(3,918)
Balance as of December 31, 2011	126,444,309	\$ 6	\$ 45,560	\$ -	\$ (44,078)	\$ 1,488

* Represents an amount less than \$1.

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

F-57

Explanation of Responses:

42

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIENCY)

U.S. dollars in thousands

(except share data)

	Common stock Number	Amount	Additional paid-in capital	Deferred Stock - based compensation	Deficit accumulated during the development stage	Total stockholders' equity (deficiency)
Balance as of December 31, 2011	126,444,309	\$ 6	\$ 45,560	\$ -	\$ (44,078)	\$ 1,488
Stock-based compensation related to options and stock granted to service providers		-	4	-	-	4
Stock-based compensation related to stock and options granted to directors and employees		-	177	-	-	177
Exercise of options	167,849	-	20	-	-	20
Exercise of warrants	125,000	-	(*)	-	-	(*)
Net loss	-	-	-	-	(872)	(872)
Balance as of March 31, 2012	126,737,158	\$ 6	\$ 45,761	\$ -	\$ (44,950)	\$ 817

* Represents an amount less than \$1.

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

F-58

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

(except share data)

	Three months ended March 31		Period from September 22, 2000 (inception date) through March 31, 2012 (*)
	2012	2011	2012 (*)
	Unaudited	Unaudited	Unaudited
Cash flows from operating activities:			
Net loss	(872)	(705)	(44,950)
Less - loss for the period from discontinued operations	-	-	164
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization of deferred charges	38	38	1,039
Severance pay, net	1	(8)	13
Accrued interest on loans	-	-	451
Amortization of discount on short-term loans	-	-	1,864
Change in fair value of options and warrants	-	-	(795)
Expenses related to shares and options granted to service providers	4	(20)	21,490
Stock-based compensation related to options granted to employees	177	27	6,998
Decrease (increase) in accounts receivable and prepaid expenses	(249)	265	(630)
Increase in trade payables and convertible note	81	94	798
Increase in other accounts payable and accrued expenses	74	254	1,471
Erosion of restricted cash	-	-	(6)
Net cash used in continuing operating activities	(746)	(55)	(12,093)
Net cash used in discontinued operating activities	-	-	(23)
Total net cash used in operating activities	(746)	(55)	(12,116)
Cash flows from investing activities:			
Purchase of property and equipment	(52)	(37)	(1,185)
Restricted cash	-	-	6
Investment in lease deposit	-	1	(17)
Net cash used in continuing investing activities	(52)	(36)	(1,196)
Net cash used in discontinued investing activities	-	-	(16)
Total net cash used in investing activities	(52)	(36)	(1,212)
Cash flows from financing activities:			

Explanation of Responses:

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Proceeds from issuance of Common stock, net	-	3,607	12,319
Proceeds from loans, notes and issuance of warrants, net	-	-	2,061
Proceeds from exercise of warrants and options	20	55	651
Repayment of short-term loans	-	-	(601)
Net cash provided by continuing financing activities	20	3,662	14,430
Net cash provided by discontinued financing activities	-	-	43
Total net cash provided by financing activities	20	3,662	14,473
Increase (decrease) in cash and cash equivalents	(778)	3,571	1,145
Cash and cash equivalents at the beginning of the period	1,923	93	-
Cash and cash equivalents at end of the period	1,145	3,664	1,145

Non-cash financing activities:

Conversion of convertible loan and convertible note to shares	-	137
Conversion of a debt to a trade payable to Common Stock \$ 84	-	

Conversion of other accounts payable to Common Stock	-	24
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(*) Out of the which, cash flows used in discontinued operating activities of \$36, cash flows used in discontinued investing activities of \$16 and cash flows provided in discontinued financing activities of \$57, relating to the period from inception to March 31, 2004, is unaudited.

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

F-59

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

Notes to the financial statements

NOTE 1 - GENERAL

A. Brainstorm Cell Therapeutics Inc. (formerly: Golden Hand Resources Inc.) (the "Company") was incorporated in the State of Washington on September 22, 2000.

B. On May 21, 2004, the former major stockholders of the Company entered into a purchase agreement with a group of private investors, who purchased from the former major stockholders 6,880,000 shares of the then issued and outstanding 10,238,000 shares of Common Stock.

C. On July 8, 2004, the Company entered into a licensing agreement with Ramot of Tel Aviv University Ltd. ("Ramot"), to acquire certain stem cell technology (see Note 4). Subsequent to this agreement, the Company decided to focus on the development of novel cell therapies for neurodegenerative diseases based on the acquired technology and research to be conducted and funded by the Company.

Following the licensing agreement dated July 8, 2004, the management of the Company decided to abandon all old activities related to the sale of the digital data recorder product. The discontinuation of this activity was accounted for under the provision of Statement of Financial Accounting Standard ASC 360-10 (formerly "SFAS" 144), "Accounting for the Impairment or Disposal of Long-Lived Assets".

D. On October 25, 2004, the Company formed a wholly-owned subsidiary in Israel, Brainstorm Cell Therapeutics Ltd. ("BCT").

E. On November 22, 2004, the Company changed its name from Golden Hand Resources Inc. to Brainstorm Cell Therapeutics Inc. to better reflect its new line of business in the development of novel cell therapies for neurodegenerative diseases. BCT, as defined below, owns all operational property and equipment.

F. On September 17, 2006, the Company changed the Company's fiscal year-end from March 31 to December 31.

G. In December 2006, the Company changed its state of incorporation from Washington to Delaware.

Explanation of Responses:

Since its inception, the Company has devoted substantially all of its efforts to research and development, recruiting management and technical staff, acquiring assets and raising capital. In addition, the Company has not generated H.revenues. Accordingly, the Company is considered to be in the development stage, as defined in Statement of Financial Accounting Standards No. 7, "Accounting and reporting by development Stage Enterprises" ASC 915-10 (formerly "SFAS No. 7").

In October 2010, the Israeli Ministry of Health ("MOH") granted clearance for a Phase I/II clinical trial using the I. Company's autologous NurOwn™ stem cell therapy in patients with amyotrophic lateral sclerosis ("ALS"), subject to some additional process specifications as well as completion of the sterility validation study for tests performed.

On February 23, 2011, the Company submitted to the MOH all the required documents. Following approval of the MOH, a Phase I/II clinical study for ALS patients using the Company's autologous NurOwn™ stem cell therapy (the "Clinical Trial") was initiated in June 2011.

In January 2012, the Company reported on an interim safety follow-up of the first 4 patients enrolled in its Clinical Trial indicating that no significant treatment-related adverse events were reported. The NurOwn™ treatment has thus so far proven to be safe, and has shown some initial indications of beneficial clinical effects.

J. In February 2011, the U.S. Food and Drug Administration ("FDA") granted orphan drug designation to the Company's NurOwn™ autologous adult stem cell product candidate for the treatment of ALS.

F-60

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

Notes to the financial statements

NOTE 1 - GENERAL (Cont.)

GOING CONCERN

As reflected in the accompanying financial statements, the Company's operations for the three months ended March 31, 2012, resulted in a net loss of \$872. The Company's balance sheet reflects an accumulated deficit of \$44,950. These conditions, together with the fact that the Company is a development stage Company and has no revenues nor are revenues expected in the near future, raise substantial doubt about the Company's ability to continue to operate as a going concern. The Company's ability to continue operating as a "going concern" is dependent on several factors, among them is its ability to raise sufficient additional working capital.

In 2009, the Company decided to focus only on the effort to commence clinical trials for ALS and such trials did commence in 2011.

In February 2011, the Company raised approximately \$3.8 million from institutional and private investors. However, there can be no assurance that additional funds will be available on terms acceptable to the Company, or at all.

These financial statements do not include any adjustments relating to the recoverability and classification of assets, carrying amounts or the amount and classification of liabilities that may be required should the Company be unable to continue as a going concern.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the annual financial statements of the Company as of December 31, 2011 are applied consistently in these financial statements.

Explanation of Responses:

NOTE 3 - UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited interim financial statements have been prepared in a condensed format and include the consolidated financial operations of the Company and its wholly-owned subsidiary as of March 31, 2012 and for the three months then ended, in accordance with accounting principles generally accepted in the United States relating to the preparation of financial statements for interim periods. Accordingly, they do not include all the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended March 31, 2012, are not necessarily indicative of the results that may be expected for the year ended December 31, 2012.

NOTE 4 - RESEARCH AND LICENSE AGREEMENT

The Company has a Research and License Agreement, as amended and restated, with Ramot. The Company obtained a waiver and release from Ramot pursuant to which Ramot agreed to an amended payment schedule regarding the Company's payment obligations under the Research and License Agreement and waived all claims against the Company resulting from the Company's previous defaults and non-payment under the Research and License Agreement. The waiver and release amended and restated the original payment schedule under the original agreement providing for payments during the initial research period and additional payments for any extended research period.

F-61

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

Notes to the financial statements

NOTE 4 - RESEARCH AND LICENSE AGREEMENT (Cont.)

As of December 24, 2009, the Company had paid to Ramot \$400 but did not make payments totaling \$240 for the initial research period and payments totaling \$380 for the extended research period.

On December 24, 2009, the Company and Ramot entered into a settlement agreement which amended the Research and License Agreement, as amended and restated pursuant to which, among other things, the following matters were agreed upon:

Ramot released the Company from its obligation to fund the extended research period in the total amount of \$1,140. a) Therefore, the Company deleted an amount in 2009, equal to \$760 from its research and development expenses that were previously expensed.

Past due amounts of \$240 for the initial research period plus interest of \$32 owed by the Company to Ramot was b) converted into 1,120,000 shares of common stock on December 30, 2009. Ramot was required to deposit the shares with a broker and only sell the shares in the open market after 185 days from the issuance date.

In the event that the total proceeds generated by sales of the shares on December 31, 2010, together with the March 31, 2010 payment, are less than \$240 on or prior to December 31, 2010, then on such date the Company shall pay to c) Ramot the difference between the proceeds that Ramot has received from sales of the shares up to such date together with the September Payment (if any) that has been transferred to Ramot up to such date, and \$240. Related compensation in the amount of \$51 was recorded as research and development expenses.

In January 2011 Ramot exercised additional 167,530 Common Stock of the Company, for \$35, which finalized the sale of the 1,120,000 Common Stock of the Company granted to Ramot for \$235. In February 2011 the Company paid the remaining \$5 and finalized the balance due to Ramot according to the settlement agreement between the parties dated December 24, 2009.

NOTE 5 -CONSULTING AGREEMENTS

On July 8, 2004, the Company entered into two consulting agreements with Prof. Eldad Melamed and Dr. Daniel Offen (together, the "Consultants"), under which the Consultants provide the Company scientific and medical consulting services in consideration for a monthly payment of \$6 each. In addition, the Company granted each of A. the Consultants, a fully vested warrant to purchase 1,097,215 shares of Common Stock at an exercise price of \$0.01 per share. The warrants issued pursuant to the agreement were issued to the Consultants effective as of November 4, 2004. Each of the warrants is exercisable for a seven-year period beginning on November 4, 2005. As of September 2010, all the above warrants had been exercised.

On December 16, 2010, the Company approved a grant of 1,100,000 shares of the Company's Common Stock to the two Consultants, for services rendered through December 31, 2010. Related compensation in the amount of \$220 B. was recorded as research and development expense. A sum of \$487 was cancelled concurrently with the issuance of the 1,100,000 shares of Common Stock of the Company.

On June 27, 2011, the Company approved an additional grant of 400,000 shares of the Company's Common Stock C. to Prof. Daniel Offen, for services rendered through December 31, 2009. Related compensation in the amount of \$192 is recorded as research and development expense.

D. As of March 31, 2012, the Company has a total obligation of \$135 for services rendered by the Consultants under the abovementioned agreements.

F-62

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

Notes to the financial statements

NOTE 6 - SHORT-TERM CONVERTIBLE NOTE

On December 13, 2009, the Company issued a \$135 Convertible Promissory Note to its legal advisor for \$217 in legal fees accrued through October 31, 2009. Interest on the Note accrued at the rate of 4%. The legal advisor has the right at any time to convert all or part of the outstanding principal and interest amount of the note into shares of Common Stock based on the five day average closing stock price prior to conversion election.

The gap between the amount the Company owed to the legal advisor and the principal of the Convertible Promissory Note in the amount of \$82 was deducted from general and administrative expenses.

On February 19, 2010, the Company's legal advisor converted the entire accrued principal and interest of \$135 Convertible Promissory Note into 402,385 shares of Common Stock.

On September 15, 2010, the Company issued a \$135 Convertible Promissory Note to its legal advisor for legal fees accrued through December 31, 2010. Interest on the Note was at the rate of 4%. The legal advisor has the right at any time to convert all or part of the outstanding principal and interest amount of the note into shares of Common Stock based on the five day average closing stock price prior to conversion election.

On February 18, 2011, the legal advisor converted the entire accrued principal and interest into 445,617 shares of Common Stock.

NOTE 7 - SHORT-TERM LOANS

In March 2007, the Company issued a \$150 convertible note to a lender, with an annual interest rate of 8% for the first year, with an increase up to 10% after the first year. On January 27, 2010, the lender converted the entire accrued principal and interest of \$189 into 1,016,109 shares of Common Stock of the Company. In July 2011, the Company

issued to the lender an additional 309,977 shares of Common Stock of the Company with regard to the above conversion.

Since the outcome of the issuance of the shares was to relieve the debtor from its obligation, based on guidance in ASC 860-10 (formerly FASB No 140) and ASC 450-20 Extinguishment of Liabilities” the Company derecognized the liability with the difference recognized in earnings.

NOTE 8 - STOCK CAPITAL

A. The rights of Common Stock are as follows:

Holders of Common Stock have the right to receive notice to participate and vote in general meetings of the Company, the right to a share in the excess of assets upon liquidation of the Company and the right to receive dividends, if declared.

The Common Stock is registered and publicly traded on the Over-the-Counter Bulletin Board service of the National Association of Securities Dealers, Inc. under the symbol BCLI.

F-63

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

Notes to the financial statements

NOTE 8 - STOCK CAPITAL (Cont.)

B. Issuance of shares warrants and options:

1. Private placements:

a) On June 24, 2004, the Company issued to investors 8,510,000 shares of Common Stock for total proceeds of \$60 (net of \$25 issuance expenses).

b) On February 23, 2005, the Company completed a private placement for sale of 1,894,808 units for total proceeds of \$1,418. Each unit consists of one share of Common Stock and a three-year warrant to purchase one share of Common Stock at \$2.50 per share. This private placement was consummated in three tranches which closed in October 2004, November 2004 and February 2005.

c) On May 12, 2005, the Company issued to an investor 186,875 shares of Common Stock at a price of \$0.8 per share for total proceeds of \$149.

d) On July 27, 2005, the Company issued to investors 165,000 shares of Common Stock at a price of \$0.6 per share for total proceeds of \$99.

e) On August 11, 2005, the Company signed a private placement agreement with investors for the sale of up to 1,250,000 units at a price of \$0.8 per unit. Each unit consists of one share of Common Stock and one warrant to purchase one share of Common Stock at \$1.00 per share. The warrants are exercisable for a period of three years from issuance. On March 31, 2005, the Company sold 312,500 units for total net proceeds of \$225. On December 7, 2005, the Company sold 187,500 units for total net proceeds of \$135.

f) On July 2, 2007, the Company entered into an investment agreement, pursuant to which the Company agreed to sell up to 27,500,000 shares of Common Stock, for an aggregate subscription price of up to \$5 million and warrants to purchase up to 30,250,000 shares of Common Stock. Separate closings of the purchase and sale of the shares and the warrants were originally scheduled to take place as follows:

Explanation of Responses:

Purchase date	Purchase price	Number of subscription shares	Number of warrant shares
August 30, 2007	\$1,250 (includes \$250 paid as a convertible loan)	6,875,000	7,562,500
November 15, 2007	\$750	4,125,000	4,537,500
February 15, 2008	\$750	4,125,000	4,537,500
May 15, 2008	\$750	4,125,000	4,537,500
July 30, 2008	\$750	4,125,000	4,537,500
November 15, 2008	\$750	4,125,000	4,537,500

On August 18, 2009, the Company entered into an amendment to the investment agreement with the investor providing for the following:

The investor shall invest the remaining amount of the original investment agreement at price per share of \$0.12 in (a) monthly installments of not less than \$50 starting August 1, 2009. The investor may accelerate such payments at his discretion.

F-64

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

Notes to the financial statements

NOTE 8 - STOCK CAPITAL (Cont.)

B. Issuance of shares warrants and options: (Cont.)

1. Private placements: (Cont.)

(b) The exercise price of the last 10,083,334 warrants decreased from an exercise price of \$0.36 per share to \$0.29 per share.

(c) All warrants expire on November 5, 2013 instead of November 5, 2011.

The price per share of the investment agreement decreased from \$0.1818 to \$0.12, therefore the Company adjusted (d) the number of Shares of Common Stock issuable pursuant the investment agreement retroactively and issued to the investor on October 28, 2009 an additional 9,916,667 shares of Common Stock for past investment.

(e) The investor has the right to cease payments in the event that the price per share as of the closing on five consecutive trading days shall decrease to \$0.05.

On January 18, 2011 the Company and an investor signed an agreement to balance amounts due to the investor, totaling \$20, against the remaining balance of the investment. The Company issued to the investor 10,499,999 shares of Common Stock and a warrant to purchase 4,539,500 shares of the Company's Common Stock at an exercise price of \$0.20 per share

As of March 31, 2011, the Company issued to the investor and its designees an aggregate of 41,666,667 shares of common stock and a warrant to purchase 10,083,333 shares of the Company's common stock at an exercise price of \$0.20 per share and a warrant to purchase 20,166,667 shares of common stock at an exercise price of \$0.29 per share. The warrants may be exercised at any time and expire on November 5, 2013.

In addition, the Company agreed to issue an aggregate of 1,250,000 shares of Common Stock to a related party as an introduction fee for the investment. The shares shall be issued pro rata to the funds received from the investor.

As of December 31, 2010, the introduction fee was paid in full.

In January 2010, the Company issued 1,250,000 units to a private investor for total proceeds of \$250. Each unit g) consists of one share of Common Stock and a two-year warrant to purchase one share of Common Stock at \$0.50 per share.

In February 2010, the Company issued 6,000,000 shares of Common Stock to 3 investors (2,000,000 to each h) investor) and warrants to purchase an aggregate of 3,000,000 shares of Common Stock (1,000,000 to each investor) with an exercise price of \$0.5 for aggregate proceeds of \$1,500 (\$500 each).

On February 7, 2011, the Company issued 833,333 shares of Common Stock, at a price of \$0.3 per share, and a i) warrant to purchase 641,026 shares of the Company's Common Stock at an exercise price of \$0.39 per share for one year for total proceeds of \$250.

F-65

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

Notes to the financial statements

NOTE 8 -STOCK CAPITAL (Cont.)

B. Issuance of shares warrants and options: (Cont.)

1. Private placements: (Cont.)

On February 23, 2011, the Company entered into an investment agreement, pursuant to which the Company agreed to sell up to 12,815,000 shares of Common Stock, for an aggregate subscription price of up to \$3.6 million and j) warrants to purchase up to 19,222,500 shares of Common Stock as follows: warrant to purchase 12,815,000 shares of Common Stock at \$0.5 for two years, and warrants to purchase 6,407,500 shares of Common Stock at \$0.28 for one year.

In addition, the Company agreed to pay 10% of the funds received for the distribution services received, out of this amount, 4% was be paid in stock and the remaining 6% in cash. Accordingly, in March 2011, the company issued 512,600 Common Stock and paid \$231.

2. Share-based compensation to employees and to directors:

a) Options to employees and directors:

On November 25, 2004, the Company's stockholders approved the 2004 Global Stock Option Plan and the Israeli Appendix thereto (which applies solely to participants who are residents of Israel) and on March 28, 2005, the Company's stockholders approved the 2005 U.S. Stock Option and Incentive Plan, and the reservation of 9,143,462 shares of Common Stock for issuance in the aggregate under these stock option plans.

Each option granted under the plans is exercisable until the earlier of ten years from the date of grant of the option or the expiration dates of the respective option plans. The 2004 and 2005 options plans will expire on November 25, 2014 and March 28, 2015, respectively. The exercise price of the options granted under the plans may not be less than

the nominal value of the shares into which such options are exercised. The options vest primarily over three or four years. Any options that are canceled or forfeited before expiration become available for future grants.

On June 5, 2008, the Company's stockholders approved an amendment and restatement of the Company's 2004 Global Share Option Plan and 2005 U.S. Stock Option and Incentive Plan to increase the number of shares of common stock available for issuance under these stock option plans in the aggregate by 5,000,000 shares.

In June 2011, the Company's stockholders approved an increase the number of shares of common stock available for issuance under these stock option plans in the aggregate by 5,000,000 shares.

As of March 31, 2012, 1,825,103 options are available for future grants.

On May 27, 2005, the Company granted one of its directors an option to purchase 100,000 shares of Common Stock at an exercise price of \$0.75 per share. The option is fully vested and expires after 10 years.

On February 6, 2006, the Company entered into an amendment to the Company's option agreement with the Company's former Chief Financial Officer. The amendment changed the exercise price of the 400,000 options granted to him on February 13, 2005 from \$0.75 to \$0.15 per share.

F-66

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

Notes to the financial statements

NOTE 8 - STOCK CAPITAL (Cont.)

B. Issuance of shares, warrants and options: (Cont.)

2. Share-based compensation to employees and to directors: (Cont.)

a) Options to employees and directors: (Cont.)

On May 2, 2006, the Company granted to one of its directors an option to purchase 100,000 shares of Common Stock at an exercise price of \$0.15 per share. The option is fully vested and expires after 10 years. The compensation related to the option, in the amount of \$48, was recorded as general and administrative expense.

On June 22, 2006, the Company entered into an amendment to the Company's option agreement with two of its employees. The amendment changed the exercise price of 270,000 options granted to them from \$0.75 to \$0.15 per share. The excess of the fair value resulting from the modification, in the amount of \$2, was recorded as general and administration expense over the remaining vesting period of the options.

On September 17, 2006, the Company entered into an amendment to the Company's option agreement with one of its directors. The amendment changed the exercise price of 100,000 options granted to the director from \$0.75 to \$0.15 per share.

On March 21, 2007, the Company granted to one of its directors an option to purchase 100,000 shares of Common Stock at an exercise price of \$0.15 per share. The option is fully vested and is exercisable for a period of 10 years. The compensation related to the option, in the amount of \$43, was recorded as general and administrative expense.

On July 1, 2007, the Company granted to one of its directors an option to purchase 100,000 shares of Common Stock at an exercise price of \$0.15 per share. The option is fully vested and is exercisable for a period of 10 years. The compensation related to the option, in the amount of \$38, was recorded as general and administrative expense. On October 22, 2007, the Company and the director agreed to cancel and relinquish all the options which were granted on July 1, 2007.

On July 16, 2007, the Company granted to one of its directors an option to purchase 100,000 shares of Common Stock at an exercise price of \$0.15 per share. The option is fully vested and is exercisable for a period of 10 years. The compensation related to the option, in the amount of \$75, was recorded as general and administrative expense.

On August 27, 2007, the Company granted to one of its directors an option to purchase 100,000 shares of Common Stock at an exercise price of \$0.15 per share. The option is fully vested and is exercisable for a period of 10 years. The compensation related to the option, in the amount of \$84, was recorded as general and administrative expense.

On October 23, 2007, the Company granted to its Chief Executive Officer an option to purchase 1,000,000 shares of Common Stock at an exercise price of \$0.87 per share. The option is fully vested and expires after 10 years. The total compensation related to the option is \$733, which is amortized over the vesting period as general and administrative expense.

F-67

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

Notes to the financial statements

NOTE 8 - STOCK CAPITAL (Cont.)

B. Issuance of shares, warrants and options: (Cont.)

2. Share-based compensation to employees and to directors: (Cont.)

a) Options to employees and directors: (Cont.)

On November 5, 2008, the Company entered into an amendment to the Company's option agreement with the Company's Chief Executive Officer. The amendment changed the exercise price of the 1,000,000 options from \$0.87 to \$0.15 per share. The compensation related the modification of the purchase price in the amount of \$4 was recorded as general and administrative expense.

On June 29, 2009, the Company granted to its former Chief Executive Officer and director an option to purchase 1,000,000 shares of Common Stock at an exercise price of \$0.067 per share. The option vests with respect to 1/3 of the shares subject to the option on each anniversary of the date of grant and expires after 10 years. The total compensation related to the option is \$68, which is amortized over the vesting period as general and administrative expense. In February 2011, the former CEO resigned. On July 25, 2011 the Company signed a settlement agreement with the former CEO under which 483,333 shares out of the above grant became fully vested exercisable through April 30 2012. An additional \$30 was written as compensation in general and administrative expense.

After the balance sheet date, the former CEO exercised the option to 483,333 shares of Common Stock for an exercise price of \$32.

On June 29, 2009, the Company granted to its former Chief Financial Officer an option to purchase 200,000 shares of Common Stock at an exercise price of \$0.067 per share. The option vested with respect to 1/3 of the shares subject to the option. In connection with the former Chief Financial Officer's resignation, 2/3 of the above shares were cancelled and the remaining 66,667 are valid through April 7, 2011.

Explanation of Responses:

On August 31, 2009, the Company granted to two of its directors an option to purchase 100,000 shares of Common Stock at an exercise price of \$0.15 per share. Each option vests with respect to 1/3 of the shares subject to the option on each anniversary of the date of grant and expires after 10 years. The total compensation related to the option is \$32, which is amortized over the vesting period as general and administrative expense.

On December 13, 2009, the Company granted to one of its directors an option to purchase 100,000 shares of Common Stock at an exercise price of \$0.15 per share. The option is fully vested and is exercisable for a period of 10 years. The compensation related to the option, in the amount of \$21, was recorded as general and administrative expense.

On February 10, 2010, the Company granted to an employee an option to purchase 30,000 shares of Common Stock at an exercise price of \$0.32 per share. The option vests with respect to 1/3 of the shares subject to the option on each anniversary of the date of grant and expires after 10 years. The total compensation related to the option is \$9, which is amortized over the vesting period as research and development expense.

F-68

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

Notes to the financial statements

NOTE 8 - STOCK CAPITAL (Cont.)

B. Issuance of shares, warrants and options: (Cont.)

2. Share-based compensation to employees and to directors: (Cont.)

a) Options to employees and directors: (Cont.)

On April 13, 2010, the Company, Abraham Israeli and Hadasit Medical Research Services and Development Ltd. (“Hadasit”) entered into an Agreement (the “Agreement”) pursuant to which Mr. Israeli agreed, during the term of the Agreement, to serve as (i) the Company’s Clinical Trials Advisor and (ii) a member of the Company’s Board of Directors. In consideration of the services to be provided by Mr. Israeli to the Company under the Agreement, the Company agreed to grant options annually during the term of the Agreement for the purchase of its Common Stock, as follows:

An option for the purchase of 166,666 shares of Common Stock at an exercise price equal to \$0.00005 per share to Mr. Israeli; and

An option for the purchase of 33,334 shares of Common Stock at an exercise price equal to \$0.00005 per share to Hadasit,

* Such options will vest and become exercisable in twelve (12) consecutive equal monthly amounts.

In April 2010, the Company granted to Mr. Israeli an option to purchase 166,666 shares of Common Stock at an exercise price equal to \$0.00005 per share. The total compensation related to the option was \$50, which is amortized over the vesting period as general and administrative expense.

On January 30, 2011 the Company signed an agreement with a new COO and acting CEO. According to the employment agreement, the new COO received 450,000 options to purchase Common Stock of the Company at \$0.20.

On June 27 2011, the Company granted to Mr. Israeli an option to purchase 166,666 shares of Common Stock at an exercise price equal to \$0.00005 per share. The total compensation related to the option was \$48, which is amortized over the vesting period as general and administrative expense.

On June 27 2011, the Company granted to four of its directors an option to purchase 634,999 shares of Common Stock of the Company at \$0.15. The total compensation related to the option was \$287, which is amortized over the vesting period as general and administrative expense.

On August 10 2011, the Company granted to its CEO, an option to purchase 70,000 shares of Common Stock of the Company at \$0.20. The total compensation related to the option was \$26, which was amortized as general and administrative expense.

In the three months ended March 31 2012, 167,849 options were exercised by former CEO of the Company for \$20.

After the balance sheet date, the Company granted to Mr. Israeli an option to purchase 166,666 shares of Common Stock at an exercise price equal to \$0.00005 per share.

F-69

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

Notes to the financial statements**NOTE 8 - STOCK CAPITAL (Cont.)**

B. Issuance of shares, warrants and options: (Cont.)

2. Share-based compensation to employees and to directors: (Cont.)

b) Restricted shares to directors (Cont.):

A summary of the Company's option activity related to options to employees and directors, and related information is as follows:

	For the period ended March 31, 2012		
	Amount of options	Weighted average exercise price \$	Aggregate intrinsic value \$
Outstanding at beginning of period	4,938,821	0.168	
Granted	-		
Exercised	167,849	0.150	
Reclassified	13,784	0.067	
Outstanding at end of period	4,784,756	0.169	807,430
Vested and expected-to-vest at end of period	3,784,617	0.166	627,162

On May 2, 2006, the Company issued to two of its directors 200,000 restricted shares of common stock (100,000 each). The restrictions on the shares have fully lapsed. The compensation related to the stocks issued amounted to \$104, which was amortized over the vesting period as general and administrative expenses.

Explanation of Responses:

On April 20, 2007, based on a board resolution dated March 21, 2007, the Company issued to a director 100,000 restricted shares of Common Stock. The restrictions on the shares have fully lapsed. The compensation related to the shares issued amounted to \$47, which was amortized over the vesting period as general and administrative expenses.

In addition, on April 20, 2007, based on a board resolution dated March 21, 2007, the Company issued to another director 100,000 restricted shares of Common Stock. The restricted shares are not subject to any right to repurchase, and the compensation related to the shares issued amounted to \$47 was recorded as prepaid general and administrative expenses in the three months ended March 31, 2007.

On August 27, 2008, the Company issued to one of its directors 960,000 shares of Common Stock upon a cashless exercise by a shareholder of a warrant to purchase 1,000,000 shares of Common Stock at an exercise price of \$.01 per share that was acquired by the shareholder from Ramot. The shares were allocated to the director by the shareholder.

F-70

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

Notes to the financial statements

NOTE 8 - STOCK CAPITAL (Cont.)

B. Issuance of shares, warrants and options: (Cont.)

2. Share-based compensation to employees and to directors: (Cont.)

b) Restricted shares to directors (Cont.):

In May 2010, based on a board resolution dated June 29, 2009, the Company issued to three of its directors 300,000 restricted shares of Common Stock. The restrictions of the shares shall lapse in three annual and equal portions commencing with the grant date.

In May and in June 2010, based on a board resolution dated June 29, 2009, the Company issued to three of its Scientific Advisory Board members and two of its Advisory Board members 500,000 restricted shares of common stock. The restrictions of the shares shall lapse in three annual and equal portions commencing with the grant date.

On April 6, 2010, Prof. Melamed fully exercised his warrant to purchase 1,097,215 shares of the Company's Common Stock; the warrant was issued to him pursuant to the agreement with the Consultants effective as of November 4, 2004.

3. Shares and warrants to investors and service providers:

The Company accounts for shares and warrants issued to non-employees using the guidance of ASC 718-10 (formerly "SFAS" 123(R)), "Accounting for Stock-Based Compensation" and ASC 505-50-30 (formerly "EITF" 96-18), "Accounting for Equity Instruments that are Issued to Other than Employees for Acquiring, or in Conjunction with Selling, Goods or Services," whereby the fair value of such option and warrant grants is determined using a Black-Scholes options pricing model at the earlier of the date at which the non-employee's performance is completed

or a performance commitment is reached.

F-71

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

Notes to the financial statements

NOTE 8 - STOCK CAPITAL (Cont.)

B. Issuance of shares, warrants and options: (Cont.)

3. Shares and warrants to investors and service providers: (Cont.)

a) **Warrants to investors and service providers and investors:**

Issuance date	Number of warrants issued	Exercised	Forfeited	Outstanding	Exercise Price \$	Warrants exercisable	Exercisable through
November 2004	12,800,845	11,761,281	151,803	887,761	0.01	887,761	April 2012
December 2004	1,800,000	1,800,000		-	0.00005	-	-
February 2005	1,894,808		1,894,808	-	2.5	-	-
May 2005	47,500		47,500	-	1.62	-	-
June 2005	30,000			30,000	0.75	30,000	June 2015
August 2005	70,000		70,000	-	0.15	-	-
September 2005	3,000	3,000		-	0.15	-	-
September 2005	36,000		36,000	-	0.75	-	-
September-December 2005	500,000		500,000	-	1	-	-
December 2005	20,000	20,000		-	0.15	-	-
December 2005	457,163	150,000		307,163	0.15	307,163	December 2015
February 2006	230,000			230,000	0.65	230,000	February 2016
February 2006	40,000		40,000	-	1.5	-	-
February 2006	8,000		8,000	-	0.15	-	-
February 2006	189,000	97,696	91,304	-	0.5	-	-
May 2006	50,000			50,000	0.0005	50,000	May 2016
May -December 2006	48,000		48,000	-	0.35	-	-
May -December 2006	48,000		48,000	-	0.75	-	-
May 2006	200,000			200,000	1	200,000	May 2011
June 2006	24,000		24,000	-	0.15	-	-
May 2006	19,355		19,355	-	0.15	-	-

Explanation of Responses:

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October 2006	630,000	630,000	-	0.3	-	-
December 2006	200,000		200,000	-	0.45	-
March 2007	200,000		200,000	-	0.47	-
March 2007	500,000		500,000	0.47	500,000	March 2017
March 2007	50,000		50,000	-	0.15	-
March 2007	15,000		15,000	-	0.15	-
February 2007	50,000		50,000	-	0.45	-
March 2007	225,000		225,000	-	0.45	-
March 2007	50,000		50,000	-	0.45	-
April 2007	33,300		33,300	-	0.45	-
May 2007	250,000		250,000	-	0.45	-
July 2007	500,000		500,000	0.39	500,000	July 2017
September 2007	500,000		500,000	0.15	500,000	August 2017
August 2007	7,562,500		7,562,500	0.2	7,562,500	November 2013
July 2007	30,000		30,000	-	0.45	-
July 2007	100,000		100,000	-	0.45	-
October 2007	200,000		200,000	0.15	200,000	August-October 2017
November 2007	2,520,833		2,520,833	0.20	2,520,833	November 2013
November 2007	2,016,667		2,016,667	0.29	2,016,667	November 2013
April 2008	4,537,500		4,537,500	0.29	4,537,500	November 2013
August 2008	3,529,166		3,529,166	0.29	3,529,166	November 2013
August 2008	1,008,334		1,008,334	0.29	1,008,333	November 2013
November 2008	100,000		100,000	0.15	100,000	September 2018
April 2009	200,000		200,000	0.1	200,000	April 2019
October 2009	200,000	100,000	100,000	0.067	66,667	October 2019
October 2009	4,537,500		4,537,500	0.29	4,537,500	November 2013
January 2010	1,250,000		1,250,000	-	0.5	-
February 2010	125,000	125,000	-	-	0.01	-
February 2010	3,000,000		3,000,000	-	0.5	-
January 2011	4,537,500		4,537,500	0.29	4,537,500	November 2013
February 2011	641,026		641,026	-	0.39	-
February 2011	6,407,500	946,834	5,460,666	-	0.28	-
February 2011	12,815,000		12,815,000	0.5	12,815,000	February 2013
April 2010	33,334		33,334	0.00005	33,334	April 2020
April 2011	33,334		33,334		33,334	April 2021
February 2010	1,500,000		1,500,000		500,000	February 2020
	78,604,165	15,633,811	14,533,762	48,436,590		47,403,257

F-72

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

Notes to the financial statements

NOTE 8 - STOCK CAPITAL (Cont.)

B. Issuance of shares, warrants and options: (Cont.)

3. Shares and warrants to service providers: (Cont.)

a) Warrants: (Cont.)

The fair value for the warrants to service providers was estimated on the date of grant using a Black-Scholes option pricing model, with the following weighted-average assumptions for the 3 month activity ended on March 31, 2011; weighted average volatility of 134%-141%, risk free interest rates of 2.26%-3.47% dividend yields of 0% and a weighted average life of the options of 6-10 years.

b) Shares:

On June 1 and June 4, 2004, the Company issued 40,000 and 150,000 shares of Common Stock for 12 months of filing services and legal and due-diligence services, respectively, with respect to a private placement. Compensation expense related to filing services, totaling \$26, was amortized over a 12-month period. Compensation related to legal services, totaling \$105 was recorded as equity issuance cost and had no effect on the statement of operations.

On July 1 and September 22, 2004, the Company issued 20,000 and 15,000 shares to a former director for financial services for the first and second quarters of 2004, respectively. Related compensation in the amount of \$39 was recorded as general and administrative expense.

On February 10, 2005, the Company signed an agreement with one of its service providers under which the Company issued the service provider 100,000 restricted shares at a purchase price of \$0.00005 par value under the U.S. Stock Option and Incentive Plan of the Company. All restrictions on these shares have lapsed.

Explanation of Responses:

In March and April 2005, the Company signed an agreement with four members of its Scientific Advisory Board under which the Company issued to the members of the Scientific Advisory Board 400,000 restricted shares at a purchase price of \$0.00005 par value under the U.S. Stock Option and Incentive Plan (100,000 each). All restrictions on these shares have lapsed.

In July 2005, the Company issued to its legal advisors 50,000 shares for legal services for 12 months. The compensation related to the shares in the amount of \$37.5 was recorded as general and administrative expense.

In January 2006, the Company issued to two service providers 350,000 restricted shares at a purchase price of \$0.00005 par value under the U.S. Stock Option and Incentive Plan of the Company. All restrictions on these shares have lapsed. Related compensation in the amount of \$23 was recorded as general and administrative expense.

On March 6, 2006, the Company issued to its legal advisor 34,904 shares of Common Stock. The shares are in lieu of \$18.5 payable to the legal advisor. Related compensation in the amount of \$18.5 was recorded as general and administrative expense.

On April 13, 2006, the Company issued to service providers 60,000 shares of Common Stock at a purchase price of \$0.00005 par value under the U.S. Stock Option and Incentive Plan of the Company. Related compensation in the amount of \$25.8 was recorded as general and administrative expense.

F-73

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

Notes to the financial statements

On May 9, 2006, the Company issued to its legal advisor 65,374 shares of Common Stock in lieu of payment for legal services. Related compensation in the amount of \$33 was recorded as general and administrative expense.

F-74

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

Notes to the financial statements

NOTE 8 - STOCK CAPITAL (Cont.)

B. Issuance of shares, warrants and options: (Cont.)

3. Shares and warrants to service providers: (Cont.)

b) Shares: (Cont.)

On June 7, 2006, the Company issued to a service provider 50,000 shares of Common Stock for filing services for 12 months. Related compensation in the amount of \$24.5 was recorded as general and administrative expense.

On May 5, 2006, the Company issued 200,000 shares of Common Stock to a finance consultant for his services. Related compensation in the amount of \$102 was recorded as general and administrative expense.

On August 14, 2006, the Company issued 200,000 shares of Common Stock to a service provider. Related compensation in the amount of \$68 was recorded as general and administrative expense.

On August 17, 2006, the Company issued 100,000 shares of Common Stock to a service provider. Related compensation in the amount of \$35 was recorded as general and administrative expense.

On September 17, 2006, the Company issued to its legal advisor 231,851 shares of Common Stock in lieu of \$63 payable to the legal advisor. [Related compensation in the amount of \$63 was recorded as general and administrative expense.]

On April 1 and September 30, 2006, the Company issued to its business development advisor, based on an agreement, 240,000 shares of Common Stock. Related compensation in the amount of \$74 was recorded as general and administrative expense.

On January 3, 2007, the Company issued to its legal advisor 176,327 shares of Common Stock in lieu of \$45 payable to the legal advisor. Related compensation in the amount of \$49 was recorded as general and administrative expense.

On April 12, 2007, the Company issued to its filing and printing service providers 80,000 shares of Common Stock in lieu of \$15 payable to the service provider. Related compensation in the amount of \$30 was recorded as general and administrative expense. In addition, the Company was obligated to issue the filing and printing service providers additional shares, in the event that the total value of the shares previously issued (as quoted on the Over-the-Counter Bulletin Board or such other exchange where the Common Stock is quoted or listed) was less than \$0.20 on March 20, 2008. As a result, the Company recorded a liability in the amount of \$20.

On April 12, 2007, the Company issued to its legal advisor 108,511 shares of Common Stock in lieu of \$29 payable to the legal advisor. Related compensation in the amount of \$40 was recorded as general and administrative expense.

On May 18, 2007, the Company issued to its legal advisor 99,257 shares of Common Stock in lieu of \$33 payable to the legal advisor. Related compensation in the amount of \$33 was recorded as general and administrative expense.

F-75

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

Notes to the financial statements

NOTE 8 - STOCK CAPITAL (Cont.)

B. Issuance of shares, warrants and options: (Cont.)

3. Shares and warrants to service providers: (Cont.)

b) Shares: (Cont.)

On October 29, 2007, the Company issued to a scientific advisory board member 80,000 shares of the Company's Common Stock for scientific services. Compensation of \$67 was recorded as research and development expense.

On May 20, 2008, the Company issued to its financial advisor 90,000 shares of the Company's Common Stock. The shares were for \$35 payable to the financial advisor for introduction fee of past convertible loans. Related compensation in the amount of \$36 was recorded as financial expenses.

On April 5, 2009, the Company issued to its Chief Technology Advisor 1,800,000 shares of Common Stock. The shares were for \$180 payable to the advisor. Related compensation in the amount of \$144 was recorded as research and development expense.

On June 24, 2009, the Company issued to its public relations advisor 250,000 shares of Common Stock. The shares were for \$25 payable to the advisor. Related compensation in the amount of \$18 was recorded as general and administrative expense.

On July 8, 2009, the Company issued to its financial consultant 285,714 shares of the Company's Common Stock. The shares were for \$20 payable to the financial consultant for valuation of options and warrants. Related compensation in the amount of \$20 was recorded as general and administrative expense.

Explanation of Responses:

On July 15, 2009, the Company issued to a service provider 357,142 shares of the Company's Common Stock. The shares were for \$25 payable to the service provider for filing services. Related compensation in the amount of \$21 was recorded as general and administrative expense.

On August 10, 2009, the Company issued to a service provider 71,428 shares of the Company's Common Stock. The shares were for \$5 payable to the service provider for IT services. Related compensation in the amount of \$4 was recorded as general and administrative expense.

On January 5, 2010, the Company issued to its public relations advisor 50,000 shares of the Company's Common Stock for six months service. The issuance of the shares is part of the agreement with the public relations advisor that entitled them to a monthly grant of 8,333 shares of the Company's Common Stock. Related compensation in the amount of \$12 was recorded as general and administrative expense.

On January 6, 2010, the Company issued to a service provider 60,000 shares of the Company's Common Stock. The shares were for \$15 payable to the service provider for insurance and risk management consulting and agency services for three years. Related compensation in the amount of \$16 was recorded as general and administrative expense.

On March 5, 2007, the Company issued a \$150 Convertible Promissory Note to a third party. Interest on the note accrued at the rate of 8% per annum for the first year and 10% per annum after the first year. On January 27, 2010, the third party converted the entire accrued principle and interest outstanding under the note, amounting to \$189, into 1,016,109 shares of Common Stock.

F-76

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

Notes to the financial statements

NOTE 8 - STOCK CAPITAL (Cont.)

B. Issuance of shares, warrants and options: (Cont.)

3. Shares and warrants to service providers: (Cont.)

b) Shares: (Cont.)

On December 13, 2009, the Company issued a \$135 Convertible Promissory Note to its legal advisor for \$217 in legal fees accrued through October 31, 2009. Interest on the note accrued at the rate of 4%. On February 19, 2010, the Company's legal advisor converted the entire accrued principal and interest of outstanding under the note into 402,385 shares of Common Stock.

In May 2010, based on a board resolution dated June 29, 2009 the Company issued to one of its public relations advisors 100,000 restricted shares of Common Stock. The restrictions of the shares shall lapse in three annual and equal portions commencing with the grant date.

On December 16, 2010, the Company issued to a service provider 83,333 shares of the Company's Common Stock. The shares were for public relations services. Related compensation in the amount of \$40 is recorded as general and administrative expense.

On December 16, 2010, the Company granted to its Chief Medical Advisor 900,000 shares of the Company's Common Stock for services rendered through December 31 2010. Related compensation in the amount of \$180 is recorded as research and development expense (see Note 5B).

On December 16, 2010 the Company granted to its Chief Scientist 200,000 shares of the Company's Common Stock for services rendered through December 31 2010. Related compensation in the amount of \$40 is recorded as research and development expense (see Note 5B).

On February 16, 2011 one of the Company's consultants exercised 100,000 warrants to Common Stock for \$33.

On February 18, 2011, the Company's legal advisor converted the entire accrued principal and interest of the Convertible Promissory Note granted on September 15, 2010, totaling \$137, into 445,617 shares of Common Stock.

The total stock-based compensation expense, related to shares, options and warrants granted to employee's directors and service providers, was comprised, at each period, as follows:

	Three months ended March 31		Period from September 22, 2000 (inception date) through March 31, 2012
	2012 Unaudited	2011 Unaudited	2012 Unaudited
Research and development	13	9	17,556
General and administrative	168	-2	10,281
Financial expenses, net	-	-	248
Total stock-based compensation expense	181	7	28,098

F-77

BRAINSTORM CELL THERAPEUTICS INC. AND SUBSIDIARY

(A development stage company)

Notes to the financial statements

NOTE 9 - SUBSEQUENT EVENTS

- A. In April 2012, the former CEO exercised 1,014,757 options to shares of Common Stock of the Company. An exercise fee of \$112 was paid to the Company. (See note 8 B 2 (a))

- B. In April 2012, the Company granted to Mr. Israeli an option to purchase 166,666 shares of Common Stock at an exercise price equal to \$0.00005 per share. (See note 8 B 2 (a))

- C. In April 2012, the Company granted to Hadasit a warrant to purchase 33,334 shares of Common Stock at an exercise price equal to \$0.00005 per share. (See note 8 B 2 (a))

F-78

BRAINSTORM CELL THERAPEUTICS INC.

**30,000,000 Shares of Common Stock
Warrants to Purchase Up to 22,500,000 Shares of Common Stock
and
22,500,000 Shares of Common Stock Underlying Warrants**

PROSPECTUS DATED _____, 2012

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution

The following table sets forth the various costs and expenses payable by us in connection with the sale of the securities being registered. All such costs and expenses shall be borne by us. Except for the SEC registration fee, all the amounts shown are estimates.

	Amount to be paid
SEC registration fee	\$ 1,444*
FINRA filing fee	1,500
Legal fees and expenses	275,000
Accounting fees and expenses	35,000
Transfer Agent and Registrar fees	1,000
Printing and miscellaneous expenses	5,000
Total	318,944

* Of the total filing fee, \$1,146.00 was previously paid.

Item 14. Indemnification of Directors and Officers

Section 145(a) of the Delaware General Corporation Law provides, in general, that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation), because he or she is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding, if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

Section 145(b) of the Delaware General Corporation Law provides, in general, that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor because the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification shall be made with respect to any claim, issue or matter as to which he or she shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or other adjudicating court determines that, despite the adjudication of liability but in view of all of the circumstances of the case, he or she is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or other adjudicating court shall deem proper.

Section 145(g) of the Delaware General Corporation Law provides, in general, that a corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of his or her status as such, whether or not the corporation would have the power to indemnify the person against such liability under Section 145 of the Delaware General Corporation Law.

The Certificate of Incorporation and the Bylaws of our Company provide that our Company will indemnify, to the fullest extent permitted by the Delaware General Corporation Law, each person who is or was a director, officer, employee or agent of our Company, or who serves or served any other enterprise or organization at the request of our Company. Pursuant to Delaware law, this includes elimination of liability for monetary damages for breach of the directors' fiduciary duty of care to our Company and its stockholders. These provisions do not eliminate the directors' duty of care and, in appropriate circumstances, equitable remedies such as injunctive or other forms of non-monetary relief will remain available under Delaware law. In addition, each director will continue to be subject to liability for breach of the director's duty of loyalty to our Company, for acts or omissions not in good faith or involving intentional misconduct, for knowing violations of law, for any transaction from which the director derived an improper personal benefit, and for payment of dividends or approval of stock repurchases or redemptions that are unlawful under Delaware law. The provision also does not affect a director's responsibilities under any other laws, such as the federal securities laws or state or federal environmental laws.

Our Company maintains a policy of directors' and officers' liability insurance that insures its directors and officers against the cost of defense, settlement or payment of a judgment under some circumstances.

Item 15. Recent Sales of Unregistered Securities

On August 27, 2008, we issued an aggregate of 960,000 shares of our common stock to Jonathan C. Javitt upon a cashless exercise by Mr. Javitt of a warrant to purchase 1,000,000 shares of common stock at an exercise price of \$.01 per share. The issuance of these securities was effected without registration in reliance on Section 4(2) of the Securities Act as a sale by the Company not involving a public offering. No underwriters were involved with the issuance of such securities.

On September 8, 2008, pursuant to the terms of a subscription agreement, dated July 2, 2007, between us and ACCBT Corporation ("ACCBT"), we closed a common stock and warrant financing in exchange for \$750,000. In consideration for such investment, we issued to ACCBT 4,125,000 shares of our common stock. In connection with the financing, we also issued to ACCBT a warrant for the purchase of 3,529,166 shares of common stock with an exercise price of \$0.29 per share and a warrant for the purchase of 1,008,334 shares of common stock with an exercise price of \$0.36 per share. In addition, on September 8, 2008, we issued 187,500 shares of common stock to Tayside Trading Ltd ("Tayside"), as a part of the 1,250,000-share finder's fee that Tayside is entitled to over time in connection with the installment investments made by ACCBT or permitted assignees under the subscription agreement. The issuance of these securities was effected without registration in reliance on Section 4(2) of the Securities Act as a sale by the Company not involving a public offering. No underwriters were involved with the issuance of such securities.

On April 2, 2009, we issued 2,500,000 shares of our common stock to Vivian Shaltiel and on April 5, 2009, we agreed to issue 1,800,000 shares of our common stock to Avinoam Kadouri. The shares issued to Ms. Shaltiel were issued upon Ms. Shaltiel's agreement to convert all amounts owed to her by us (\$200,000 plus accrued but unpaid interest) pursuant to a promissory note issued to Ms. Shaltiel by us. The promissory note was cancelled upon the conversion of the amounts owed thereunder into shares of common stock. The shares issued to Mr. Kadouri were issued upon Mr. Kadouri's agreement to convert all amounts owed to him as of December 31, 2008 by us (\$180,000) into shares of common stock. The issuance of these securities was effected without registration in reliance on Section 4(2) of the

Securities Act of 1933, as amended, as a sale by the Company not involving a public offering. No underwriters were involved with the issuance of such securities.

II-2

On April 13, 2009, we agreed to issue 250,000 shares of our common stock to Rasheda Ali in full satisfaction of \$25,000 owed by the Company to Ms. Ali for services rendered to the Company. The issuance of these securities was effected without registration in reliance on Section 4(2) of the Securities Act as a sale by the Company not involving a public offering. No underwriters were involved with the issuance of such securities.

On April 13, 2009, we, in consideration for certain legal services, agreed to issue to Sagiv Rotenberg, an option to purchase 200,000 shares of our common stock at an exercise price of \$0.10 per share, with such option to vest and become exercisable on the first anniversary of the grant date. The issuance of these securities was effected without registration in reliance on Section 4(2) of the Securities Act as a sale by the Company not involving a public offering. No underwriters were involved with the issuance of such securities.

On July 8, 2009, we issued 142,857 shares of common stock to each of Segal Holding and Variance Investment for financial services, in full satisfaction of the \$20,000 liability owed to them by the Company. The issuance of these securities was effected without registration in reliance on Section 4(2) of the Securities Act as a sale by the Company not involving a public offering. No underwriters were involved with the issuance of such securities.

On July 15, 2009, we issued 357,142 shares of common stock to United Business Media ("UBM") in full satisfaction of invoices totaling \$16,841.29 and \$8,159.71, respectively, which invoices related to the provision of EDGAR services to the Company. The amount payable by us to UBM was converted into common stock at a conversion price of \$0.07. The issuance of these securities was effected without registration in reliance on Section 4(2) of the Securities Act as a sale by the Company not involving a public offering. No underwriters were involved with the issuance of such securities.

On August 10, 2009, we issued 71,428 shares of common stock to Prodigy Ltd. ("Prodigy") in full satisfaction of the \$5,000 liability owed to Prodigy by the Company. The amount payable by us to Prodigy was converted into common stock at a conversion price of \$0.07. The issuance of these securities was effected without registration in reliance on Section 4(2) of the Securities Act as a sale by the Company not involving a public offering. No underwriters were involved with the issuance of such securities.

On August 18, 2009, we entered into an amendment to the subscription agreement with ACCBT (the "Amendment"). Pursuant to the Amendment: (i) ACCBT agreed to invest the remaining amount under the subscription agreement at a price per share of \$0.12 (instead of a price per share of \$0.1818) in monthly installments of not less than \$50,000 beginning in August 2009; (ii) the exercise price of the final 10,083,334 warrants decreased from \$0.36 to \$0.29; (iii) the expiration date of all warrants extended from November 5, 2011 to November 5, 2013; and (iv) the purchase price per share of all 27,500,000 shares purchased pursuant to the subscription agreement decreased from \$0.1818 to \$0.12, which repricing applied retroactively to all shares purchased by ACCBT prior to the Amendment. Accordingly, we adjusted the number of shares of our common stock issuable pursuant to the subscription agreement and issued 9,916,667 shares of common stock on October 28, 2009 to the following parties assigned the right by ACCBT to purchase such shares:

.	5,000,000 shares to Yosef Sternberg
.	1,416,667 shares to Tayside Trading
.	1,100,000 shares to Sarah Laufer
.	1,000,000 shares to Seastripe Trading Corp.
.	1,000,000 shares to Schanzengraben SA
.	400,000 shares to PR Diamonds Inc.

The issuance of these securities was effected without registration in reliance on Section 4(2) of the Securities Act as a

sale by the Company not involving a public offering. No underwriters were involved with the issuance of such securities.

On September 1, 2009, we agreed to issue 1,250,000 shares of common stock to Emerging Markets Consulting, LLC in exchange for public relations work to be performed for the Company. The issuance of these securities was effected without registration in reliance on Section 4(2) of the Securities Act as a sale by the Company not involving a public offering. No underwriters were involved with the issuance of such securities.

II-3

On October 1, 2009, we issued 150,000 shares of common stock to ERS Associates Ltd. for public relations and investor relations work performed by ERS Associates Ltd. for the Company. The issuance of these securities was effected without registration in reliance on Section 4(2) of the Securities Act as a sale by the Company not involving a public offering. No underwriters were involved with the issuance of such securities.

On December 24, 2009, we issued to Ramot 3,088,338 shares of common stock in connection with Ramot's exercise of a warrant to purchase common stock that was previously issued to Ramot. Ramot paid the exercise price via the net issuance (i.e., cashless exercise) provision set forth in the warrant. The issuance of these securities was effected without registration in reliance on Section 4(2) of the Securities Act as a sale by the Company not involving a public offering. No underwriters were involved with the issuance of such securities.

On December 30, 2009, we issued 1,200,000 shares of common stock in connection with the conversion into common stock of the \$272,000 owed by the Company to Ramot. The issuance of these securities was effected without registration in reliance on Section 4(2) of the Securities Act as a sale by the Company not involving a public offering. No underwriters were involved with the issuance of such securities.

On January 5, 2010, we issued 50,000 shares of common stock to our public relations advisors for six months of services performed for the Company. The issuance of such shares was in accordance with an agreement with the public relations advisors that entitles them to a monthly grant of 8,333 shares of common stock. The issuance of these securities was effected without registration in reliance upon Regulation D promulgated under the Securities Act. No underwriters were involved with the issuance of such securities and no commissions were paid in connection with such transaction.

On January 6, 2010, we issued 60,000 shares of common stock to Landoy Risk Management Ltd. in full satisfaction of the \$15,000 owed by us to Landoy Risk Management Ltd. The amount payable by us to Landoy Risk Management Ltd. was converted into our common stock at a conversion price of \$0.25. The issuance of these securities was effected without registration in reliance upon Regulation D promulgated under the Securities Act. No underwriters were involved with the issuance of such securities and no commissions were paid in connection with such transaction.

On January 25, 2010, we and Reytalon Ltd ("Reytalon") entered into a subscription agreement pursuant to which we issued 1,250,000 shares of common stock to Reytalon at a purchase price of \$0.20 per share (for total gross proceeds of \$250,000 paid to the Company) and a warrant to purchase up to an additional 1,250,000 shares of common stock at an exercise price of \$0.50 per share and which is exercisable until January 24, 2012. The issuance of these securities was effected without registration in reliance upon Regulation S promulgated under the Securities Act as an offer and sale by the Company outside of the United States without registration. No underwriters were involved with the issuance of such securities and no commissions were paid in connection with such transaction.

On January 27, 2010, upon conversion of a \$150,000 8% Convertible Promissory Note, dated as of March 5, 2007, issued by us to Eliyahu Weinstein, we issued 1,016,109 shares of common stock to Tayside, Mr. Weinstein's assignee, upon receipt of Tayside's written notice of his election to convert all of the outstanding principal and interest amount of the note into shares of common stock. The conversion price was \$0.1875. The issuance of these securities was effected without registration in reliance upon Regulation D promulgated under the Securities Act. No underwriters were involved with the issuance of such securities and no commissions were paid in connection with such transaction.

On February 17, 2010, we entered into a series of agreements with Hadasit Medical Research Services and Development Ltd., a subsidiary of the Hadassah Medical Organization ("Hadassah"). Under the agreements, Hadassah and our personnel will conduct a clinical trial to evaluate the safety and tolerability of our treatment using mesenchymal bone marrow stem cells secreting neurotrophic factors (MSC-NTF) in patients with ALS, in accordance with a protocol developed jointly by us and Hadassah. In connection with the study, we will issue to Hadasit and

Hadassah personnel warrants to purchase up to 1,500,000 restricted shares of common stock at an exercise price of \$0.001 per share, exercisable for a period of 5 years. The warrants shall vest over the course of the study as follows: 500,000 upon enrollment of 1/3 of the patients; an additional 500,000 upon enrollment of all the patients and the final 500,000 upon completion of the study. The issuance of these securities was effected without registration in reliance upon Regulation D promulgated under the Securities Act. No underwriters were involved with the issuance of such securities and no commissions were paid in connection with such transaction.

II-4

On February 17, 2010, we entered into Securities Purchase Agreements with three individual investors (collectively, the “Investors”), pursuant to which we agreed to issue to the Investors an aggregate of 6,000,000 shares of common stock and two-year warrants to purchase 3,000,000 shares of common stock with an exercise price of \$0.50 in exchange for \$1,500,000. On March 2, 2010, the transaction involving the sale of the shares of common stock and warrants was completed, and the following shares and warrants were issued in exchange for the investment of \$1,500,000 in the Company:

	Number of Shares of Common Stock	Warrants for the Purchase of Shares of Common Stock
Abraham Suisse	2,000,000	1,000,000
Abram Nanikashvili	2,000,000	1,000,000
Yaakov Ben Zaken	2,000,000	1,000,000

We offered and sold the shares of common stock and warrants in reliance on the statutory exemption from registration in Section 4(2) of the Securities Act of 1933 and/or Regulation S promulgated thereunder.

On February 19, 2010, upon conversion of a \$135,000 4% Convertible Promissory Note, dated as of December 13, 2009, issued by us to Thomas B. Rosedale, we issued 402,385 shares of common stock to Thomas B. Rosedale upon receipt of written notice of his election to convert all of the outstanding principal and interest amount of the note into shares of common stock. The conversion price was \$0.338. The note was issued as payment for unpaid legal fees, as of October 31, 2009, which were owed to BRL Law Group LLC, of which Mr. Rosedale is the managing member. The issuance of these securities was effected without registration in reliance upon Regulation D promulgated under the Securities Act. No underwriters were involved with the issuance of such securities and no commissions were paid in connection with such transaction.

On April 13, 2010, pursuant to an agreement by and between the Company, Abraham Israeli and Hadasit Medical Research Services and Development Ltd. (the “Hadasit Agreement”), we issued a warrant to purchase up to 33,334 shares of our common stock at an exercise price of \$0.00005 per share, exercisable for a period of 10 years, to Hadasit Medical Research Services and Development Ltd. The issuance of these securities was effected without registration in reliance upon Regulation D promulgated under the Securities Act. No underwriters were involved with the issuance of such securities and no commissions were paid in connection with such transaction.

On January 18, 2011, we entered into an agreement with ACCBT to offset amounts due to ACCBT, totaling approximately \$22,000. In connection with this agreement, we issued to ACCBT 10,499,999 shares of common stock and a warrant to purchase 4,537,500 shares of common stock at an exercise price of \$0.29 per share. The issuance of these securities was effected without registration in reliance on Section 4(2) of the Securities Act as a sale by the Company not involving a public offering. No underwriters were involved with the issuance of such securities.

On February 7, 2011, we entered into a Securities Purchase Agreement with an investor pursuant to which we issued and sold 833,333 shares of our common stock, at a price of \$0.30 per share, and a warrant to purchase 641,026 shares of our common stock until the first anniversary of the issuance date of the warrant at an exercise price of \$0.39 per share for total proceeds of \$250,000. The warrant may only be exercised by the payment of the exercise price in cash. The warrants, if exercised in full, will result in additional cash proceeds to the Company of approximately \$250,000. The issuance of these securities was effected without registration in reliance upon Regulation D promulgated under the Securities Act. No underwriters were involved with the issuance of such securities and no commissions were paid in connection with such transaction.

On February 18, 2011, upon conversion of a \$135,000 4% Convertible Promissory Note, dated as of September 15, 2010, issued by us to Thomas B. Rosedale, we issued 445,617 shares of our common stock to Thomas B. Rosedale upon receipt of written notice of his election to convert all of the outstanding principal and interest amount of the note into shares of common stock. The conversion price was \$0.308. The note was issued as payment for unpaid legal fees through December 31, 2010, which were owed to BRL Law Group LLC, of which Mr. Rosedale is the managing member. The issuance of these securities was effected without registration in reliance upon Regulation D promulgated under the Securities Act. No underwriters were involved with the issuance of such securities and no commissions were paid in connection with such transaction.

Between February 22, 2011 and February 27, 2011, we entered into Securities Purchase Agreements with institutional and individual investors pursuant to which we issued and sold 12,815,000 units comprised of shares of common stock and warrants for the purchase of common stock (the "Units") in exchange for \$3,588,200 (\$0.28 per Unit).

Each unit includes (i) one share of common stock, (ii) a warrant to purchase one-half of one share of our common stock until the first anniversary of the closing date at a purchase price of \$0.28 per share and (iii) a warrant to purchase one share of our common stock until the second anniversary of the closing date at a purchase price of \$0.50 per share. The warrants may only be exercised by the payment of the exercise price in cash. The warrants, if exercised in full, will result in additional cash proceeds to the Company of approximately \$6.8 million.

II-5

The securities issued in this private placement were to accredited and other qualified investors outside of the United States in reliance upon available exemptions from the registration requirements of the Securities Act, including Section 4(2) thereof and Regulation S promulgated thereunder.

Barak Capital Underwriting Ltd. (“Barak”) acted as the placement agent in the offering. We paid Barak approximately \$215,000 in cash and issued 512,600 shares of common stock to Barak in consideration of the services provided to us in connection with the transaction.

On April 13, 2011, pursuant to the Hadasit Agreement, we issued a warrant to purchase up to 33,334 shares of our common stock at an exercise price of \$0.00005 per share, exercisable for a period of 10 years, to Hadasit Medical Research Services and Development Ltd. The issuance of these securities was effected without registration in reliance upon Regulation D promulgated under the Securities Act. No underwriters were involved with the issuance of such securities and no commissions were paid in connection with such transaction.

On June 27, 2011, we issued 10,870 shares of common stock to Landoy Risk Management Ltd. for unpaid consulting services. The issuance of these securities was effected without registration in reliance upon Regulation D promulgated under the Securities Act. No underwriters were involved with the issuance of such securities and no commissions were paid in connection with such transaction.

In July 2011, Amatrine Ltd. exercised a warrant, dated as of March 1, 2011, held by such entity for the purchase of 759,334 shares of common stock. The exercise price paid upon exercise of the warrant was \$0.28 per share for a total of \$212,613.52, which has been received by us. The issuance of these securities was effected without registration in reliance on Section 4(2) of the Securities Act as a sale by the Company not involving a public offering. No underwriters were involved with the issuance of such securities and no commissions were paid in connection with such transaction.

On July 7, 2011, we issued 309,977 shares of common stock to Tayside Trading Ltd. (“Tayside”), in addition to the 1,016,109 shares of common stock previously issued in connection with the conversion of a convertible loan received in 2007 and converted to our common stock. The issuance of these securities was effected without registration in reliance on Section 4(2) of the Securities Act as a sale by the Company not involving a public offering. No underwriters were involved with the issuance of such securities.

On July 18, 2011, we issued 180,000 shares of common stock to Thomas B. Rosedale as payment for unpaid 2011 legal fees, which were owed to BRL Law Group LLC, of which Mr. Rosedale is the managing member. The issuance of these securities was effected without registration in reliance upon Regulation D promulgated under the Securities Act. No underwriters were involved with the issuance of such securities and no commissions were paid in connection with such transaction.

In September 2011, Fidelity Venture Capital Ltd. exercised a warrant, dated as of March 1, 2011, held by such entity for the purchase of 187,500 shares of common stock. The exercise price paid upon exercise of the warrant was \$0.28 per share for a total of \$52,500.00, which has been received by us. The issuance of these securities was effected without registration in reliance on Section 4(2) of the Securities Act as a sale by the Company not involving a public offering. No underwriters were involved with the issuance of such securities and no commissions were paid in connection with such transaction.

On November 10, 2011, we issued 100,000 shares of our common stock to Dani Offen in connection with his exercise of a warrant to purchase common stock previously issued. The exercise price paid upon exercise of the warrant was \$0.067 per share for a total of \$6,700.00, which has been received by us. The issuance of these securities was effected without registration in reliance on Section 4(2) of the Securities Act as a sale by the Company not involving a public offering. No underwriters were involved with the issuance of such securities.

On January 11, 2012, we issued 125,000 shares of our common stock to E.H.O. Consulting and Holdings Ltd. in connection with its exercise of a warrant to purchase common stock previously issued. The exercise price paid upon exercise of the warrant was \$0.001 per share for a total of \$125.00, which has been received by us. The issuance of these securities was effected without registration in reliance on Section 4(2) of the Securities Act as a sale by the Company not involving a public offering. No underwriters were involved with the issuance of such securities.

On April 13, 2012, pursuant to the Hadasit Agreement, we issued a warrant to purchase up to 33,334 shares of our common stock at an exercise price of \$0.00005 per share, exercisable for a period of 10 years, to Hadasit Medical Research Services and Development Ltd. The issuance of these securities was effected without registration in reliance upon Regulation D promulgated under the Securities Act. No underwriters were involved with the issuance of such securities and no commissions were paid in connection with such transaction.

On April 22, 2012, we issued 834,729 shares of our common stock to Yossef Levy in connection with his exercise of a warrant to purchase common stock previously issued. The exercise price paid upon exercise of the warrant was \$0.01 per share for a total of \$8,347, which has been received by us. The issuance of these securities was effected without registration in reliance on Section 4(2) of the Securities Act as a sale by the Company not involving a public offering. No underwriters were involved with the issuance of such securities.

II-6

Item 16. Exhibits and Financial Statement Schedules

Exhibit No.	Description
2.1	Agreement and Plan of Merger, dated as of November 28, 2006, by and between Brainstorm Cell Therapeutics Inc., a Washington corporation, and Brainstorm Cell Therapeutics Inc., a Delaware corporation, is incorporated herein by reference to Appendix A of the Company's Definitive Schedule 14A dated November 20, 2006 (File No. 333-61610).
3.1	Certificate of Incorporation of Brainstorm Cell Therapeutics Inc. is incorporated herein by reference to Appendix B of the Company's Definitive Schedule 14A dated November 20, 2006 (File No. 333-61610).
3.2	ByLaws of Brainstorm Cell Therapeutics Inc. is incorporated herein by reference to Appendix C of the Company's Definitive Schedule 14A dated November 20, 2006 (File No. 333-61610).
3.3	Amendment No. 1 to ByLaws of Brainstorm Cell Therapeutics Inc., dated as of March 21, 2007, is incorporated herein by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K dated March 27, 2007 (File No. 333-61610).
4.1	Form of Warrant.
5.1	Form of Opinion of counsel as to legality of securities being registered.
10.1	Research and License Agreement, dated as of July 8, 2004, by and between the Company and Ramot at Tel Aviv University Ltd. is incorporated herein by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K dated July 8, 2004 (File No. 333-61610).
10.2	Research and License Agreement, dated as of March 30, 2006, by and between the Company and Ramot at Tel Aviv University Ltd. is incorporated herein by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K dated March 30, 2006 (File No. 333-61610).
10.3	Amendment Agreement, dated as of May 23, 2006, to Research and License Agreement, by and between the Company and Ramot at Tel Aviv University Ltd. is incorporated herein by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K/A dated March 30, 2006 (File No. 333-61610).
10.4	Form of Common Stock Purchase Warrant, dated as of November 4, 2004, issued pursuant to Research and License Agreement with Ramot at Tel Aviv University Ltd. is incorporated herein by reference to Exhibit 4.07 of the Company's Current Report on Form 8-K/A dated November 4, 2004 (File No. 333-61610).
10.5	Amendment Agreement, dated as of March 31, 2006, among the Company, Ramot at Tel Aviv University Ltd. and certain warrant holders is incorporated herein by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K dated March 30, 2006 (File No. 333-61610).
10.6	Form of Common Stock Purchase Warrant, dated as of November 4, 2004, issued as a replacement warrant under the Amendment Agreement to Ramot at Tel Aviv University Ltd., is incorporated herein by reference to Exhibit 10.4 of the Company's Current Report on Form 8-K dated March 30, 2006 (File

No. 333-61610).

10.7 Second Amended and Restated Research and License Agreement, dated July 31, 2007, by and between the Company and Ramot at Tel Aviv University Ltd. is incorporated herein by reference to Exhibit 10.4 of the Company's Quarterly Report on Form 10-QSB dated June 30, 2007 (File No. 333-61610).

II-7

- 10.8 Second Amended and Restated Registration Rights Agreement, dated August 1, 2007, by and between the Company and Ramot at Tel Aviv University Ltd. is incorporated herein by reference to Exhibit 10.5 of the Company's Quarterly Report on Form 10-QSB dated June 30, 2007 (File No. 333-61610).
- 10.9 Waiver and Release, dated August 1, 2007, executed by Ramot at Tel Aviv University Ltd. in favor of the Company is incorporated herein by reference to Exhibit 10.6 of the Company's Quarterly Report on Form 10-QSB dated June 30, 2007 (File No. 333-61610).
- 10.10 Letter Agreement, dated December 24, 2009, by and between the Company and Ramot at Tel Aviv University Ltd. is incorporated herein by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed December 31, 2009 (File No. 333-61610).
- 10.11 Amendment No. 1 to Second Amended and Restated Research and License Agreement, by and between the Company and Ramot at Tel Aviv University Ltd. is incorporated herein by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed December 31, 2009 (File No. 333-61610).
- 10.12 Assignment Agreement, dated December 20, 2011, by and between the Company and Brainstorm Cell Therapeutics Ltd. **
- 10.13 Consulting Agreement, dated as of July 8, 2004, by and between the Company and Prof. Eldad Melamed is incorporated herein by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K dated July 8, 2004 (File No. 333-61610).
- 10.14 Consulting Agreement, dated as of July 8, 2004, by and between the Company and Dr. Daniel Offen is incorporated herein by reference to Exhibit 10.3 of the Company's Current Report on Form 8-K dated July 8, 2004 (File No. 333-61610).
- 10.15 Consulting Agreement, dated as of May 31, 2012, by and between the Company and Dr. Daniel Offen.
- 10.16* Employment Agreement, dated as of October 7, 2007, by and among Brainstorm Cell Therapeutics Ltd., the Company and Abraham Efrati is incorporated herein by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K/A dated October 15, 2007 (File No. 333-61610).
- 10.17 Lease Agreement, dated as of December 1, 2004, among the Company, Petah Tikvah Science and Technology District 'A' Ltd., Petah Tikvah Science and Technology District 'B' Ltd. and Atzma and Partners Maccabim Investments Ltd. is incorporated herein by reference to Exhibit 10.10 of the Company's Quarterly Report on Form 10-QSB dated December 31, 2004 (File No. 333-61610).
- 10.18* Brainstorm Cell Therapeutics Inc. Amended and Restated 2004 Global Share Option Plan is incorporated herein by reference to Exhibit A to the Company's Definitive Schedule 14A filed April 29, 2011 (File No. 000-54365).
- 10.19* Brainstorm Cell Therapeutics Inc. Amended and Restated 2005 U.S. Stock Option and Incentive Plan is incorporated herein by reference to Exhibit B to the Company's Definitive Schedule 14A filed April 29, 2011 (File No. 000-54365).
- 10.20* Form of Stock Option Agreement for usage under the Registrant's Amended and Restated 2004 Global Share Option Plan is incorporated herein by reference to Exhibit 10.9 of the Company's Quarterly Report on Form 10-Q filed on August 15, 2011 (File No. 000-54365).

10.21* Form of Restricted Stock Agreement for usage under the Registrant's Amended and Restated 2005 U.S. Stock Option and Incentive Plan is incorporated herein by reference to Exhibit 10.10 of the Company's Quarterly Report on Form 10-Q filed on August 15, 2011 (File No. 000-54365).

II-8

- 10.22* Option Agreement, dated as of December 31, 2004, by and between the Company and David Stolick is incorporated herein by reference to Exhibit 10.15 of the Company's Current Report on Form 8-K dated March 28, 2005 (File No. 333-61610).
- 10.23* Amendment to Option Agreement, dated as of February 6, 2006, by and between the Company and David Stolick is incorporated herein by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K dated February 6, 2006 (File No. 333-61610).
- 10.24 Common Stock Purchase Warrant, dated as of May 16, 2005, issued to Trout Capital LLC is incorporated herein by reference to Exhibit 10.19 of the Company's Quarterly Report on Form 10-QSB dated June 30, 2005 (File No. 333-61610).
- 10.25 Collaboration Agreement, dated as of December 26, 2006, by and between the Company and Fundacion para la Investigacion Medica Aplicada is incorporated herein by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K dated January 23, 2007. (File No. 333-61610).
- 10.26 Subscription Agreement, dated July 2, 2007, by and between the Company and ACCBT Corp. is incorporated herein by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed on July 5, 2007 (File No. 333-61610).
- 10.27 Amendment to Subscription Agreement, dated as of July 31, 2009, by and between the Company and ACCBT Corp. is incorporated herein by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed on August 24, 2009 (File No. 333-61610).
- 10.28 Form of Common Stock Purchase Warrant issued by the Company to ACCBT Corp. is incorporated herein by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed on July 5, 2007 (File No. 333-61610).
- 10.29 Form of Registration Rights Agreement by and between the Company and ACCBT Corp. is incorporated herein by reference to Exhibit 10.3 of the Company's Current Report on Form 8-K filed on July 5, 2007 (File No. 333-61610).
- 10.30 Form of Security Holders Agreement, by and between ACCBT Corp. and certain security holders of the Registrant is incorporated herein by reference to Exhibit 10.4 of the Company's Current Report on Form 8-K filed on July 5, 2007 (File No. 333-61610).
- 10.31 Finder's Fee Agreement, dated as of October 29, 2007, by and between the Company and Tayside Trading Ltd. is incorporated herein by reference to Exhibit 10.63 of the Company's Annual Report on Form 10-KSB filed on April 14, 2008 (File No. 333-61610).
- 10.32 Subscription Agreement, dated January 24, 2010, by and between the Company and Reytalon Ltd. is incorporated herein by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed on February 1, 2010 (File No. 333-61610).
- 10.33 Common Stock Purchase Warrant, dated January 24, 2010, issued by the Company to Reytalon Ltd. is incorporated herein by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed on February 1, 2010 (File No. 333-61610).

10.34 Securities Purchase Agreement, dated as of February 17, 2010, by and between the Company and Abraham Suisse is incorporated herein by reference to Exhibit 10.69 of the Company's Annual Report on Form 10-K filed on March 25, 2010 (File No. 333-61610).

10.35 Securities Purchase Agreement, dated as of February 17, 2010, by and between the Company and Yaakov Ben Zaken is incorporated herein by reference to Exhibit 10.70 of the Company's Annual Report on Form 10-K filed on March 25, 2010 (File No. 333-61610).

II-9

- 10.36 Securities Purchase Agreement, dated as of February 17, 2010, by and between the Company and Abram Nanikashvili is incorporated herein by reference to Exhibit 10.71 of the Company's Annual Report on Form 10-K filed on March 25, 2010 (File No. 333-61610).
- 10.37* Agreement, dated April 13, 2010, by and between the Company, Abraham Israeli and Hadasit Medical Research Services and Development Ltd. is incorporated herein by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed on April 15, 2010 (File No. 333-61610).
- 10.38* First Amendment Agreement, dated as of December 31, 2011, to the Agreement by and between the Company, Abraham Israeli and Hadasit Medical Research Services and Development Ltd. **
- 10.39 Common Stock Purchase Warrant, dated as of April 13, 2010, issued by BrainStorm Cell Therapeutics Inc. to Hadasit Medical Research Services and Development Ltd. **
- 10.40 Common Stock Purchase Warrant, dated as of April 13, 2011, issued by BrainStorm Cell Therapeutics Inc. to Hadasit Medical Research Services and Development Ltd. **
- 10.41 Convertible Promissory Note, dated as of September 15, 2010, issued by the Company to Thomas B. Rosedale is incorporated herein by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q filed on November 15, 2010 (File No. 333-61610).
- 10.42* Employment Agreement, dated June 23, 2010, by and between the Brainstorm Cell Therapeutics Ltd. and Liat Sossover is incorporated herein by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q filed on August 16, 2010 (File No. 333-61610).
- 10.43* Employment Agreement, dated January 30, 2011, by and between Brainstorm Cell Therapeutics Ltd. and Dr. Adrian Harel is incorporated herein by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed on February 2, 2011 (File No. 333-61610).
- 10.44 Form of Securities Purchase Agreement, dated as of February 2011, by and between the Company and certain investors is incorporated herein by reference to Exhibit 10.37 of the Company's Annual Report on Form 10-K filed on March 31, 2011(File No. 333-61610).
- 10.45 Form of Common Stock Purchase Warrant, dated as of February 2011, issued by the Company to certain investors is incorporated herein by reference to Exhibit 10.38 of the Company's Annual Report on Form 10-K filed on March 31, 2011(File No. 333-61610).
- 10.46 Form of Securities Purchase Agreement, dated as of February 7, 2011, by and between the Company and Karinel Ltd. is incorporated herein by reference to Exhibit 10.39 of the Company's Annual Report on Form 10-K filed on March 31, 2011(File No. 333-61610).
- 10.47 Form of Common Stock Purchase Warrant, dated as of February 7, 2011, issued by the Company to Karinet Ltd. is incorporated herein by reference to Exhibit 10.40 of the Company's Annual Report on Form 10-K filed on March 31, 2011(File No. 333-61610).
- 10.48 Clinical Trial Agreement, entered into as of February 17, 2010, among BrainStorm Cell Therapeutics Ltd., Prof. Dimitrios Karussis and Hadasit Medical Research Services and Development Ltd. is incorporated herein by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q filed on August 15, 2011 (File No. 000-54365).

- 10.49 Amendment to the Clinical Trial Agreement, entered into as of June 27, 2011, among BrainStorm Cell Therapeutics Ltd., Prof. Dimitrios Karousis and Hadasit Medical Research Services and Development Ltd. is incorporated herein by reference to Exhibit 10.2 of the Company's Quarterly Report on Form 10-Q filed on August 15, 2011 (File No. 000-54365).
- 10.50* BrainStorm Cell Therapeutics Inc. Director Compensation Plan is incorporated herein by reference to Exhibit 10.3 of the Company's Quarterly Report on Form 10-Q filed on August 15, 2011 (File No. 000-54365).
- 10.51 Common Stock Purchase Warrant, dated as of February 17, 2010, issued by BrainStorm Cell Therapeutics Inc. to Hadasit Medical Research Services and Development Ltd. **

II-10

- 10.52 Common Stock Purchase Warrant, dated as of February 17, 2010, issued by BrainStorm Cell Therapeutics Inc. to Hadasit Medical Research Services and Development Ltd. **
- 10.53 Common Stock Purchase Warrant, dated as of February 17, 2010, issued by BrainStorm Cell Therapeutics Inc. to Hadasit Medical Research Services and Development Ltd. **
- 10.54 Settlement and Waiver Agreement, dated July 25, 2011, by and among BrainStorm Cell Therapeutics Inc., BrainStorm Cell Therapeutics Ltd., Abraham Efrati and Pro Int Ltd. is incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed July 28, 2011 (File No. 000-54365).
- 10.55 * Amended and Restated Executive Director Agreement, dated November 11, 2011, by and between the Company and Chen Schor is incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K/A filed November 16, 2011 (File No. 333-61610).
- 10.56 Warrant Amendment Agreement, dated as of May 10, 2012, by and between BrainStorm Cell Therapeutics Inc. and ACCBT Corp. is incorporated herein by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on May 11, 2012 (File No. 000-54365)
- 10.57 Form of Securities Purchase Agreement.
- 10.58 Form of Placement Agency Agreement.
- 21.1 Subsidiaries of the Company is incorporated herein by reference to Exhibit 21 of the Company's Transition Report on Form 10-KSB filed on March 30, 2007 (File No. 333-61610).
- 23.1 Consent of Brightman Almagor & Co., a member of Deloitte Touche Tohmatsu.
- 23.2 Consent of Kost Forer Gabbay & Kasierer, a member of Ernst & Young Global.
- 23.3 Consent of BRL Law Group LLC (included in Exhibit 5.1)
- 24.1 Power of Attorney **
101. INS XBRL Instance Document
101. SCH XBRL Taxonomy Extension Schema